

MINUTES
FORD CITY BOROUGH COUNCIL
SPECIAL MEETING
LOCATION – FORD CITY BOROUGH BUILDING
DECEMBER 27, 2010

MEETING SIGN IN SHEET Council President Lux informed everyone addressing council, must sign in on the meeting sign in sheet. All speakers must step to the microphone to speak. Begin with stating your name and address for the record.

Residents shall not speak for longer than five (5) minutes. The total time allotted for public participation shall not exceed thirty (30) minutes unless otherwise waived by a majority of the quorum.

CALL TO ORDER Council President Lux called the meeting to order at 6:13 p.m. and advised the audience that the meeting will be audio taped by Family Life TV.

Lux asks if there is anyone in the audience audio or video taping the meeting? There was no response.

ROLL CALL John Lux, Ray Klukan, Ron Dillard, Lou Vergari, Paul Harmon, and Mayor Mantini were present. Rob Mohny was absent.

ATTENDANCE Solicitor Frank Wolfe, Delores Shaeffer, Greg Dinko, Tom Ondrusek, Jerry Miklos, Chris Zionkowski, Mitch Fryer, Mike Gaydosh - EXCO and David Croyle were also present.

GAS WELL DRILLING **PUBLIC COMMENT**

Delores Shaeffer questions if there will be a presentation.

Mike Gaydosh - EXCO explained plans for gas well drilling.

Harmon stated the areas discussed are - Brownfield 40, Dump 65 and Soft Ballfields.

Gaydosh stated there cannot be any drilling within 200' of a house.

Gaydosh stated there would not be any storing waste frac water, it will be hauled away to areas in Indiana and Franklin Counties.

Shaeffer inquires about protection of the aquifer.

Mike can't answer, not his area, they must follow DEP regulations

Minutes

12-27-2010

Special Meeting

approved 2-14-2011

Within 1000' of well must test water, when finished drilling water tests must match first water tests done, fully responsible for land,

water, and roads, everything must be exact, DEP has strict rules that must be followed, water hauled away no blemishes

Vergari questions how many wells.

Gaydosh explains 10 to 14 drilled and operating.

Shaeffer asks about salts being hauled away.

Gaydosh explained they are now being taught how to recycle water, still a learning curve for them.

Shaeffer stated there is still no drilling in NY, and expressed her concern about drilling on the brownfield

Gaydosh explained they are looking to lease, need 600 acres together, vertical holes will be drilled, would like to reach an agreement. Need ground, do a test drill

Shaeffer questions if this is the only public hearing

Harmon states that council can have another meeting

Gaydosh explained once the lease is signed (5 year term) they cannot do anything unless there is a lease.

Gaydosh explained he is willing to take people on a tour of a local site in Manor Twp.

Shaeffer asked if drilled in town.

Gaydosh answered yes.

The starting point depending on their geology department.

Jerry Miklos asked what assurance or guarantee the drinking water will remain the same?

Gaydosh answered can't do that, they are fully responsible and must follow DEP regulations, local, county, state, lease gas rights

Gaydosh stated they must supply water if they, EXCO, causes damage, can't get a permit if don't follow rules.

Solicitor Wolfe explained they just have to get the water service returned, temp water may have to come from a truck

Minutes
12-27-2010
Special Meeting
approved 2-14-2011

- 1) drill new wells
- 2) or another municipality

Takes money and time to solve.

Harmon stated they have to put it back the way it was.

Mayor Mantini explained Professor Morrison, there is a safe way to extract.

Miklos explained some are pros or cons.

Mantini stated this has to be researched.

Shaeffer stated if there is an accident, it will be bad if water is ruined.

Gaydosh explained he is new to PA, doing for many years in Texas, transformed ways to work here in PA.

Miklos contrary to what is being said, most employees coming from PA.

Gaydosh explained the brains are in Texas and clerical here in PA.

Lux reminded everyone there are emergency connections with Manor Twp, three (3) locations.

Dinko stated he works for McCutcheon who worked with EXCO. It is a safe industry. Dinko stated council should proceed with an agreement.

Shaeffer asked if the terms of an agreement would be made public?

Solicitor Wolfe answered yes.

Lux stated it will be a public record.

Lux explained he is willing to have another public meeting, council has been working on this for two (2) years.

David Croyle asked what kind of dollar amount is being discussed?

Gaydosh stated - 42.585 acres \$127,755 Brownfield
181.057 acres \$543,171 Ballfield
63 acres \$189,783 Landfill

Royalty on unit 18% of what is generated if property is not used.

Unit = 640 acre of ground

A vertical hole is drilled then Geology decides to accept or reject.

Minutes
12-27-2010
Special Meeting
approved 2-14-2011

Wolfe explained after 5 years, free to go with another company.
Royalties paid up front by EXCO.

Harmon asked if a refrac be necessary?

Gaydosh can't answer, they only have wells as old as 1 year.

Gaydosh stated the Utica shell has been identified at a new deeper level.

As long as part of a unit - royalties will be received

Gaydosh explained the rock layer is busted, fractured, to allow the gas to escape.

Harmon asked if a fee would be paid if property is used as a pad?

Gaydosh answered a pad fee is paid, surface use agreements are made from \$500 to \$ 60,000.

Gaydosh explained money comes within 90 days.

Shaeffer asked what happens if there is a catastrophic event?

Gaydosh stated Exco is fully responsible. Once it is proven it was caused by gas company they are fully responsible. The DEP is there around the clock

Gaydosh explained errors happen they are responsible in the end.

Shaeffer explained if Ford City doesn't sign the lease the other municipality will get a royalty.

Wolfe explained the PA law of Capture can come close to property and suck gas off neighbor's property.

Gaydosh stated they keep daily logs of where they are drilling.

Mayor asked if Gaydosh would you take people out to site?

Gaydosh answered yes.

PURCHASE APPROVAL

Dillard made a motion to approve the purchase of Crystal Reports software from Donald R. Frey for use with the water billing software in the amount of \$365.00. Seconded by Vergari. Motion Carried. 5-0 Unanimous

Minutes
12-27-2010
Special Meeting
approved 2-14-2011

ADJUDICATION - POLISH FALCONS

Dillard made a motion to enter into the minutes of the Borough the Adjudication for the Polish Falcons Conditional Use Hearing for the installation of a marquee lighted sign. Seconded by Klukan. Motion Carried. 5-0 Unanimous

FORD CITY CAR WASH

Harmon made a motion to ratify the purchase of car wash tokens from Ford City Car Wash in the amount of \$100.00 for the purpose of washing the police cars. Seconded by Dillard. Motion Carried. 5-0 Unanimous

PSAB - SEMINAR

Dillard made a motion to authorize Fred Dzugan to attend a "Redeveloping Blighted Properties" seminar on Thursday, January 13, 2010 at a cost of \$60.00 plus mileage. Seconded by Klukan. Motion Carried. 5-0 Unanimous

SEWAGE AUTHORITY

Dillard made a motion to appoint Zoltar Kupas to the F.C.B.M.S.D.A. for a term to expire on 12-31-2013. Seconded by Vergari. Motion Carried. 4-0 Harmon abstains.

TEMPORARY RATE - UNION

Vergari made a motion to pay the amount of \$1.81 to Bill Stivason or Chad Kijowski whenever they are temporarily performing the duties of departmental leadership until such time that a superintendent is hired. Seconded by Klukan. 5-0 Unanimous

BATTERY WAREHOUSE

Klukan made a motion to pay \$19.98 to Battery Warehouse for the purchase of batteries for the Police Department. Seconded by Dillard. Motion Carried. 5-0 Unanimous

HANDICAP SIGN

Klukan made a motion to approve the recommendation of the Handicap Committee dated 12-16-2010. Seconded by Dillard. Motion Carried. 5-0 Unanimous

SOLICITOR COMMENTS

Solicitor Wolfe had no comments at this time.

MAYOR COMMENTS

Thanks council and citizens for open discussion.

COUNCIL COMMENTS

Vergari wishes everyone a healthy and prosperous New Year.

Dillard thanks Mrs. Shaffer and Greg Dinko. Wishes everyone good health for 2011.

Lux wishes everyone a Happy New Year.

Klukan wishes everyone a Happy New Year

Minutes

12-27-2010

Special Meeting

approved 2-14-2011

Harmon states that he did not vote because he didn't have a chance to interview with Zoltar Kupas.

ADJOURNMENT

Klukan made a motion to adjourn the meeting at 7:36 p.m.
Seconded by Dillard. Motion Carried. 5-0 Unanimous

John M. Lux
Council President

Lisa Bittner
Borough Secretary

Minutes
12-27-2010
Special Meeting
approved 2-14-2011