

Minutes of the Fox Chapel Authority Board of Directors meeting held Tuesday 12/4/18 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
Mrs. S. M. Mantia, Secretary
Mr. J. A. Domaratz, Treasurer
Mr. R. D. Sikon, Asst. Sec./Treas.
Mrs. N. S. Snider

Board of Directors absent

Mrs. R. C. Saunders

Others present

Mr. M. S. Moore, Bankson Engineers, Inc.
Mr. S. C. Garin, Dinsmore & Shohl
Mr. M. E. Nicely, Manager

Mr. Iurlano, President, presided and called the meeting to order at 7:02 PM.

Approval of Minutes

Mr. Iurlano requested any comments or corrections to the minutes of the October 30, 2018 meeting. There being no comments Mrs. Snider 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 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 October income statement, balance sheet and actual versus budget comparison. The most disturbing part is that our actual revenues are \$233,000 less than budgeted with our actual expenses being \$281,000 greater than anticipated resulting in a \$513,000 shortfall so far this year.

Consulting Engineer's Report

Mr. Moore stated that we haven't heard from the DEP regarding our permit for the Booster Station upgrades nor from Norfolk Southern regarding the storm water drain at the River Road Station.

Mr. Nicely reviewed the 2019 proposed operating and capital budgets. The operating budget was based upon the proposed 17% rate increase from Pittsburgh Water & Sewer Authority, a 2% inflation rate and usage patterns from the past twelve months. These factors among others necessitate a 17% rate hike on our part whenever Pittsburgh Water and Sewer Authority announce theirs. While we attempt to pursue a capital program in the range of \$750,000 to 1,000,000 annually this has been reduced over the next three years to rebuild our reserves and put the organization on a sound financial footing in anticipation of a bond financing in 2022.

Mr. Nicely was asked to develop some materials for our website that would show the impact of the proposed rates on our average customer. In addition he was asked to prepare several

alternative rate scenarios should Pittsburgh Water and Sewer Authority not be granted the 17% they requested.

Solicitor's Report

Mr. Garin mentioned that the school districts solicitor has agreed to our suggested modifications to the agreement regarding Kerr Elementary but has not received a final document.

Manager's Report

Mr. Nicely added several comments to his written report specifically that we still haven't heard from 76 customers regarding contact information which is 27% of the total when we started reviewing our records. Next he mentioned that he met with the attorney who is handling our response to the Cuomo suit and the answers and objections would be filed later this week.

Committee Reports

Mr. Iurlano reviewed the Finance Committee meeting with representatives of First National Bank regarding the investment policies for our pension plans. With a motion from Mrs. Mantia and a second from Mrs. Lehman the group authorized the proper officers to execute those policies.

Old Business

None.

New Business

Mr. Nicely reviewed two memos requesting the waiver of penalty charges which were granted.

Based on the earlier discussion regarding the 2019 budget Mr. Nicely was directed to place a hold on replacing the IT/GIS supervisor until further notice.

Executive Session

At 8:15PM the regular meeting was adjourned to discuss potential litigation. At 8:30 PM the regular meeting resumed.

Board Comments

None.

Public Comments on Non-Agenda Items

None.

Adjournment

There being no further business to come before the Board of Directors Mrs. Lehman made a motion to adjourn at 8:32 PM. Mrs. Mantia seconded with all in favor.