

DEER CREEK DRAINAGE BASIN AUTHORITY

Regular Meeting

June 21, 2021

The Regular Meeting of the Deer Creek Drainage Basin Authority was held at 7:00 p.m. at the Authority office located at 945 Little Deer Creek Road, Russellton, Pennsylvania.

Call Meeting to Order

Mr. Higgins called the meeting to order and asked Mrs. Biery to call the roll. Board members present: Mr. Plesh, Mr. Simonetti, Mr. Drischler, Mrs. Krally, Mrs. Pastura, Mr. Parks and Mr. Higgins. Board Members absent: Mrs. DeLuca and Mr. Coluccio. Also present: Mr. Sprung, Mr. Brown, Mrs. Biery and Mr. Vancheri. Member of Public present: David Cetti

Flag Salute

The Board rose and recited the Pledge of Allegiance.

Reading and Approval of Minutes

Mr. Higgins asked the Board to review the meeting minutes for the Regular Meeting on May 17, 2021. Mr. Cetti asked that he be allowed to speak first. Mr. Higgins said he would open the meeting to the public following the review and approval of the minutes

MOTION was made by Mr. Plesh and seconded by Mrs. Pastura to approve the minutes of the May 17, 2021 Regular Meeting. Motion carried unanimously.

Open Meeting to Public

Mr. Higgins opened the meeting to the public. Mr. Cetti stated that he came to speak at the meeting on behalf of all of the union employees regarding the pension. He stated that the letter Mr. Higgins sent to the union regarding the pension said that Mr. Cetti was incorrect regarding what happened to the 403b plan in 2005. He contacted Mr. Wroblewski who had been in charge of it and Ms. Kennedy, Lincoln Financial's current representative and both said he was correct, that there were only two options for the funds in the 403b plan. The funds could either be frozen or the money could be taken out at a 30% loss. And that is why they are asking for more money in the pension, because one of the employees who has been here 25 years and is ready to retire will only receive \$1,500 per month, which is not a lot of money for him to retire on. He said he is not saying that the employees are not treated well, he is saying that the Authority screwed up in 2005 by having the funds in the wrong plan. He said he didn't know if anyone else at the Authority had contacted anyone regarding this. Mrs. Biery said she had spoken with both Mr. Wroblewski and Ms. Kennedy and she was told that the options available to the employees was to either leave the funds in the plan to grow or, at age 59 ½, they could transfer it into another plan. Mr. Cetti said he wasn't looking to get rich, but he would like the Board to feel for what they went through in 2005. Mr. Vancheri explained that, in 2005 the IRS found that the Authority had been in the wrong type of plan, at which time the Authority entered into a compliance plan, froze the old plan where those funds could continue to grow and then created the new 457b plan, into which the Authority and the employees could continue to contribute. Mr. Cetti said that at that time he had been employed for 4 years. He took the money out, he was young, he had kids and he needed money, so he lost 30%. He said half of the employees took the money out and that put them behind the eight ball with the rest of their pensions. He said Chris left his money in the 403b plan but it's not a lot of money to retire on. Mr. Cetti said that the 403b plan the Authority was in was wrong. Mr.

Higgins said that the Board isn't debating that the plan was incorrect, but that the employees did not lose any money; if the money had not been touched it would have continued to grow. Mr. Cetti said he lost a lot of money because, had he been in the union pension prior to that, it would have been a lot more money. He said they have been negotiating for eight months and the Authority would not increase the contribution by one nickel. He said that there are nine of you and seven of us, and he is not a millionaire, he is just trying to provide. He hopes that the Board will consider what happened there. He said he didn't know what you (the Board) would have done if you would have gotten \$13,000 when you were 30 years old making \$15 an hour with 2 kids at home, maybe you would have saved it, half of us didn't. Mr. Vancheri said the point was that those funds were in a plan, the Authority entered into the compliance program which allowed for all of the funds contributed to remain pre-tax, created a new pension plan and contributed to it on behalf of the employees. Mr. Cetti said that the proposed contribution of \$2.75 per hour for new hires will, over 30 years at 2% come to \$3,200 per month. Mr. Vancheri said he does not know what the Union pension plan provides. Mr. Cetti said Chris saved his, but he didn't have any kids, so he didn't have the same dilemma as others had. He said his point is that if he had not been in the wrong plan, he would not be here today. Everyone deserves something. He said the Board didn't even offer a nickel in the pension. He asked "Are we that bad that we don't even deserve a nickel, or ten cents or 20 cents in the pension?" He feels the Board members should come and meet the employees. He said when Mr. Higgins came to the office, he should have come into the Board room where the employees were having lunch and introduced himself. Mr. Cetti reiterated that this is coming from all of the employees, not just him. He thanked the Board for their time and left.

Mr. Parks said he has a problem with this, had no clue what Mr. Cetti was talking about. Mr. Brown said that it should be discussed in Executive Session because it is personnel, it is employee relations. Mr. Parks said he is tired of the way Mr. Brown treats him. He said he asked a simple question. Mr. Brown explained that the topic cannot be discussed outside of Executive Session. Mr. Parks asked "why we are sitting over here like idiots not knowing what he was talking about". Mr. Brown said this issue was discussed in executive session at the last meeting and it can be discussed again in executive session. It prejudices the Authority's position to discuss personnel or labor matters on the record for any member of the public to know those topics, which we are permitted by law to discuss in confidence in executive session. Everything Mr. Cetti laid out five minutes ago had been discussed in the last executive session. And for the record, this Authority did not cause a loss of dollars in anyone's pension plan. There was a necessity for there to have been frozen funds in the plan that was designated. The compliance plan was followed, other money was put into another tax deferred plan for those same employees, so the consequence to them of any dollars received/tax impact was no different had those monies been put in the correct IRS designated plan category from the first day. We will be happy to talk about it in detail in executive session, but for the record no employee lost money because of that incorrect IRS category designation. The compliance plan that Peter and Lynn's predecessors worked out preserved the money for those employees. The employees made decisions about how to withdraw or use the money that were personal decisions, but the Authority protected those funds. They were not put in jeopardy and the Authority contributed significant numbers or significant percentages of their salary to a similar plan from the time that the 403b plan was grandfathered. Six, 7, 8, 9 percent of their salaries were contributed by the Authority on behalf of the employees. Mrs. Biery said ten percent of employee wages was contributed by the Authority on behalf of the employees the year Mr. Cetti was hired. Mr. Brown said the details could be discussed in executive session.

Accountant's Report

Mr. Vancheri presented the Operating Accounts Receipts & Expenses and Funds Available & Debt Obligations Reports for the period ending May, 2021, a copy of which had been distributed to the Board. Mr. Vancheri pointed out that Allegheny Valley Joint Sewer Authority treatment charges were higher than budgeted because of the change in the Authority's percentage share from 40.6% to 43% as a result of the annual Revenue Water Audit.

Treasurer's Report

The following Tap and Assessment payments were received since the last Regular Meeting:

Amrock LLC Pennsylvania - Barclay	11 Aber Rd	Deferred Assessment	2,549.40
Ronda J Winnecour for Scott Rhodes	5051 Bakerstown Culmerville Rd	Partial Tap	105.08
Laurie Davidson	131 Spruce Street	Tap	2,000.00
Zokaites Properties LP	Oakwood Heights 2 - 77 Taps	Tap	154,000.00
Penn Suburban Abstract - Hammerman	8 Farm Lane	Deferred Assessment	2,483.95
			<u>\$161,138.43</u>

Of these amounts, \$ 106,501.65 will be transferred to the Capital Improvement Fund and \$54,636.78 will be transferred to the Preventive Maintenance Fund.

MOTION was made by Mr. Plesh and seconded by Mr. Drischler to approve the Treasurer's Report and paid bills for the month of May 2021.
Motion carried unanimously

Solicitor's Report

AVJSA Expansion

Mr. Brown said that a couple of Zoom conferences have been held with AVJSA, Richland and DCDBAs professionals. Allegheny Valley has made bid packages available as of June 1st and the bids are due on August 2nd. Under the terms of the financing, planning and scheduling, those bids are to be held open for 120 days. Once the bids are received and opened, if AVJSA determines that the bids are responsive in terms of price range, etc., they will notify DCDBA mid to late August. The financing window is between mid-August until mid-October, at which DCDBAs Underwriter will become involved and the Authority's Bonds will be issued. Based on this year's Revenue Water Audit, the Authority will be responsible for 43% of total cost of the expansion project. The estimated cost of the project is \$75 million. The bids have been broken into four contracts – Cheswick Pump Station, Mechanical, Electrical and Conveyance Lines. Mr. Brown feels representatives from the Authority should be present for the bid opening.

Mr. Brown reported that he, Mr. Higgins, Mr. Schmitt, Mr. Sprung and Mrs. Biery were attempting to identify significant grant funds for this project through Allegheny County and the American Rescue Plan (ARP). Allegheny County will receive \$380 million dollars from the federal government over the next couple of years, to go toward several possible uses, one of them being water and sewer infrastructure. The question was pursued with the County and after the first zoom conference call an email was sent directly to the County Manager and within the same day a call was received from the County Budget Director advising that the County's policy will be to spend that money strictly for County administered projects, even though this project is in Allegheny County. The distinction is being made that only the projects that the County initiates out of its own set of priorities will be funded. The individual communities, Richland Township, West Deer and Indiana Townships, will also get an allocation.

Richland plans to use approximately \$2,000,000 of its ARP allocation toward its 20% share of this project. None of the individual municipalities will receive an amount that would significantly drive down the borrowing cost of this project. Mr. Higgins was also in touch with Congressman Conor Lamb's office who followed up to indicate that it would be the County's decision, but they were aware of our interest. Richland's Manager has spoken with the County Council member from that part of the County and made them aware of the interest. We saw a possibility and we pursued it, but the results are not promising. There will very likely will be State level programs for water and sewer projects channeled through PennVEST, but the is timing is a problem. If AVJSA feels these bids in August are bids they want to award, there will not be the ability to spread that that schedule out. There may be dollars that come through other channels, particularly State level infrastructure initiatives, but it likely will not occur in a time frame that will work with the timing of this project. Mr. Higgins said he is going to have a second call with a representative of Carrie DelRosso, the State Representative of 33rd District, as well as someone from State Senator Lindsey Williams' office to see if they have any intuition as to when funds could potentially be made available. He also spoke to a representative from Senator Bob Casey's office. One of the difficulties with these programs is that once financing has been secured, it is not generally eligible for reimbursement.

Mr. Brown said that the other topics he has for discussion must be held in Executive Session.

Executive Session

MOTION was made by Mr. Drischler and seconded by Mr. Plesh to move the meeting into Executive Session at 7:35 p.m. to discuss personnel matters. Motion carried unanimously.

The meeting was reconvened at 7:54 p.m. where the Board discussed personnel issues.

Engineer's Report

Project Updates

Mr. Sprung reported that the permits have been submitted to DEP for the Rich Hill Pump Station Diminutor. He said the Part 2 Permits typically take 6 months, but it may take longer because of a large number of retirements in that department.

The Planning Module for Hampshire Estates is underway and should be ready to submit to DEP in a few months.

The Force Main replacement is also a couple of months out.

Mr. Sprung will review the quotes for the flow meter at the Hartwood Pump Station and make a recommendation.

Manager's Report

Verizon Lease

Mrs. Biery reported that Verizon is no longer interested in leasing the property adjacent to the Authority office for a cell tower. Verizon now plans to utilize an A T & T tower that is planned in the area.

Request for Adjustment Due to Water Leak

Mrs. Biery provided a summary detailing high water usage inside a residence from a leak that resulted in over 500,000 gallons of water being used. She told the customer that she would bring his request for an adjustment to the Board. It has been the Authority's longstanding policy to only credit an

allowance for water leaks that can be documented as having occurred outside and only for water that did not enter the sanitary sewer system. The Board agreed that the policy should remain in effect.

Chairperson's Report

Mr. Higgins will continue to keep in touch with the local politicians and keep the Board updated on any progress.

Old Business

None.

New Business

Mr. Plesh reported that he had a comment from Trocki's Service Station, a DCDBA customer. They respectfully ask to have the opportunity to provide some of the service for the Authority's fleet of vehicles. Mrs. Biery said she will pass that along to the Foreman.

Supplemental Meeting

MOTION was made by Mrs. Pastura and seconded by Mr. Simonetti to cancel Supplemental Meeting scheduled for June 28, 2021. Motion carried unanimously.

Adjournment

MOTION was made by Mrs. Pastura and seconded by Mr. Drischler to adjourn the meeting at 8:00 p.m. Motion carried unanimously.

Respectfully submitted:

Read and Approved:

7-19-21

Paula Kially