

**PETERS TOWNSHIP
SANITARY AUTHORITY**

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McMURRAY, PA 15317-3415
PHONE: 724-941-6709
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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

November 10, 2015

ROLL CALL:

REVIEW OF MINUTES FOR APPROVAL: Minutes of October 10, 2015

VISITORS:

1. Sean C. Garin, Bond Counsel, Dinsmore & Shohl, LLP

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 October 31, 2015

PAYMENT OF BILLS & REQUISITIONS:

OTHER BUSINESS:

1. Resolution authorizing Series 2015 guaranteed sewer revenue bonds with a principal maximum amount of \$7,500,000.
2. Acceptance of Pennvest's funding offer of \$11,000,000 low-interest loan towards the Donaldson's Crossroads WPCP Replacement Plant.
3. Resolution authorizing Execution of a Consent Order and Agreement with PaDEP pertaining to sewers tributary to the ALCOSAN sewer system
4. Authorization of Task Order No. 2 to the Professional Services Agreement with GHD, Inc. for Construction Phase Services for the Donaldson's Crossroads WPCP Replacement Project

ADJOURNMENT:

**PETERS TOWNSHIP
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REGULAR MEETING

November 10, 2015

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, Eric S. Grimm, and Rebecca W. Kaminsky. Also present were Romel L. Nicholas, Solicitor, David A. Coldren, KLH Engineering, Inc., James J. Miskis, Manager, Mark A. Chucuddy, Assistant Manager and Patricia Mowry, Financial Controller. Absent from meeting was Board Member, Michael P. Crall.

APPROVAL OF MINUTES:

Motion: To approve the minutes of the October 13, 2015 Board Meeting.

Moved by Mr. Grimm, Seconded by Mrs. Kaminsky

Vote: Motion carried by unanimous vote (summary: Yes = 4)

Yes: David G. Blazek, Terrence G. Byrne, Eric S. Grimm, and Rebecca W. Kaminsky

VISITORS:

1. Sean Garin, Bond Counsel, Dinsmore & Shohl, regarding Donaldson's Crossroads WPCP Replacement Project Guaranteed Sewer Revenue Bond Issue update
2. Pratik Kaushik and Mala Kaushik, residents of 107 Sandcreek Drive, regarding observation of the meeting for his Boy Scout organization.

Mr. Garin presented an update on the status of matters in regards to the bond financing and the PennVest loan for the DC WPCP Replacement project. The Township approved the ordinance which encompasses the guarantee agreement guarantying the Authority's Bond Issue. Mr. Garin recommended adopting the resolution which will authorize the sale of the bond to the public and approves all actions regarding the bond issuance including execution of the bond documents. Mr. Garin reported he has been working with PennVest on their consent for additional borrowing under the current loan agreement before proceeding with the bond issue. The target date for the bond issuance is late December 2015. Mr. Garin presented the resolution and indicated the amount of the resolution is higher than what the actual bond issue will be with the explanation the amount is typically higher at this stage in order to keep all the documents consistent, and a section in the resolution indicates that the bond issue will only be sized sufficient enough to fund the construction fund and all other cost associated. The estimated amount of the bond issuance is \$6 million.

Motion: To adopt Resolution No. 10-11-15 for the Sewer Revenue Bonds in the maximum principle amount of \$7,500,000 for the Donaldson's Crossroads WPCP Replacement Project.

Moved by Mrs. Kaminsky, Seconded by Mr. Grimm

Vote: Motion carried by unanimous vote (summary: Yes = 4)

Yes: David G. Blazek, Terrence G. Byrne, Eric S. Grimm, and Rebecca W. Kaminsky

SOLICITOR'S REPORT: Copy on File.

ENGINEER'S REPORT: Copy on File.

Mr. Coldren reported the status of the Route 19 Valleybrook Ramp and Interceptor Relocation project. PADOT completed the final close-out paper work summarizing the total project cost. The total project cost was \$406,652.69. The Authority's share was allocated at 17.67% or \$84,460.36. PADOT will reimburse the Authority \$57,717.16 for engineering fees paid by the Authority and then will invoice the Authority \$71,855.53 for its portion of the construction cost paid by PADOT.

Mr. Coldren reported the status of the Stratford Manor Pump Station Improvements and Force Main Replacement project. Mr. Coldren recommended approval of Payment Request No. 2 in the amount of \$24,885, contingent upon submittal of acceptable payroll certifications. Payment request is presented on the Capital Requisition.

MANAGER'S REPORT: Copy on file.

Mr. Miskis reported the soft starters were installed and functioning properly on the Rutledge Drive Pump Station by Technical Electric Services. Management recommended payment as presented on the Capital Requisition in the amount of \$8,800.

Mr. Miskis reported on the odor complaints received from a property owner near the force main discharge manhole at the Waterdam Pump Station. Earlier this summer staff installed an air pump in the wet well to help prevent septic conditions, but that did not completely solve the problem. Staff began adding calcium nitrate chemical to the wet well which appears to have solved the problem. The feed system is a temporary setup and alternatives are being investigated for a long-term installation.

Mr. Miskis reported staff began routine sampling for chemical analysis of the grease trap effluents to verify compliance with the Authority's discharge standards of 100 mg/L of oil and grease. It appears there is a high non-compliance percentage with the establishments. Management will propose a formal program for grease elimination from the system, and will be recommending an establishment surcharge to help defray the cost of the program.

Mr. Miskis reported the contract with SHACOG for the extra work of televising 9,500 feet of 8-inch pipe in the Lakeview Drive area was completed at an approximate cost of \$13,200. This work was expanded as part of the Corrective Action Plan for the DC Sewer System.

Mr. Miskis reported he authorized two service order amendments to KLH. Service Order No. 264-95 for the Stratford FM Replacement resident observation services for an increase not to exceed \$1,100, due to the Contractor's inefficiency, and Service Order No. 264-100 BR Blower No. 2 replacement drawings for an increase not to exceed \$1,000 for the added electrical requirements due to the remote control panel.

Mr. Miskis authorized service authorization to GHD for preparation of a color site plan diagram of the Donaldson's Crossroads Treatment Plant Replacement for an amount to exceed \$900, to be used in the newsletter as well as other public relations.

Mr. Miskis reported the agreement with the current demand curtailment provider is ending. Mr. Miskis recommended changing providers. The proposal received from Energy Curtailment Specialists would be an 80/20% share of revenue, and they will provide metering equipment at no charge and no data charge. The two pump stations with on-site standby generators will also be enrolled due to no expense to do so. With the change the revenue earnings would increase by \$2,800 and a total overall agreement earnings

estimated at \$32,000 during the 3-year duration. Mr. Nicholas reviewed the proposed agreement with the new provider and Management recommended entering into the three-year agreement.

Motion: To enter into a three-year agreement with Energy Curtailment Specialists (ECS) for demand curtailment services at an 80/20% share of revenue.

Moved by Mr. Grimm, Seconded by Mrs. Kaminsky

Vote: Motion carried by unanimous vote (summary: Yes = 4)

Yes: David G. Blazek, Terrence G. Byrne, Eric S. Grimm, and Rebecca W. Kaminsky

Mr. Miskis reported the status of the budget preparation and presented an overview of the 2015 budget performance and the requirements for the 2016 budget. The budget will be reviewed at the December board meeting. Management proposed an overall rate increase of 13% in January 2016 followed by a 10% to 12% rate increase in 2018. The rate increases are required to support the borrowing for the DC replacement plant, operating cost increase, including a one-person expansion of the field staff. There was a discussion regarding the distribution of the rate increase between the minimum service charge and the gallonage charge.

Motion: To increase the minimum service charge to \$34 per quarter, effective January 1, 2016.

Moved by Mr. Byrne, Seconded by Mrs. Kaminsky

Vote: Motion carried by unanimous vote (summary: Yes = 4)

Yes: David G. Blazek, Terrence G. Byrne, Eric S. Grimm, and Rebecca W. Kaminsky

Mr. Miskis reported a newsletter will be sent to all customers with notification of the rate increase which will include a summary of the Donaldson's Crossroads WPCP Replacement Project.

Mr. Miskis reported the notice to connect was issued to two property owners on Justabout Road. When the Tuscany plan public sewers were constructed they were located within 150 feet of the two properties which are now mandated to connect to public sewage. The property owner at 470 Justabout obtained a permit and is in the process of connection. The other property at 514 Justabout which was recently subdivided created a situation that they would require a plumbed structure from one lot to connect to the sewer by crossing over the other lot, which is not permissible by the Authority's regulations. The property owner indicated they would execute a stipulation committing them to perform a re-subdivision placing the plumbed structure on Lot No. 3 with the carriage house as soon as practical. Mr. Nicholas reviewed and recommended acceptance of the property owner's stipulations.

Mr. Miskis reported the status of the Donaldson's Crossroads Treatment Plant Replacement Project. GHD is expected to recommend contract award in December for the general and electrical contracts. The HVAC and the plumbing contracts were re-bid with the bid opening at the end of November. GHD will be requesting additional compensation for the effort associated with the re-bid. Mr. Miskis recommended approval of GHD's payment request in the amount of \$16,974 as presented on the Capital Requisition.

Mr. Miskis reported the Authority was approved for an \$11 million loan at the October 21, 2015 PENNVEST board meeting for the Donaldson's Crossroads Treatment Plant Replacement Project. Management recommended execution of the funding offer.

Motion: To execute the PENNVEST funding offer in the amount of \$11 million for the Donaldson's Crossroads Treatment Plant Replacement Project.

Moved by Mrs. Kaminsky, Seconded by Mr. Grimm

Vote: Motion carried by unanimous vote (summary: Yes = 4)

Yes: David G. Blazek, Terrence G. Byrne, Eric S. Grimm, and Rebecca W. Kaminsky

Mr. Miskis reported the Board previously accepted GHD's proposal for construction phase services for the Donaldson's Crossroads Treatment Plant Replacement Project. Management and GHD re-negotiated language changes to the engineering agreement pertaining to resident observation. Management and Solicitor recommended approval of the task order for construction phase services.

Motion: To authorize GHD's Task Order No. 2 for the Construction phase services for the Donaldson's Crossroads Treatment Plant Replacement Project, in an estimated amount of \$ 900,000.

Moved by Mr. Grimm, Seconded by Mrs. Kaminsky

Vote: Motion carried by unanimous vote (summary: Yes = 4)

Yes: David G. Blazek, Terrence G. Byrne, Eric S. Grimm, and Rebecca W. Kaminsky

Mr. Miskis reported the Authority received the Consent Order and Agreement from PaDEP on October 30, 2015 for the 82 customers in the Marella Manor Plan. Mr. Nicholas recommended discussion for executive session.

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:

FINANCIAL STATEMENT REVIEW: Month ending October 31, 2015.

PAYMENT OF BILLS & REQUISITIONS: Copy on File

Motion: To approve disbursements in the amount of \$504,099.07 from the following funds:

Moved by Mrs. Kaminsky, Seconded by, Mr. Grimm

Vote: Motion carried by unanimous vote (summary: Yes = 4)

Yes: David G. Blazek, Terrence G. Byrne, Eric S. Grimm, and Rebecca W. Kaminsky

Fund	Disbursement	Total
Operating	Checks: 1172 through 1260	\$107,493.40
Operating	Transfer made to Capital Improvement Fund for reimbursement of the redemption of the 2009 Bonds	\$270,299.95
Payroll	Transfer from Operating to Payroll fund	\$65,000.00
CFS Bank Loan	Valley View Sewer Ext.	\$4,438.13
Developer Fund	Reimbursement Operating Fund	\$60.44
CFS Capital Improvement Fund	Requisition No. 5	\$54,607.22
CFS Bank Capital Improvement Fund	Penn Vest Payment – Ivy Lane Sewer Ext. 2003 Debt Payment	\$2,199.93

OTHER BUSINESS:

Mr. Nicholas recommended entering into executive session to discuss labor negotiations and litigation.

Motion: To enter into executive session at 8:13 p.m. to discuss labor negotiations and litigation.

Moved by Mr. Grimm, Seconded by Mrs. Kaminsky

Vote: Motion carried by unanimous vote (summary: Yes = 4)

Yes: David G. Blazek, Terrence G. Byrne, Eric S. Grimm, and Rebecca W. Kaminsky

Executive Session ended at 9:00 p.m.

Mr. Nicholas recommended the adoption of the resolution for the Marella Manor sewer system.

Motion: To adopt Resolution No. 11-11-15 authorizing execution of an interim consent order and agreement with PaDEP pertaining to sewers tributary to the ALCOSAN sewer system.

Moved by Mrs. Kaminsky, Seconded by Mr. Byrne

Vote: Motion carried by unanimous vote (summary: Yes = 4)

Yes: David G. Blazek, Terrence G. Byrne, Eric S. Grimm, and Rebecca W. Kaminsky

Mr. Nicholas recommended a settlement with Hidden Brook/Heartland Homes regarding delinquent sewage amounts owed.

Motion: To authorize Solicitor to negotiate a settlement with Hidden Brook/Heartland Homes regarding delinquent sewage amounts owed.

Moved by Mr. Grimm, Seconded by Mrs. Kaminsky

Vote: Motion carried by unanimous vote (summary: Yes = 4)

Yes: David G. Blazek, Terrence G. Byrne, Eric S. Grimm, and Rebecca W. Kaminsky

Motion: To adjourn the Board Meeting at 9:05 p.m.

Moved by Mr. Grimm, Seconded by Mrs. Kaminsky

Vote: Motion carried by unanimous vote (summary: Yes = 4)

Yes: David G. Blazek, Terrence G. Byrne, Eric S. Grimm, and Rebecca W. Kaminsky

Respectfully Submitted,

Patricia Mowry

MOTIONS SUMMARY

MOTION NO.	MOVED	SECOND	MOTION SUMMARY TABLE	VOTE
1	Grimm	Kaminsky	Approve Minutes of October 13, 2015 Board Meeting	Approved
2	Kaminsky	Grimm	Adopt Resolution No. 10-11-15 for the Sewer Revenue Bonds in the maximum principle amount of \$7,500,000 for the Donaldson's Crossroads WPCP Replacement Project	Approved
3	Grimm	Kaminsky	Enter into a three-year agreement with Energy Curtailment Specialist (ECS) for demand curtailment services at an 80/20% share revenue	Approved
4	Byrne	Kaminsky	Increase the minimum service charge to \$34 per quarter, effective January 1, 2016	Approved
5	Kaminsky	Grimm	Execute the PENNVEST funding offer in the amount of \$11 million loan at the October 21, 2015 PENNVEST board meeting for the Donaldson's Crossroads Treatment Plant Replacement Project	Approved
6	Grimm	Kaminsky	Authorize GHD's Task Order No. 2 for the Construction Phase Services for the Donaldson's Crossroads Treatment Plant Replacement Project, in estimated amount of \$900,00	Approved
7	Kaminsky	Grimm	Approve disbursements in the amount of \$504,099.07	Approved
8	Grimm	Kaminsky	Enter into executive session at 8:13 p.m. to discuss labor negotiations and litigation	Approved
9	Kaminsky	Byrne	Adopt Resolution No. 11-11-15 authorizing execution of a interim consent order and agreement with PaDEP pertaining to sewers tributary to the ALCOSAN sewer system	Approved
10	Grimm	Kaminsky	Authorize Solicitor to negotiate with Hidden Brook/Heartland Homes regarding delinquent sewage amounts owed	Approved
11	Grimm	Kaminsky	Adjourn the Meeting at 9:05 p.m.	Approved