

**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

SEPTEMBER 10, 2013

ROLL CALL:

REVIEW OF MINUTES FOR APPROVAL: Minutes of August 13th, 2013

VISITORS:

1. GHD, Inc. to present DC WPCP Replacement Project Second Opinion Review and Evaluation of Impacts of Peters Township's draft Comprehensive Plan

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 August 31, 2013

PAYMENT OF BILLS & REQUISITIONS:

OTHER BUSINESS:

1. Exercise option to pick up 2nd year sludge disposal contract with Waste Management
2. Power Generation Procurement
3. Anthony Farms II – Right of Way Execution

ADJOURNMENT:

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REGULAR MONTHLY MEETING

September 10, 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 L. Mowry, Financial Controller.

APPROVAL OF MINUTES:

A Motion was made by Mrs. Kaminsky and seconded by Mr. Crall to approve the minutes of August 13, 2013 as prepared by Patricia L. Mowry. The Motion carried unanimously.

VISITORS:

1. Raymond Meyers and William LaDieu, GHD Inc.

RE: DC WPCP Replacement Project Second Opinion Review and evaluation of the impacts to the treatment plants of Peters Township's draft Comprehensive Plan. Presentation attached.

Mr. Meyers and Mr. LaDieu presented the findings of the DC WPCP Replacement Project Second Opinion Review of the selected alternative. The review examines the selected processes and layout for functionality and cost effectiveness, and it is a requirement in order to apply for a low-interest state loan with PennVest. This review is not a value engineering study. GHD performed a technical analysis of the expansion and upgrade alternatives prepared by LSSE. Mr. Myers reported their findings were the basic concepts for the upgrading and expansion were sound, the process selection and tank sizes are acceptable, as is the flood plain analysis. GHD however believes the several of the **unit prices used by LSSE in their cost** estimating were unrealistically low. For instance, excavation and backfill, concrete, and the lack of underground piping. GHD did agree with the quantities used and the equipment pricing, most of which was supported by written quotes from suppliers. LSSE's construction cost estimate for the selected alternative, including a 10% contingency, is \$15.2 million. After adjusting the unit prices to more reasonable values, GHD's opinion of the probable cost of the selected alternative is \$21 million.

In order to reduce the construction cost GHD considered a revised plant layout that takes advantage of more common wall construction, reduces piping requirements, and calls for a smaller Control Building by moving the process air blowers outdoors in sound attenuated enclosures. This revised layout also includes slightly larger aeration tanks to allow for a slightly higher organic loading in response to the draft Comprehensive Plan. This revised layout has a probable construction cost of \$19 million.

Mr. Myers cautioned that the LSSE estimate was a construction estimate and not a total project estimate. Therefore, GHD has also provided construction cost estimates for a direct comparison. However, there are other costs including engineering, legal, administrative and financing costs that have to be added to arrive at the total project cost. It was noted that the Authority is accumulating surplus funds to address these soft costs.

SOLICITOR'S REPORT: Copy on file.

Mr. Bassi reported the Upper St. Clair attorney has requested the Authority provide the language for the amendment to the Deerfield Manor Memorandum of Understanding. He will work with Management to prepare the amendment.

MANAGER'S REPORT: Copy on file.

Mr. Miskis reported the status of the Brush Run NPDES permit renewal. Mr. Miskis indicated GHD has been assisting the Authority in completing the application. PaDEP has changed the permit application twice since the application process began. The most recent change revised the analytical detection limits required to unreasonable low limits, requiring additional coordination time with the contracted laboratory which can not meet many of the low limits. Additional scrutiny of the analytical results and strategy development will be required prior to submitting the application in December. For this reason Management recommended a fee increase in the amount of \$3,900, for a total not to exceed amount of \$ 12,500.

A Motion was made by Mr. Grimm and seconded by Mr. Crall to approve GHD's request for an additional \$3,900 for a not-to-exceed amount of \$12,500 for the NPDES Permit renewal assistance. The Motion carried unanimously.

Mr. Miskis reported the sludge disposal contract awarded to Waste Management in August 2011, includes four one-year option years. KLH provided recent sludge disposal bid results for several other municipal clients and after review of pricing Management determined there would not be any significant savings in re-bidding, therefore recommended exercising Option Year No. 2 with Waste Management.

A Motion was made by Mrs. Kaminsky and seconded by Mr. Byrne to authorize Option Year No. 2 to the contract with Waste Management. The Motion carried unanimously.

Mr. Miskis reported the contract with First Energy for energy generation for the two treatment plants ends January 1, 2014. Management solicited quotes from other providers through both On Demand energy, our current energy consultant, and Murifield Energy, also an energy consultant. The lowest price was from Direct Energy at 5.482 cents/KWH for a one-year contract and 5.657 cents/KWH, which includes gross receipts tax, quoted through On Demand Energy. West Penn Power's Price to Compare which is not locked for any length of time is currently 5.474 cents/KWH. Our existing contract price is 5.6 cents/KWH. After discussion the Board selected entering into only a one year contract. The one-year contract pricing would reduce our power cost by \$2,400 next year compared to the existing contract price.

A Motion was made by Mr. Byrne and seconded by Mr. Grimm to enter into a one-year contract with Direct Energy. The Motion carried unanimously.

ASSISTANT MANAGER'S REPORT: Copy on file

Mr. Chucuddy reported on the status of the Anthony Farms development. During the construction it was discovered there was a waterline conflict, which lead to an adjustment to the sewer layout that requires the Developer grant the Authority a right of way through what will become Township open space. Mr. Chucuddy recommended execution of the right of way.

A Motion was made by Mr. Grimm and seconded by Mr. Crall to execute the right of way agreement with Peters Township Land, LLC for the Anthony Farms development. 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 Health America, the health insurance carrier for the administrative staff, has requested to change the contract year from a May renewal to a December renewal. Therefore the annual rate adjustment increase will go into effect December 1, 2013, instead of May 1, 2014. The proposed rates increased 18%. Mrs. Mowry is negotiating a lower rate increase, as well as obtaining quotes from other suppliers including MEIT. The Board concurred to the change in the contract year.

FINANCIAL STATEMENT REVIEW: Month ending August 31, 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 \$191,322.45 from the following funds:

Fund	Disbursement	Total
Operating	Checks: 121720 through 121802	\$87,436.73
Payroll	Transfer from Operating to Payroll fund	\$70,000.00
Charleroi Loan	Valley View Sewer Ext. 2012 Debt Payment	\$4,438.13
Developer	Transfer to Operating	\$791.59
CIRF	Requisition No. 125-13	\$26,456.07
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 Mrs. Kaminsky to adjourn the meeting at 10:09 p.m. The Motion carried unanimously.

Respectfully Submitted,

Patricia Mowry

MOTIONS SUMMARY

MOTION NO.	MOVED	SECOND	MOTION SUMMARY TABLE	VOTE
1	Kaminsky	Crall	Approve Meeting Minutes of August 13 th , 2013	Approved
2	Grimm	Crall	Approve GHD's, Inc. request for an additional \$3,900 for a not-to-exceed amount of \$12,500 for the NPDES Permit renewal assistance	Approved
3	Kaminsky	Byrne	Authorize Option Year No. 2 to the contract with Waste Management.	Approved
4	Byrne	Grimm	Enter into a one-year contract with On Demand utilizing Direct Energy.	Approved
5	Grimm	Crall	Execute Right of Way Agreement with Peters Township Land Company LLC for the Anthony Farms Development	Approved
6	Grimm	Kaminsky	Approve disbursements in the amount of \$191,322.45	Approved
7	Grimm	Kaminsky	Adjourn meeting at 10:09 p.m.	Approved