

Towanda Municipal Authority

June 21, 2021

The June meeting of the Towanda Municipal Authority was called to order by Mr. Walsh at 5:00 p.m.

PRESENT: Michael Walsh, Carmen Venezia, William Shaw, Kayla Saxon, Fred Johnson, Michael Angerson
The following via teleconference: Charlotte Sullivan

ABSENT: Mark Christini, Robert Williams-WTMA Chairman

OTHERS: Kyle Lane, Manager; Chad Strickland, Superintendent; James Pruyne, Solicitor; Eric Casanave, Stiffler McGraw; Brian Shura, Stiffler McGraw

Visitors: (via teleconference) David Unkovic, Ryan Hottenstein

Minutes:

The May 17, 2021 meeting minutes were approved as written on a motion made by Ms. Sullivan and seconded by Mr. Shaw, approved.

Bills:

The May bills were reviewed and approved on a motion made by Ms. Sullivan and seconded by Mr. Venezia, approved.

Visitors:

Mr. Unkovic explained to the Board the long-term debt for the sewer system the Authority currently holds; 2004 A Bond with RUS; 2007 A & B bank loan with M & T Bank, and 2008 Penn Vest loan; the total debt payments is currently \$720,000.00 annually.

Mr. Unkovic is looking at refunding the 2004 A Bond with RUS and the 2008 Penn Vest loan with an approximate balance \$3,100,000.00.

Unfortunately, the M & T Bank Loan wording makes it unfeasible to refund.

Mr. Unkovic reached out to M & T Bank and they are able to do a rate reset our current rate on one of the notes is 4.68% they offered a reset to 3.5%.

With the refunding of the RUS and Penn Vest loans they would be consolidated and taken out to market as tax exempt bonds.

The Authority would be looking at a savings of approximately \$560,00.00 from 2021 to 2044 overall based on current market interest rates and that includes fees. Mr. Walsh asked what is the amount of the fees; Mr. Hottenstein stated they are approximately \$113,000.00, Mr. Lane stated that those fees are wrapped into the refinance of the loan; Mr. Hottenstein confirmed that the fees are paid at closing and are wrapped into the loan itself.

Mr. Angerson asked for the term of the refinance; Mr. Unkovic stated we are not extending the loans we are keeping the same maturity dates.

Mr. Unkovic stated the M & T Bank interest rate reset can occur immediately the bond issue will take a few months; Mr. Unkovic sent documentation to Mr. Lane in reference to getting the interest rate reset; Mr. Lane stated he does have a copy of that document and Mr. Pruyne was given a copy to review. Mr. Unkovic stated the interest rate will not be confirmed until we actually request the rate reset be done.

Mr. Unkovic stated the document outlines the request for a rate reset with M & T Bank and gives the Chairman or Vice Chairman authorization to execute the documents required by M & T Bank.

Mr. Angerson made a motion to approve Resolution 2021-2 to Authorize the Chairman or Vice Chairman to execute documents to reset the interest rate with M & T Bank; Mr. Venezia seconded, approved.

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Mr. Walsh inquired to what was required to refund the loans with RUS and Penn Vest, Mr. Unkovic stated a resolution stating the authorization to move forward, Mr. Angerson made a motion to approve Resolution 2021-3 in reference to having Mr. Hottenstein and Mr. Unkovic to move forward with the refunding of the RUS and Penn Vest loans, Mr. Venezia seconded, approved.

Mr. Unkovic addressed the Board on the intercreditor agreement with Wysox as they are doing a refunding of their USDA loan. The Board has amortized the 15.8% Wysox commitment to TMA for the Penn Vest and M & T loan. Mr. Unkovic stated Wysox needs an intercreditor agreement stating that if Wysox defaults on their loan payments any funds collected would be distributed to both creditors accordingly. Mr. Unkovic stated he is working with Mr. Pruyne on wording of the document.

Mr. Johnson made a motion to approve Resolution 2021-4 approving the Intercreditor Agreement with Wysox Township Municipal Authority contingent with Mr. Pruyne's approval, Ms. Saxon seconded, approved.

Water Project:

Mr. Lane stated we have been operational at the plant since January, everything at the plant is running well, Mr. Lane has noticed that we are spending less time at the plant.

The motor at Robert's Well #1 was pulled and inspected to try to identify the failure, we are thinking that it may be because we need to run the wells on a pressure transducer for the PALL system it may be cause the motor to go up and down and that is not an ideal for a motor; we are not sure that is the problem but the motor has been sent to Franklins to take a look at it; Mr. Shura stated that if that was the problem the VFD would burn out first but Franklin Electric can hopefully tell us the problem. Mr. Casselberry did come up to look at the pump as well, Mr. Casselberry is going to address the sand issue we are getting at the plant; we think we scoured the well at initial startup, he did notice a little inefficiency in the well output; he is looking into it.

Mr. Lane mentioned the county's fiber project it may help eliminate the delay in the pump response.

Mr. Shura:

Mr. Shura stated he would like to get as many contracts closed as we can to hopefully get the project closed out by next month's meeting.

Since we have monies left over in the grant, Mr. Shura is looking at getting items repaired at the Roberts Well Field.

Mr. Shura presented the following pay applications most of which is retainage:

Pay application 20 for Contract 2 for \$38,632.89

Pay application 12 for Contract 3 & 8 for \$12,710.71

Pay application 11 & 12 (the final pay app) for Contract 5 for \$11,620.04 & 4,328.88

Ms. Sullivan made a motion to approve the presented pay applications, Mr. Angerson seconded, approved.

Mr. Shura presented the following pay applications with conditional approval based on items being completed on the punch list:

Contract 2 pay application 21 for approximately \$56,000.00 to finalize the contract plus any additional fees needed to repair the Roberts Well which would be a change order.

Contract 3 & 8 pay application 13 for \$72,899.56 basically retainage

Contract 7 pay application 7 for \$39,043.92

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Mr. Johnson made a motion to approve the pay applications as presented based on conditions that the final punch items are completed on the contract, Mr. Venezia seconded, approved.

Mr. Shura presented change order 9 for Contract 2, the amount is not yet finalized to include the repair to Roberts Well, the well pump motor, some added drain lines that were added to the plant it will be more than \$12,000.00.

Mr. Angerson made a motion to approve change order 9, Ms. Saxon seconded, approved.

Mr. Shura presented Penn Vest requisition 24 for \$50,415.02 which included the North Towanda Tank and retainage for Contract 3.

Mr. Shaw made a motion to approve the Penn Vest requisition, Mr. Venezia seconded, approved.

Open House:

Mr. Lane mentioned that we need to pick a date for an open house for the Water Treatment Plant, July 14th and invitations will be sent out.

Monroeton Main Replacement Project:

Mr. Lane stated we are awaiting the decision at the end of July.

2018 Flood:

Mr. Lane stated we had a pre-construction meeting with Sikora Brothers, Penn Dot came to the meeting; Mr. Casanave stated they should be beginning mid-July.

Sewer:

Mr. Lane stated we are going to put a ductless HVAC system at the WWTP the approximate cost is \$3000.00 by Mr. Saring.

The Day tank mixer project should begin in a few weeks.

Thomas St. PRV:

Mr. Lane stated we are still awaiting Stiffler McGraw to get the project underway.

Infrastructure Projects:

Mr. Lane stated that they are starting to identify projects.

New Borough / Water and Sewer Manager:

Mr. Lane stated he has resigned a search for a new manager is underway; Mr. Walsh mentioned that he, Mr. Johnson and Mr. Venezia will be working with Mr. Christini and Mr. Eberlin from the council on a replacement.

Adjournment

As there was nothing further to discuss, the meeting adjourned at 6:07 p.m.

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Respectfully Submitted,
April Maynard
Recording Secretary