

**PETERS TOWNSHIP  
SANITARY AUTHORITY**

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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, Admin. Assistant

**AGENDA**

**REGULAR MEETING**

**January 8, 2013**

**ROLL CALL:**

**REORGANIZATION:**

1. Election of Temporary Chair
2. Nominations for Chair
3. Conduct the balance of the re-organization meeting

**REVIEW OF MINUTES FOR APPROVAL:** Minutes of December 4, 2012

**VISITORS:**

1. Mike McCaig, Managing Director/Public Finance from Janney Capital Markets regarding Investment Advisor.

**SOLICITOR'S REPORT:**

**ENGINEER'S REPORT:**

**MANAGER'S REPORT:**

**ASSISTANT MANAGER'S REPORT:**

**SPECIAL PROJECTS MANAGER REPORT:**

**CORRESPONDENCE FOR THE BOARD'S INFORMATION:**

**FINANCIAL CONTROLLER'S REPORT:**

**FINANCIAL STATEMENT REVIEW:** Month ending December 31, 2012

**PAYMENT OF BILLS & REQUISITIONS:**

**OTHER BUSINESS:**

1. Amendments No. 5 and No. 6 to Engineering Agreement with CET Engineering Services, adding the DC Plant Replacement Design Value Engineering services.
2. Curtailment Service Provider Services Agreement with Comverge for a 3-year term based on PTSA receiving 74% of the program revenue.
3. Execute Glen Johnston, Inc. Change Orders for Valley View Drive Sewer Extension Phase II previous approved at November 13, 2012 Board Meeting.

**ADJOURNMENT:**

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**REGULAR MEETING**

**January 8, 2013**

**ROLL CALL:**

The regularly scheduled meeting of the Peters Township Sanitary Authority was called to order at 7:00 p.m. by the Chairman. Board members present were Eric S. Grimm, David G. Blazek, Terrence G. Byrne and Rebecca Kaminsky. 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.

**REORGANIZATION OF THE BOARD:**

Mr. Grimm was nominated and appointed as Temporary Chairman to begin the Reorganization of the Board. The vote was unanimously.

Mr. Blazek was nominated and elected for Chairman Position. The vote was unanimously. Mr. Blazek assumed position of the Chairman.

A motion was made by Mr. Byrne and seconded Mrs. Kaminsky to keep the same slate of officers, Mr. Byrne, Vice-Chairman, Mr. Grimm, Secretary, Mr. Crall, Treasurer, and Mrs. Kaminsky, Assistant Secretary- Treasurer. The Motion carried unanimously.

Mr. Miskis recommended retaining the following professionals as presented.

A Motion was made by Mr. Grimm and seconded by Mr. Byrne to retain Bassi, Vreeland and Associate, P.C. as the Authority's Solicitor for 2013. The Motion carried unanimously.

A Motion was made by Mrs. Kaminsky and seconded by Mr. Grimm to retain Lennon, Smith Souleret Engineering, Inc. as the Authority's Consulting Engineer for 2013. The Motion carried unanimously.

A Motion was made by Mr. Grimm and seconded by Mr. Kaminsky to designate Charleroi Federal Savings Bank, located in McMurray as the Authority's Depository for 2013. The Motion carried unanimously.

A Motion was made by Mr. Kaminsky and seconded by Mr. Byrne to retain Hosack, Specht, Muetzel & Wood as the Authority's Auditors for 2013. The Motion carried unanimously.

A Motion was made by Mr. Grimm and seconded by Mr. Kaminsky to retain County Line Advisors as Grant Coordinator under the terms of the existing contract for 2013. The Motion carried unanimously.

A Motion was made by Mr. Grimm and seconded by Mr. Kaminsky to designate the Official Newspapers as the Observer Reporter, Tribune Review, and Post Gazette and the Board meeting dates were set for the 2<sup>nd</sup> and 4<sup>th</sup> Tuesday of every month at 7:00 p.m., located in the lower level of the Authority's business office. The Motion carried unanimously.

**APPROVAL OF MINUTES:**

A Motion was made by Mr. Byrne and seconded by Mr. Grimm to approve the minutes of December 4<sup>th</sup>, 2012 meeting as prepared by Patricia Mowry. The Motion carried unanimously.

A Motion was made by Mr. Byrne and seconded by Mr. Kaminsky to approve the minutes of December 11<sup>th</sup>, 2012 meeting as prepared by Patricia Mowry. The Motion carried unanimously.

**VISITORS:**

1. Michael R. McCaig, Managing Director/Public Finance, Janney Montgomery Scott LCC

Mr. McCaig was previously appointed annually by the Board as the Authority’s Investment Advisor, however due to language change in the banking regulations, by which Mr. McCaig is required to adhere to, he is unable to be appointed in that capacity. As a resident of Peters Township he will continue to be of service to the Authority. Mr. McCaig was previously with PNC Capital Markets and is now employed by Janney Montgomery Scott, LLC. As requested by Management Mr. McCaig presented a synopsis of obtaining a bond issue for the Donaldsons Crossroads upgrade and expansion project. Under the scenario analyzed by Mr. McCaig a \$13 million, 25-year sewer revenue bond issued would have an average annual debt service of \$844,000, which is only \$94,000 more than existing plant debt service. It is planned that the existing debt will be retired prior to the new plant borrowing. Mr. McCaig noted the current bond rates are at historical lows.

**SOLICITOR’S REPORT:** Copy on file.

Mr. Bassi reported he reviewed and approved the addendum to the Temporary Access agreement for the Friar Lane Pilot Program as prepared by Mr. Parks. The addendum is to extend the time period with those participants that had repairs that are not completed.

Mr. Bassi reported he researched the Internal Revenue Code in regards to the arbitrage calculations and concluded that the Code does not specify a specific statute of limitations thereby obligating the issuer of the bonds to report and to submit payments regardless of the length of time elapsed from the original submission deadline. The Authority is obligated to perform the calculations. Filing requirements are only if there is positive arbitrage and a rebate payment is due to the Internal Revenue Service. Mr. Miskis stated Management has completed its preliminary arbitrage calculations, and there is no positive arbitrage.

Mr. Bassi reported he has reviewed the proposed Comverge Energy Curtailment Services agreement, which will replace the former 1-year agreement by a 3-year term and provides for voluntary participation in an “Economic Program”. Mr. Bassi and Management recommended entering into the proposed agreement. The Authority’s share of the curtailment revenue will be 74%.

A Motion was made by Mrs. Kaminsky and seconded by Mr. Grimm to enter into the Comverge Energy Curtailment Services for a 3-year term. The Motion carried unanimously.

A Motion was made by Mr. Grimm and seconded by Mr. Byrne at 7:35 p.m. to enter into Executive Session to discuss personnel matters. The Motion carried unanimously.

Executive Session ended at 7:40 p.m.



**ENGINEER'S REPORT:** Copy on file.

Mr. Stanton expressed his gratitude to the Board for 2013 reappointment as the Authority's Consulting Engineer.

Mr. Stanton reported he and Management will be attending monthly meetings with Upper St Clair and their engineer, Gateway Engineers, regarding the feasibility study due to ALCOSAN.

Mr. Stanton reported the status of Tuscany development. Response comments have been submitted back to the PaDEP, the required Highway Occupancy Permit application was submitted on January, 4, 2014, and the Developer submitted construction cost estimates in preparation for the Developer's Agreement.

Mr. Stanton reported Valley View Sewer Extension Phase 2 Contractor, Glenn Johnston has executed Change Orders No. 1 and No. 2, and need to be executed by the Board. The Change Orders were previously approved by the Board at the November 13, 2012 meeting.

A Motion was made by Mr. Byrne and seconded by Mrs. Kaminsky to execute Glenn Johnston Change Orders No. 1 and 2 for the Valley View Sewer Extension Phase 2. The Motion carried unanimously.

Mr. Stanton reported two issues have come up. One of the issues pertained to an electrical problem caused by a private homeowner which led to the discovery of the second issue. The second issue, there was a small pool of water by the curb stop of 164 Irishtown Road, it was confirmed to be a leak from a grinder pump forcemain. The Contractor was notified and they excavated the area. It was then discovered the curb stop located at 164 Irishtown Road was improperly bedded. The Contractor had not installed the specified concrete cradle. The Contractor corrected the deficiencies and was required to excavate the remaining curb stop assemblies to verify that they had the concrete cradle. They did not. LSSE's resident observer did not catch the deficiencies. The Contractor was required to correct all deficiencies. Glenn Johnston's final payment has not been made and there is retainage of \$10,000.

Mr. Stanton reported on the progress on the design for the Donaldsons Crossroads Wastewater Treatment Plant replacement project. The meeting that was scheduled for the presentation of the Alternative Analysis Report on January 22, 2013 was moved to the second Board Meeting on February 26, 2013. The presentation will include analysis of the alternatives; the cost control measures implemented life cycle cost of those alternatives, preliminary capital cost estimates, and net present worth.

**MANAGER'S REPORT:** Copy on file.

Mr. Miskis reported he requested proposals from two firms to perform the 1998, 2003, and 2009 Bond Arbitration calculations. The cost to perform the calculations would be approximately \$15,000. However, Management has reviewed the IRS regulations and applicable reference documents, and believes we understand the regulations adequately enough to perform the calculations in-house with a high degree of confidence. There are however intricacies in the regulations that pose some uncertainty, therefore we requested Public Financial Management to provide consulting services to provide guidance and to review the calculations as prepared by Management. Management recommended approval of Public Financial Management's proposal not to exceed \$2,500 for consulting services.

A Motion was made by Mrs. Kaminsky and seconded by Mr. Byrne for approval of Public Financial Management's proposal not to exceed \$2,500 for consulting services for the 1998, 2003, and 2009 Bond Arbitration calculations. The Motion carried unanimously.

Mr. Miskis reported there have been inquiries from a property owner on Synder Road to obtain sewage service after sewers are installed in the Tuscany Plan. In the past the Authority has provided assistance to private entities and then charge any cost incurred as a special purpose tapping fee to each future lot served. Management's recommendation would be to explore alternatives to provide incentives for private extensions of sewers while the opportunity exists. The Board agreed that it is worth exploring options in order to extend the sewers.

Mr. Miskis reported on the status of the Donaldsons Crossroads Wastewater Treatment Plant Replacement project design. The distribution of engineering charges was presented with 27% of the budget expended.

Mr. Miskis reported the Board previously approved CET-GHD's proposal for the Value Engineering for the Donaldsons Crossroads Wastewater Treatment Plant Replacement project design at the November 2012 Board meeting. Instead of developing a new engineering agreement, Management requested amendments be made to the existing Owner-Engineer Agreement that was executed for the Brush Run Wet Weather Improvements. Two amendments are needed, Amendment No. 5 amends the scope of the Project defined in the agreement to "and to undertake other projects from time-to-time requiring the services of the Engineer", and Amendment No. 6 adds CET-GHD's proposal dated September 18, 2012 to the approved scope of work. Management recommended approval of Amendment No. 5 and Amendment No. 6 adding the DC Plant Design Value Engineering to the scope.

A Motion was made by Mr. Grimm and seconded by Mrs. Kaminsky for approval of Amendment No. 5 and Amendment No. 6 adding the DC Plant Design Value Engineering to the scope for a not to exceed amount of \$53,500. The Motion carried unanimously.

Mr. Miskis reported the Memorandum of Understanding that was executed with Upper St. Clair (USC) regarding the Deerfield Manor Pump Station has expired. The Memorandum established as part of the PAH20 grant the Authority received, \$72,000 would be allocated to USC for the cost of constructing the connecting sewer and for the tapping fees. So far USC has not obtained the release from ALCOSAN. The Authority has satisfied the requirements of the PAH20 grant and recommended providing notice of our intent to terminate of the Memorandum with USC, and to reimburse USC for their expense in installing the connecting sewer, approximately \$20,000. The Board concurred and Management will notify USC of the Authority's intent to void the MOU.

Mr. Miskis reported the status of the Valley View Drive Sewer Extension Project. Customer connection is proceeding on schedule. All parties have paid their tapping fees or have entered into payments plans. Five properties were granted an extension to the deadline to connect due to the weather.

**ASSISTANT MANAGER'S REPORT:** Copy on file

Mr. Chucuddy reported the Authority received the Brush Run Laboratory Accreditation.

Mr. Chucuddy reported flow meters have been installed to monitor flows in the Friar Lane area. Most of the repairs have been made in regards to the pilot program.

**SPECIAL PROJECTS MANAGER'S REPORT:** Copy on File

**CORRESPONDENCE FOR THE BOARD'S INFORMATION:** Copy on file

**FINANCIAL CONTROLLER'S REPORT:** Copy on file

**FINANCIAL STATEMENT REVIEW:** Month ending December 31, 2012.

**PAYMENT OF BILLS & REQUISITIONS:** Copy on File

A Motion was made by Mr. Grimm and seconded by Mr. Byrne to approve disbursements in the amount of \$195,312.42 from the following funds:

| <u>Fund</u>    | <u>Disbursement</u>                      | <u>Total</u> |
|----------------|--|--------------|
| Operating      | Checks: 21001-21090                      | \$61,669.96  |
| Payroll        | Transfer from Operating to Payroll fund  | \$65,000.00  |
| Charleroi Loan | Valley View Sewer Ext. 2012 Debt Payment | \$4,438.13   |
| Developer      | Transfer to Operating                    | \$2,154.81   |
| CIRF           | Requisition No. 117-13                   | \$59,849.59  |
| CIRF           | Penn Vest – Ivy Lane – 2003 Debt Payment | \$2,199.93   |

The Motion carried unanimously.

**OTHER BUSINESS:**

A Motion was made by Mr. Grimm and seconded by Mr. Byrne to adjourn the meeting at 8:45 p.m. The Motion carried unanimously.

Respectfully Submitted,

Patricia L. Mowry

## MOTIONS SUMMARY

| <b>MOTION NO.</b> | <b>MOVED</b>                         | <b>SECOND</b> | <b>MOTION SUMMARY TABLE</b>   | <b>VOTE</b> |
|-------------------|--------------------------------------|---------------|---|-------------|
| 1                 | Mr. Blazek<br>Nominated<br>Mr. Grimm |               | Nomination for Temporary<br>Chairman  | Approved    |
| 2                 |                                      |               | Mr. Blazek was Nominated and<br>Appointed for Chairman position   | Approved    |
| 3                 | Byrne                                | Kaminsky      | Approval to keep the same slate<br>of officers, Mr. Byrne, Vice-<br>Chairman, Mr. Grimm, Secretary,<br>Mr. Crall, Treasurer and Mrs.<br>Kaminsky, Assistant-Secretary-<br>Treasurer   | Approved    |
| 4                 | Grimm                                | Byrne         | Retain Bassi, Vreeland and<br>Associate, P.C. as the Authority's<br>Solicitor for 2013  | Approved    |
| 5                 | Kaminsky                             | Grimm         | Retain Lennon, Smith, Souleret<br>Engineering, Inc. as the<br>Authority's Consulting Engineer for<br>2013   | Approved    |
| 6                 | Grimm                                | Kaminsky      | Retain Charleroi Federal Savings<br>Bank, located in McMurray as the<br>Authority's Depository for 2013   | Approved    |
| 7                 | Kaminsky                             | Byrne         | Retain Hosack, Specht, Muetzel &<br>Wood as the Authority's Auditors<br>for 2013  | Approved    |
| 8                 | Grimm                                | Kaminsky      | Approve County Line Advisors as<br>Grant Coordinator under the terms<br>of the existing contract for 2013   | Approved    |
| 9                 | Grimm                                | Kaminsky      | Approve Official Newspapers as<br>the Observer Reporter, Tribune<br>Review, and the Post Gazette and<br>the Board meeting dates as the<br>2 <sup>nd</sup> and 4 <sup>th</sup> Tuesday of every<br>month at 7:00 p.m., located at the<br>Authority's Administrative office | Approved    |
| 10                | Byrne                                | Grimm         | Approve Minutes of December 4 ,<br>2012   | Approved    |
| 11                | Byrne                                | Kaminsky      | Approve Minutes of December 11,<br>2012   | Approved    |
| 12                | Kaminsky                             | Grimm         | Enter into the Converge Energy<br>Curtailment Services for a 3-year<br>term   | Approved    |

|    |          |          |  |          |
|----|----------|----------|--|----------|
| 13 | Grimm    | Byrne    | Enter into Executive Session to discuss personnel matters  | Approved |
| 14 | Byrne    | Kaminsky | Execute Glenn Johnston change orders No. 1 and No. 2 for the Valley View Sewer Extension Phase 2.  | Approved |
| 15 | Kaminsky | Byrne    | Approve Public Financial Management's proposal not to exceed \$2,500 for consulting services for the 1998, 2003, and 2009 Bond Arbitration calculations. | Approved |
| 16 | Grimm    | Kaminsky | Approve Amendment No. 5 and Amendment No. 6 adding the Donaldson Crossroads Plant Design Value Engineering to the scope                                  | Approved |
| 17 | Grimm    | Byrne    | Approve disbursements in the amount of \$195,312.42  | Approved |
| 18 | Grimm    | Byrne    | Adjourn the Meeting at 8:45 p.m.   | Approved |