

**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**

**September 9, 2014**

**ROLL CALL:**

**REVIEW OF MINUTES FOR APPROVAL:** Minutes of July 8, 2014

**VISITORS:**

1. Michael McCaig, Managing Director, Janney Capital Markets regarding Public Finance services

**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, 2014

**PAYMENT OF BILLS & REQUISITIONS:**

**OTHER BUSINESS:**

1. Biosolids Disposal Contract – Exercise option to extend contract by 3<sup>rd</sup> Option Year
2. Electric Power Generation Procurement
3. Tuscany Plan, Amendment No. 2 to Developer's Construction Agreement extending the time to complete the sewer extension.
4. Independent Auditor's Report for 2013
5. Execute Deed of Easement/Right of Way Agreement with Investor's Mark Acquisitions, LLC
6. Ratification of Extension of Set-Aside Agreement for the Anthony Farm's Phase 2 Plan.
7. Variance to Permit 6" public Sanitary Sewer @ Anthony Farms II
8. Approve Addendum #1 to Anthony Farms II Developers Construction Agreement
9. Execution of Sewage Billing Software Agreement

**ADJOURNMENT:**

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**REGULAR MEETING**

**September 9, 2014**

**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 David G. Blazek, Terrence G. Byrne, and Rebecca Kaminsky. Also present were Keith Bassi, Solicitor, David Coldren, KLH Engineering, Inc., James J. Miskis, Manager, Mark A. Chucuddy, Assistant Manager and Patricia Mowry, Financial Controller. Absent from the meeting was Michael P. Crall and Eric S. Grimm.

**APPROVAL OF MINUTES:**

A Motion was made by Mr. Byrne and seconded by Mrs. Kaminsky to approve the minutes of July 8, 2014 as prepared by Patricia L. Mowry. The Motion carried unanimously.

**VISITORS:**

1. John Mowry, KLH Engineers Inc.  
**RE:** Consulting Engineering Services and Project Manager

Mr. Mowry indicated Mr. Hanley is longer with KLH Engineers and introduced David Coldren to the Board. He was assigned to be the Authority's new project manager.

**SOLICITOR'S REPORT:** Copy on File.

Mr. Bassi reported he reviewed the checks and detailed report that the Authority received regarding their gas leases. The one gas lease is now producing gas in the unit that includes the Authority's property near Trax Farm.

Mr. Bassi reported he received the final confirmation of the dismissal of the Levers v. PTSA case from the federal court. All obligations have been satisfied and all matters have been officially concluded.

Mr. Bassi reported he researched several billing and collection issues concerning statute of limitations on filing claims for delinquent accounts and refund obligations for customers that have been billed in error.

Mr. Bassi reviewed and commented on the series of purchase, installation, and maintenance contracts with Harris Systems for the new billing software. Comments were focused on the warranty and indemnification clauses. Mr. Bassi recommended approval of the contract.

Mr. Bassi reported the letter of intent not to renew Jordan Tax Serves contract was sent thereby eliminating them as the billing and collection agent effective December 1, 2014.

Mr. Bassi reported the Township has indicated they do not want to pursue an indemnification agreement with the Authority regarding sewer use billing and would begin paying charges at all of their facilities. They requested if the charges could begin in January so as to allow the Township to budget for the cost.

Mr. Bassi reported he reviewed and revised the first amendment for the Anthony Farms Developer's Agreement which was a variance to the Authority's standards and recommended approval of the amendment as revised.

Mr. Bassi reported he reviewed and commented on the second amendment to the Developer's Agreement for the Tuscany Plan. The amendment will extend the term of the agreement to permit time to complete the sewage installation in this plan.

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

Mr. Coldren reported the survey and the as-builts have been completed for the sewers. The developer is adding an additional sewer to serve a property that will be served by grinder pump. When that work is completed it will be added to the drawing.

Mr. Coldren report on the status of the Crossing Six -Sheriffs Court. The pre-construction meeting was held on September 3, 2014. The construction is anticipated to begin the week of September 8<sup>th</sup> and last about one week.

Mr. Coldren reported he will be attending DC WPCP replacement project's 90% complete design review meeting on October 9, 2014 at the Authority's office.

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

Mr. Miskis reported the sludge disposal contract awarded to Waste Management in August 2011, included four one-year option years. KLH previously provided a multi-year summary of 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. 3 with Waste Management.

A Motion was made by Mr. Byrne and seconded by Mrs. Kaminsky to authorize Option Year No. 3 to the contract with Waste Management for sludge disposal. The Motion carried unanimously.

Mr. Miskis reported the investigation regarding the asbestos cement sewers downstream of the Rutledge Drive Pump Station has been completed. The next step is to develop a rehabilitation/replacement plan which will be incorporated into the 2015 Budget's Capital Plan.

Mr. Miskis reported the Authority was awarded a \$56,000 grant from the PA Small Water and Sewer Grant Program. The application was submitted for \$60,000 for the Stratford Manor Force Main Replacement project.

Mr. Miskis reported the Authority will be applying for a grant through the Washington County Local Share Account grant program for the DC WPCP replacement project. The Board consensus was to apply for \$3.0 million. The application is due October 15, 2014.

Mr. Miskis presented the pricing from several suppliers for power generation for the treatment plants and pump stations. The current contract is with Direct Energy and expires January 1, 2015. The lowest price is from Washington Gas Energy Services Inc. at \$0.06077/KWH for a 36 month contract, while the price is considered low for current considerations their proposed agreement has several clauses of concern. Mr. Bassi recommended taking no action at this time and repeat the price solicitation process next month.

Mr. Miskis reported the Tuscany Plan Developer requested to substitute a Letter of Credit in exchange for cash security for the performance security that is being held by the Authority. Mr. Bassi indicated that would be acceptable, subject to satisfactory Letter of Credit. The reimbursement check is on the check register for approval. The check will be held until the Letter of Credit is received. Mr. Miskis and Mr. Bassi recommended approval of the second amendment to the Developer's agreement. The amendment will extend the term of the agreement by 67 days extending it to November 30, 2014 in order to permit time to complete the sewage installation and for project close-out.

A Motion was made by Mrs. Kaminsky and seconded by Mr. Byrne to execute Amendment No. 2 to the Developer's Construction agreement with Investor's Mark Acquisitions LLC for Tuscany Plan. The Motion carried unanimously.

Mr. Miskis reported the Authority needed to obtain an easement from Investor's Mark Acquisitions LLC for Tuscany Plan to accommodate a change in the sewer installation layout. Mr. Miskis recommended approval of the easement.

A Motion was made by Mrs. Kaminsky and seconded by Mr. Byrne to approve and execute the easement with Investor's Mark Acquisitions LLC for Tuscany Plan. The Motion carried unanimously.

Mr. Miskis reported South Hills Honda will be utilizing a grinder pump to gain access to the sewer. This facility intends to use a rain water holding tank to supply rain water to rinse cars in an automatic carwash. The Owner notified the Authority that they wish to install a magnetic flow meter on the proposed grinder pump to serve as the billing meter, and thereby the rain water used in the car wash which will go down sanitary sewers drain will be measured and billed for sewage. The Authority will need to make some policy adjustments and will present a recommendation next meeting.

Mr. Miskis recommended Technical Electrical Services to assist the Authority on GHD's 90% design submittal of electrical design for the DC WPCP Replacement project. Management believes a second look of the electrical design by a qualified electrician would both find cost savings and help to minimize future changes. A budget not to exceed of \$5,000 was recommended and any significant changes Technical Electrical Services may recommend would be vetted by KLH before being presented to GHD.

A Motion was made by Mrs. Kaminsky and seconded by Mr. Byrne to approve Technical Electrical Services for an electrical value engineering analysis on the 90% DC WWTP replacement projects electrical design for an amount not to exceed \$5,000. The Motion carried unanimously.

Mr. Miskis reported the 90% GHD design review meeting will be held at the Authority's office on October 9, 2014. GHD recommended the use of Hybrid Blowers manufactured by Aerzen. The hybrid blower's offer reduced energy consumption compared to conventional positive displacement or centrifugal blowers. Aerzen is the only source for this type of blowers, and GHD recommended they be identified in the specifications as the sole source for blowers. Management traveled to the New Cumberland Sewage Treatment Plant, near Harrisburg, on August 26<sup>th</sup> for the purpose of investigating the Aerzen Hybrid Blowers. The blowers are impressive, and the owner is satisfied with their performance. They slow down their blowers to 20% of full speed, which is unheard of with conventional blowers. This turndown capability make them very efficient for wastewater plants when minimal aeration is required during the early morning hours. Our Brush Run blowers can only turn down to 55%, and thereby we waste considerable energy during the early morning hours, applying more aeration than the process requires. After completing our investigation Management agrees with GHD's recommendation to use the Hybrid blowers and to sole source to Aerzen. Recently, we learned that KLH is specifying the same blowers for the Clairton Sewage Plant Expansion project.

Mr. Miskis reported on the status of the DC WPCP Replacement project. The project is on budget with approximately 71.1% of the budget expended. Mr. Miskis recommended approval of payment of August's invoices for a total of \$84,129.04, as presented on the CIRF requisition.

Mr. Miskis reported KLH has provided a draft report and subsequent memo regarding the evaluation of the LSSE modeling report for the DC interceptor improvements which includes the Oakwood and Giant Oaks interceptors. KLH's findings were similar to LSSE's peak flow analysis. KLH did incorporate the Township's revised Comprehensive Plan customer's base. KLH's projected wet weather flows are about 9% lower for overall peak flow received at the plant for the 10-year storm. Management agrees with KLH's recommendations for design for the interceptors.

Mr. Miskis reported preliminary work has begun on the emergency construction on the Oakwood Road Interceptor that is exposed in the stream. The permits were submitted to the PaDEP and the Authority is waiting to receive the permit in order to begin the construction.

Mr. Miskis reported the Valley View Drive sewer extension project contractor has completed all lawn restoration and in order to close out project for Component B and C two change orders need to be approved. Change Order No. 3 is a deduction of the contract in the amount of \$3,195.74 and is an adjustment to the contract for expenses incurred by Authority in regards to lawn restoration and the gas line conflict. Change Order No. 4 establishes the start date for the warranty and provides the extended warranty for the building sewer laterals. Mr. Miskis recommended the approval of the change orders and the final payment in the amount of \$4,536 to the contractor as presented on the CIRF requisition.

A Motion was made by Mr. Byrne and seconded by Mrs. Kaminsky to approve Change Order No. 3 for a deduction in the amount of \$3,195.74 and Change Order No. 4 which establishes the start date for the warranty and provides the extended warranty for the building sewer laterals. The Motion carried unanimously.

**ASSISTANT MANAGER'S REPORT:** Copy on File.

Mr. Chucuddy reported on the status of Anthony Farms Phase II. Mr. Chucuddy recommended a variance to the Authority's standard rules and regulations regarding sewer line installation in order to allow Lot 222 the ability to connect to the sanitary system. The variance would allow a six inch public sanitary line in lieu of an eight inch line. The recommendation is made because this particular line will only serve one dwelling, Lot 222, and the line will have plenty of capacity and access via manholes.

A Motion was made by Mr. Byrne and seconded by Mrs. Kaminsky to approve the variance to the Authority's standard rules and regulation and allow a six inch public sanitary line in lieu of an eight inch line for the Anthony Farms Phase II sanitary sewer installation regarding Lot 222. The Motion carried unanimously.

Mr. Chucuddy and Mr. Bassi recommended approval of the Amendment No. 1 to the Developer's Agreement which would incorporate the revised drawings due to the variance granted and to extend the term of the agreement to coincide with the set-aside agreement which was extended June 2015. Mr. Chucuddy recommended ratification of the set-aside agreement.

A Motion was made by Mr. Byrne and seconded by Mrs. Kaminsky to approve Amendment No. 1 to the Anthony Farms Developer's Agreement. The Motion carried unanimously.

A Motion was made by Mr. Byrne and seconded by Mrs. Kaminsky to approve the execution of the set-aside agreement for the Anthony Farms Development extending it until June 2015. The Motion carried unanimously.

Mr. Chucuddy recommended approval of KLH Engineers amendment to Service Order No 264-085-003 for an increase of \$4,000 for preparation of the as-built drawings for a total not to exceed amount of \$7,000. The increase is because the Developer’s original contract drawings were not in state plane coordinates which were prepared about five years ago.

A Motion was made by Mr. Byrne and seconded by Mrs. Kaminsky to approve KLH Engineers amendment to Service Order No 264-085-003 for an increase of \$4,000 for preparation of the as-built drawings for a total not to exceed amount of \$7,000. 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:**

Mrs. Mowry presented three separate sewage billing contracts from Harris Local Government. The contracts consist of the purchase of the software, printing and mailing services for the sewage bills, and to establish and maintain the customer portal. Mr. Bassi has reviewed and made language changes regarding the warranty and several other clauses. Management and Solicitor recommended approval of the contracts.

A Motion was made by Mr. Byrne and seconded by Mrs. Kaminsky to approve and execute the three separate contracts with Harris Local Government for sewage billing software, printing and mailing services and to maintain the customer portal. The Motion carried unanimously.

**FINANCIAL STATEMENT REVIEW:** Month ending August 31, 2014.

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

A Motion was made by Mr. Byrne and Mrs. Kaminsky to ratify August Bills in the amount of \$489,387.23:

<b>Fund</b>	<b>Disbursement</b>	<b>Total</b>
Operating	Checks: 22687 through 22774	\$100,462.78
Operating	Quarterly Transfer – Debt payment to DSF	\$236,455.70
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	\$3,028.33
CIRF	Requisition No. 136-14	\$82,802.36
CIRF	Penn Vest – Ivy Lane – 2003 Debt Payment	\$2,199.93

The Motion carried unanimously.

A Motion was made by Mr. Byrne and seconded by Mrs. Kaminsky to approve disbursements in the amount of \$369,631.74 from the following funds:

<b>Fund</b>	<b>Disbursement</b>	<b>Total</b>
Operating	Checks: 22775 through 22858	\$81,854.38
Payroll	Transfer from Operating to Payroll fund	\$60,000.00
Charleroi Loan	Valley View Sewer Ext. 2012 Debt Payment	\$4,438.13
Operating	Closing Refund Transfer	\$7,791.87
Developer	Transfer to Operating	\$9,817.84
Developer	Tuscany Development –exchange for LOC	\$91,000.00
CIRF	Requisition No. 137-14	\$112,529.59
CIRF	Penn Vest – Ivy Lane – 2003 Debt Payment	\$2,199.93

The Motion carried unanimously.

**OTHER BUSINESS:**

Mr. Miskis indicated Mike McCaig with Janney Montgomery Scott LLC, has provided a draft resolution and agreement in regards to him representing the Authority for debt financing for capital projects. Mr. McCaig had attended a previous meeting and explained that he was unable to provide advice to the Authority unless he was appointed in that capacity due to new Security Exchange Commission regulations. Management will be meeting with Mr. McCaig to discuss the details. The resolution and agreement will be presented next month. Mr. Miskis indicated there are no costs associated for the service and at the time the Authority may need a bond issue it will be competitive bid and several firms will be invited to submit proposals. Management does need the expert advice on bond finances at this time and Mr. McCaig is a trusted source.

A Motion was made by Mr. Byrne and seconded by Mrs. Kaminsky to adjourn the meeting at 8:10 p.m. The Motion carried unanimously.

Respectfully Submitted,

Patricia Mowry

MOTIONS SUMMARY

MOTION NO.	MOVED	SECOND	MOTION SUMMARY TABLE	VOTE
1	Byrne	Kaminsky	Approve Minutes of July 8, 2014	Approved
2	Byrne	Kaminsky	Authorize Option Year No. 3 to the contract with Waste Management for sludge disposal	Approved
3	Kaminsky	Byrne	Execute Amendment No. 2 to the Developer's Construction Agreement with Investor's Mark Acquisitions, LLC for Tuscany Plan	Approved
4	Kaminsky	Byrne	Approve and Execute the Easement with Investor's Mark Acquisition, LLC for Tuscany Plan	Approved
5	Kaminsky	Byrne	Approve Technical Electrical Services for an electrical value engineering analysis on the 90% DC WWPT Replacement Projects electrical design for an amount not to exceed \$5,000	Approved
6	Byrne	Kaminsky	Approve Change Order No. 3 for a deduction in the amount of \$3,195.74 and Change Order No. 4 which establishes the start date for the warranty and provides the extended warranty for the building sewer laterals	Approved
7	Byrne	Kaminsky	Approve the variance to the Authority's standard rules and regulations and allow a six inch pipe sanitary line in lieu of an eight inch line for the Anthony Farms Phase II sanitary sewer installation regarding Lot 222	Approved
8	Byrne	Kaminsky	Approve Amendment No. 1 to the Anthony's Farm Developer's Agreement	Approved
9	Byrne	Kaminsky	Approve the Execution of the Set-aside Agreement for the Anthony Farms Development extending it until June 2015	Approved
10	Byrne	Kaminsky	Approve KLH Engineers, Inc. Amendment to Service Order No. 264-085-003 for an increase of \$4,000 for preparation of the as-built drawings for a total not to exceed amount of \$7,000	Approve
11	Byrne	Kaminsky	Approve and Execute the three contracts with Harris Local Government for sewage billing software, printing and mailing services and to maintain the customer portal	Approved
12	Byrne	Kaminsky	Approve ratification of August bills in the amount of \$489,387.23	Approved
13	Byrne	Kaminsky	Approve disbursements in the amount of \$369,631.74	Approved
14	Byrne	Kaminsky	Adjourn the meeting at 8:10 p.m.	Approved