

Minutes of the Fox Chapel Authority Board of Directors meeting held Tuesday 1/29/19 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
Mrs. S. M. Mantia, Secretary
Mr. J. A. Domaratz, Treasurer
Mr. R. D. Sikon, Asst. Sec./Treas.
Mrs. N. S. Snider
Mrs. R. C. Saunders

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 6:59 PM.

Approval of Minutes

Mr. Iurlano requested any comments or corrections to the minutes of the December 4, 2018 meeting. There being no comments Mrs. Mantia made a motion to accept as presented. Mr. Domaratz seconded with all in agreement.

Visiting Delegations/Public Comment Period

None.

Financial Report

Mr. Nicely reviewed the check register and noted those items which don't appear on a regular basis after which the register was accepted.

Mr. Nicely continued with a review of the December income statement, balance sheet and actual versus budget comparison. We finished the year approximately \$75,000 in the black and approximately \$207,000 over 2017 due to the 2018 rate increase. However we finished 2018 approximately \$446,000 below budget due to lower revenues based upon the wettest year on record and increased expenses.

Consulting Engineer's Report

Mr. Moore stated that we're waiting on DEP for our permit to upgrade the Booster Station. We have also not heard from Norfolk Southern regarding the storm drain at the River Road Station. Mr. Moore and Mr. Ditka were instructed to compose and send a letter to Norfolk Southern so that project may proceed.

Solicitor's Report

Mr. Ditka presented the amended agreement with Fox Chapel School District regarding the service to the new Kerr Elementary School. Mrs. Mantia made a motion to have the proper officers execute the agreement. Mrs. Snider seconded with all in agreement.

Mr. Ditka continued with a summary to date on the Cuomo case regarding asbestos. We have requested summary judgement since our records show that we had no contracts with Rizzi or Ricon in the time frame in question.

Manager's Report

Mr. Nicely noted several items in addition to his written report. One was that the auditor had begun the 2018 review and that he had both the gas and diesel tanks pumped out so that the remaining fuel may be used and to prevent any potential soil contamination should a leak occur.

Mr. Nicely continued with a review of our rate increase options. Mr. Iurlano asked the impact should the Pittsburgh Water and Sewer Authority increase be delayed beyond April 1, 2019. The answer was that our unallocated earnings would decrease \$30,000 annually for each month of delay.

Committee Reports

Mrs. Lehman reported that the Personnel Committee met immediately preceding this meeting to discuss non union wage adjustments for 2019. Their recommendation was to adopt the budgeted 2.5% increase retroactive to January 1, 2019. Mrs. Lehman made that motion which was seconded by Mr. Domaratz with all in favor.

Old Business

The schedule of our meeting dates was in the packet.

New Business

Mr. Nicely reviewed the leak adjustment summary for 2018 and the water line break trend line. 2018 had the lowest number of breaks (53) in the past 25 years with the trend line showing a 43% decrease since 1994.

Mr. Nicely continued with a review of the capital additions. Since 1994 we have invested \$29,500,000 in our system. The memo regarding our consultant appointments recommended retaining all of our current consultants. Mrs. Mantia made that motion with a second by Mrs. Lehman with all in favor.

Mr. Nicely continued with a review of the preliminary fringe benefit ratios for both union and non union employees. He also reviewed the 2018 wage and benefit summary for all full time employees.

Mr. Iurlano commented that he felt it was time to step away from the presidency since this was the last year of his term and that he had served as president for the past ten years. He suggested the Mrs. Lehman replace him as President and that he fill her slot as Vice President with the other officers retaining their current positions. The group concurred with this proposal and Mrs. Saunders made a motion to the effect. Mrs. Mantia seconded with all in favor. Mr. Iurlano thanked the group for their support during his tenure as President.

The officers for 2019 are as follows.

President	Mrs. A. C. Lehman
Vice President	Mr. P. A. Iurlano

Secretary	Mrs. S. M. Mantia
Treasurer	Mr. J. A. Domaratz
Asst. Sec./Treasurer	Mr. R. D. Sikon

Mr. Nicely continued with a review of the Pa Ethics forms and the distribution system comparison. He followed those with a review of the staff demographics regarding tenure and succession planning. A memo regarding force account installations since 1994 was presented.

A review of the request for forgiveness of the late penalty assessed to a customer on Walnut Street was approved after discussion. Mr. Nicely was to send a letter noting this and their previous penalties.

The next memo referenced a high consumption for a customer of Field Club Ridge Road. After discussion Mr. Nicely was instructed to treat this under our leak policy.

The last item regarded a late penalty for an elderly customer on Mattier Drive. After discussion Mr. Nicely was instructed to waive the penalty.

Executive Session

At 8:08 PM the Board adjourned its regular meeting to Executive Session to discuss a personnel matter. At 8:15 PM the regular meeting resumed.

Board Comments

None.

Public Comments on Non-Agenda Items

None.

Adjournment

At 8:17 PPM with no further business to come before the Board of Directors Mrs. Mantia made a motion to adjourn. Mr. Domaratz seconded with all in favor.