

**PETERS TOWNSHIP
SANITARY AUTHORITY**

111 BELL DRIVE
McMURRAY, PA 15317-3415
PHONE: 724-941-6709
FAX: 724-941-2283
Web Site: ptsaonline.org



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

MAY 14, 2013

ROLL CALL:

REVIEW OF MINUTES FOR APPROVAL: Minutes of April 9th and 23rd, 2013

VISITORS:

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 April 30, 2013

PAYMENT OF BILLS & REQUISITIONS:

OTHER BUSINESS:

1. Acceptance of the Donaldson Crossroads' WPCP Alternative Analysis Report and Recommendations.
2. Adopt Resolution Authorizing Proper Officials to Execute Documents required for Tuscany HOP.
3. Executive Session regarding potential litigation.

ADJOURNMENT:

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REGULAR MONTHLY MEETING

May 14, 2013

ROLL CALL:

The regularly scheduled monthly meeting of the Peters Township Sanitary Authority was called to order at 7:00 p.m. by the Chairman. Board members present were David G. Blazek, Eric S. Grimm, Terrence G. Byrne and Michael P. Crall. Also present were Keith Bassi, Solicitor, Jason E. Stanton, Lennon Smith Souleret Engineering, Inc. (LSSE), James J. Miskis, Manager, and Patricia Mowry, Financial Controller. Absent from the meeting was Rebecca Kaminsky, Board member, and Mark A. Chucuddy, Assistant Manager.

APPROVAL OF MINUTES:

A Motion was made by Mr. Grimm and seconded by Mr. Byrne to approve the minutes of April 9th as prepared by Patricia Mowry with minor corrections. The Motion carried unanimously.

A Motion was made by Mr. Grimm and seconded by Mr. Byrne to approve the minutes of April 23rd as prepared by Patricia Mowry. The Motion carried unanimously.

SOLICITOR'S REPORT: Copy on file.

Mr. Bassi reported on the Valley View Sewer Extension project, the former employee complaint, his research regarding Act 73 of 2012 a/k/a SB 375 of 2012 regarding the requirement for inter municipal billing for services rendered or in kind services, and the Donaldsons Treatment Plant project design engineering will be discussed in executive session due to the potential for litigation.

Mr. Bassi reported he has spoken with the legal counsel from Upper St. Clair (USC) after they received the Authority's notice to terminate the agreement regarding the Deerfield Pump Station. The understanding was achieved with USC that the agreement (MOU) could be extended so long as the Authority is treated fairly and equitably in any assessment of the costs as a result of the ALCOSAN wet weather consent order liability. Mr. Bassi and the USC Solicitor will work in conjunction in preparation of an amended agreement.

Mr. Bassi reported he reviewed with Mr. Chucuddy PaDOT'S requirements for a Highway Occupancy Permit regarding the Tuscany Development. Mr. Bassi reported a

letter of credit in the amount of \$10,000 is required in order to obtain the permit. The permit is being issued to the Authority; therefore the Authority will obtain the letter of credit from Charleroi Federal Bank. The Developer will reimburse the Authority the \$10,000 to be held in the developer's escrow account until expiration of the letter of credit. Mr. Bassi recommended approval of the following resolutions.

A Motion was made by Mr. Byrne and seconded by Mr. Grimm to adopt Resolution No. 03-05-13 to obtain an Irrevocable Letter of Credit for the Pennsylvania Department of Transportation from the Charleroi Federal Savings Bank in the amount of \$10,000, and Resolution No. 04-05-13, which is PaDOT's form authorizing proper official to execute the letter of credit. The Motion carried unanimously.

Mr. Bassi reported he had discussion with Management regarding Jordan Tax Service's billing error. They have erroneously billed three Upper St. Clair property owners for sewage service. Mrs. Mowry reported those particular customers are in the PTSA service area, however, Upper St. Clair Township is billed directly as a bulk customer for those customers by the Authority. The Authority will be refunding all sewage amounts billed by Jordan Tax Service plus the IRS allowable interest to those property owners. Jordan Tax Service will be required to reimburse the Authority the interest amount refunded. The approximate total of all refunds is \$8,500.

Mr. Miskis reported the property owner of 100 Kimber Drive requested reimbursement for plumber fees that he incurred as a result of a sewage issue at his property on a Sunday evening. The plumber had determined the blockage was in the Authority's line. Subsequently the Authority staff confirmed the plumber's findings. Mr. Miskis indicated these types of issues are handled on a case by case basis. Usually the Municipal Torts Claim Act is applied, which is until we are notified of problem we cannot be held responsible for the problem. However, due to the nature of this particular problem, the location of the Authority's blockage, which would have been difficult for the Authority to identify, and that it occurred on a Sunday evening the Authority would have expended **more time and funds had it been called out on Sunday evening. Thereby the property owner actually saved the Authority expense.** Therefore Management and Mr. Bassi recommended a reimbursement to the property owner a reimbursement from fifty to one hundred percent for the \$589 requested by the property owner.

A Motion was made by Mr. Grimm and seconded by Mr. Crall to authorization Management to negotiate a reimbursement with the property owner of 100 Kimber Drive between fifty to one hundred percent of the \$589 for the plumber's bill. The Motion carried unanimously.

ENGINEER'S REPORT: Copy on file.

Mr. Stanton reported the draft feasibility study due to ALCOSAN has been provided from Upper St Clair (USC) on April 19, 2013. They have suggested an alternative to include the Municipal Authority of South Fayette which would reduce the Authority's overall cost. If that alternative is chosen there would have to be a new intermunicipal agreement which would include all parties. USC plans to provide a draft memorandum of

understanding to PTSA, Bethel Park, and Municipal Authority of South Fayette. The agreement will be vague in nature and will not contain cost allocation percentages or values.

Mr. Stanton reported a letter was issued to the contractor, Bella Enterprises Inc., regarding construction warranty items for the Phase I Valley View Sewer extension project.

Mr. Stanton reported the contractor, Glenn Johnston Inc., has initiated resolution of the of the construction deficiencies for the Phase II Valley View Sewer extension project.

Mr. Stanton reported the Donaldson's Crossroads Wastewater Treatment Plant replacement project final alternative analysis report has been delivered to the Authority. The draft QA/QC report was distributed and will be reviewed in executive session.

MANAGER'S REPORT: Copy on file.

Mr. Miskis reported the PaDEP conducted its annual inspection at each treatment facility on April 23, 2013. They reported everything was in order at both locations.

Mr. Miskis reported the Brush Run's NPDES permit expires on June 30, 2014. The application is due by December 31, 2013. The permit cycle is every five years and \$20,000 was budgeted for in the Capital Plan, which includes engineering assistance, testing, and chemical analysis. Management recommended approval of CET Engineering Services proposal in the amount of \$8,600 for assistance with the application.

A Motion was made by Mr. Grimm and seconded by Mr. Crall to approve CET Engineering Services proposal for a not to exceed amount of \$8,600 for assistance with the Brush Run's NPDES permit application. The Motion carried unanimously.

Mr. Miskis reported all of the repairs have been completed on the Friar Lane Pilot program. The Authority is still waiting for two more significant rain events to perform additional flow monitoring before make any conclusions on the program. The budget has been expended for outside contractor flow meters, but staff has installed the Authority's meters to monitor the flow. These meters are not as accurate as the contracted flow metering; however, the probability of significant rain events remains low until November, and therefore does not warrant the contracted flow meters expenses.

Mr. Miskis reported additional quotes have been received for the administrative employees' health insurances. All quotes received were higher than the current carrier. The Board concurred to remain with the current carrier and continue with the current monthly employee contributions.

Mr. Miskis recommended acceptance of the Donaldson's Crossroads Wastewater Treatment Plant replacement project's Final Alternative Analysis Report with the selected alternative to move forward to detailed design. However, once the second opinion review is completed by CET Engineering they may make recommendations that would modify the selection.

A Motion was made by Mr. Grimm and seconded by Mr. Byrne to accept the Donaldson's Crossroads Wastewater Treatment Plant expansion project's Final Alternative Analysis Report as presented by LSSE Engineering. The Motion carried unanimously.

Mr. Miskis reported the LSSE stop work order is still in place on the Donaldson's Crossroads Wastewater Treatment Plant replacement project's engineering design.

Mr. Miskis presented an updated user rate analysis comparing the budget as prepared for the Act 537 plan, the Authority Conceptual Financing Plan, and the budget of the selected alternative for the Donaldson's Crossroads Wastewater Treatment Plant replacement project. The estimated construction costs have increased by \$2 million from the 537 Plan estimate despite cost cutting efforts. However because the project has been delayed the existing debt will be retired, all engineering will be paid from the CIRF account, and the augmentation projects are being deferred, with the overall financial impact to the user rate being a projected decrease by five to six dollars from the \$47 per month rate presented in the 537 plan. The 2015 rate is projected to be on the order \$43 per month and should not exceed the \$47 per month even as the budget is refined.

Mr. Miskis reported on the Valley View Sewer Extension project. The contractor Glenn Johnson was very cooperative and agreed to correct any deficiency the Authority requested to be repaired. The Contractor did repair the stone bedding deficiencies that were discovered and random excavated were performed on other properties. There were seven random excavations were performed, which identified six of the seven building sewer installations as having pipe embedment stone in substantial compliance with the contract specifications, with several exceeding the requirements. One was marginally noncompliant and it was corrected. Based on these random excavations the contractor demonstrated substantial compliance with the specifications. The Contractor offered to extend his warranty by two years for a total of a four year warranty on installation. This warranty revision will be implemented as a change order. The Contractor will correct any restoration deficiencies.

Mr. Blazek requested from Mr. Stanton, LSSE's position regarding the inspection services performed and paid for by the Authority. Mr. Stanton indicated the inspector did not observe all of the installations because there were multiple construction crews working. Mr. Stanton indicated the inspector should have performed his duties better. The Board questioned what exactly the construction inspector duties were, and indicated the Authority's expectations were the inspector would make sure the contractor complied with all details of the construction specifications. The Board expressed they were extremely disappointed in the construction services received from LSSE because of the discovered construction deficiencies. There was approximately \$30,000 expended for an inspector services and \$20,000 for construction management services. Mr. Blazek requested from Mr. Stanton a partial rebate on the fees paid for LSSE construction inspection services. Mr. Stanton indicated he would consider the request and provide an answer at the next meeting.

ASSISTANT MANAGER'S REPORT: Copy on file

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 April 30, 2013.

PAYMENT OF BILLS & REQUISITIONS: Copy on File

A Motion was made by Mr. Crall and seconded by Mr. Grimm to approve disbursements in the amount of \$882,039.71 from the following funds:

| Fund | Disbursement | Total |
|----------------|--|--------------|
| Operating | Checks: 121379-121463 | \$63,430.67 |
| Operating | Annual Transfer to CIRF per Trust Indenture | \$240,000.00 |
| Operating | Annual Transfer from T&A account to CIRF per Trust Indenture | \$315,000.00 |
| Operating | Debt payment to DSF | \$186,235.39 |
| Payroll | Transfer from Operating to Payroll fund | \$60,000.00 |
| Charleroi Loan | Valley View Sewer Ext. 2012 Debt Payment | \$4,438.13 |
| Developer | Transfer to Operating | \$385.59 |
| CIRF | Requisition No. 121-13 | \$10,350.00 |
| CIRF | Penn Vest – Ivy Lane – 2003 Debt Payment | \$2,199.93 |

The Motion carried unanimously.

OTHER BUSINESS:

A Motion was made by Mr. Crall and seconded by Mr. Grimm to enter into Executive session at 9:10p.m. to discuss potential litigation. The Motion carried unanimously.

Executive Session ended at 10:25 p.m.

A Motion was made by Mr. Crall and seconded by Mr. Byrne to adjourn the meeting at 10:26 p.m. The Motion carried unanimously.

Respectfully Submitted,

Patricia Mowry

MOTIONS SUMMARY

| MOTION NO. | MOVED | SECOND | MOTION SUMMARY TABLE | VOTE |
|-------------------|--------------|---------------|--|-------------|
| 1 | Grimm | Byrne | Approve Meeting Minutes of April 9 th , 2013 | Approved |
| 2 | Grimm | Byrne | Approve Meeting Minutes of April 23 rd , 2013 | Approved |
| 3 | Byrne | Grimm | Adopt Resolution No. 03-15-13 to obtain an Irrevocable Letter of Credit for the Pennsylvania Department of Transportation from Charleroi Federal Savings Bank in the amount of \$10,000 and Resolution No. 04-05-13, which is PaDOT's from authorizing proper official to execute the letter of credit | Approved |
| 4 | Grimm | Crall | Authorize Management to negotiate a reimbursement with the property owner of 100 Kimber Drive between fifty to one hundred percent of the \$589 for the plumber's bill | Approved |
| 5 | Grimm | Crall | Approve CET Engineering Services proposal for a not to exceed amount of \$8,600 for assistance with the Brush Run's NPDES permit application | Approved |
| 6 | Grimm | Byrne | Accept the Donaldson's Crossroads Wastewater Treatment Plant expansion project's Final Alternative Analysis Report as presented by LSSE Engineering | Approved |
| 7 | Crall | Grimm | Approve disbursements in the amount of \$ 882,039.71 | Approved |
| 8 | Crall | Grimm | Enter into Executive Session to discuss potential litigation | Approved |
| 9 | Crall | Byrne | Adjourn the Meeting at 10:26 p.m. | Approved |