

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

The regular meeting of the Butler Area Sewer Authority (BASA) Board was hosted on Tuesday, July 14, 2020 at 9:00 a.m. at the Authority office located at 100 Litman Road, Butler, PA through a Zoom Video Conference (Meeting ID 878 5389 4599, Password 546532).

Authority Board Members Present via Zoom Video Conference:

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

Authority Board Member Absent:

- *Cynthia S. McKnight, Vice Chairman*

Staff, Consultants and Guests Present via Zoom Video Conference:

- *Duane McKee, Executive Director*
- *John Schon, Operations Director*
- *Ronata Lavorini, Finance Director*
- *Daniel Slomers, Authority Engineer*
- *Virginia Ferderber, Collections and Payables Coordinator*
- *Michael Hnath, Authority Solicitor*
- *Rachel V. Carroll, Hatch Authority Engineer*

To encourage social distancing the BASA Board held their meeting virtually via Zoom Video Conference. No Public attendance was permitted to the July 14, 2020 Regular Board Meeting. The public was invited to provide comment during the meeting via Zoom Video Conference. The public was also invited to provide comments by emailing to publiccomment@basapa.org. Public comments provided via email needed to be submitted prior to 8:30 a.m. on July 14, 2020.

1. CALL TO ORDER

- *Mr. Patterson called the meeting to order at 9:12 a.m.*

2. ROLL CALL

- *Mr. McKee conducted roll call. Mr. Patterson, Mr. Sybert, Mr. Henry, and Mr. Hassler were present via Zoom Video Conference. Ms. McKnight was absent from the meeting.*

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

- *None*

4. APPROVAL OF MINUTES

A. June 9, 2020 Regular Meeting

- *A motion to approve the June 9, 2020 meeting minutes was made by Mr. Sybert and seconded by Mr. Henry. Motion approved 4-0.*

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5. APPROVAL OF WARRANTS/OTHER PAYMENTS

A. Application and Certification for Payment No. 1 (Final)- Contract 2019-05, Center Avenue Sanitary Sewer Repair Project \$71,686.80 (Bauer Excavating, Inc.)

- *Mr. Slomers reviewed the pay application and requested the Board approve Payment No. 1 (Final) to Bauer Excavating in the amount of \$71,686.80.*
- *Mr. Patterson asked if this was the contract price. Mr. Slomers responded that there were no change orders and the pay request was for the contract award price.*
- *A motion was made by Mr. Sybert and seconded by Mr. Henry to approve Payment No. 1 (Final) of \$71,686.80 to Bauer Excavating for the Center Avenue Sanitary Sewer Repair project. Motion approved 4-0.*

B. Transfer of the Annual Excess Revenue Fund Deposits to the Bond Redemption and Improvements Fund

- *Ms. Lavorini reviewed the required calculation for the transfer of annual excess revenues from the Revenue Fund to the Bond Redemption and Improvements Fund as per the Bond Indenture. Ms. Lavorini requested the Board authorize the required transfer of \$561,988.00.*
- *A motion was made by Mr. Patterson and seconded by Mr. Hassler to approve the required transfer. Motion approved 4-0.*

C. Invoice Warrant Lists: June 15, 2020 (\$79,678.57), June 23, 2020 (\$43,814.28), July 2, 2020 (\$66,800.08), July 14, 2020 (ACH Transfer- \$58,207.98), July 14, 2020 (\$596,746.99) and July 14, 2020 (Capital - \$104,946.80)

- *Ms. Lavorini reviewed the warrants listed above and noted that the staff recommends using remaining proceeds from the 2016 Bond issue for the Center Avenue Sanitary Sewer Repair project, this project is in addition to the capital projects designated by staff in the January 14, 2020 Board Meeting memo.*
- *A motion was made by Mr. Henry and seconded by Mr. Hassler to approve the warrants listed. Motion approved 4-0.*

6. FINANCE DIRECTOR'S REPORT

A. Authority Fund Statements and Budget Report – June 30, 2020

- *Ms. Lavorini reviewed the Authority Fund Statements and Budget Report for the month ending June 30, 2020. The budget year is 11 months or about 92% complete. Total revenue for the year is 76% of the budget, which includes three of the four quarterly billing cycles.*
- *Mr. Patterson asked if the sewer service revenue of 75.2% was because the last quarterly billing for the fiscal year has not been processed yet.*
- *Ms. Lavorini agreed, noting it will be reflected on the July report. The vast majority of our customers are billed on a quarterly basis, with many of those being a flat rate fee. We continue to monitor both the amounts billed as well as the receivable balance to determine how the COVID-19 pandemic is affecting the Authority's cash flow on the current budget year as well as the next budget year, but she remains cautiously optimistic at this point.*

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B. Investment Update

- *Ms. Lavorini informed the Board that one CD was reinvested. The CD was reinvested in the amount of \$248,000 for 182 days at a gross rate of 0.45% and a net rate of 0.3% that will yield a return of \$566.47.*
- *Ms. Lavorini explained to the Board that this was only a 6-month investment to wait and see if the market improves, noting that the return was only 5 basis points lower than the one year obligation. She also noted that the liquid Class and Prime account returns have dropped drastically (1.3% since February 2020) and are expected to continue to decrease due to the COVID-19 pandemic.*

C. Quarterly Accounts Receivable Summary – June 30, 2020

- *Ms. Lavorini reviewed the quarterly account receivable report. Our delinquent accounts receivable is up to \$938,097.99. This accounts receivable balance is comparable to 2017 values, representing a 2-year regression in collections. Due to the COVID-19 pandemic, no collection efforts were completed over the quarter for either water shut-offs or liens. Although the total delinquency value increased (\$69,748), the total number of delinquent accounts decreased (112) from the last quarter. Total liens decreased from 154 to 142 during the quarter, showing that several liens were paid in full.*

D. Quarterly Customer Account Audit Report – July 9, 2020

- *Ms. Lavorini reviewed the quarterly customer account report. The program is progressing. PA American Water recently provided a customer data file that includes premise numbers and addresses which will allow the Authority to better audit our commercial accounts.*

E. Review of the Annual Debt Service Reserve Fund Valuation

- *Ms. Lavorini reviewed the Annual Debt Service Reserve Fund Valuation. She indicated that the initial evaluation, completed by BNY Mellon, has indicated an excess of \$238,381.48. Additional verification and discussion with Mr. Garin is pending prior to transferring this excess balance in accordance with the Trust Indenture.*

7. EXECUTIVE DIRECTOR'S REPORT

A. Plant Superintendent's Operations Report – June 2020

- *Mr. McKee informed the Board that the reports were in their packages and asked if there were any questions. Mr. McKee noted that the crews are back up to full operations. The Realty Transfer Program is booked into September.*

B. Field Superintendent's Operations Report- June 2020

- *See above.*

C. Realty Transfer I&I Inspection Report – June 2020

- *See above.*

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8. OPERATIONS DIRECTOR'S REPORT

A. Sewer Tap-In Report – June 2020

- *Mr. Schon reviewed the sewer tap-in report for June 2020. There were nine sewer tap permits issued; six inspection only, two single family residential, and one for the Butler County Community College. One of the single family taps was in the CAP area.*

B. Discharge Monitoring Report – May 2020

- *Mr. Schon reported that the wastewater treatment plant was in full compliance with all the NPDES Permit discharge limits and monitoring requirements during May 2020. The treatment plant's average daily flow was 4.5 MGD.*
- *There were no wet well alarms or sewer overflows in the month of May.*

9. CONSULTING ENGINEERS' REPORTS

A. Authority Engineer's Monthly Report

- *Ms. Carroll said the consultant's report was in the Board package and that there was nothing new to add.*
- *Mr. Patterson asked the Board if there were any questions. There were none.*

B. CAP Update – HRG's Progress Report – June 2020

- *Mr. Slomers informed the Board that the CAP is progressing as scheduled. HRG and BASA staff have evaluated and selected the alternatives for further detailed cost estimating.*
- *DEP has requested BASA to analyze the potential of adding additional flow to the CAP area from a location not currently in the ACT 537 planning area. BASA is pursuing a conference call with DEP for this week to discuss this matter.*
- *Mr. McKee informed the Board that if DEP insists on adding a new area to the CAP there will be a significant delay to the schedule.*
- *Mr. Patterson asked if we were happy with HRG's progress. Mr. Slomers said that HRG is moving the project acceptably.*

10. FISCAL AND CONTRACTING MATTERS

A. Consider Award of Contract No. 2020-03 - Chemical Supply Contract for Bulk Pebble/Granular Quicklime

- *Mr. Schon reviewed the bid results and requested the Board award Contract No. 2020-03 for the Chemical Supply of Bulk Pebble/Granular Quicklime to Graymont, Inc., the lowest responsible bidder, in the amount of \$151.00/ton.*
- *A motion was made by Mr. Henry and seconded by Mr. Sybert to award Contract 2020-03 to Graymont, Inc. Motion approved 4-0.*

B. Consider Award of Contract No. 2020-04 - Sewage Sludge Hauling and Disposal Services

- *Mr. Schon reviewed the bid results for Contract 2020-04 for Sewage Sludge Hauling and Disposal Services and requested the Board award this 2-year contract to the lowest responsible*

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bidder, Browning-Ferris Industries of Ohio, Inc., dba Republic Services of Youngstown in the amount of \$57.63/ton for Year 1 and \$58.78/ton for Year 2. There is also an option to extend the contract for a third year.

- *A motion was made by Mr. Hassler and seconded by Mr. Patterson to award Contract 2020-04 to Browning-Ferris Industries of Ohio, Inc. dba Republic Services of Youngstown. Motion approved 4-0.*

C. Bond Issue, Series of 2016 Requisition No. 23 – (\$144,396.22)

- *Ms. Lavorini requested the Board to approve the Series 2016 Requisition No. 23 in the amount of \$144,396.22.*
- *A motion was made by Mr. Sybert and seconded by Mr. Patterson to approve Requisition No. 23. Motion approved 4-0.*

11. OLD BUSINESS

- *None*

12. NEW BUSINESS

A. Consider Approval of the Authority's 2020-2021 Draft Operation Budget

- *Ms. Lavorini introduced the draft Second Preliminary 2020-2021 Budget. She highlighted the minor budget changes from the First Preliminary 2020-2021 Budget provided to the Board at the June meeting.*
- *Ms. Lavorini noted that Rachel Carroll of Hatch reviewed and approved the proposed 2020-2021 budget in accordance with the Trust Indenture.*
- *Mr. Patterson thanked Ms. Lavorini for doing a good job pulling the budget together and asked the Board if they had any questions. There were no questions.*
- *A motion was made by Mr. Patterson and seconded by Mr. Henry to approve the Second Preliminary 2020-2021 Budget as presented. Motion approved 4-0.*

B. Tim Amerson Superintendent of Outside Operations, Recognition for 40 Years of Service

- *Mr. McKee asked that the Board to recognize Mr. Amerson for his 40 years of service to the Authority.*

C. Request of the Board to Consider Making a Motion to Change the Non-Union Employee Healthcare Benefit and Wellness Contribution to Align with the Recently Approved Union Contract.

- *A motion was made by Mr. Patterson and seconded by Mr. Hassler to reduce the non-union employees' contribution toward healthcare insurance premium from 5% to 3% and decrease the wellness benefit from \$20 to \$10 to align with the new Union contract. Motion approved 4-0.*

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

- *Mr. Smith, Butler City Council, thanked the Board for doing a good job.*

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14. ADJOURNMENT

- *A motion was made by Mr. Henry and seconded by Mr. Patterson to adjourn the meeting at 9:50 a.m. Motion approved 4-0.*


Secretary

8-11-2020

Date

NEXT MEETING: TUESDAY, AUGUST 11, 2020 at 9:00 A.M.
BASA AUTHORITY OFFICE, 100 LITMAN ROAD, BUTLER, PA