

**KULPMONT BOROUGH
MEETING
Special Meeting for General Purpose
August 27, 2025
7:00 P.M.**

Opening Prayer by Councilman Marlin Hodge
The Pledge of Allegiance to the Flag by the body present,
Kulpmont Borough Council held the special meeting for general purpose on
Wednesday August 27, 2025

The roll call was taken, and the following members were present: Robert M. Slaby, Stephen Bielskie, Robert Fanella, Robert Chesney, Steven Motyka, Marlin Hodge, Bernard Novakoski, Charles Staskiel

ABSENT: Solicitor Greco

APPOINTED OFFICIALS PRESENT: Treasurer Paul Niglio Borough Secretary Jewel Newbern, Code Officer Heather Owens

OTHERS PRESENT: no one in attendance (J.T. Surlis and Jim Barber on Teams call).

FINANCE/PURCHASING REPORT (S. Motyka):

Mr. Motyka states that on a Teams call present are J.T. Surlis and Jim Barber to answer any questions about the Sunstone credit for the upcoming solar project. Mr. Motyka explained that the new administration began this year and with that came some uncertainty regarding the tax incentives, but Sunstone was able to provide a lending finance package that the borough could work with. He stated that council should approve this cash flow and continue working with Sunstone because the tax incentives, which are 50%, and since it is still in the budget. He stated that we are still awaiting our interconnection agreement so Sunstone has been working with our engineer Rettew for the project to make the cash flow analysis as approximately as it can be without the agreement. He added that in early August, the IRS issued the tax incentive guidance and if we continue the project, we will be safe harbored, and the borough will receive the 50% tax incentives. He explained that on the cash flow analysis it is broken down by the year, system revenue, operating costs, loan payment, the tax credit in year 2, net cash flow and the cumulative cash flow for the next 25 years. Mr. Bielskie asked where the tax credit comes from, Mr. Motyka explained that President Biden signed the Inflation Reduction Act gave all municipalities the opportunity to file for the tax incentives and the new administration kept this for the next two years and we would be receiving the tax incentive from the federal government. Mr. Bielskie asked how we can ensure the system revenue actually goes up as much as the cash analysis says. He stated that it won't go up like this every year and that PPL is going to pay less for buying the power and add more to the distribution. He asked if we would have to wait for PPL's payment in May or June, which the borough would then have to borrow borrowed money to pay the first payment. J.T. explained that there are two components to the revenue, the solar renewable energy credits and most of it comes from the energy sales back to the utility. He added that there is a significant risk for PPL to change their agreement. Mr. Bielskie asked if they accounted for the panels to lose value each year, J.T. responded yes, it's about half of percent a year, Mr. Bielskie responded that it's half a percent up to two percent and we need to keep in mind that the panels will need to be maintained because once they get dirty, they stop producing energy and we lose out on that. Jim said that the maintenance and operating costs are included in the cash flow analysis. Mr. Niglio asked Mr. Bielskie if he does not think the cost of electricity is going to

increase. He said we live in the United States and it's going to triple in 20 years. Mr. Bielskie responded that PPL plans on not paying as much to buy it and charge more for the distribution. He added that he is scared this project is going to bankrupt the borough and we have no idea when we are getting the money from PPL, so we are going to have to borrow borrowed money. Mr. Motyka said that he has been working on this for years now and various experts have looked it over and all approved it. Mr. Bielskie asked what the final price is, J.T. responded the project, including the interconnection fee, would be \$2.7 million and he does not believe it would be that high and it would be more like 2.5 million. Mr. Motyka said that the panels will have a warranty and if they're not performing how they should then they will replace them. Mr. Bielskie added that we lose energy if they are dirty or damages until they get replaced or fixed. Mr. Staskiel asked if the borough is guaranteed a 50% tax credit and what if for some reason the borough does not receive them. Mr. Motyka tells him that it is in the budget for the federal government through the IRS and we would get it. Mr. Bielskie asked Sunstone when PPL pays for the service, is it once a year? J.T. responded that his understanding is that it is once a year and the date is set at the interconnection time. Mr. Bielskie asked why there is a huge decrease in system revenue between year 10 and 11. J.T. explained that there is a projected solar renewable credits in about ten years. Paul Niglio added that if the numbers aren't correct than there will be hundreds of school districts and other municipalities that will go bankrupt as well and that everyone is doing solar. Mr. Bielskie said they have more taxpayer money to blow, and Kulpmont doesn't. The solar project will be a little under an acre and a half and there will be two interconnection agreements that we applied for. Mr. Bielskie said before voting for this he would like more answers from PPL. There is a discussion about other companies still going through with their solar projects, Mr. Bielskie added that they have more money. Mr. Bielskie said that the numbers are estimated through PPL's rates so they should be similar to when we get the interconnection agreements. J.T. added that the system is to ensure that PPL sells us the energy back at their rate. Mr. Motyka asked what Sunstone needs from council to be able to move forward. J.T. responded that the borough would need to approve and give them the green light to keep working with the engineer and underwrite process.

MOTION- Mr. Motyka made the motion and was seconded by Mr. Staskiel to allow Sunstone to move forward and engage with the underwrite to see if the money is available to the borough.

A small discussion between council members regarding the cost and that this motion is not to get into the actual contract currently. This motion is just to allow Sunstone to move forward.

ROLL CALL VOTE- NOVAKOSKI (yes), BIELSKIE (yes), FANELLA, (yes), CHESNEY (no), STASKIEL (yes), MOTYKA (yes), HODGE (yes)

6 YEAS – 1 NAYS

NEW BUSINESS

Mr. Fanella announced that New Enterprise will be here to do the paving job on September 11.

ANNOUNCEMENTS

Happy Labor Day!

ADJOURNMENT

THE MEETING WAS ADJOURNED AT THE CALL OF THE CHAIR

Jewel Newbern
Borough Secretary

September 10, 2025