Municipal Authority of Conneaut Lake
Board Meeting
August 14, 2023

Members – Carl McLean, Alan Baldarelli, Jim Tigri, Chris Gates
Members attending via Conference Call – Mario DeBlasio
Others – Brian Cagle, Steve Halmi, Robert Morrow, Angela Perrine
Visitors – Don Gill, resident of Conneaut Lake

Carl McLean called the meeting to order at 6:31p.m.

Don Gill who resides at 10857 Woodman Street, Conneaut Lake expressed concerns that Sadsbury Township is having a meeting next Tuesday evening and all residents on Aldina Drive received surveys to send back to Sadsbury Township. However, Sadsbury Township stated they know nothing about this survey. Mr. Gill stated his concern is Reflections on Conneaut Lake is promising fire hydrants, which Mr. Gill stated he assumed it would take 8 or 10 fire hydrants to get all the way to Reflections on Conneaut Lake development. Mr. Gill asked MACL if proper pressure could be supplied with that many fire hydrants added.

Mario DeBlasio stated if the agreement MACL is working on with Reflections on Conneaut Lake does not include fire hydrants that can meet pressure and volume that he will not support selling bulk water to anyone outside the borough on this scale.

Alan Baldarelli stated he agreed with Mario DeBlasio's comments about working fire hydrants but Alan also added the fact of pressure to existing customers as a concern as well.

Mario DeBlasio also added that Mr. Pelly (Reflections on Conneaut Lake) was the one who sent the survey out so any questions pertaining to the survey should be addressed to Mr. Pelly as MACL had nothing to do with said survey.

Mr. Gill stated he understands that but he has seen newspaper articles in the past regarding pressure problems in the borough and then then saw that Mr. Pelly wants to run lines for a mile and a half. And incidentally the people supporting the community between here and Mr. Pelly's project aren't too keen on having MACL bypass them with water to go over a mile and a half down the road because we have our own issues with well water and whatnot and why are we being neglected in favor of gaining customers at Mr. Pelly's project.

Carl McLean explained the people on Aldina Drive are not being neglected. It's the fact Mr. Pelly is willing to pay for the line and it hasn't been decided, at this time, if it would be a possibility for others to hook into the line.

The question arose as to who monitors and who is responsible for the water once it gets to the development. Brian Cagle stated MACL's responsibility would end at the borough line and then Mr. Pelly would be responsible from the borough line to his development. MACL is responsible to provide "X" number of gallons per month at the borough line.

Mr. Gill thanked MACL for allowing him to attend the board meeting. Mr. Gill added he just wanted to have as much background as he possibly could as he addends Sadsbury Township's meeting.

Don Gill left the meeting at 6:45 p.m.

Carl McLean made motion to enter into Executive Session to discuss bulk water agreement. Chris Gates seconded the motion. Roll call: unanimous – yea. (Motion carried)

Executive Session to discuss bulk water agreement began at 6:46 p.m. Executive Session ended at 8:12 p.m. and regular meeting resumed at that time.

Mario DeBlasio made a motion MACL agree once the terms and conditions of the agreement are agreed to, MACL have a public meeting to inform the public. Carl McLean questioned if this would be a normal meeting, Mr. DeBlasio stated it could be a normal meeting or a special meeting so long as an agreement is sent to the press that we will be informing them of terms and conditions we are about to enter into. Jim Tigri seconded the motion. Roll call: unanimous – yea. (Motion carried)

Mario DeBlasio made a motion we instruct legal counsel to make the changes discussed during Executive Session and send the agreement as a draft to Mr. Pelly (and MACL board members for review as well added by Carl McLean). Jim Tigri seconded the motion. Roll call: unanimous – yea. (Motion carried)

Steve Halmi stated CLJMA received an 8-million-dollar Pennvest loan offer for their project which involves an update to their plant as well as work to their bypass line. They will be putting bids out this fall and would likely close on the Pennvest loan, at the earliest, at the end of this year. The construction contracts would most likely occur at the end of the year or the first of next year. What this means for MACL is that CLJMA will be incurring a debt service payment of about 40,000 a month to Pennvest to cover this 8-million-dollar loan. Most of that will be attributable to the treatment process which MACL is partly (25-30%) responsible for. It would be the second quarter of 2024, at the earliest, that MACL will see any type of increase. The increase will be minimal until their construction is complete, and they are looking for a construction term of at least a year. They won't do a final amortize of the loan until after that. During construction, MACL will only be responsible for interest only payments which means you won't see anywhere close to that $144,000 per year for at least another year. Engineering costs will be reimbursed by the loan to the extent MACL will be reimbursed for its portion of those costs.

Jim Tigri stated MACL needs to send a letter to the customers regarding the 17% rate increase. Alan Baldarelli agreed with Mr. Tigri. Carl McLean added to send the letter to MACL board members for approval prior to sending to customers.

Steve Halmi stated after meeting with Pennvest there are two different programs: conventional application process - which you would be eligible for a loan and possibly a grant, small project process - which with this particular project in question you would be eligible for because its less than $500,000. However, you would only be eligible for the low-interest loan rather than grants. The length of the loan is 20 years at 1.743% (current rate). Mr. Halmi questioned the board members if MACL would like to proceed with a Pennvest application for a loan. Mr. Halmi also added the upside to small project process is you can apply at any time. And with the conventional process there are only four times a year they accept applications. He also added its considerably simpler to apply for the small project process. Mr. Halmi stated he would encourage MACL to apply for the conventional application provided there was chance you could get grant money. Mr. Halmi stated the current fact is that we had a lengthy discussion about target rates for water that is approximately 55 per month and MACL is at 24 per month. And MACL has a water tower project that is no way going to exceed the target rate therefore there is no significant benefit for MACL to proceed with the conventional application rather than the small project application. In the future, if MACL is above the target rate it would probably be in MACL's best interest to apply for a conventional application which would make you eligible for grants from Pennvest as well.

Mario DeBlasio made a motion we table the conversation of applying for Pennvest loan application until

January's meeting. Carl McLean seconded the motion. Motion carried.

Mario DeBlasio left the conference call at 9:42 p.m.

Brian Cagle and Steve Halmi left the meeting at 9:43 p.m.

Bob Morrow stated the lift station at Conneaut Lake Middle School was pumped out plus three hours of Bob's time. Carl McLean stated we send Conneaut Lake Middle School a bill for the pumping of the lift station (and state reason for charging as to prevent obstruction and to keep system working) and also include the charge for Bob's three hours of work while pumping the lift station.

Chris Gates suggested we amortize CLJMA quarterly payments to reflect deficit each month rather than once per quarter.

Minutes of previous meeting – (DeBlasio/Baldarelli)
Profit and Loss Statement – (Gates/McLean)
Aged Accounts **–** Reviewed
Bills presented for payment –(Gates/Jim)

Adjournment – 10:16 p.m. (Baldarelli/Tigri)