

**PETERS TOWNSHIP
SANITARY AUTHORITY**

111 BELL DRIVE
McMURRAY, PA 15317-3415
PHONE: 724-941-6709
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James J. Miskis, Manager
Mark A. Chucuddy, Asst. Manager
Gary A. Parks, Special Projects Manager
Patricia L. Mowry, Financial Controller
Diane L. Gregor, Administrative Assistant

AGENDA

SECOND REGULAR MEETING

August 23, 2011

ROLL CALL:

OTHER BUSINESS:

1. Consider award of Contract No. 11-S1, August Re-bid, Component A of Valley View Drive Sewer Extension
2. Consider award of Biosolids Hauling and Disposal Contract
3. Hidden Brook Plan Update from Solicitor regarding financial security to complete repairs.

ADJOURNMENT:

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REGULAR MEETING

August 23, 2011

ROLL CALL:

The regularly scheduled meeting of the Peters Township Sanitary Authority was called to order at 7:05 p.m. by the Chairman. Board members present were G. Robert Jacobs, Eric S. Grimm, Terrence G. Byrne, and David G. Blazek. Also present were Keith Bassi, Solicitor, Jason E. Stanton, Lennon Smith Souleret Engineering, Inc. (LSSE), James J. Miskis, Manager, Mark A. Chucuddy, Assistant Manager and Patricia L. Mowry, Financial Controller. Absent from the meeting was Michael P. Crall, Board Member.

VISITOR:

1. **Mr. Dillard** – Landman representing Mason Dixon/Chesapeake Appalachia LLC
RE: Marcellus Gas Leasing for PTSA property located at 974 Church Hill Road

Mr. Bassi reported the oil and gas title examination of the Authority's property at 974 Church Hill Road has been completed. He illustrated the different configurations that the property has had in regards to previous subdivisions and gas leasing since the 1800's until today. It appears the majority of the property is not under any gas leasing and a small portion of the property is part of a 1913 gas lease. Mr. Bassi presented the gas leasing offer made by Mr. Dillard for both parcels owned by the Authority. The offer is \$1,000 for each modification to the 1913 lease to include a pooling clause, and to enter into a new lease for the portion of the property that is not obligated by any leasing for an upfront payment of \$3,050.20, plus 17% royalty. Mr. Bassi indicated the leasing company has been paying royalties under the 1913 lease; however, the Authority has never received payment. The company is attempting to rectify the payments to the entitled parties. The royalties under the 1913 lease are 12.5%, and will continue at that rate in the lease modification.

A Motion was made by Mr. Blazek and seconded by Mr. Grimm to accept the offer from Chesapeake Appalachia LLC in the total compensation of \$5,050.20. The compensation is \$2,000 for the inclusion of the pooling clause to the 1913 lease for parcels 540-001-00-00-0016-01 and 540-001-00-00-0018-00, and \$3,050.20 for a new paid-up lease for the remaining portion of parcel 540-001-00-00-0018-00. The new lease will pay royalties at 17%, is for a term of 5-years, with no extension, clauses added to the lease are, a Hold Harmless, Compliance, No Storage Rights, Water Damage, No Surface Activity, and Ad Valorem Tax. The Motion carried unanimously.

OTHER BUSINESS:

Mr. Stanton presented the re-bids that were received for the construction of Component A for the Valley View Sewer Extension. There were six bids received ranging from \$262,000 to \$715,400. Mr. Stanton recommended award of the contract to the lowest bidder, Bella Enterprises Inc.

A Motion was made by Mr. Byrne seconded by Mr. Grimm to award Contract No. 11-S1 for construction of Component A for the Valley View Sewer Extension to Bella Enterprises Inc in the amount of \$262,023, contingent upon the Authority receiving the PADEP Part-II permit, and the Contractor's submittal of the insurance certificate, performance bond, and payment bond, acceptable to the Solicitor. The Motion carried unanimously.

Mr. Chucuddy reported only one bid was received for Biosolids Hauling and Disposal Contract, and recommended award of the contract to Waste Management of PA.

A Motion was made by Mr. Blazek seconded by Mr. Byrne to award Contract No. 2011-1, Removal, Hauling and Disposal of Dewatered Municipal Wastewater Treatment Plant Biosolids to Waste Management of PA Inc in the amount of \$40.75/per ton for biosolids, \$70.00/month for Brush Run Screenings, and \$201.37/month for the Donaldsons Screenings for an estimated first year total of \$80,273.74, with four option years available. The Motion carried unanimously.

Mr. Bassi reported he has been in contact with PNC Bank representatives regarding the escrow accounts for the developer, McHolme for the Hidden Brook Development. PNC Bank has indicated they are evaluating their position in relation to a global settlement that they are hoping to achieve using a deed in lieu of foreclosure for the multiple developments that Hidden Brook Development Owner's have defaulted on with PNC. It has been confirmed by PNC that the funds have not been released from either of the escrow agreements and that PNC may honor the escrow agreements. Mr. Bassi is expecting PNC Bank to revise the escrow agreements or to reaffirm that payment will be made from the escrow funds as requested by the Authority. There was a discussion to continue to remediate the defective sewer and the Authority's position if PNC Bank takes title of the property.

A Motion was made by Mr. Grimm and seconded by Mr. Blazek to authorize Management to proceed with the remediation work once Mr. Bassi has received affirmations of the escrow agreements. The Motion carried unanimously.

A Motion was made by Mr. Byrne and seconded by Mr. Grimm to adjourn the meeting at 8:15 p.m. The Motion carried unanimously.

Respectfully Submitted,

Patricia L Mowry

MOTIONS SUMMARY

MOTION NO.	MOVED	SECOND	MOTION SUMMARY TABLE	VOTE
1	Blazek	Grimm	Approve offer from Chesapeake Appalachia LLC in the total compensation of \$5,050.20	Approved
2	Byrne	Grimm	Award Contract No. 11-S1 for construction of Component A for the ValleyView Sewer Extension to Bella Enterprises Inc. in the amount of \$262,023, contingent upon the Authority receiving the PADEP Part II permit, and the Contractor's submittal of the insurance certificate, performance bond, and payment bond, acceptable to the solicitor	Approved
3	Grimm	Blazek	Award Contract No. 2011-01 Removal, Hauling and Disposal of Dewatered Municipal Wastewater Treatment Plant Biosolids to Waste Management of PA Inc in the amount of \$40.75/per ton biosolids, \$70.00/month for Brush Run Screenings, and \$201.37/month for the Donaldsons Screenings for an estimated first year total of \$80,273.74, with four year option years available	Approved
4	Grimm	Blazek	Authorize Management to proceed with the remediation work once Mr. Bassi received affirmations of the escrow agreement	Approved
5	Byrne	Grimm	Adjourn the Meeting at 8:15 p.m.	Approved