

**SAXONBURG AREA AUTHORITY BOARD MEETING**  
**Meeting Minutes**  
**December 19, 2023**

Chairman Gregory Clifford called the meeting to order at 5:30 p.m.

**Roll Call**

Gregory Clifford, Scott Herbst, John Ham, Joe Neubert, Curt Heakins, Doug Farney, Rob Mrozek, Patricia Rinebolt and Doug Roth were present.

Also in attendance were Ryan Malarik/Director of Development, Melissa Wolfe/Director of Finance, Paul Cornetti/Manager, Donald Graham/Solicitor, Ron Lewis/customer from Middlesex Twp, Todd Preston/customer from Middlesex Twp, and Fran Lunn/customer from Penn Twp.

**Correspondence**

None

**Minutes**

Chairman Gregory Clifford asked if there were any additions or corrections to the Minutes of November 21, 2023. Hearing none, they were approved as submitted.

**Public Comments**

Ron Lewis of the new Millcreek Development in Middlesex Twp explained that Mr. Cornetti has provided him with a great deal of background on the history of sewer service in Middlesex Twp, along with the Authority's billing methods. He stated that residents in his community live in patio homes, and typically, there is just one person per unit in four-unit buildings. He believes that a single 4-inch sewer service line for each of these buildings should not have to pay four flat fees per month and would request metered service if possible. Chairman Clifford asked Mr. Cornetti to help address these concerns. Cornetti explained that initially all Middlesex Twp residents with public water supply, like the Millcreek Development, were billed based on water meters. Customers from Middlesex Twp solicited the Authority to be billed based on a flat fee rather than water meters. After several meetings, the Authority granted these customers' requests, and all residential units in Penn and Middlesex Twp are billed based on a flat fee. The flat fee is based on the persons-per-household census data for Penn and Middlesex Twp and is equivalent to the metered rate for residential customers in the older system who are billed based on water meters. Paul explained that a flat rate method is used by many sanitary sewer providers. It is not practical for the SAA to monitor the changes of people-per-household, and therefore, there are homes that have one person living in them and have homes that have six people living in them. Both types of these customers pay the same flat fee.

Mr. Farney reiterated that some homes can use a great deal of water, while other homes do not, however, all pay the same flat rate.

Todd Preston commented that he was confused why the flow rate from each home matters if they are billed on a flat fee. Mr. Roth explained that he has been a Supervisor

at Penn Twp ever since the inception of the sewage project, and Penn Twp studied its best options at that time. Service by Saxonburg Area Authority was by far the best option for Penn Twp. Greg Clifford stated that he believes that Saxonburg Area Authority was the best option for Middlesex Twp as well.

Fran Lunz of Country Club Heights addressed the Board about his concerns regarding the rate increase. He explained that his small neighborhood provides a significant amount of revenue for the Authority and his neighborhood is primarily fixed income/retired residents. He stated that the rate increase is premature based on the useful life of the sewage treatment plant and requested a 25% rate reduction.

Rob Mrozek explained that the Authority Board considered the rate increase for several years and did not take this decision lightly. He stated that the Board debated heavily over numerous meetings and ultimately decided that the Authority must raise rates in the best interest of the customers.

Greg Clifford asked Paul to review the reasons for the rate increase. Paul provided all those in attendance with a packet of information regarding the rate increase and summarized the user rate history, inflation, budget, and customer growth. Paul offered to meet with Mr. Lunz to review the Authority's budget and rate increase further, at a later date, if acceptable. Mr. Lunz accepted this offer. Doug Farney asked Paul to review growth trends and flow trends over the past fifteen years. Paul explained that immediately after the sewage expansion project, in 2008, flow into the sewage treatment plant was over one million gallons per day, and we serviced approximately 3,400 customers. Over the past fifteen years, the Authority has removed infiltration and inflow from the sanitary system, and currently the flow rate at the sewage treatment plant is 750,000 gallons per day, over a 25% reduction from 2008. During this same time, the Authority has grown 1,100 customers, or 32%, and is now providing a service to 4,500 customers. He explained that the Authority Board's commitment to removing infiltration in the system has resulted in extending the life of the sewage treatment plant by at least twenty more years.

Curt Heakins explained that he has been on many boards and has never seen such success and effort from the Authority team. He is very proud of all the work the Authority has accomplished over the years for the best interest of the customers.

**Director of Development**

Ryan Malarik

**Status of Current and Upcoming Development Projects**

Ryan gave an overview of the upcoming and current developments, including active developments such as Hawkins Crest, Sienna Village, Hickory Lane, Liberty Pointe, and Grey Hawk, and upcoming developments including Shadow Ridge and Courtyards at Crestview. Ryan also briefed the Board on the Stoneybrook Development which was inactive for an extended period. The Board discussed the non-residential construction at Middlesex Crossing.

Upon discussing the Hawkins Crest development and explaining the progress made so far, Ryan proposed Resolution #9-2023 accepting the remaining portions of the development pending post-construction approval.

Motion was made and seconded by Greg Clifford/Doug Farney to adopt Resolution #9-2023 accepting ownership of sanitary sewer lines extended by Hawkins Crest LLC in Phase 2B, to provide sewer service to a portion of the Hawkins Crest Development, Middlesex Township, Butler County, PA contingent upon the successful completion of all post-construction items. The motion carried.

Director of Finance

Melissa Wolfe

Bills, Item C.2.3

<i>Purpose</i>		SAA	Borough	Park	Total
Borough General Fund	Automatic Payments	\$465.21	\$4,017.25	\$1,022.57	\$5,505.03
	Payroll	\$60,410.36	\$31,836.21		\$92,246.57
SAA Revenue Fund	Automatic Payments	\$33,190.35	\$6,398.80	\$25.16	\$39,614.31
	Checks Paid	\$34,958.57	\$3,394.69	\$0.00	\$38,353.26
<b>Total:</b>		<b>\$129,024.49</b>	<b>\$45,646.95</b>	<b>\$1,047.73</b>	<b>\$175,719.17</b>

Motion was made and seconded by Scott Herbst/Curt Heakins to approve Authority's portion of the bills as presented in the table above in the total amount of \$129,024.49. The motion carried.

**Investments, Item C.12**

Melissa explained that our CDs matured on November 29,2023. We reinvested \$300,000 into two one-year CDs, one in the amount of \$205,000, earning 5.65%, and another in the amount of \$95,000. The total interest that we will earn from those investments will be \$16,922.

Melissa also discussed that based on the construction schedule for Jet Jack, we found that they do not plan to start construction until Spring of 2024. Therefore, based on this schedule, the Authority reinvested an additional \$440,000 in two 3-month short-term investments; one at \$220,000, earning 5.5%, and the other at \$220,000, earning 5.57%, generating \$6,087.

Motion was made and seconded by John Ham/Doug Roth authorizing the reinvestment of \$440,000 into two short-term investments, to generate interest in the amount of \$6,087. The motion carried.

Manager

Paul Cornetti

**2024 Chamber of Commerce Annual Membership, Item B.5**

Paul explained that we received a letter from the Butler County Chamber of Commerce with a new 2024 membership fee in the amount of \$400.00. Mr. Roth stated that he would like to support this organization.

**Motion was made and seconded by Doug Roth/Doug Farney to renew the SAA's membership in the Butler County Chamber of Commerce for 2024.**

**Cash Flow Summary/Cash Flow Projections, Item C.2.4**

Paul explained that the staff prepared new cash flow projections that are based on historic expenses, future capital projects, and revised user rates. These cash flow projections will be included in your reports each month. If the Authority receives additional grant funding for its 2024 sewer line replacement projects, the cash flow projections will be revised accordingly.

**2023 Sewer Line Replacement Projects, Item C.13**

Paul explained the following:

- Status of Contract and expected schedule
  - Agreement and Notice To Proceed dated 12/6/23 provides:
    - Substantial Completion by 8/2/24
    - Final Completion by 10/1/24
  - Next steps
    - Preliminary schedules to be submitted by Contractor
    - Schedule Pre-Construction Meeting
    - Expected Construction commencement Spring 2024
  - Additional Project Funding Requests for assistance sent to:
    - Butler County
    - CFA
      - Letters of Support requests were sent to:
        - Senator Vogel
        - State Representative Marci Mustello
        - Senator Fetterman
        - Senator Casey
        - Congressman Kelly
        - Senator Hutchinson
        - State Representative Bernstine

Paul explained that we have received two Letters of Support back so far. John Ham asked who the two letters were from, and Paul explained that State Representative Marci Mustello and Senator Hutchinson Letters of Support.

**Commonwealth Financing Authority Local Share Grant, Item C.14**

Paul explained that last month, the Board discussed that it may not be best to apply for the Municipal Siding Grant since the Borough also applied. Therefore, we did not, but we split the Borough's application fee. Paul also explained that last week the Borough was informed that it may not be considered for the grant since it did not close out the

last audit for the Main Street Project ten years ago. The Borough is currently working on this matter now.

Paul explained that the CFA Grant application for the Authority was successfully submitted and is awaiting response.

**New Plotter/Scanner/Copier, Item E.8**

Paul discussed that the Authority's plotter is printing in pink. Our team has exhausted all efforts in trying to get this fixed. Paul explained that the cost of a new plotter has gone down significantly over the years.

**Motion was made and seconded by John Ham/Doug Roth to approve the purchase of a new HP DesignJet T650 Plotter for a price not to exceed \$2,500. The motion carried.**

**Solicitor** Don Graham of Dillion, McCandless, King, Coulter, & Graham, LLP

**2023 Sewer Line Replacement Projects, Item C.13**

Don Graham explained that the time limit for Preliminary Objections expired, and therefore, the Estimated Just Compensation can be tendered. Paul provided a check for Don Graham today. The Authority may take possession of the property after the compensation is delivered.

**Old Business**

None.

**New Business**

None.

The meeting was adjourned at 6:42 pm.

The next meeting is scheduled for Tuesday, January 16, 2024.

Melissa Wolfe  
Director of Finance