

Minutes of the Fox Chapel Authority Board of Directors meeting held Tuesday 10/24/17 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. J. A. Domaratz, Treasurer  
Mr. R. D. Sikon, Asst. Sec./Treas.  
Mr. E. W. Nolder  
Mrs. A. C. Lehman

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 7:06 PM.

#### Approval of Minutes

Mr. Iurlano requested any comments or corrections the minutes of the September 26, 2017 meeting. There being none Mrs. Mantia made a motion to accept as presented. Mrs. Lehman seconded with all in favor.

#### Visiting Delegations/Public Comment Period

None.

#### Financial Report

Mr. Nicely reviewed the check register for September/October and noted those items that don't appear on a regular basis after which it was accepted. He continued with a brief review of the September income statement, balance sheet and actual versus budget comparison. He noted that starting with the 2018 budget the capital projects will be presented as a standalone budget and eliminated from the income statement and operating budget to eliminate future confusion.

#### Consulting Engineer's Report

Mr. Moore gave an update on the North Tank repainting project along with the Booster Station Upgrade project.

#### Solicitor's Report

Mr. Ditka gave a brief summary of the proposed bank loan with First National to defease our bonds. He then introduced a resolution to clarify that we chose the option with monthly amortization. Dr. Newman made a motion to adopt the resolution and have the proper officers execute the documents.

#### Manager's Report

Mr. Nicely noted that in addition to his written report the Delafield Tank has been cleaned and a mixer installed. We'll put the tank back in service once it has been inspected by DEP and an operations certificate issued.

## Committee Reports

Mr. Iurlano stated that the Finance Committee has met twice with First National regarding the transfer of the defined benefit pension plan and the creation of the defined contribution plan. There is another meeting scheduled for December 7, 2017 to finalize the defined contribution plan.

The Personnel Committee met immediately preceding the Board meeting and will schedule another meeting before our December Board of Directors meeting.

## Old Business

Mr. Nicely reviewed his memo regarding Folino Construction and after a short discussion it was agreed to wait to see if they perform adequately and in a timely manner.

Mr. Nicely had been in contact with Mockenhaupt Benefits Group to revise the defined contribution plan and had hoped to have those revisions for this meeting. Instead he reviewed the two minor revisions and one substantial revision and requested that the proper officers be allowed to execute the document once it is received. Mr. Iurlano requested that our Solicitor review it also. Mrs. Lehman made a motion to that effect. Mrs. Mantia seconded with all in favor.

## New Business

Mr. Nicely presented three requests for penalty forgiveness for the Boards review. Mr. Nicely was given guidance on this topic and will reply to these customers.

Mr. Nicely reviewed his memo regarding private fire protection charges for 2018 and beyond based upon the rate increase imposed earlier this year. The group agreed with the logic and process and these charges will be recommended in the 2018 budget.

Mr. Nicely reviewed his 2018 preliminary operating budget with a proposed rate increase from Pittsburgh Water and Sewer Authority along with the potential need for rate action on our part depending upon the magnitude of the increase from Pittsburgh Water and Sewer Authority. After discussion Mr. Nicely was directed to prepare the budget based on the current situation unless formally notified of a rate hike from Pittsburgh Water and Sewer Authority.

Lastly Mr. Nicely reviewed his memo regarding the 2018 Capital budget and the need to include the potential capital costs of connecting to either the Oakmont or Wilks-Penn system should negotiations with Pittsburgh Water and Sewer Authority not be successful.

Mr. Nolder informed the group that this was his last meeting as he has taken a job in North Carolina and must resign from the Board. The group thanked him for his service and wished him well.

## Executive Session

None.

## Adjournment

There being no further business to come before the Board of Directors Mrs. Lehman made a motion to adjourn at 7:52 PM. Mrs. Mantia seconded with all in favor.