

Minutes of the Fox Chapel Authority Board of Directors meeting held Tuesday 8/28/18 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  
Mrs. A. C. Lehman, Vice President  
Mr. J. A. Domaratz, Treasurer  
Mr. R. D. Sikon, Asst. Sec./Treas.  
Mrs. N. S. Snider  
Mrs. R. C. Saunders

Board of Directors absent

Mrs. S. M. Mantia, Secretary

Others present

Mr. M. S. Moore, Bankson Engineers, Inc.  
Mr. A. A. Ditka, Dinsmore & Shohl  
Mr. M. E. Nicely, Manager

Mr. Iurlano, President, presided and called the meeting to order at 6:55 PM.

### Approval of Minutes

Mr. Iurlano requested any comments or corrections to the minutes of the June 26, 2018 meeting. There being no comments Mr. Sikon made a motion to accept as presented. Mrs. Saunders seconded with all in favor.

### Visiting Delegations/Public Comment Period

None.

### Financial Report

Mr. Nicely reviewed the check register for July and August and asked for any questions. Mr. Domaratz asked regarding the payment to Day Ford which was the replacement for our unit #11 that was totaled late last year.

Mr. Nicely continued with a review of the income statement and actual versus budget comparison for July. He noted that the revenue increase of \$194,000 was due to the rate increase adopted at the beginning of the year. With our operating expenses being \$75,000 less than 2017 we are \$410,000 in the black over 2017. However when you compare our actual to the proposed budget we are \$235,000 under in revenue primarily due to the cooler and wetter summer than usual. Expenses are closely tracking the budget so he anticipates that we will be between \$200-250,000 in the red at years' end.

### Consulting Engineer's Report

Mr. Moore noted that he reminded the vendor for the pump units for the Booster Station project that we need the NSF certification by early November or we'll need to resubmit to DEP at a cost of \$5,000.

### Solicitor's Report

Mr. Ditka reviewed the lawsuit concerning Roseanne and Mark Cuomo regarding cancer. Mr. Cuomo was employed by Ralph Rizzi but we did not have dealings with Rizzi in the time frame listed in the suit. The appropriate paperwork was filed.

Mr. Ditka mentioned a letter from Amber Falcon at 150 Gamma Drive where we had a break on March 31, 2018. We repaired the break and restored both the paving and yard area. We also cleaned the parking lot and with the assistance of O'Hara Township cleaned two storm drains. However a blockage was encountered and the property owner feels this is our responsibility to remedy. We will have the line inspected by camera and send a letter that we are not liable but have done this as a courtesy to the customer.

### Manager's Report

Mr. Nicely reviewed his written report and noted the number of times Authority facilities were struck by Independent Enterprises who is installing sanitary sewers for the Borough.

### Committee Reports

Mr. Iurlano reported that the Finance Committee met with First National Bank and we're still overfunded. First National Bank is to propose a more detailed investment policy than we currently have for our next meeting.

Mr. Nicely reviewed his memo concerning the potential capital projects for 2019 and 2020 and asked that the group consider these so he may have a decision next month for inclusion in the capital budget.

### Old Business

Mr. Ditka asked for input from the Board concerning the marketing agreement with Service Line Warranties of America before he spent time on it. After discussion and review of the potential revenue and liabilities it was decided that we aren't interested at this time.

Mr. Nicely asked for comments on the revised customer contact information letter. Mr. Nicely will include the one comment and have the approximate 300 letters sent out early in September.

### New Business

Mr. Nicely reviewed the third amendment to the pension plan which addresses the issue of an employee who is in a divorce situation prior to retirement. After discussion Mrs. Saunders made a motion to adopt with a second from Mrs. Lehman. All voted in favor.

Mr. Nicely continued with a brief review of the proposed 2019 and 2020 operating budgets. The bottom line is that whatever increase the PUC grants Pittsburgh Water and Sewer Authority we'll need to pass it entirely along to our customers.

Mr. Nicely reviewed his rate structure memo which affirms our current two block declining rate structure.

The group discussed the possibility of relief for those customers impacted by the flooding in early July. After discussion it was decided that there was no method to fairly treat all customers under the Authorities Act.

Mr. Nicely continued with a review of his memo concerning Ms. Bohm at 522 Fairview Road where our insurance carrier denied coverage for her damages from a water line break under the Municipal Tort Claims Act. After discussion it was decided to affirm the carriers reply and deny the request.

The next item dealt with a proposed penalty or late fee associated with miscellaneous invoices that we render for repairs, materials and private fire protection. After discussion it was decided that Mr. Ditka should come back next month with a recommendation.

Mr. Nicely reviewed the water rate comparison from 1996 and 2018 which shows that while overall rates have increased Fox Chapel Authority has gone from the first quadrant into the second among the water utilities in Allegheny County.

Mr. Nicely continued with a comparison of paving costs between our paving contractor and that of the Borough.

The next item concerns the plugged/collapsed drain line at the River Road Station. A search of the property records didn't discover any formal right-of-way so any cost of repairs or replacement is solely upon the Authority. The Norfolk Southern is threatening legal action if we don't correct the drainage problem which is weakening their rail bed. After discussion Mrs. Snider made a motion for Bankson Engineers Inc. to do the design and permitting with our forces to perform the actual installation. Mrs. Lehman seconded with all in favor.

The last item deals with an invoice presented by the Borough for a slide repair along Hunt Road between Wedgewood Lane and Tomahawk Drive. We had tested the line in late March at the request of the Borough. While the Borough was performing this work they discovered that our line was leaking and in their assessment the entire cost should be borne by the Authority. After discussion it was decided to offer half because we believe that the Authority was not the sole reason for the slide and want to keep the relationship with one of our member municipalities on a relative even keel.

#### Executive Session

None.

#### Board Comments

None.

#### Public Comments on Non-Agenda Items

None.

#### Adjournment

There being no further business to come before the Board of Directors Mr. Sikon made a motion to adjourn at 8:36 PM. Mr. Domaratz seconded with all in favor.