

RECONVENED MEETING BLOSSBURG MUNICIPAL AUTHORITY
JULY 19, 2022

The reconvened meeting of the Blossburg Municipal Authority was held on Tuesday, July 19, 2022 at 7:00 PM in the Council Room.

The following members were present: Chairman M. Stoudt, Vice Chairman J. Bubacz, Jr., Secretary S. Hall, Treasurer P. Bauman. Absent was member J. Eckman. Also present was G. Lloyd, Borough Manager and L. Lazouras, Recording Secretary.

GUESTS: H. Deitrick, FCCB and S. Bray, Engineer. Yves from HRG is available by phone should we need to call him.

The Chairman called the meeting to order at 7:00 PM. We have to discuss the RUS loan packages.

H. Deitrick was present to discuss invest amounts and interest rates available with FCCB. Following her presentation, the Chairman thanked her for the information, and she left the meeting at 7:15 PM.

We have to decide on the second offer of a grant and loan from RUS for the new WWTP. The amount of the loan is \$3,875,000.00 for a term of 40 years at 1.50% interest. The grant amount is \$7,406,000.00. The first offer for a loan was \$4,628,000.00 and a grant of \$4,635,000. This was almost 50/50. The second offer is better and at a lower rate. The total project cost will be \$20,944,000.00. We will have to increase our user rates. If we default, the Borough had to pledge tax money toward the loan. There is also income we will receive from Hamilton Twp. since they are on our system. S. Bray said this has been three years in the making. When we started our plans, the estimated cost was much lower, then Covid hit which cause supply issues and problems all over the country. There were also changes that had to be made with meeting DEP conditions. S. Bray said with the new plant we will have a bigger capacity and room for growth potential. There are some alternates in the bids that we could do, which would help reduce some costs. George said it could two years to complete the project.

It was asked about the low bid from Lobar Inc. that was withdrawn for a clerical math error. C. Lantz is working on this.

M. Stoudt said we will have to look at the user rates. When we first started, we did an increase for the first three years, but did not do one in the fourth because of waiting for RUS. We will have to refigure now that we have final project figures. The most expensive thing with the new plant will be electricity.

S. Bray said the new plant will also handle the excess from storms we get. Since this has been such a dry summer, we have not had pump which saves electric, and makes other costs lower.

S. Hall said it is a lot to think about but feels the new plant has to be done in looking toward the future. We really enjoyed many years without having to increase sewer rates because the original plant worked so well, and we had so few problems. We also do not want to start paying large fines to the State. We are under the Consent Order with DEP and have to get out of it.

A motion was made by S. Hall, seconded by P. Bauman, "That we accept the USDA funds and loans for the new WWTP." All in favor. A letter will be sent that we accept the funds.

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J. Bubacz agrees with S. Hall, and we need to look at the rates. He wishes we could use water money toward sewer since we have the funds coming in from Royalties, but we cannot.

Paperwork will have to be redone with FCCB to extend the terms for the interim financing now that we have final figures. At the present time we make an annual interest payment on the amount of funds borrowed to date. We do not pay on the principal. M. Stoudt read to the members the Resolution with FCCB to modify the first Note and Loan Modification Agreement. This will extend the maturity date of August 2020 (which was good for two years) from 8/13/22 to 10/15/22. A motion was made by P. Bauman, seconded by J. Bubacz, "That we extend the terms of financing with FCCB." All in favor. This Resolution will be signed by the Secretary and Chairman or Vice Chairman.

A motion was made by S. Hall, seconded by P. Bauman, "That the Chairman or Vice Chairman is directed to sign any and all documents regarding FCCB to extend the maturity date of the August 2020 loan maturity date." All in favor. A motion was made by S. Hall, seconded by P. Bauman, "That the Chairman or Vice Chairman is hereby directed to sign any and all interim financing documents required by the lender to proceed with the interim financing documents required by FCCB to proceed with interim financing." All in favor.

George received a call from Ann Hughes, DEP regarding the Consent Order. She has been kept apprised of how the project has been proceeding. We had a date to meet with the original order, but due to numerous circumstances have jeopardized the timeline. He told her that now we will be proceeding, an update for the project will be figured out and we will send them a letter to meet the Order. She asked that we request an extension to the terms. George said we should propose to start construction by 4/1/23 and completed by 4/1/25, which should give us time. All in favor this be done.

G. Lloyd reported that he has talked with Ron Weed and he has been having health problems and will not be able to be our inspector for the new WWTP. He does know a person that he worked with at L/B Water that may be interested and will let George know.

ACCEPT AND AWARD BIDS FOR NEW WWTP

RUS has gone over the bids after they were reviewed and approved by HRG. We have to award the bids. The following motions were made:

1.) Contract #01 being the General Construction with alternates, shall be awarded to Performance Construction Services, Inc., in the contract amount of \$14,853,683.00 contingent upon USDA concurrence. Motion by J. Bubacz, seconded by S. Hall, all in favor.

2.) Contract #02 being the electrical construction shall be award to Tra Electric, Inc., in the contract amount of \$2,056,400.00 contingent upon USDA concurrence. Motion by P. Bauman, seconded by J. Bubacz, all in favor.

3.) Contract #03 being the HVAC construction shall be awarded AFT Mechanical, Inc., in the contract amount of \$724,900.00 contingent upon USDA concurrence. Motion by S. Hall, seconded by J. Bubacz, all in favor.

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A motion was made that the Chairman or Vice Chairman is hereby directed to sign any and all necessary documents to award the bids and that the Secretary of the Board shall attest to any and all necessary documents. Motion by P. Bauman, seconded by S. Hall, all in favor.

The accepting of bids has to be sent back to RUS for their final approval.

TAYLOR RUN WELLS

S. Bray reported that the application permit for the Taylor Run wells was submitted to SRBC and DEP. They both will have to review all the documents and reply. The Chairman said we appreciate his tenacity on getting this all completed and thanked him. Scott then left the meeting at 8:04 PM.

FCCB INVESTMENTS

The Treasurer had talked with Heather to compare amounts, rates, and withdrawals from investing. He had talked with Matt at C&N a few weeks ago to see what was available, and the rate was less than with FCCB. At our 7/5 meeting we had approved investing \$500,000.00 from the Water Co. Royalties MMI with C&N. We receive monthly royalty checks, so our balance is being replenished. We do have to pay the balance on the new Taylor Run Tank but have funds left to invest. George said it would not be until spring of next year before we would start any plans for the proposed wells. M. Stoudt said it is good to keep investments in our community bank. A motion was made by S. Hall, seconded by P. Bauman, "That we retract our 7/5/22 decision to invest with C&N Bank." All in favor. A motion was made by J. Bubacz, Jr., seconded by S. Hall, "That we open a 30-Month Easy Access Breakable CD, with no penalty in the amount of \$750,000.00 with First Citizens Community Bank. The interest rate was quoted to be 1.75%. The funds for this new Blossburg Water Company CD can be transferred from the current Blossburg Water Company Royalties MMI. Treasurer P. Bauman is authorized to complete the transaction." All in favor.

OTHER

S. Hall said the Fire Department wants to install Storch adapters on the hydrants around town. The size is 4 ½" they cost \$275.00 each so for 148 hydrants the total would be around \$41,000.00. George said we have started ordering our new or replacements with the adapter on them. It was asked about when we flush hydrants, and you can get a piece of 5" hose. George said for the new UTRA water line to Covington, Storch has been included.

OLD HOSPITAL

M. Stoudt reported he finally got the paperwork for the permits which will have to be sent for review to Harrisburg.

NEW TAYLOR RUN TANK

The roof on the new tank was installed.

G. Lloyd requested this meeting be kept open should further things have to be done for the new WWTP. All in agreement. Everyone left the meeting at 8:20 PM.

CHAIRMAN

SECRETARY