

**BUTLER AREA SEWER AUTHORITY
MINUTES OF THE DECEMBER 10, 2019 REGULAR MEETING**

The regular meeting of the Butler Area Sewer Authority (BASA) Board was held on Tuesday, December 10, 2019 at 9:00 a.m. at the Authority office located at 100 Litman Road, Butler, PA.

Authority Board Members Present:

- *Gerald S. Patterson, Jr., Chairman*
- *Cynthia S. McKnight, Vice Chairman*
- *Kenneth L. Henry, Treasurer*
- *Paul F. Sybert, Secretary*
- *Edgar E. Hassler, Jr., Assistant Secretary/Treasurer*

Staff, Consultants, and Guests Present:

- *Duane McKee, Executive Director*
- *John Schon, Operations Director*
- *Ronata Lavorini, Finance Director*
- *Jim Tomazich, Authority Engineer*
- *Dan Slomers, Project Engineer*
- *Virginia Ferderber, Collections and Payables Coordinator*
- *Michael Hnath, Authority Solicitor*
- *Mike McKee, Hatch (Authority Engineer)*
- *Jay Wenger, Susquehanna Group Advisors, Inc.*
- *Sean Garin, Dinsmore & Shohl, LLP*

1. CALL TO ORDER

- *Mr. Patterson called the meeting to order at 9:00 a.m.*

2. PUBLIC COMMENT: AGENDA ITEMS (Time Limit – 5 Minutes)

- *No Public Comment.*

3. APPROVAL OF MINUTES

A. November 12, 2019 Regular Meeting Minutes

- *A motion to approve the November 12, 2019 Regular Meeting minutes was made by Mr. Sybert and seconded by Mr. Hassler. Motion approved 5-0.*

4. APPROVAL OF WARRANTS/OTHER PAYMENTS

A. Invoice Warrant Lists of November 15, 2019 (\$500.00), November 20, 2019 (\$59,407.68), November 27, 2019 (\$30,601.40), December 10, 2019 (\$242,348.82), and December 10, 2019 (ACH Transfer – to be distributed at meeting)

- *Ms. Lavorini reviewed the warrants, highlighting that a payment of \$159,954.16 for the 2013 bond debt service and a payment of \$22,841.92 for a new pump for the Brewster Booster Pump Station was made through COSTARS in the December 10, 2019 warrant.*

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- *The invoice for the ACH Transfer was not available for the meeting and therefore not acted on.*
- *Mr. Patterson asked if the Board had any question regarding the warrants. There were no questions. A motion was made by Mr. Patterson and seconded by Mr. Henry to approve the warrants listed above. Motion approved 5-0.*

5. FINANCE DIRECTOR'S REPORT

A. Authority Fund Statements and Budget Report – November 30, 2019

- *Ms. Lavorini reviewed the November 30, 2019 fund statements and budget report.*

B. Investment Update

- *Ms. Lavorini reported that one CD was reinvested during the month. The CD was reinvested in the amount of \$245,000 for 365 days at a gross rate of 1.75% and a net rate of 1.60%, yielding a gross expected return of \$4,287.50 at maturity.*

C. Request Board Action on a Pension Fund Matter to Rescind the Elimination of First Eagle Gold A, and in its Place Remove Prudential Jennison Natural Resources with any Existing Assets to be Mapped to the Permanent Portfolio Fund

- *Ms. Lavorini explained that there was a clerical error in changes to the pension plan that were approved at the September 10, 2019 Board meeting. Ms. Lavorini reviewed the changes the Pension Committee is requesting and asked the Board to approve the revised changes. She also noted that no plan investment changes had been implemented due to the original Board action.*
- *Motion was made by Ms. McKnight and seconded by Mr. Hassler to approve the changes in the pension fund. Motion approved 4-1, with Mr. Patterson abstaining.*

6. EXECUTIVE DIRECTOR'S REPORT

A. Plant Superintendent's Operations Report – November 2019

- *Mr. McKee noted that the Plant Superintendent, Field Superintendent and Realty Transfer reports were in the Board's meeting packages.*
- *Mr. McKee asked if the Board if they had any questions. The Board had no questions.*

B. Field Superintendent's Operations Report – November 2019

- *Outlined in 6A*

C. Realty Transfer I&I Inspection's Report – November 2019

- *Outlined in 6A*

7. OPERATIONS DIRECTOR'S REPORT

A. Sewer Tap-In Report – November 2019

- *Mr. Schon reviewed the sewer tap-in report for November 2019. There were four permits issued: three no fee inspection only permits for repairs and one inspection only.*

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B. Discharge Monitoring Report – October 2019

- *Mr. Schon reported that the wastewater treatment plant was in full compliance with all NPDES numeric permit discharge limits during the month of October 2019. However, the treatment plant effluent failed the 4th Quarter 2019 Whole Effluent Toxicity (WET) Test as noted in the “Other Permit Violations” section on Page 2 of the report. The monthly average daily flow at the plant was 5.898 MGD.*
- *There were two sanitary sewer overflows during October. On October 25th, a partial sewage leak from the Township Line Pump Station force main was repaired within four hours after it was reported. On October 31st, heavy rain (2.41 inches in 23 hours) caused metered overflows of 210 gallons and 14,610 gallons, respectively, from the new wet well overflow pipes installed for the DEP Corrective Action Plan (CAP) at the Greenwood and Brewster Pump Stations.*

8. CONSULTING ENGINEER’S REPORT

A. Authority Engineer’s Monthly Report

- *Mr. Mike McKee indicated that the monthly Engineer’s Report was in the Board’s meeting packages and asked if there were any questions. There were no questions.*

B. CAP Update - HRG’s Progress Report

- *Mr. Slomers reviewed HRG’s monthly progress report. The CAP project continues to move forward and is on schedule.*

9. FISCAL AND CONTRACTUAL MATTERS

A. Discuss Refinancing the 2013 Sewer Revenue Bond - Jay Wenger, Susquehanna Group Advisors, Inc.

- *Mr. Wenger reviewed the options of accepting Janney’s proposal or not accepting the current offer and rescinding the current resolution. Janney’s proposal does not meet the spreads provided at the time of their initial proposal. Mr. Wenger informed the Board that if they rescinded the current resolution, they could request additional proposals or advertise for a competitive sale of the bonds in January 2020.*
- *Mr. Garin provided a revised resolution that would rescind the current resolution and set a course with the same parameters. The Board could decide to either negotiate the sale or advertise a competitive sale of the bonds. The resolution has a blank space that can be filled in with the Board decision to either negotiate the sale or advertise the sale prior to signing the resolution.*
- *A motion was made by Ms. McKnight and seconded by Mr. Sybert to rescind the Resolution No. 10-08-2019-1 and approve Resolution No. 12-10-2019-01 utilizing the same parameters, but opting to advertise and competitively bid the sale of the bonds in January 2020.*

B. Consider Non-Union Staff’s Annual Wages

- *Mr. Patterson suggested to the Board to table the proposed nonunion employee wages until after further discussion in executive session. The Board agreed.*

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- C. Request Authorization to Advertise the On-Line Auction of Surplus Vehicles and Equipment with Municibid
- *Mr. McKee reviewed the surplus vehicles and equipment listing prepared for the online auction. The anticipated sale should generate an estimated \$10,625.00.*
 - *A motion was made by Mr. Henry and seconded by Mr. Hassler to advertise the online auction with Municibid. Motion approved 5-0.*
- D. Consider Award of Sludge Thickener Building Upgrade, Design Proposal to Hatch in the amount of \$64,000.
- *Mr. Slomers reviewed the proposal submitted by Hatch to perform the investigation on the sludge thickener building.*
 - *Mr. Patterson asked staff if the project was budgeted and how much the project will cost.*
 - *Mr. Slomers responded that the work being done is only a study and the repair estimates will be made after the study is completed. Mr. McKee informed the Board that neither the study nor the anticipated repairs to the thickener building was budgeted for this fiscal year or in the capital plan. The engineering study will have to be absorbed into this year's capital budget and the repairs will need funded at a later date.*
 - *A motion was made by Mr. Patterson and seconded by Ms. McKnight to approve the proposal as submitted by Hatch to study and determine the necessary upgrades for the sludge thickener building in the amount of \$64,000.*
- E. Request Authorization to Advertise for Bids for Contract 2019-05, Center Avenue Gravity Sewer Line Repair Project
- *Mr. Slomers reviewed the Center Avenue gravity sewer line repair design and then request the Boards authorization to advertise for bids to make the sewer repairs at Center Avenue. The estimated construction cost is \$30,000 to \$40,000.*
 - *A motion was made by Mr. Henry and seconded by Mr. Hassler to advertise the Center Avenue gravity sewer line repair project. Motion approved 5-0.*
- F. Consider Award of Toxicity Reduction Evaluation (TRE), Phase 1 Engineering Proposal to HRG Inc., in the amount of \$23,500
- *Mr. Schon explained to the Board that the treatment plant effluent failed the 2018 annual WET Test required under the new NPDES Permit and the subsequent repeat WET Test in the first quarter of 2019. The failed WET Tests triggered the NPDES Permit requirement to perform a TRE, Phase 1 evaluation. The evaluation has proven to be more difficult than anticipated and BASA staff requested a proposal from HRG to assist with the TRE, Phase 1. HRG's proposal is on a time and materials basis for a cost not to exceed \$23,500 without prior approval.*
 - *A motion was made by Mr. Sybert and seconded by Mr. Henry to award the TRE, Phase 1 engineering proposal to HRG in the not to exceed amount of \$23,500. Motion approved 5-0.*

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G. Consider Award of Professional Environmental Lab Services Contract to Environmental Services Laboratory in the amount of \$63,490.

- *Mr. McKee reviewed the financial analysis to switch from an in-house DEP certified lab to a professional environmental lab. The consulting lab would conduct all the testing necessary to comply with the NPDES permit, except the daily pH, dissolved oxygen and Total Residual Chlorine (TRC) analyses that must be conducted within 15 minutes after sample collection. The estimated cost avoidance would be approximately \$84,000. Staff solicited three quotes from DEP accredited environmental labs to perform the testing and received two quotes back. Environmental Services Laboratory, Inc. was the low bidder to provide these services for one year. The quotes were based on the unit costs for each parameter and the total number of tests required for each parameter for one year, including daily sample pick-ups.*
- *Ms. McKnight asked if the Union could file a grievance. Mr. McKee responded that the Union Agreement permits the Authority to contract out lab services provided no Union employee is laid off as a result of that contract. Mr. Hnath concurred.*
- *A motion was made by Mr. Sybert and seconded by Mr. Hassler to award the professional environmental lab services contract to Environmental Service Laboratory, Inc. in the amount of \$63,490. Motion approved 5-0.*

10. OLD BUSINESS

- *No old business*

11. NEW BUSINESS

A. Establish Board Meeting Dates for 2020

- *Mr. McKee informed the Board that the 2020 meeting dates have been selected and asked the board if there were any conflicts. The Board meetings will remain on every second Tuesday of the month at 9:00 am. No conflicts were noted.*

B. Authorize to Advertise 2020 BASA Board Meeting Dates

- *A motion was made by Ms. McKnight and seconded by Mr. Henry to establish and authorize the advertisement of the 2020 BASA Board meeting dates. Motion approved 5-0.*

C. Renewal of Certification for Workplace Safety Committee for 2020

- *Mr. McKee informed the Board that BASA's Safety Committee was recertified by the Pennsylvania Department of Labor and Industry for 2020.*

D. Renewal of Butler CDC Membership – 2020

- *Mr. McKee asked for the Board's continued support of the Butler CDC by approving the 2020 membership fee of \$500.*
- *A motion was made by Ms. McKnight and seconded by Mr. Hassler to approve the Butler CDC's annual membership fee of \$500. Motion approved 5-0.*

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E. Renewal of North Hills Council of Governments – 2020

- *Mr. McKee informed the Board that the North Hills COG membership fee of \$1,000 was due for 2020. We have used the North Hills COG sewer repair contracts successfully several times and would like to continue working with the North Hills COG.*
- *Mr. Patterson agreed, stating that BASA is a current North Hills COG member and that there was no need for a motion. The fee was approved in the warrants list.*

F. Summit Authority ACT 537 Sewage Facilities Update – BASA Comment Letter

- *Mr. McKee informed the Board that Summit Authority has requested input from BASA regarding Summit Authority's updated Act 537 sewage facility plan. Several of the proposed options could possibly involve BASA. The options include BASA managing Summit Authority's proposed treatment plant and collections system or treating the sewage at BASA's plant. The estimated cost of both options is over \$11 million and would require a sewer rate of \$130 per month.*
- *Mr. Schon noted that significant infrastructure improvements would be needed for BASA's collection and pumping system to handle Summit Authority's flow. In addition, about 30% of Summit Authority's flow is generated by Summit Academy. If the Academy were to relocate, the loss of that revenue would require Summit Authority to raise sewer rates even higher to cover their debt service.*
- *Mr. McKee drafted a letter dated December 12, 2019 to the Summit Authority containing BASA's comments regarding the proposed options.*

12. PUBLIC COMMENT: NON-AGENDA ITEMS (Time Limit – 5 Minutes)

- *No Public Comment*

13. EXECUTIVE SESSION – Personnel and Legal Matters

- *A motion was made by Ms. McKnight and seconded by Mr. Henry to enter Executive Session to discuss personnel and legal matters at 9:47 A.M. Motion approved 5-0. The Board members and Mr. Hnath were present.*
- *Executive Session was terminated and regular public meeting was resumed at 10:13 A.M.*

14. CONSIDERATION OF NONUNION STAFF'S ANNUAL WAGES

- *A motion was made by Ms. McKnight and seconded by Mr. Patterson to approve the nonunion wages as revised on Mr. McKee's memo. Motion approved 5-0.*

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15. ADJOURNMENT

- *A motion was made by Ms. McKnight and seconded by Mr. Henry to adjourn the meeting at 10:15 am. Motion approved 5-0.*

P. F. LA

Secretary

1/14/20

Date

NEXT MEETING: TUESDAY, JANUARY 14, 2020, 9:00 A.M.

BASA AUTHORITY OFFICE, 100 LITMAN ROAD, BUTLER, PA