

Minutes of the Fox Chapel Authority Board of Directors meeting held Tuesday 12/5/17 at 7:00 PM at the Fox Chapel Authority office, 255 Alpha Drive, O'Hara Township, PA.

Board of Directors present	Mr. P. A. Iurlano, President Dr. B. D. Newman, Vice President Mrs. S. M. Mantia, Secretary Mr. R. D. Sikon, Asst. Sec./Treas. Mrs. A. C. Lehman
Board of Directors absent	Mr. J. A. Domaratz, Treasurer Mr. E. W. Nolder
Others present	Mr. A. A. Ditka, Dinsmore & Shohl Mr. M. S. Moore, Bankson Engineers, Inc. Mr. M. E. Nicely, Manager

Mr. Iurlano, President, presided and called the meeting to order at 7:03 PM.

#### Approval of Minutes

Mr. Iurlano requested any comments or corrections the minutes of the October 24, 2017 meeting. There being none Dr. Newman made a motion to accept as presented. Mr. Sikon seconded with all in favor.

#### Visiting Delegations/Public Comment Period

None.

#### Financial Report

Mr. Nicely reviewed the check register for October/November and noted those items which don't appear on a routine basis. He continued with a brief review of the October income statement, balance sheet and actual versus budget comparison.

#### Consulting Engineer's Report

Mr. Moore reviewed and updated his written report concerning the North Tank repainting project and Booster Station upgrade. We are awaiting the operations permit which was submitted on November 29, 2017 for both the tank and mixer since the water quality tests were good. We are also awaiting permit approval from DEP on the Booster Station.

Mr. Nicely reviewed the 2017 Annual Report and 2018 proposed operating and capital budgets. The 2018 operating budget recommends a general 9.5% increase necessitated by a 28% increase in water purchases from Pittsburgh Water and Sewer Authority coupled with other general increases. In addition there were recommended increases to several miscellaneous fees along with the charges for private fire protection. There are sufficient capital funds to complete the unfinished 2017 projects and those slated for 2018. There was discussion and concern about the announced rate increases from Pittsburgh Water and Sewer Authority in 2019 and 2020 and their impact upon our rate payers in addition to our need to continue with our infrastructure replacement program. Mr. Nicely was instructed to investigate ways to reduce our operating and capital costs and build our reserve funds for both operations and capital. After discussion Mrs. Lehman made a motion to accept the 2017 Annual Report and the recommended rate adjustments to be effective on water used after 1/1/18. Mr. Sikon seconded with all in favor.

## Solicitor's Report

We defeased the 2012 Bond Issue on November 20, 2017 and closed the 2017 Bank Loan which funded the defeasance..

## Manager's Report

Mr. Nicely noted that in addition to his written report that the Delafield Tank and mixer were placed into service on November 28, 2017 after receipt of the operations permit from DEP. He continued by noting that our account with First Commonwealth was closed in late November. Lastly he mentioned that Mr. Kendrick was scheduled for back surgery (non wc) on December 7, 2017.

## Committee Reports

Mr. Iurlano mentioned that the Finance Committee was meeting with First National to review the DC pension plan and the investment options for our employees.

Mrs. Lehman mentioned that the Personnel Committee met on November 3, 2017 to review Mr. Nicely's retirement plans. He has decided to remain until he attains age 70 with an anticipated retirement date in October or December 2020. Lastly the group decided to begin a replacement search earlier and possibly utilize a head hunter.

## Old Business

Mr. Nicely noted that the first payment to Folino for paving restoration was signed this evening. There are five remaining repairs to be done but they are weather dependent. Mr. Nicely was to contact the customers involved.

Mr. Nicely reviewed the DC pension plan revisions late this afternoon and forwarded them to the Finance Committee and Solicitor for review. Once the review is complete the proper officers have been authorized to execute the document.

## New Business

Mr. Nicely had reviewed his memo regarding private fire protection fees as part of the budget discussion.

Mr. Sikon did a slide presentation on the status of our cyber security. There has been a major upgrade but work still remains to protect our business. The main theme was a business continuity plan.

Mr. Nicely reviewed his memo concerning meeting dates for 2018.

## Executive Session

At 8:20 PM the regular meeting adjourned to discuss potential litigation issues.

## Adjournment

At 8:29 PM the regular meeting resumed at which time Mrs. Mantia made a motion to adjourn. Mr. Sikon seconded with all in favor.