

**BUTLER AREA SEWER AUTHORITY**  
**MINUTES OF THE JANUARY 14, 2020 REGULAR MEETING**

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The regular meeting of the Butler Area Sewer Authority (BASA) Board was held on Tuesday, January 14, 2020 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 (absent for Agenda Items 1, 2, and 3)*
- *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. (via conference call)*
- *Jeff Smith, City of Butler*
- *Michael Walter, City of Butler*
- *Heather Gall, H&S Gray LLC, 443 N. Cunningham Street*

**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. December 10, 2019 Regular Meeting Minutes

- *A motion to approve the December 10, 2019 Regular Meeting minutes was made by Mr. Sybert and seconded by Mr. Hassler. Motion approved 4-0.*

B. January 8, 2020 Special Meeting Minutes

- *A motion to approve the January 8, 2020 Special Board meeting minutes was made by Mr. Hassler and seconded by Mr. Henry. Motion approved 4-0.*

**4. FISCAL AND CONTRACTING MATTERS –** A conference call with Jay Wenger to discuss the 2020 Sewer Revenue Bond auction was moved up in the agenda to accommodate Mr. Wenger’s schedule.

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A. Discuss the Online Auction Held on January 8, 2020 for the 2013 Sewer Revenue Bond Refinancing - Jay Wenger, Susquehanna Group Advisors, Inc.

- *Jay Wenger compared the Janney proposals from October 3, 2019 and November 26, 2019 with the competitive sale held on January 8, 2020. The competitive sale spreads and the overall savings are better than both the proposals submitted by Janney last year, resulting in a net present value savings of \$1,088,261.93 or annual savings in excess of \$80,000 per year.*
- *Robert W. Baird and Co. Incorporated was the winning low bidder with auction results of less than one basis point, or approximately \$10,000 between the two low bidders.*
- *The closing is set for February 11, 2020.*

**5. APPROVAL OF WARRANTS/OTHER PAYMENTS**

A. Application and Certification for Payment No. 2 (FINAL), Contract 2019-04, Roof Restoration Project, \$2,363.00 (Arkadia Contracting, Inc.)

- *Mr. Slomers reviewed Arkadia Contracting's final pay applications and recommended payment.*
- *A motion to approve the final payment of \$2,363.00 to Arkadia for the Roof Restoration Project was made by Mr. Sybert and seconded by Mr. Hassler. Motion approved 5-0.*

B. Invoice Warrant Lists of December 18, 2019 (\$98,663.76), December 19, 2019 (ACH Transfer - \$62,129.08), January 3, 2020 (\$98,260.00), January 3, 2020 (\$168.40), January 14, 2020 (\$48,891.06), January 14, 2020 (\$6,989.63)

- *Ms. Lavorini reviewed the warrants lists.*
- *A motion was made by Ms. McKnight and seconded by Mr. Henry to approve the warrants listed above. Motion approved 5-0.*

**6. FINANCE DIRECTOR'S REPORT**

A. Authority Fund Statements and Budget Report – December 31, 2019

- *Ms. Lavorini reviewed the December 31, 2019 fund statements and budget report.*

B. Investment Update

- *Ms. Lavorini reported that two CD's were reinvested during the month. Both CDs were 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. Quarterly Accounts Receivable Summary – January 7, 2020

- *Ms. Lavorini reviewed the quarterly accounts receivable report. She compared the current receivable balances to both a year ago and last quarter, noting that the total and lien balances are up slightly, but that bankruptcy is down slightly. There were 434 water shut off notices mailed, 259 properties posted, 19 water service shut offs, and 8 lines filed during the quarter.*
- *Ms. McKnight asked if the water can be shut off in the winter. Ms. Lavorini explained that the water can be shut off. However, if the customer indicates they need water for heating purposes, upon inspection and confirmation by BASA staff, water service will not be shutoff.*

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D. Annual Renewal of Tyler Technologies, MUNIS Accounting Software \$26,681.12

- *Ms. Lavorini explained that the previous contracts with Tyler Technologies ran for three year terms. They have since changed to annual invoicing. This software is used for several primary financial functions including utility billing, accounts payable, payroll, and general ledger.*
- *Mr. Patterson asked what the annual average increase was from the last three-year contract.*
- *Ms. Lavorini informed the Board that this is a 3% increase. The last three years were at a flat rate of, \$25,904.00*
- *A motion was made by Mr. Patterson and seconded by Mr. Hassler to approve the annual renewal of the Tyler Technology, MUNIS Accounting Software. Motion approved 5-0.*

E. Quarterly Customer Account Audit Report – January 9, 2020

- *Ms. Lavorini reviewed the quarterly customer account audit report.*
- *Ms. McKnight asked what happens after an account goes inactive and then someone buys the property, would that be a new tap.*
- *Mr. Tomazich explained that the new customer would get a credit for what was previously on the property. Unless there is a change in use or to the number of required EDUs, the tap would be the same but there would only be an inspection fee to reconnect the sewer.*

**7. EXECUTIVE DIRECTOR'S REPORT**

A. Plant Superintendent's Operations Report – December 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 – December 2019

- *Outlined in 7A*

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

- *Outlined in 7A*

**8. OPERATIONS DIRECTOR'S REPORT**

A. Sewer Tap-In Report – December 2019

- *Mr. Schon reviewed the sewer tap-in report for December 2019. There was one inspection only permit issued.*

B. Discharge Monitoring Report – November 2019

- *Mr. Schon reported that the wastewater treatment plant was in full compliance with all NPDES permit discharge limits during the month of November 2019. However, there was one permit violation reported. As noted on page 3 of the DMR, on Sunday, November 10, 2019 the daily fecal coliform test was not performed. The Operator on duty was not able to find the petri dishes needed for the test. Mr. Schon indicated that the new contract lab services will resolve this issue.*

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- *The monthly average daily flow at the plant was 5.92 MGD.*
- *There were no wet weather, high wet well alarms at any pump stations during the month due to the low rainfall of only 1.84 inches in November.*
- *There were no sanitary sewer overflows in November.*

**9. CONSULTING ENGINEERS' REPORTS**

A. Authority Engineer's Monthly Report

- *Mr. Mike McKee informed the Board that one item needed to be updated on the report. The Part II Permit for the Rock Lick Pump Station Project was issued by the DEP on September 9, 2019. Mr. Mike McKee then asked the Board if there were any questions. There were no questions.*
- *Mr. Schon added that the DEP left voice messages last week with the Authority and Hatch indicating that they had some questions regarding the treatment plant rerating study. Mr. McKee and Mr. Schon will call the DEP after meeting to discuss their 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.*

**10. FISCAL AND CONTRACTUAL MATTERS**

A. Discuss the Online Auction Held on January 8, 2020 for the 2013 Sewer Revenue Bond Refinancing - Jay Wenger, Susquehanna Group Advisors, Inc.

- *See item 4 above.*

B. Capital Projects Funding for 2020

- *Mr. McKee reviewed the projects listed on the 2020 Capital Projects Funding Update memo informing the Board that the fund balance from the 2016 Sewer Revenue Bond can be utilized to cover the expenses of several unanticipated projects. Mr. McKee previously reviewed the projects with Sean Garin, BASA's Bond Council, who agreed that the projects are an acceptable use of bond funds.*
- *Mr. Patterson asked Mr. Hnath if a motion was necessary. Mr. Hnath indicated that the Board did not have to take any additional action on the use of these funds for these projects.*

**11. OLD BUSINESS**

- *No old business.*

**12. NEW BUSINESS**

A. Billing Dispute: 443 West Cunningham Street, Butler, Heather Gaal

- *Ms. Gaal introduced herself as representing H&S Gray LLC and the owner of 443 West Cunningham Street. She and her fiancé recently purchased the house and do not feel that they*

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*should be charged three or even two EDU's. Ms. Gaal informed the Board that only her, her fiancé, and daughter will be living in the house and the fact that there were multiple kitchens and bathrooms should not make a difference. Ms. Gall indicated the apartment would not be used as a bed and breakfast and it would not be rented out.*

- *Mr. Tomazich performed an interior inspection in September 2019 and reported the house was a triplex and should be charged three EDU's. The house was also marketed as a multi-family unit.*
- *Ms. Gaal reported that one of the three kitchens has been removed. Mr. Patterson recommended that BASA be allowed to perform an interior inspection of the house.*
- *Ms. Gaal agreed to allow BASA to reinspect the home and confirm how many living units currently exist.*
- *The Board tabled their decision until after the inspection is conducted. Consideration of this billing dispute will be carried over to next month's Board Agenda.*

**B. Results from On-Line Auction of Surplus Vehicles and Equipment with Municibid**

- *Mr. McKee reviewed the results of the recent Municibid online auction*
- *The total reserve amount of \$10,550 was exceeded. Even though a few items did not meet the reserve amount, the total revenue produced from the sale of surplus vehicles and equipment was \$20,467.*
- *A motion was made by Ms. McKnight and seconded by Mr. Henry to approve the sales. Motion approved 5-0.*

**C. Authorize the Executive Director to Sign all Paperwork Necessary to Transfer Vehicles Sold in the Recent Municibid Auction**

- *Mr. Patterson authorized the paperwork with his signature.*

**13. ADJOURNMENT**

- *A motion was made by Mr. Sybert and seconded by Ms. McKnight to adjourn the meeting at 9:43 am. Motion approved 5-0.*

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Secretary

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Date

**NEXT MEETING: TUESDAY, FEBRUARY 11, 2020, 9:00 A.M.**

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**BASA AUTHORITY OFFICE, 100 LITMAN ROAD, BUTLER, PA**