

Towanda Municipal Authority

July 19, 2021

The July 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
Charlotte Sullivan, Mark Christini

ABSENT: Robert Williams-WTMA Chairman

OTHERS: Kyle Lane, Manager; Chad Strickland, Superintendent; James Pruyne, Solicitor; Eric Casanave,
Stiffler McGraw; Phil O'Dell, Daily Review

Visitors: David Unkovic, McNees Wallace & Nurick LLC
(via teleconference) Ryan Hottenstein

Minutes:

The June 21, 2021 meeting minutes were approved as written on a motion made by Mr. Angerson and seconded by Mr. Johnson, approved.

Bills:

The June bills were reviewed and approved on a motion made by Mr. Shaw and seconded by Mr. Venezia, approved.

Appointment of Officers:

Mr. Walsh stated that Ms. Sullivan is the Secretary/Treasurer and Mr. Angerson has agreed to be the Assistant Secretary/Treasurer. Mr. Venezia has agreed to be the Vice-Chairman. Mr. Johnson made a motion to approve the appointment of officers for Assistant Secretary/Treasurer Mr. Angerson and Vice-Chairman Mr. Venezia, Mr. Shaw seconded, approved.

Visitors:

Mr. Hottenstein explained to the Board the rate reset for the M & T Bank loan; the Board was provided handouts outlining the debt and what savings will occur once the rate reset is done; TMA would be avoiding the big payment jump in 2029 it would level out the payments for the remaining term and be a savings of approximately \$282,000.00. Mr. Unkovic stated that the Board did approve the rate reset in last month's meeting, Mr. Hottenstein is giving the numbers of what will occur once the rate reset is done. Mr. Walsh asked the Board if there was any objection to the rate reset, there was none, he asked for approval to continue with the rate reset of 3.95% with M & T Bank, approved.

Mr. Lane stated that Mr. Hottenstein will now explain the refunding of the Penn Vest and USDA loans. Mr. Hottenstein explained the state and local government debt act; our numbers have to be such that we must inflate so that we do not exceed our debt limit on an aggregate basis and annual basis as well; the numbers must reflect an amount not to be exceeded. DCED must approve the numbers and if figures come in higher than stated in our paperwork, they will not approve the refunding; once the final numbers come in, they are again submitted to DCED as our final numbers for approval.

Mr. Unkovic explained Resolution 2021-5 which explains the refunding of the Penn Vest and USDA loans being guaranteed by the four municipalities Towanda Borough holding 67% Monroe Borough 10% Towanda Township 11% and North Towanda Township with 12%. Section 1 Authorizing the Project authorizes the

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refunding; Section 2 Authorizing Issuance of 2021 Bonds; Terms of 2021 Bonds; Execution, Authentication and Delivery Thereof authorizing the issuance of 2021 Bonds; Section 3 Security for 2021 Bonds; Limited Obligations; Confirmation of Trustee outlines the security of the Bonds basically stating rates will be set in order to pay our debt; Section 4 Approval of Seventh Supplemental Indenture approves the indenture authorizing the Chairman or Vice Chairman to act on behalf of the Authority; Section 5 Approval of Guaranty Agreement by the Chairman or Vice Chairman; Section 6 Approval, Acceptance and Execution of the Purchase Contract by the Chairman or Vice Chairman should the bonds meet the parameters of refunding the debt itself and interest rates not to exceed 6%, maturity no later than December 1, 2044 (not to extend our original debt) and net savings of at least 2%; Section 7 Approval of the Preliminary Official Statement, Official Statement and Use and Distribution Thereof outlining the role of rating agency. Section 8 Bank Qualification outlines this debt as tax exempt debt; Section 9 Disposition of 2021 Bond Proceeds authorizes disbursement to pay off the Penn Vest and USDA loans as well as other issuance; Section 10 Refunding Project: Notice of Redemption of Refunding getting payoff amounts for our loans; Section 11 Preparation of Self Liquidating Debt Report authorizes Stiffler McGraw to submit a self liquidating report that certifies our rates will pay the debt; Section 12 Authorizing Incidental Actions authorizes Chairman or Vice Chairman to approval incidental items that need signed in order to get the Bond Issue done; Section 13 Rescinding Inconsistent Resolutions. Mr. Walsh asked for a motion to move forward; Mr. Angerson made the motion to approve Resolution 2021-5 Ms. Saxon seconded; Mr. Lane requested a roll call vote Mr. Walsh yes; Mr. Venezia yes; Mr. Shaw yes; Ms. Saxon yes; Mr. Johnson yes; Mr. Angerson yes; Ms. Sullivan yes; Mr. Christini yes; motion carried.

Mr. Unkovic addressed an intercreditor agreement with WTMA; Ms. Maynard stated this was approved at last month's meeting Resolution 2021-4 contingent with Mr. Pruyne's approval.

Mr. Unkovic also had his letter of engagement with McNees Wallace & Nurick LLC, Mr. Johnson made a motion to approve the letter of engagement, Mr. Venezia seconded, approved.

Mr. DeWitt:

Mr. Walsh wanted to know if we did anything for Mr. DeWitt for his time on the Board; Mr. Lane stated that a wall clock was purchased and presented to Mr. DeWitt. Ms. Sullivan stated that Mr. DeWitt is in the personal care home.

Water Project:

Mr. Lane stated we have replaced the motor of the pump on Well 1. They are still investigating the issue.

The ribbon cutting of the new plant was held on Wednesday July 14th.

Mr. Lane stated that we have \$650,000.00 remaining in our Penn Vest loan, we are in need of a new flush truck; our current truck is a 1980; the cost of that equipment is approximately \$350,000.00. Mr. Lane is looking at a combination vehicle. Mr. Strickland is going down to Muncy on Wednesday to view their piece of equipment that is 4 years old, Mr. Miller will be going as well, Mr. Johnson stated he would like to go down as well; Mr. Strickland will remind Mr. Johnson of the day and time.

Mr. Angerson asked if there was anything else the Municipality needed as we are looking at \$250,000.00 in unspent funds; Mr. Casanave stated we would probably need to look at equipment purchases. Ms. Saxon stated what about VFD's Mr. Strickland stated we already ordered some.

2018 Flood:

Mr. Lane stated that Sikora Brothers is having a problem getting supplies to start the project; Mr. Casanave stated that he has being told that throughout the industry.

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Mr. Lane stated that with him leaving we need to assign a new applicant agent for FEMA, he suggests Mr. Strickland. Mr. Angerson made a motion to assign Mr. Strickland as the applicant agent, Mr. Venezia seconded, approved.

Sewer:

Mr. Lane stated that Saring's installed the ductless air conditioner.

Mr. Walker stated the new mixer is in and working well, he is able to transfer more.

Audit:

Mr. Lane stated we received the single audit that had to be performed due to EDA grant funds; it is available if anyone wants a copy. We did lose some money last year.

Mr. Lane stated he closed fund 25 so we only have 4 accounts water operating, sewer operating, water capitol and sewer capitol. Mr. Lane stated at the end of last year he moved \$400,000.00 from water operating to Sewer capitol.

Electric:

Mr. Walsh asked about the electric bills for the plant; Mr. Lane stated that due to some miscommunication between him and Ms. Schoonover the bills were not being recorded in the correct line item; this is being corrected and it should show up in the correct line item for next month's budget. Our expense is not what he thought it would be, it is a lot less.

Mr. Lane stated he is interested in seeing our gas bill because of the power being out the generator had to run for 36 hours.

New Borough / Water and Sewer Manager:

Mr. Lane stated that the selection committee has narrowed down applicants and should be conducting interviews in August and might have a new manager as early as September.

Mr. Lane stated that Mr. Strickland did agree to be the interim Borough / Water and Sewer Manager until a replacement is hired.

Adjournment

As there was nothing further to discuss, the meeting adjourned at 6:25 p.m.

Respectfully Submitted,
April Maynard
Recording Secretary