

MINUTES FOR SPEICAL MEETING  
EAST STROUDSBURG BOROUGH COUNCIL  
MONDAY, DECEMBER 28, 2020 4:30 p.m.

PRESENT: Maury Molin, Bill Reese, Carrie Panepinto, Solicitor John Prevoznik, Don Cross, Borough Manager Brian Bond, Roger DeLarco, Sonia Wolbert, Borough Engineer Russ Scott, and Finance Director Ken Konz

The Pledge of Allegiance was recited.

**Water Rate Work Session**

Mr. Konz started the discussion. He addressed several goals which need to be accomplished through the new water rates. The Borough must ensure that debt service requirements can be met in order to have the engineer certify the borrowing that the Borough is about to undertake. The Borough also needs to ensure that funds are in place for the water projects that are currently out to bid. Mr. Konz reviewed how equivalent billing units for both residential and non-residential customers are calculated. The Borough's water and sewer revenues have decreased significantly due to the COVID-19 pandemic. The Borough must be able to fund both the operations and the debt service for the water system in light of the decreases in revenue being experienced. Mr. Konz, Mr. Bond, Mr. Prevoznik, and Mr. Scott have reviewed 2020 projections, past audits, and the expenses for the water funds for the past five years, and also spent many hours to find viable alternatives in how to make up for the losses. It was noted that the current projects (Middle Dam rehabilitation, Eagle Valley Booster Pump Station, and repainting the Woods Road Tank) are necessary water infrastructure projects which must be accomplished now. It was also noted that the budget was passed without a tax increase. The Borough needs to cover costs in order to borrow \$2.4 million dollars for the existing projects which are currently out to bid. The Borough Engineer must certify to the bank, or to the bond holders, and to PennVest that the Borough's debt is self-liquidating, and the Borough has the ability to pay for these improvements. Currently, existing water rates do not have the ability to cover the payments in the next five years without a substantial increase. Mr. Scott is required to do the certification now and borrowing documents will be presented within the next three weeks. Simply, if the Borough does not borrow enough to pay for the Middle Dam rehabilitation project and lets the project lapse, then it stands a substantial chance of losing both the PennVest loan and the LSA grants for that project.

A motion was made by Mr. Molin and seconded by Ms. Panepinto to authorize RKR Hess to set up a resolution to establish a phased-in rate schedule increase of \$5.00 per EBU per year for the next three years to enable the Borough to certify that there will be available funding to cover the current borrowing with the new water rates working in conjunction with a dedicated debt service tax increase of one mill in 2022. The motion carried unanimously.

**Public Comments (New Business)**

None.

**Adjournment**

A motion was made by Mr. Molin and seconded by Mr. Cross to adjourn the meeting at 5:16 p.m. The motion carried unanimously.

NEXT REGULAR MEETING: Tuesday, January 5, 2021, @ 7:15 p.m. in person at the East Stroudsburg Borough Municipal Building and virtually on Facebook on the East Stroudsburg Virtual Meeting page.