

REGULAR MEETING BLOSSBURG MUNICIPAL AUTHORITY  
DECEMBER 6, 2022

The regular meeting of the Blossburg Municipal Authority was held on Tuesday, December 6, 2022 at 7:00 PM in the Council Room.

The following members were present: Vice Chairman J. Bubacz, Jr., Treasurer P. Bauman, and member F. Wasowicz. With excused absences were Chairman Stoudt and Secretary S. Hall. Also present was G. Lloyd, Borough Manager, and L. Lazouras, Recording Secretary.

Vice Chairman J. Bubacz called the meeting to order at 7:00 PM.

SECTION 1: All reports to be accepted in one motion

A.) MINUTES

The minutes from the 10/4/22 meeting had one correction and were approved at the 11/15/22 reconvened meeting. The minutes from the regular 11/1/22 meeting and the reconvened 11/15/22 meeting were brought up for discussion. There were no corrections.

B.) TREASURER'S REPORT AND BILL PAYMENT

P. Bauman read the treasurer's report. Leesa called the bank to get the balances in the accounts they have as of today, but she doesn't have the bookwork or bank statements done due to being off work, so there could be a difference. Sewer bills to be paid are \$21,758.91 and for water \$48,248.01. The Treasurer asked if the latest royalty check is included in the Royalty balance, and it is.

There being no further discussion, a motion was made by F. Wasowicz, seconded by P. Bauman, "That all reports be accepted as presented." All in favor.

SECTION 2: Old Business

A.) Water Update. Salt Well 15

Nothing on the well. We had to fix another leak on Parkhurst, near the last one we fixed and one on Ruah. They will repave the area in the spring.

B.) DELINQUENTS

The list was given to the members. George told Cheryl to get the notices out now since the holidays will be here soon and we don't like to shut off in the winter. If a person is shut off in the winter, we could be responsible if the customers' lines were to break.

C.) INFILTRATION-Nothing

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D.) WATER FUTURE I-99/BUSINESS 15 CORRIDOR

They are still a few that won't sign, and they will have to start eminent domain proceedings. UTRRA got their loan offer from RUS and their figure has increased like ours have due to delays. Their engineer Larson Design is going to apply for additional money through new grant funding sources available.

E.) TAYLOR RUN-SOUTHWESTERN

Erica is going to give George an update.

F.) CASSELBERRY

For the Taylor Run wells, there is another meeting in a week or two so we should hear from Jim. Dan and George meet here with SRBC. They talked about Bellman Run, the new Taylor Run wells 1 & 3, and the Sportsman's well and we hope to keep the project moving forward.

G.) OLD HOSPITAL

George met with the contractor, and they are going to put in a new hydrant. They also will replace one and fix the line going into the building. There is asbestos removal that has to be done first. They are doing the roof now.

H.) TAYLOR RUN TANK/NEW CHLORINE BUILDING

They are working on the cinderblocks. The trusses will be put up with wood over top, felt and a metal roof so work is moving along. The temperatures are supposed to be in the 40's next week so maybe it can be done before the really bad weather hits.

I.) NEW STP-OLD STP COA

There is a new COA to sign which started back in July. It had been sent to Lantz and he went on vacation, so it did not get completed and sent back by 9/30, so we got a fine of \$1,000.00 we have to pay. The first COA was done 11/17/16. We had to submit a task/activity report and that was done 5/5/17. Then a plan update was sent to them 7/17/17. That was modified by us on 2/14/18. The final approved plan update and schedule was incorporated as part of the 11/16 COA. From our correspondence of 2/17/18 they approved our corrective schedule to submit an application by 6/30/19; start construction 9/30/20 and final inspection and start up 9/30/22. The application was submitted, 1/28/21 we did an update that we did not start activities by 9/30/20. On 3/23/21 we met with them to discuss our status and extend the milestones through an amendment of the 11/16 COA. We satisfied the requirements through a stipulated penalty payment of \$7,600

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on 4/15/21. On 5/21/21 we entered into Amendment #1, amending paragraphs of the original. This states we will by 10/31/22 commence construction, and by 10/31/24 substantially complete work. On 8/10/22 they received correspondence dated 8/4/22 that we requested additional revisions to a paragraph in the 5/21 amendment #1. It was agreed by Amendment #2 that by 4/1/23 we will commence construction and by 4/1/25 be substantially complete. Paragraph 5(e) changes the date from 4/30/25 to 9/20/25. A motion was made by F. Wasowicz, seconded by P. Bauman, BE IT RESOLVED, "THAT WE EXTEND THE SCHEDULE." All in favor. A Resolution has been made to ratify the Resolution approved 9/6/22 as follows: After reviewing the COA #2 and Agreement Amendment #2 is agreed to and authorize the execution; any additional delays caused by outside complications or internally shall be communicated to DEP and the Chairman, Vice Chairman, Borough Manager, Secretary and/or Solicitor for the BMA are authorized to execute any and all documents necessary to adopt Amendment #2. A motion was made by P. Bauman, seconded by F. Wasowicz," BE IT RESOLVED, THAT WE APPROVE THE CHANGES." All in favor. These will be signed and sent back to DEP.

#### NEW STP LOANS

An email was received today from Tom Wellington, RUS. There is a format for us to provide a periodic report at least monthly. There are also Loan Resolutions forms for each loan/grant obligation to return. We also have to develop a long-term budget projection to address the need to increase rates, and our insurance policies are up for renewal in January and have to provide him with a copy of the updated policy and certificates, resolutions for the total amount of funding offered. The initial loan was \$4,628,000.00 plus loan subsequent of \$3,875,000.00 for a total of \$8,503,000.00 Note Loan with FCCB. From the time delay the costs were much higher than when we first applied, and changes had to be made to the plans. We went back to them, and they added a grant initial of \$4,635,000.00 plus grant subsequent of \$7,406,000.00. We contribute \$400,000.00 with a total project cost of \$20,944,000.00. The loan is scheduled for repayment over a period of 40 years. Payments will be equal semi-annual amortized installments beginning 6 months after closing. To plan for repayment use 1.5% interest which provides for semi-annual payment of \$64,597. The precise payment amount will be based on the interest rate at which the loan is closed and may be different than stated.

#### LOAN RESOLUTION RUS

1.) BE IT RESOLVED THAT THE BLOSSBURG MUNICIPAL AUTHORITY AUTHORIZES AND PROVIDES FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING,

LOAN RESOLUTION RUS

CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS MUNICIPAL SANITARY SEWER FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE. WHEREAS, it is necessary for the BMA, TIOGA COUNTY, PA., to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of Four Million Six Hundred Twenty-Eight Thousand and 00/100 pursuant to the provision of PA. Municipalities Authority Act.

2.) THE SAME WORDING but with the amount of Three Million Eight Hundred Seventy-Five Thousand & 00/100. A motion was made by P. Bauman, seconded by F. Wasowicz, "That we approve these two loan resolutions," All in favor.

George reported that the contractor has started the staging area. F. Wasowicz asked the location, and it will be going toward Jack Kelly's back on a diagonal from the old.

J.) BRAY WTP EVALUATION

He is working on it plus the rest of our projects.

K.) BR DAM

L.) PAINT BR TANK

M.) CYBERSECURITY

They are working on new updates and will set up a meeting when all the office people are available for training.

N.) TIMBER TAYLOR RUN

George will call Kerry as there is a landing spot for them, but it has been very wet.

O.) NEW BACKHOE

It is on order for the 1<sup>st</sup> quarter of 2023. It will cost about \$53-57,000 apiece.

P.) SEWER RATES INCREASE

We had discussed increasing the rates a little bit now or waiting. The sewer bills go out this month and then again in March then June. A letter will have to be sent out ahead of time. J. Bubacz thought about an increase of \$10.00 a month. It will give us more when we have to start paying back on

the loan. By 2024 we will be well under construction. It was noted Penelec is going to raise their rates. A motion was made by J. Bubacz, seconded by P. Bauman, "That we increase the sewer rates \$30.00 per quarter beginning with the 3/23 billing." All in favor. It was suggested that we compose a letter to notify our customers and George will have it for our next meeting. It can then be enclosed with the water bills that go out in January. This means the minimum bill will go from \$120.00 per quarter to \$150.00. If we do the same increase for the next two quarters, we be close to the amount we originally needed to complete the project.

#### WATER RATES

P. Bauman said we had discussed passing along our good fortune from our royalty payments, having seen a temporary increase, to our Blossburg Water Company customers by offering to cover some of their water bills. He would like to see us cover the water bill for the next two billing cycles (6 months) in full. Another option could be a zero bill, a percentage or half the rate. This financial relief would be helpful in these trying times. This is strictly for water and not sewer because the royalty we have been receiving is for water property only. This will only be for the next new bill and not toward a delinquent previous balance that is owed. Leesa asked if we can just do this or does it require a resolution, so George will ask C. Lantz. A second option would be to decrease the rate if a resolution is needed. Leesa had asked Cheryl how to do this with the computer program, and she will have to ask the company. She does not know if she would have to put each customer at zero if she could run it or would have to do each manually. She also has to prepare reports for Dan to report consumption so that will also have to be checked into. The bills go out in January and then again in April. It was suggested to do it for one quarter then reevaluate what income will be needed to pay our bills to have a better idea of our finances. The meters will be read around the 14<sup>th</sup> of this month for the next bill to be processed. This would have to be put in a letter to send to our customers. Possibly people would get caught up on their delinquent amounts knowing there would not be another amount added on. P. Bauman made the motion, seconded by F. Wasowicz, "That we offer a savings to our customers after receiving answers to our concerns." All in favor.

#### Section 3: New Business

A.) HRG Request-None

B.) REPSOL ROYALTY

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#57 check received 9/30; #58 check received 11/2 and #59 check received 11/29. The statements for #57 and #58 were passed out tonight. Statement for #59 not received yet.

C.) C&N CD INTEREST STATEMENTS 9/22 AND 10/22  
The 11/22 statement was not online yet.

Treasurer P. Bauman had talked with M. Landis at C&N about investing. C&N has a treasury cash money market account that is earning a higher interest than what we are now earning at FCCB. At C&N they have a 3-year CD earning 4.95%. We have money in the FCCB Royalty account that could be put into a C&N account to earn more interest. It was discussed investing \$850,000 or \$900,000. Pat noted you have to have a \$1,000.00 balance at FCCB in a money market, or you get a penalty. If we were to take \$829,000 from the Royalties and add \$21,000 from the water regular money market, we could invest \$850,000. This would still leave a balance in the Royalties which is where the monthly check received from Repsol is deposited. A motion was made by P. Bauman, seconded by F. Wasowicz, "That we open a money market account with C&N in the amount of \$850,000, using funds from the BWC Royalties MMI and BWC Regular MMI at FCCB, to earn a higher interest rate." All in favor. Matt said the Feds are meeting again in two weeks and the rates could go up again.

D.) PROPOSED BUDGETS 2023  
These were put in the packets and George explained the line items. A motion was made by P. Bauman, seconded by F. Wasowicz, "That the budgets be approved as presented." All in favor.

E.) AUDIT AGREEMENT 2023  
A letter was received from Guthrie to do the audit for 2022. Leesa noted our audit has not been completed yet even though it was taken 9/14, but they are working on it. In the letter they say they will have the audit completed in June next year. A motion was made by P Bauman, seconded by F. Wasowicz, "That we sign the agreement with Guthrie to complete the audit." All in favor.

F. Wasowicz asked about the new wells at Taylor and the flows. George said these will be back ups for when we have to work on Taylor Run, R&G, or Bellman.

F.) LIBRARY DONATION-ECKMAN-LIBRARY

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Leesa talked with Liz at the Library, and they could use a new free standing world globe. There are pictures of two selections. A motion was made by P. Bauman, seconded by F. Wasowicz, "That we purchase a Queen Anne Antique World Globe in honor of J. Eckman. A plaque will also be ordered for on the wooden frame." All in favor. Leesa does not know if the Boro wants to contribute toward this.

G.) TRA ELECTRIC NEW STP POLES

George said they were going to use our service but are now using their own service. This is not a change order.

Section 5. Other

F. Wasowicz advised the members that he will be away on vacation from 2/10 to 3/18/23.

There being no further business, the Vice Chairman adjourned the meeting at 8:05 PM on motion of P. Bauman, seconded by F. Wasowicz with all in favor.

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CHAIRMAN

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SECRETARY

