

**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

JUNE 11, 2013

ROLL CALL:

REVIEW OF MINUTES FOR APPROVAL: Minutes of May 14, 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 May 31, 2013

PAYMENT OF BILLS & REQUISITIONS:

OTHER BUSINESS:

1. Nair Sewer Extension Acceptance of Sewage Flows of 400 gpd (1 EDU)
2. Approval of Pay Request #1, Contract PTSA-1-2013 Joint Sealing and Partial Pipe Repairs
3. Acceptance for Use of the McLaughlin/Weaver/Brula Sanitary Sewer Extension
4. Resolutions pertaining to 457 Deferred Compensation and SEP Plan

ADJOURNMENT:

**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, Administrative Assistant

REGULAR MONTHLY MEETING

June 11, 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, Rebecca Kaminsky and Michael P. Crall. Also present were Keith Bassi, Solicitor, James J. Miskis, Manager, Mark A. Chucuddy, Assistant Manager and Patricia Mowry, Financial Controller.

APPROVAL OF MINUTES:

A Motion was made by Mr. Crall and seconded by Mrs. Kaminsky to approve the minutes of May 14th as prepared by Patricia Mowry with minor corrections. The Motion carried unanimously.

SOLICITOR'S REPORT: Copy on file.

Mr. Bassi reported on the Valley View Sewer Extension project. He reviewed the Engineering contract and conferred with Mr. Miskis. The remaining of the discussion was deferred to executive session.

Mr. Bassi reported there are no developments regarding the former employee EEOC complaint. Mr. Bassi is awaiting the EEOC investigation results or additional inquiry from the EEOC in order for them to develop their investigation further. Mr. Bassi is not anticipating hearing anything from the EEOC in the next thirty to sixty days; therefore this item would become a stagnant item.

Mr. Bassi reported on the recently enacted statutory requirement for the Authority to bill anyone receiving goods or services over \$1,000. Mr. Bassi conferred with the Township's Solicitor, who directed communications on this matter to the Township Manager. Mr. Miskis meet with Mr. Silvestri and discussed the law and the Township facilities that are currently billed and the ones not billed. Mr. Miskis recommended the billing to begin in the third quarter billing cycle, with payment from the Township deferred until 2014 in order to lessen the impact on the Township budget. The Board concurred.

Mr. Bassi reported on the Draft Memorandum of Understanding (MOU), which is being required from ALCOSAN as part of the wet weather program feasibility study. The Authority's Marella Manor service area is part of the Brush Run Sewer Shed which conveys sewerage via Upper St. Clair to the ALCOSAN sewer system. The MOU is between Bethel Park, Municipality of Bethel Park Municipal Authority, and Municipal Authority of the Township of South Fayette, Peters Township Sanitary Authority, and the Township of Upper St. Clair (USC). Neither this MOU nor the feasibility study represents any remedial legal or financial commitment by any of the participating municipalities. This agreement is basically an acknowledgement of where the feasibility study process is with the parties involved... This MOU is being required by

ALCOSAN, which is a requirement of their Consent Order for all multi juristical communities involved. The MOU states the participating Municipalities have agreed to prepare a feasibility study, meet regularly, have not agreed how to allocate capital or operating cost on the shared sewer facilities, will continue to work on resolution of cost sharing, and advocate for additional time for ALCOSAN to study green initiatives or consider ownership of shared facilities.

The Authority has been trying to get a commitment from USC regarding cost sharing for this project to be incorporated into the Deerfield Manor MOU. Mr. Miskis indicated fairest way to allocate costs would be to base it on peak flows. The current Marella Manor agreement with USC has operating and capital costs based on a fixed percentage. Mr. Bassi is still waiting for the USC Solicitor to send the extension of the Deerfield agreement with the language regarding costs sharing.

Mr. Miskis indicated there will be a final MOU that would be expected to be adopted at the next Board meeting, because the feasibility study is due to ALSOCAN by July 31, 2013. Mr. Miskis indicated the feasibility study followed the 3Rivers Wet Weather model. Mr. Bassi will request the Township be a party to the agreement as they have an interest because of their ownership of the Marella Manor sewers. Mr. Bassi and Mr. Miskis recommended approval of the draft memorandum of understanding.

A Motion was made by Mr. Grimm and seconded by Mr. Crall executed the draft Memorandum of Understanding for the Brush Run Sewer Shed, contingent upon the inclusion of the Peters Township as a party to the agreement. The Motion carried unanimously.

Mr. Bassi reported regarding of the Donaldson's Crossroads WPCP Replacement project design phase engineering contract and other engineering contract matters and recommended further discussion in executive session.

A Motion was made by Mrs. Kaminsky and seconded by Mr. Grimm to enter into Executive session at 7:16 p.m. to discuss potential litigation. The Motion carried unanimously.

Executive Session ended at 7:30 p.m.

A Motion was made by Mrs. Kaminsky and seconded by Mr. Grimm to execute the memorandum of mutual separation agreement between Peters Township Sanitary Authority and Lennon, Smith, Souleret Engineering, Inc. The Motion carried unanimously.

Mr. Bassi reported he reviewed the results of the arbitrage calculation for the 1998 Sewer Revenue Bonds. Arbitrage regulations apply to the Authority's sewer revenue bonds because they are tax-exempt. Arbitrage refers to a profit made from investing borrowed funds at a higher interest rate than the bond issue interest. Management realized that the required 5-year calculation was not completed on the 1998 or the 2003 Sewer Revenue Bonds. The Authority engaged Public Financial Management to perform the calculation on the 1998 bonds and they did a review of the Authority's calculation on the 2003 Bonds. It was determined the Authority had positive arbitrage on the 1998 Bonds arbitrage in the amount of \$30,355.96 and a compounded IRS interest due in the amount of \$21,085.47 for a total of \$51,441.43. The Authority will file the necessary paperwork for the 1998 Bonds and rebate back the positive arbitrage interest to the IRS, and ask the penalty to be waived. The IRS assesses a penalty for not rebating any positive arbitrage when it is due, however because the Authority discovered the error and immediately brought it to the IRS' attention, there is a high probability the penalty will be waived. The calculation is not completed yet on the 2003 bonds, but it does not appear there will be positive arbitrage. If there is no positive

arbitrage, then no paperwork is actually filed with the IRS, it is kept on file at the Authority and made available to the IRS if requested. Management is also in the process of reviewing the status of the 2009 arbitrage calculation which is due to be performed in 2014.

ENGINEER'S REPORT: Copy on file.

Mr. Miskis reviewed the engineer report.

Mr. Chucuddy reported the Letter of Credit for the Highway Occupancy Permit for the Tuscany Plan was received from the Bank and recommended a motion for the proper officers to execute. The letter of credit was previously approved by resolution.

A Motion was made by Mrs. Kaminsky and seconded by Mr. Crall to authorize the proper officers to execute the Letter of Credit with Charleroi Federal Saving Bank in the amount of \$10,000 for the Tuscany Plan. The Motion carried unanimously.

Mr. Miskis reported LSSE will no longer be performing to construction phase services for the Valley Brook/Rt. 19 Relocation project that is scheduled to begin the very near future. Mr. Miskis recommended KLH Engineers Inc. to perform the construction phase services for this project. The Board concurred.

Mr. Miskis reported on the separate services for the Value Engineering Contract with CET for the Donaldson's Crossroads WWPC Replacement project. There are three tasks associated with the contract, \$5,000 review as design was developing, most of which has not be expended, \$20,000 PENNVEST review, and \$35,000 for the value engineering at the 60% design completion stage. The value engineering was requested by the Township at the 537 planning approval phase. After Management's request, Township Council concurred with not requiring additional value engineering if the firm doing the PENNVEST 2nd Opinion review is hired to complete the design... Management reported the most cost efficient way to proceed would be to have CET do the review on the alternative analysis as previously contracted, and then they will submit a proposal for the design services when their review is completed. Logically, that will get them up to speed on the project with minimal cost and they will be able to accurately submit a detailed design proposal.

MANAGER'S REPORT: Copy on file.

Mr. Miskis reported the status of the Montour Trail bridge installation. The contractor will be replacing more than twice the square footage of the driveway asphalt that was included in the temporary construction easement in recognition of the Authority's cooperation.

Mr. Miskis reported he and Mr. Lignelli met with Washington County Commissioner Harlan Schober in regarding the Donaldson's Crossroads WWPC Replacement project, the importance of the plant to the local economy and jobs, and the need for obtaining a substantial LSA grant for the project. Mr. Schober is a strong supporter of water and sewer infrastructure.

Mr. Miskis reported the status of the Nair Sewer Extension. Mr. Nair will connect to the Valley View project's common force main by his own individual grinder pump. His neighbor is willing to grant an easement across their property to allow the force main to be extended. Mr. Miskis recommended acceptance of sewage flows.

A Motion was made by Mr. Grimm and seconded by Mrs. Kaminsky for acceptance of the Nair's sewer extension sewage flows of 400 gpd (1EDU). The Motion carried unanimously.

A Motion was made by Mrs. Kaminsky and seconded by Mr. Grimm to enter into Executive session at 8:19 p.m. to discuss personnel issues. The Motion carried unanimously.

Executive Session ended at 8:27 p.m.

ASSISTANT MANAGER'S REPORT: Copy on file

Mr. Chucuddy reported the McLaughin-Weaver-Brula Plan sewer extension installation and testing have been completed. Mr. Chucuddy recommended acceptance of the sewer extension.

A Motion was made by Mrs. Kaminsky and seconded by Mr. Grimm for acceptance of the McLaughin-Weaver-Brula Plan sewer extension for use. The Motion carried unanimously.

Mr. Chucuddy reported the reimbursement for the E. McMurray/Center Church Intersection project construction inspection services has been submitted to PaDOT in the amount of \$4,474.28. PaDOT indicated they received the application and funds will come from next fiscal year.

Mr. Chucuddy reported the status of the 2013 Rehabilitation project. State Pipe Services completed all the joint testing and grouting portion of the contract. Mr. Chucuddy recommended Pay Request No. 1 in the amount of \$ 38,320.40. The request is on the check register.

A Motion was made by Mrs. Kaminsky and seconded by Mr. Grimm to approve State Pipe Service's Pay Request No. 1 in the amount of \$ 38,320.40. The Motion carried unanimously.

SPECIAL PROJECTS MANAGER'S REPORT: Copy on File

CORRESPONDENCE FOR THE BOARD'S INFORMATION: Copy on file

FINANCIAL CONTROLLER'S REPORT: Copy on file

Mrs. Mowry reported Mr. Rhoads, from Rhoades & Owen, LLC., has completed the review of and amended the Deferred Compensation Plan and the Simplified Employee Pension Plan for the most current IRS regulations and documentation. Mrs. Mowry recommended the following Resolutions pertaining to the updates.

A Motion was made by Mr. Grimm and seconded by Mr. Crall to adopt Resolution No. 01-06-13 which authorizes the Manager to complete internal revenue form 5305 for the Simplified Employee Pension. The Motion carried unanimously.

A Motion was made by Mr. Crall and seconded by Mr. Grimm to adopt Resolution No. 02-06-13 which amended and restated the Deferred Compensation Plan. The Motion carried unanimously.

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. Blazek to approve disbursements in the amount of \$321,482.85 from the following funds:

Fund	Disbursement	Total
Operating	Checks: 21464-21533	\$154,022.74
Payroll	Transfer from Operating to Payroll fund	\$65,000.00
Charleroi Loan	Valley View Sewer Ext. 2012 Debt Payment	\$4,438.10
Developer	Transfer to Operating	\$982.00
CIRF	Requisition No. 122-13	\$94,839.43
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. Crall to adjourn the meeting at 8:45 p.m.
The Motion carried unanimously.

Respectfully Submitted,

Patricia Mowry

MOTIONS SUMMARY

MOTION NO.	Moved	SECOND	MOTION SUMMARY TABLE	VOTE
1	Crall	Kaminsky	Approve Meeting Minutes of May 14 th , 2013	Approved
2	Grimm	Crall	Execute Draft Memorandum of Understanding for the Brush Run Sewer Shed, contingent upon the inclusion of Peters Township as a party to the agreement	Approved
3	Kaminsky	Grimm	Enter into Executive Session at 7:16 p.m. to discuss potential litigation	Approved
4	Kaminsky	Grimm	Execute memorandum of mutual separation agreement between PTSA and Lennon, Smith, Souleret Engineering, Inc.	Approved
5	Kaminsky	Crall	Authorize the proper officers to execute the Letter of Credit with Charleroi Federal Saving Bank in the amount of \$10,000 for the Tuscany Plan	Approved
6	Grimm	Kaminsky	Accept the Nair's sewer extension sewage flows of 400 gpd (1EDU)	Approved
7	Kaminsky	Grimm	Enter into Executive Session at 8:19 p.m. to discuss personnel issues	Approved
8	Kaminsky	Grimm	Accept the McLaughlin-Weaver-Brula Plan sewer extension for use	Approved
9	Kaminsky	Grimm	Approve State Pipe Service's Pay request No. 1 in the amount of \$38,320.40	Approved
10	Grimm	Crall	Adopt Resolution No. 01-06-13 which authorizes the Manager to complete internal revenue form 5305 for the Simplified Employee Pension	Approved
11	Crall	Grimm	Adopt Resolution No. 02-06-13 which amended and restated the Deferred Compensation Plan	Approved
12	Crall	Blazek	Approve disbursements in the amount of \$ 321,482.85	Approved
13	Grimm	Crall	Adjourn the Meeting at 8:45 p.m.	Approved