

BUTLER AREA SEWER AUTHORITY
MINUTES OF THE SEPTEMBER 8, 2020 REGULAR MEETING

The regular meeting of the Butler Area Sewer Authority (BASA) Board was hosted on Tuesday, September 8, 2020 at 9:00 a.m. at the Authority office located at 100 Litman Road, Butler, PA through a Zoom Video Conference (Meeting ID 838-8054-0293, Password 234608).

Authority Board Members Present via Zoom Video Conference:

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

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*
- *Sean Garin, Dinsmore & Shohl LLP- Bond Counsel*
- *Jay Wenger, Susquehanna Group Advisor, Inc. (SGA) – Financial Adviser*

To encourage social distancing the BASA Board held their meeting virtually via Zoom Video Conference. No public attendance was permitted to the September 8, 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 September 8, 2020.

1. CALL TO ORDER

- *Mr. Patterson called the meeting to order at 9:03 a.m.*

2. ROLL CALL

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

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

- *None*

4. APPROVAL OF MINUTES

A. August 11, 2020 Regular Meeting

- *A motion to approve the August 11, 2020 meeting minutes was made by Mr. Sybert and seconded by Ms. McKnight. Motion approved 5-0.*

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5. **Item 10 A. Consider Resolution No. 9-8-2020-01 re: Authorizing Actions for the 2020/2021 Bond Issues**
- *Mr. Garin reviewed the proposed resolution, noting an update on page 2 that replaces the “2013” reference with “2015” in regards to the Series A of 2020 refinancing.*
 - *He also outlined that both the 2020 and 2021 refinancing of the 2015 and 2016 bond issues, respectively, required a 5% minimum savings target per the resolution. The total 2021 new money issue and 2016 refinancing is limited to an aggregate principal amount of \$20 million.*
 - *Mr. Wenger suggested to the Board that due to the volatile market that the minimum savings on both bonds being refinanced be lowered to 4% or approximately a \$40,000 per year savings.*
 - *The sale of the 2015 bonds is tentatively scheduled for September 24, 2020 at 11:00 a.m.*
 - *A motion was made by Mr. Patterson and seconded by Mr. Henry to approve the Resolution No. 9-8-2020-01 authorizing necessary actions for the 2020/2021 bond issues with the revised year update and changes to the required savings from 5% to 4%. Motion approved 5-0.*
6. **APPROVAL OF WARRANTS/OTHER PAYMENTS**
- A. **Invoice Warrant Lists: August 18, 2020 (\$31,707.95), August 18, 2020 (\$53,133.47), August 25, 2020 (\$55,561.52), September 3, 2020 (\$65,490.00), September 4, 2020 (ACH Transfer - \$57,549.98), and September 4, 2020 (Capital Improvements - \$480.00)**
- *Ms. Lavorini reviewed the warrants listed above.*
 - *A motion was made by Ms. McKnight and seconded by Mr. Hassler to approve the warrants listed. Motion approved 5-0.*
7. **FINANCE DIRECTOR’S REPORT**
- A. **Authority Fund Statements and Budget Report – August 31, 2020**
- *Ms. Lavorini reviewed the Authority Fund Statements and Budget Report for the month and noted that this is the first month in the new fiscal year.*
- B. **Investment Update**
- *Ms. Lavorini noted that one CD matured during the period but the proceeds are being held as liquid funds with PLGIT. The rate of return on liquid funds remains higher than the CD market.*
- C. **Summary of the Semi-Annual Pension Committee Meeting – August 13, 2020**
- *Ms. Lavorini reviewed the August 13, 2020 Pension Committee meeting minutes with the Board.*
- D. **Consider Updated Pension Investment Policy Statement Adoption - August 6, 2020**
- *Ms. Lavorini explained that the updated Investment Policy Statement addressed housekeeping items only and that there were no material changes to the Policy.*
 - *A motion was made by Mr. Hassler and seconded by Mr. Sybert to approve the adoption of the updated Pension Investment Policy Statement. Motion approved 5-0.*
8. **EXECUTIVE DIRECTOR’S REPORT**
- A. **Plant Superintendent’s Operations Report – August 2020**
- *Mr. McKee informed the Board that the reports were in their packages. Mr. McKee highlighted that the Realty Transfer Inspections were booked into October and that the round chlorine contact tank refurbishing work was completed.*

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B. Field Superintendent's Operations Report- August 2020

- *See above.*

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

- *See above.*

9. OPERATIONS DIRECTOR'S REPORT

A. Sewer Tap-In Report – August 2020

- *Mr. Schon reviewed the sewer tap-in report for August 2020. There were nine sewer tap permits issued; six inspection only permits and three new single-family connection permits.*

B. Discharge Monitoring Report – July 2020

- *Mr. Schon reported that the wastewater treatment plant was in full compliance with all the NPDES Permit discharge limits and monitoring requirements during July 2020. There were no sanitary sewer overflows during July 2020.*

10. CONSULTING ENGINEERS' REPORTS

A. Authority Engineer's Monthly Report

- *Ms. Carroll said the consultant's report was in the Board package and added that there was a change of scope to the Sludge Handling Building proposal to add the roof drains to the project.*
- *Mr. Schon added that DEP provided preliminary effluent limits for re-rating the capacity of the treatment plant. The DEP would require more stringent discharge limits for both the 11 MGD and 11.2 MGD re-rate proposals. The existing treatment processes are not capable of meeting these more stringent limits without process modifications and new treatment processes. The capital cost of these improvements is not warranted at this time since it is unlikely that the plant will be hydraulically overloaded in the near future. The staff will continue to evaluate the required process modifications and improvements to comply with these limits, as well as options to modify these limits, to begin planning for a future re-rating.*

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

- *Mr. Slomers informed the Board that the CAP is progressing as scheduled. HRG is waiting for the DEP to determine the required planning actions to implement the CAP improvements to update the CAP schedule. HRG and BASA staff will present the system improvement alternatives and recommendations for the Fisher-Brewster-Brewster Booster (FBB) pump station system and the Greenwood-Bryson-Benbrook (GBB) pump stations system at the October 13, 2020 Board meeting.*

11. FISCAL AND CONTRACTING MATTERS

A. Consider Resolution No. 9-8-2020-01 re: Authorizing Necessary Actions for the 2020/ 2021 Bond Issues

- *Subject was reviewed under Item 5 of the meeting minutes.*

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- B. Financial Adviser, SGA, Inc., Bond Services Proposal re: 2020/2021 Bond Issue(s)
- *Upon the successful completion of any financing, fees in the amount of \$25,000 for the 2015 refinancing and for the refunding of the 2016 bonds, as a separate issue, a fee also in the amount of \$25,000. Should the proposed project improvements, up to \$12,000,000, be included as part of the 2021 bond issue, the fee shall be \$29,000.*
 - *A motion was made by Mr. Patterson and seconded by Mr. Sybert to approve SGA, Inc. as BASA's consultant for bond services for the 2020/2021 bond issue(s). Motion approved 5-0.*
- C. Bond Counsel, Dinsmore & Shohl LLP, Legal Services Proposal re: 2020 /2021 Bond Issue(s)
- *A fee of \$25,000 per transaction if completed separately or to the extent the 2021 financings are combined into one issue, a maximum fee of \$50,000 for that single transaction.*
 - *A motion was made by Ms. McKnight and seconded by Mr. Henry to approve Dinsmore & Shohl as bond counsel for the 2020/2021 bond issue(s). Motion approved 5-0.*
- D. Authority Solicitor's Legal Services Proposal re: 2020/2021 Bond Issue(s)
- *A fee of \$14,000 per bond issue if completed separately or to the extent the 2021 financings are combined into one issue, \$28,000 for that single transaction.*
 - *A motion was made by Mr. Henry and seconded by Mr. Patterson to approve the Authority Solicitor's fees for legal services on the 2020/2021 bond issue(s). Motion approved 5-0.*
- E. Maher Duessel CPAs, Engagement Letter Addendum re: 2020/2021 Bond Issue(s)
- *To issue consent letters, a fee of \$1,000 for each debt transaction (both POS and OS).*
 - *A motion was made by Mr. Sybert and seconded by Mr. Hassler to approved Maher Duessel's fees for services for the 2020/2021 bonds issue(s). Motion approved 5-0.*
- F. BASA's Property/Casualty Insurance Renewal through Cincinnati Insurance by the Mitchell Agency
- *Mr. McKee introduced the memo prepared by Gerald Raabe of Baily Raabe & Associates recommending renewing BASA's property and casualty insurance through Cincinnati Insurance by the Mitchell Agency.*
 - *A motion was made by Ms. McKnight and seconded by Mr. Hassler to approve the renewal of BASA's Property and Casualty Insurance through Cincinnati Insurance by the Mitchell Agency. Motion approved 5-0.*
- G. Consider Approval of the Biennial OPEB (Other Post-Employment Benefits) Valuation Report by Mockenhaupt Benefits Group – August 1, 2019
- *Ms. Lavorini reviewed the report, drawing attention to the decrease in total OPEB liability of \$555,002 since the last report issued in 2017.*
 - *A motion was made by Mr. Hassler and seconded by Mr. Patterson to approve the valuation report prepared by Mockenhaupt Benefits Group. Motion approved 5-0.*
- H. Consider Approval for Rhoades Law to Review and Amend both the 401(a) and 457(b) Plan Documents for Compliance in the amount of \$1,500
- *Motion was made by Mr. Sybert and seconded by Mr. Henry to approve Rhoades Law to review both the 401(a) and 457 (b) Plan Documents for compliance for a not to exceed amount of \$1,500. Motion approved 5-0.*

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I. Butler Township Volunteer Fire District Donation - \$80.00

- *A motion was made by Ms. McKnight and seconded by Mr. Hassler to approve donating \$80.00 to the Butler Township Fire District. Motion approved 5-0.*

J. 2020-2021 Sewer Rehabilitation Project Development and Funding

- *Mr. McKee introduced the 2020 Sewer Rehabilitation Capital Project valued at \$255,000. Mr. McKee explained that the North Hills Council of Governments (NHCOG) contract was opened in August but has not been awarded yet. The COVID-19 pandemic and contract edits caused a delay in finalizing the contract by one month. Staff will be working on a project with the apparent low bidder and will bring a project with the NHCOG contracts for the Board to consider awarding at the October 13, 2020 Board meeting.*
- *Mr. Hnath indicated that no motion was necessary because the item was for informational purposes only. The Board can take action on the NHCOG Contracts next month.*

12. OLD BUSINESS

- *None*

13. NEW BUSINESS

- *None*

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

- *None*

15. ADJOURNMENT

- *A motion was made by Ms. McKnight and seconded by Mr. Henry to adjourn the Regular Meeting at 9:42 a.m. and move to Executive Session. Motion approved 5-0.*

EXECUTIVE SESSION – PERSONNEL AND PROPERTY MATTERS

- *The Board entered Executive Session at 9:42 a.m. All members of the Board, Mr. Hnath, Mr. McKee, Ms. Lavorini, and Mr. Schon were present to discuss property and personnel matters. The Executive Session concluded at 10:00 a.m.*



Secretary

10/13/2020

Date

NEXT MEETING: TUESDAY, OCTOBER 13, 2020 at 9:00 A.M.
BASA AUTHORITY OFFICE, 100 LITMAN ROAD, BUTLER, PA

