

BUTLER AREA SEWER AUTHORITY
MINUTES OF THE NOVEMBER 9, 2021 REGULAR MEETING

The regular meeting of the Butler Area Sewer Authority (Authority) Board was held on Tuesday, November 9, 2021 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*
- *Paul F. Sybert, Vice Chairman*
- *Lance R. Calvert, Secretary*
- *Mavrik W. Goepfert, Treasurer*

Authority Board Member Absent:

- *Steven C. Braden, Assistant Secretary and Treasurer*

Staff, Consultants and Guests Present:

- *Duane McKee, Executive Director*
- *Ronata Lavorini, Finance Director*
- *Virginia Ferderber, Collections and Payables Coordinator*
- *Michael Hnath, Dillon McCandless King Coulter & Graham - Authority Solicitor (via TEAMS Meeting)*
- *Michael McKee, Hatch - Consulting Engineer*
- *Jeff Smith, City of Butler*
- *John Ward, Pennsylvania American Water Company (PAWC) Representative*
- *Ryan Hayes, PAWC Representative*
- *Paula Grubbs- Butler Eagle*
- *Cindy McKnight – 152 Haverford Drive*
- *Jordan Gracy- Butler County Chamber of Commerce*
- *Jeff Geibel – Butler Downtown*
- *Timothy J. Morgus – Maher Duessel*
- *Jennifer Croft, Maher Duessel*
- *Sam J. Zurzolo, Butler Township*

The public was 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 November 9, 2021.

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)

- *Ms. McKnight of 152 Haverford, City of Butler said she was not in favor of selling the Authority to PAWC. It would not be helping the residents by doubling or tripling the rates. It would be a big mistake, there is no real growth in the area. What about East Butler and Center Township, stating they do not have a seat on the Authority Board. Shouldn't they have a say in what happens?*
- *Mr. Gracy from the Butler County Chamber of Commerce said there is growth in the City and Township and in the County. That PAWC is a supporter and active in the community. He supports*

PAWC acquiring the Authority.

- *Ms. McKnight asked if the Chamber supports public hearings and feels the community is unaware of the issue.*
- *Mr. Gracy noted that Authority Board meetings with a posted agenda was a good way to go.*
- *Mr. Zurzolo said no matter what happens rates are going to go up.*
- *Ms. McKnight said it is better to keep the sewer system owned locally.*
- *Mr. Gracy agreed and said PAWC is local.*
- *Ms. McKnight reiterated that selling out was not a good idea.*
- *Ms. McKnight asked if the Authority should put out an RFP to sell the Authority assets.*
- *Mr. Gracy added that putting the sewer and water services together is an added benefit.*
- *Mr. Geibel from the Butler Downtown said the sale of the Authority doesn't need to be the biggest check, but the best business partner. We should not forget about the nonprofits, churches, and hospital.*

3. APPROVAL OF MINUTES

A. October 12, 2021 Regular Meeting

- *Mr. McKee informed the Board there were several clerical errors corrected after the meeting minutes were distributed. Item 5C first bullet, Mr. was changed to Ms. and Item 8A second bullet, Mr. was added to Sybert and Braden.*
- *A motion was made by Mr. Calvert and seconded by Mr. Sybert to approve the meeting minutes, as corrected. Motion approved 4-0.*

4. APPROVAL OF WARRANTS/OTHER PAYMENTS

A. Invoice Warrant Lists: October 13, 2021 (ACH - \$54,172.64), October 19, 2021 (\$105,797.04), October 28, 2021 (\$29,027.51), November 9, 2021 (Capital - \$25,014.60) and November 9, 2021 (\$1,354,795.25)

- *Ms. Lavorini reviewed the above warrants.*
- *Ms. Lavorini noted that the January 2022 debt service payments for the four outstanding bonds make up a substantial portion of the November 9, 2021 warrant.*
- *A motion was made by Mr. Goepfert and seconded by Mr. Sybert to approve the warrants listed. Motion approved 4-0.*

5. FINANCE DIRECTOR'S REPORT

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

- *Ms. Lavorini reviewed the Fund Statements and Budget Report dated October 31, 2021.*
- *Mr. Patterson asked if there were any questions from the Board. There were no questions.*

B. Investment Update

- *Ms. Lavorini informed the Board there has been no change in the status of PLGIT investments.*

C. Presentation of the Audited Financial Statements and Related Reports for the Years Ended July 31, 2021 and 2020

- *Mr. Morgus provided a copy of the presentation to the Board, noting that a governance communication letter, DCED, legal advertisement and the audited financial statements had been*

issued. He then reviewed financial highlights of the audited financial statements and related reports for the years ended July 31, 2021 and 2020.

- Mr. Morgus indicated that the Authority is outperforming recommended benchmarks relative to the ratio of current assets to current liabilities, a measurement of liquidity, exceeding the recommendation of a 1:1 ratio. The Government Finance Officers Association (GFOA) recommends a fund balance ratio of 17%, comparing unrestricted net position to revenues, the Authority outperforms this benchmark by approximately 4 times. The Authority generated approximately \$2,500,000 in cash during the year but did have an overall net loss of \$265,172 attributed to a onetime expense for bond issuance costs of \$423,655.
- A motion was made by Mr. Sybert and seconded by Mr. Calvert to approve the audited financial statement and related reports for the years ended July 31, 2021 and 2020. Motion approved 4-0.

6. OPERATIONS REPORTS

A. Plant Superintendent's Operations Report -October 2021

- Mr. McKee informed the Board that the reports were in their packages and asked if there were any questions.
- There were no questions.

B. Field Superintendent's Operations Report - October 2021

- See above.

C. Realty Transfer I&I Inspection's Report - October 2021

- See above.

D. Sewer Tap-In Report - October 2021

- There were five sewer tap permits issued; one new residential unit, three no fee permits for repairs and one inspection only.

E. Discharge Monitoring Report - September 2021

- Mr. McKee reported that the wastewater treatment plant was in full compliance with all the NPDES permit discharge limits and monitoring requirements during September 2021. The plant's average daily flow was 4.582 MGD.
- Mr. McKee informed the Board that there were no sanitary sewer overflows in September.

7. CONSULTING ENGINEERS' REPORTS

A. Authority Consulting Engineer's Monthly Report

- Mr. Mike McKee informed the Board that the report was in their package and asked if there were any questions.
- Mr. Patterson asked if the Board had any questions. There were no questions.

B. CAP Update- HRG's Progress Report - October 2021

- Mr. McKee informed the Board that HRG has completed the field survey and continues working on the 30% design drawings.
- Mr. Patterson asked if there were any questions on the report. The Board had no questions.

8. FISCAL AND CONTRACTING MATTERS

A. Consider Approving an Addendum to Quadiant, Inc. Online Services and Software Agreement

- Ms. Lavorini reviewed the proposed addendum and decrease in costs.
- In response to Mr. Patterson's question, she explained that with the recent change to the Water Shut Off Agreement with PAWC, the landlord tenant shut off mailings would be done by PAWC and not the Authority. This addendum reflects the reduction in mailings expenses.
- A motion was made by Mr. Goepfert and seconded by Mr. Calvert to approve the addendum to the Quadiant, Inc. Online Services and Software Agreement. Motion approved 4-0.

B. Consider Approving Purchase of NS4427 Polymer, Costars #015-024

- Mr. McKee requested the Board authorize the purchase of the NS4427 Polymer utilizing the Costars Contract. The Authority purchases about \$68,000 a year in polymer.
- A motion was made by Mr. Sybert and seconded by Mr. Goepfert to approve the purchase of the NS4427 polymer utilizing the Costars contract #015-024. Motion approved 4-0.

C. Consider Award of Professional Environmental lab Services for 2022

- Mr. McKee requested the Board authorize engaging with a new professional lab, CWM Environmental, for NPDES wastewater testing services in 2022.
- A motion was made by Mr. Calvert and seconded by Mr. Goepfert to approve CWM Environmental as the Authority's profession lab for 2022 calendar year in the amount of \$51,988. Motion approved 4-0.

D. Consider Approving 2022 PennPrime's Worker's Compensation Trust Renewal Proposal

- Mr. McKee requested the Board authorize renewing the worker compensation insurance with PennPrime Trust.
- A motion was made by Mr. Sybert and seconded by Mr. Patterson to approve renewing the 2022 workers compensation insurance with PennPrime Trust. Motion approved 4-0.

9. OLD BUSINESS

A. AQUA's Letters of Interest in Acquiring the Assets of Butler Area Sewer Authority

- Mr. McKee informed the Board that Aqua's letters of interest in purchasing all the Authority's assets are in their board packages.

B. PA American Water (PAWC) Confidentiality Agreement

- *Mr. Hnath informed the Board that staff has continued to work on the language in the Confidentiality agreement.*
- *Mr. Hnath suggested the Board discuss the comments provided by staff and PAWC in Executive Session.*

10. NEW BUSINESS

- *None*

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

- *None*

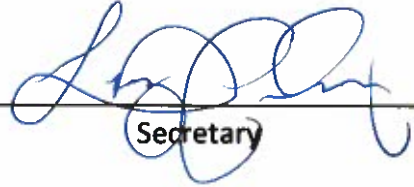
12. EXECUTIVE SESSION – Legal Matters

- *The Board went into Executive Session at 9:31 a.m.*
- *Mr. Patterson, Mr. Calvert, Mr. Goepfert, Mr. Sybert, Mr. McKee, Mr. Hnath and Ms. Lavorini were present to discuss legal matters.*

- *The Board returned to the regular meeting at 10:09 a.m.*

ADJOURNMENT

- *A motion was made by Mr. Calvert and seconded by Mr. Sybert to adjourn the Regular Meeting at 10:10 a.m. Motion approved 4-0.*



Secretary

12-14-2021
Date

**NEXT MEETING: TUESDAY, DECEMBER 14, 2021 at 9:00 A.M.
AUTHORITY OFFICE, 100 LITMAN ROAD, BUTLER, PA**



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