

REGULAR MEETING BLOSSBURG MUNICIPAL AUTHORITY
APRIL 4, 2023

The regular meeting of the Blossburg Municipal Authority was held on Tuesday, April 4, 2023 at 7:00 PM in the Council Room.

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

There was a conversation with Bloss and Hamilton Twp. Supervisors before the meeting.

The Chairman 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 3/7/23 meeting were brought up for discussion. There were three corrections.

B.) TREASURER'S REPORT AND BILL PAYMENT

P. Bauman read the treasurer's report. On the bill list, Leesa noted that the sewer bills to repay the Boro back from 3/23, will be paid out of the BWC MMI account. Leesa noted we will be getting an advertising bill from the PennySaver and Wellsboro Gazette for the annual CCR report. There being no further discussion, a motion was made by J. Bubacz, seconded by S. Hall, "That the modified minutes, treasurer, and bill payment reports be accepted as presented." All in favor.

Section 2: Old Business

A.) WATER UPDATE. SALT WELL 15

George had received a call from Council member Bartlett at 7 AM, who lives on Lynd St. that there was a water leak by Pointek's on the corner with Morris. George contacted the boys, and they came out and started digging by 9:30 AM and had the leak repaired by 12:30 PM. There was a crack around the pipe and George thinks we saved about 40 gpm. When Dan looked at the chart, there was little variation so it may have been leaking a little bit but no big change.

B.) DELINQUENTS

George passed out the report.

C.) INFILTRATION

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

They are still working on easements and 7 will go through eminent domain. Mike asked if there was any way to go around, but there is not.

George gave the members the report from drawing water from the B&D hydrant. There is more used in the summertime than winter.

E.) TAYLOR RUN-SOUTHWESTERN

George got an email from Erica that it is completed. All agree this be taken off the agenda.

F.) CASSELBERRY

He is working with DCNR by House's. He is also working with DEP to help Arnot find another alternate source of water.

G.) OLD HOSPITAL

They started doing demo work inside.

H.) TAYLOR RUN TANK/NEW CHLORINE BLDG.

DEP authorized it to be used and we just hooked it up and is working well. Mike said he has about 6 lbs. more pressure and the water is not dirty. The water is now running down over the hill, and we do not need to run the blow off all the time by Berguson's. We still have to put the line up for the well to get it all permitted by DEP and George hopes it will be done by the end of this year. We have two pump quotes for Well #1 and #3. For #1 \$12,391.00 and #3 \$8,220.00 from Modern Grundfos for a total of \$20,611.00. #3 is less because it does not have to be as deep and is level with the tank. From Haven's, both which are Gould's, each is \$18,587.00 for a total of \$37,174.00. S. Bray is away until next week. The electric service, VFD and having a spare for each was discussed. A motion was made by J. Bubacz, seconded by S. Hall, "That we authorize spending up to \$30,000.00 for 2 pumps with two spare parts, pending S. Bray, T. Kelchner, and M. Stoudt's review and approval." All in favor. #1 is toward the fish nursery and #3 toward the yellow gate.

I.) NEW STP

Mike and George met with the contractors. They had a problem with getting a good base for the SBR tanks. The soil was very sandy. There is Change Order #3 to remove the original backfill 2A Aggregate. Change Order #4 is for providing an Alternative SBR foundation backfill aggregate. We had

3 rolls of geotextile left from the Taylor Run tank, which worked really well for our project, so we took it to the new STP. It worked but they needed 3 more rolls so George ordered from US Fabrics so they would not go into a standstill. We will get reimbursed from Performance for what they used. The cost was \$6,520.00, so the bill will be paid out of our regular sewer account and not submitted to RUS for a loan drawdown. A motion was made by J. Bubacz, seconded by F. Wasowicz, "That we pay this bill." All in favor. We asked them to look into the test bore results that were done before breaking ground, and which were paid for.

HRG sent under Performance Construction Change Order #3 which is a decrease of \$99,689.93 regarding the original aggregate. A motion was made by J. Bubacz, Jr., seconded by P. Bauman, "That we approve this change order." All in favor. Change Order #4 which is an increase of \$333,485.75 for installing alternate aggregate. A motion was made by J. Bubacz, seconded by F. Wasowicz, "That we approve this change order." All in favor. There is a difference in tonnage of stone hauled and HRG will assess whether a credit on the installed material is applicable.

J.) BRAY WTP EVALUATION

He is working on the R&G well whether to install the pall unit there, or if there is something new and talking with the salesman.

K.) BR DAM

L.) PAINT BR TANK

Mike, George, and Scott are looking at it to put together a request for proposals.

M.) CYBERSECURITY

J. Bubacz reported they had a meeting and will meet again on 4/13.

N.) TIMBER TAYLOR RUN

Work is proceeding and K. Geykis has been there. There is one employee that is very good and is very careful about cutting. There is not much left if the weather cooperates.

O.) NEW BACKHOE

It is supposed to be delivered in May.

P.) GENERATORS

The one for Taylor Run was ordered and payment had to be made per their cash terms. They are working on the specs for the Sportsman's well. It would be good to have the same manufacturer for both locations.

Section 3: New Business

A.) HRG REQUEST

George received Loan Requisition No. 05 in the amount of \$44,792.41. One bill is for HRG in the amount of 30,506.03, from 1/30-2/26.23. The other from Larson Design in the amount of \$14,286.38 through 3/18/23. S. Bray has reviewed the bills. A motion was made by S. Hall, seconded by P. Bauman, "That we sign Requisition #5 to draw down funds from the Interim Construction Loan #67, with FCCB in the amount of \$44,792.41 per RUS approval. J. Bubacz and S. Hall signed the requisition request." All in favor.

B.) REPSOL ROYALTY-#63 was received on 3/31 and direct deposited into the BWC Royalties MMI. Treasurer Bauman asked permission to transfer all but \$2,000.00 from the Royalty MMI to the Blossburg Water Co. MMI #6018 to earn the higher interest rate. The minimum balance in the Royalties MMI has to be \$2,000 so you don't get a penalty. A motion was made by F. Wasowicz, seconded by J. Bubacz, "That the Treasurer is authorized to do this transaction." All in favor. Due to the balance in the BWC MMI the earned interest rate will increase.

C.) C&N INTEREST STATEMENTS, CD'S, FCCB

The C&N statement for 3/23 was passed out. This was the last from CETERA, Advice Works. The new statements will be online with their new broker LPL Financial. The Treasurer had the report from LPL which was passed out. Paperwork will be sent to us for the new broker and getting online reports. Pat talked with M. Landis regarding investment interest rates. Since we will have bigger bills to pay next month, Pat suggested we leave the funds in the accounts where they are at this point, all in agreement.

The Treasurer received a wealth management proposal from Tyler Kreger at FCCB discussing Brokerage CD's and money market funds. This was in the packets.

Section 4: Borough Manager's Report

He talked with Jake Yoder who is interested in the old Case backhoe on the Dorn property. They discussed taking it apart and crossing the bridge. M. Stoudt said a liability waiver would be needed if removed.

George received a letter from Dave Bogaczyk regarding a garbage bill

for his mother, and monies received from Royalty and the timber sale. It was noted that the garbage bill is for the Boro and the monies is water.

RUS FUNDING

An email was received from Tom Wellington regarding when the interim bank loan will be fully disbursed and the need to plan upon paying out the loan and putting permanent loan financing into place. This has to be done before they can disburse grant funds. This also has to work in conjunction with bond counsel so they can prepare for the closing. The original loan of \$4,628,000.00 was anticipated to be interest only for the first two years, the rate is 2.375, termed as 38 years following the 2-year interest only payment results in semiannual payments of \$92,792 (\$185,584). We must still make the interest only payment for the first 2 years which may be estimated at \$109,915 each year. If we term the \$4.6 million out over a strict 40 years, the semiannual payment would be \$89,969 (\$179,938 annually). The interest only is going to be a lower payment for the first 2 years, however, there is no principal reduction, and the remaining 38-year term semiannual payment is higher than if simply termed at 40 years. The second loan for the cost overrun at \$3,875,000, 40-year term, 1.50% rate, will result in semiannual payments of \$64,597(\$129,194 annually) for the term of the loan. We might want to consider scheduling the first loan for the flat 40-year term, and the bond counsel would need to revise the closing documents. S. Hall said the second loan is a better interest rate. Using the \$179,000 + \$129,000 annual figures would mean the monthly payment will be about \$26,000. A motion was made by S. Hall, seconded by P. Bauman, "That we approve the recommendation from RUS, and bond counsel be notified." All in favor.

In the packets was a notice from Dynegy that they are our new electric supplier starting in June, and the power price will be increased. The current price is \$0.05800/kWh and will be increased to \$0.05824/kWh. Our former supplier was Constellation New Energy. M. Stoudt said this is part of our contract and they have to notify you at least 30 days in advance.

There being no further business, the Chairman adjourned the meeting at 8:09 PM on motion of J. Bubacz, seconded by P. Bauman, with all in favor.

CHAIRMAN

SECRETARY

