

BUTLER AREA SEWER AUTHORITY
MINUTES OF THE APRIL 13, 2021 REGULAR MEETING

The regular meeting of the Butler Area Sewer Authority (BASA) Board was hosted on Tuesday, April 13, 2021 at 9:00 a.m. at the Authority office located at 100 Litman Road, Butler, PA through a Zoom Video Conference (Meeting ID 848-9348-3437, Password 535135).

Authority Board Members Present via Zoom Video Conference:

- *Gerald S. Patterson, Jr., Chairman*
- *Lance R. Calvert, Secretary*
- *Mavrik W. Goepfert, Treasurer*
- *Steven C. Braden – Assistant Secretary/ Treasurer*

Authority Board Member Absent:

- *Paul F. Sybert, Vice Chairman*

Staff, Consultants and Guests Present via Zoom Video Conference:

- *Duane McKee, Executive Director*
- *Ronata Lavorini, Finance Director*
- *Daniel Slomers, Authority Engineer*
- *Virginia Ferderber, Collections and Payables Coordinator*
- *Michael Hnath, Dillon McCandless King Coulter & Graham - Authority Solicitor*
- *Sean Garin, Dinsmore & Shohl LLP- Bond Counsel*
- *Jay Wenger, Susquehanna Group Advisor, Inc. (SGA) – Financial Adviser*
- *Jeff Smith- City of Butler*
- *Ryan Hayes, PA American Water, Senior Manager of Business Development*

To encourage social distancing the BASA Board held their meeting virtually via Zoom Video Conference. No public attendance was permitted to the April 13, 2021 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 April 13, 2021.

1. CALL TO ORDER

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

2. ROLL CALL

- *Mr. McKee conducted a roll call. Mr. Patterson, Mr. Calvert, Mr. Goepfert, and Mr. Braden were present via the Zoom Video Conference. Mr. Sybert was unavailable for the meeting.*

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

- None

4. Item 9A. Update on Refinancing the 2016 Sewer Revenue Bond

- *Mr. Wenger reviewed the Summary of the 2020A and 2021 Refunding Transactions.*

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- - *Mr. Wenger informed the Board that the Authority would save approximately \$100,000 per year in debt service payments resulting from the competitive sales of the bonds. The aggregate total debt service for the years from 2021 to 2041 is \$52,999,329.*
 - *Mr. Garin stated that the Bond closing is set for April 14, 2021 and thanked the Board and Mr. McKee for signing and coordinating the signatures for the necessary documents.*

5. APPROVAL OF MINUTES

A. March 9, 2021 Regular Meeting

- *A motion to approve the March 9, 2021 meeting minutes, was made by Mr. Calvert and seconded by Mr. Goepfert. Motion approved 4-0.*

6. APPROVAL OF WARRANTS/OTHER PAYMENTS

A. Periodic Estimate No.1, North Hills COG 2020-2021 CAP Sewer Rehab Project, \$30,006 (State Pipe Services, Inc.)

- *Mr. Slomers reviewed the pay estimate no. 1, stating that the work performed last month was on manhole repairs. The crews are now moving into the sewer system currently under the CAP.*
- *Mr. Patterson asked if the Authority was notifying the municipalities.*
- *Mr. Slomers responded yes; we make every attempt to notify the municipalities. However, the work recently completed was in yard areas, and the roads were not affected.*
- *Mr. Slomers recommended payment to State Pipe Services, Inc. in the amount of \$30,006.*
- *A motion was made by Mr. Patterson and seconded by Mr. Calvert to approve payment to State Pipe, Inc. for periodic estimate no. 1, in the amount of \$30,006. Motion approved 4-0.*

B. Invoice Warrant Lists: March 10, 2021 (ACH Transfer - \$57,336.12), March 17, 2021 (\$84,475.89), March 29, 2021 (\$66,599.61), April 13, 2021 (Capital - \$54,713.58), and April 13, 2021 (\$82,967.70)

- *Ms. Lavorini reviewed the above warrants, noting check nos. 58553 and 58560 were voided.*
- *A motion was made by Mr. Braden and seconded by Mr. Goepfert to approve the warrants listed. Motion approved 4-0.*

7. FINANCE DIRECTOR'S REPORT

A. Authority Fund Statements and Budget Report – March 31, 2021

- *Ms. Lavorini reviewed the Authority Fund Statements and Budget Report for the month of March. She noted that the title and column header of the Income Statement should be corrected to read March 31, 2021.*

B. Investment Update

- *Ms. Lavorini informed the Board that two CDs matured during the period, but principal and interest were not reinvested as CD rates remain low relative to term length.*

C. Quarterly Accounts Receivable Summary – March 31, 2021

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- *Ms. Lavorini reviewed the report noting that the total number and value of delinquent accounts outstanding decreased considerably (37% and 12%, respectively) since last quarter. Significant collection efforts to lien and begin post pandemic, owner occupied, water termination procedures spurred collections for non-liened and non-bankruptcy accounts from \$316,978 to \$168,896 (47%).*

D. Quarterly Customer Account Audit Report – April 7, 2021

- *Ms. Lavorini reviewed the quarterly Customer Account Audit Summary Report with the Board. The format has changed slightly with an increased emphasis on the commercial accounts. Several commercial account changes were moving from a flat rate to usage, but these changes are not expected to have a material effect on billing in most cases.*

8. OPERATIONS REPORTS

A. Plant Superintendent’s Operations Report – March 2021

- *Mr. McKee informed the Board that the reports were in their packages and asked if there were any questions. There were no questions.*
- *Mr. McKee highlighted the SCADA project informing the Board that the panels have arrived and are being installed. This is a major step towards automating the plant. The phase two proposal for the SCADA system improvements at the remote site is expected very soon.*
- *The Realty Transfer Inspection schedule is full and back to normal.*

B. Field Superintendent’s Operations Report- March 2021

- *See above.*

C. Realty Transfer I&I Inspection’s Report – March 2021

- *See above.*

D. Sewer Tap-In Report – March 2021

- *Mr. McKee reviewed the sewer tap-in report for March 2021. There were three tap permits issued; one residential and two no fee permits for repairs.*

E. Discharge Monitoring Report – February 2021

- *Mr. McKee reported that the wastewater treatment plant was in full compliance with all the NPDES Permit discharge limits and monitoring requirements during February 2021. The plant’s average daily flow was 5.365 MGD.*
- *Mr. McKee informed the Board that there was no wet weather overflow in February.*

E. 2020 Municipal Wasteload Management Report

- *Mr. McKee informed the Board that the 2020 Municipal Wasteload Management Report more commonly know as the Chapter 94 Report is not in their package but is available for viewing on the BASA Website.*
- *Mr. McKee explained to the new Board members that the Chapter 94 Report is a planning tool used by DEP to look 5 years into the future at the Authority’s financial and physical condition of the Plant and the remote facilities or pump stations. The report also includes the Annual Pretreatment Report.*

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- *Mr. McKee informed the Board that the only area of concern is the Corrective Action Plan (CAP) for the Fischer, Brewster, Brewster Booster and the Greenwood, Bryson, Benbrook pump stations.*

9. CONSULTING ENGINEERS' REPORTS

A. Authority Consulting Engineer's Monthly Report

- *Mr. Mike McKee was unable to attend the meeting. Mr. Patterson invited the Board to call Mr. Mike McKee with any question regarding the Consulting Engineers Report.*

B. CAP Update – HRG's Progress Report - March 2021

- *Mr. Slomers informed the Board that HRG continues to work on the planning process, that the public comment period has been completed, and that the project remains on schedule.*
- *Mr. Patterson asked if there were any concerns raised by the municipalities during the public comment period.*
- *Mr. Slomers informed the Board there were no comments.*

10. FISCAL AND CONTRACTING MATTERS

A. Update on Refinancing the 2016 Sewer Revenue Bond

- *See Item 4 above*

11. OLD BUSINESS

- *None*

12. NEW BUSINESS

A. Consider a Motion to Appoint Duane E. McKee, Executive Director as BASA's Representative for the Butler County Council of Governments (COG).

- *A motion was made by Mr. Braden and seconded by Mr. Calvert to appoint Mr. McKee as the Authority's representative for the Butler County Council of Governments. Motion approved 4-0.*

B. Consider Approving Resolution No. 04-13-2021-01, Schedule of Fees

- *Mr. McKee reviewed the changes in the fee resolution. The changes included lowering the realty transfer inspection escrow amount from \$5,000 to \$2,500 for condemned houses and incorporating the new fees associated with the recently approved PA American Water Turnoff/on Agreement for landlord/tenant customers.*
- *Mr. Patterson asked if the PA American fees are passed to the respective customers.*
- *Ms. Lavorini responded yes; noting that the fees have changed due to the newly implemented PA American landlord/tenant water shut off/on process.*
- *A motion was made by Mr. Calvert and second by Mr. Patterson to approve Resolution No. 04-13-2021-01, Schedule of Fees. Motion approved 4-0.*

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C. BASA Flexible Spending Account – Davevic COVID-19 FSA Election Form

- *Ms. Lavorini explained that there are currently no employees that have opted into the dependent care provisions of the FSA plan and therefore it is recommended to maintain the current language/limit and not to amend the existing provisions of the plan.*
- *A motion was made by Mr. Braden and seconded by Mr. Goepfert to keep the dependent care FSA limit the same and not increase the amount. Motion approved 4-0.*

D. Overview of BASA's Purchasing Policy

- *Mr. Mckee introduced the proposed Purchasing Policy.*
- *After a brief discussion between the Board Members and Mr. Hnath, Mr. Patterson requested the motion for approval be tabled until next month's meeting*

E. New Business opened by Mr. Calvert

- *Mr. Calvert informed the Board he had received a letter from PA American regarding the purchase of the Sewer Authority and requested to hear Mr. Patterson's opinion on the matter.*
- *Mr. Patterson said he was confused with the letter he received from PA American, because any sale of the Authority would need to be approved by the City of Butler and Butler Township.*
- *Mr. Hnath confirmed that this would be the case. The City and the Township created the Authority, and they would have to agree to terminate the Authority.*
- *Mr. Ryan Hayes of PA American Water introduced himself and PA American's potential interest in purchasing the Sewer Authority. He noted that Act 12 of 2016 now allows the purchase of publicly owned wastewater systems at a fair market value. PA American's key strategy is to purchase wastewater treatment plants located in their water service area.*
- *Mr. Hayes informed the Board that PA American will begin requesting publicly accessible documents to perform the due diligence necessary in further assessing the potential of purchasing the Sewer Authority.*
- *Mr. Hayes said he has already reached out to the Township and the City.*
- *Mr. Branden said he also received the letter and thought it was something the Board should at least listen to.*
- *Mr. Calvert said it makes sense to explore the idea of selling the Authority.*

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

- *Mr. Smith asked if Butler City was required to provide a response during the public comment phase of the CAP project. Mr. Slomers noted that it was not required because the work being performed was not located in the City.*
- *Mr. Smith thanked the Board for appointing Mr. McKee as a Butler COG representative.*
- *Mr. Smith asked in regard to the Shade Tree Commission if the Authority requires root removal due to infiltration. Mr. McKee responded, that outside of the reaty program that is not typically the case but warned that a homeowner could experience a back-up issue if root infiltration is not addressed timely.*

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- *Mr. Smith disagreed with Mr. Hnath's statement that the Township and the City would need to approve the sale of the Authority. Mr. Smith stated that the Sewer Authority Board had the right to buy and sell assets.*
- *Mr. Hayes agreed with Mr. Smith, the Sewer Authority Board has the ability to sell assets.*
- *Mr. Hnath disagreed, stating again that the sale of all the Sewer Authority assets is essentially dissolving the Authority and would require the Township and the City to approve the sale. He also noted the other municipalities that are served by the Authority, but do not have a seat on the Board.*
- *Mr. Hayes stated that the Authority did not have to dissolve but could become a stormwater authority.*

15. ADJOURNMENT

- *A motion was made by Mr. Calvert and seconded by Mr. Braden to adjourn the Regular Meeting at 9:48 a.m. Motion approved 4-0.*



Secretary

Date

**NEXT MEETING: TUESDAY, MAY 11, 2021 at 9:00 A.M.
BASA AUTHORITY OFFICE, 100 LITMAN ROAD, BUTLER, PA**