

**PETERS TOWNSHIP
SANITARY AUTHORITY**

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McMURRAY, PA 15317-3415
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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

October 13, 2015

ROLL CALL:

REVIEW OF MINUTES FOR APPROVAL: Minutes of September 8, 2015

VISITORS:

1. Sean Garin, Bond Counsel, Dinsmore & Shohl, regarding Donaldson's Crossroads WPCP Replacement Project Guaranteed Sewer Revenue Bond Issue update

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 September 30, 2015

PAYMENT OF BILLS & REQUISITIONS:

OTHER BUSINESS:

1. Acceptance of GHD, Inc. proposal for Engineering services for the Donaldson's Crossroads WPCP Replacement Project in the amount of \$900,000 (tentative)
2. Agreement with ECS for Demand Curtailment Provided Services.
3. Proposal 2016 rate increase of 16-18%
4. Executive Session regarding Personnel
5. Approve exercising option year #2 on Lawn Care Contract with Wilkes Lawn Care
6. Approve exercising option year #2 on Administrative Building Custodial Services with Coverall North America, Inc.

ADJOURNMENT:

**PETERS TOWNSHIP
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REGULAR MEETING

October 13, 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 the meeting was Board member Michael P. Crall.

APPROVAL OF MINUTES:

Motion: To approve the minutes of the September 8, 2015 Board Meeting, with minor corrections
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

VISITORS:

1. Sean Garin, Bond Counsel, Dinsmore & Shohl, regarding Donaldson's Crossroads WPCP Replacement Project Guaranteed Sewer Revenue Bond Issue update

Mr. Garin presented a brief overview of the process and timing of the financing plan in regards to bond financing and/or a PennVest Loan for the DC WPCP Replacement project. Mr. Garin indicated the draft guaranty agreement was submitted to Township for their review and comment.

Mr. Miskis presented the basic financing alternatives based upon the lower bid amounts received on the contracts. There were no bids received for HVAC and only one for the plumbing contract. Therefore the HVAC and the plumbing contracts will be re-bid. The PennVest Board meeting will be October 21, 2015. The Authority's application request is for \$11 million. The Board directed Management to pursue the best strategy in regards to bond financing based upon whether the project is funded by PennVest at their October 21st meeting. The Authority will re-apply for the January meeting if not funded. The financial advisors, PFM, indicted the hybrid option for the Authority's bond issue is no longer the recommended option and recommended a competitive bond auction. Mr. Miskis presented a memo summarizing the Bid results. The estimated project financing needs are \$16.3 million after accounts for the \$500,000 LSA grant, which includes 5% allowance for change orders and owner needs. The Board recommended increasing to the project contingency to 6%. Management presented the best and worst case scenarios for the sewer rates based upon the different financing alternatives. The projected rates are slightly below what was presented in the 537 plan, and would be a 24-30% overall rate increase that would be split between 2016 and 2018. After the rate increases the average projected rate will be between \$43 and \$46 per month. Mr. Miskis stated that the proposed rate increase also includes the addition of a new union field employee to the staff. The field staff is the same size as in 1999, whereas the duties of the staff have expanded well beyond a person-year since then. The cost of an additional employee is approximately equal to a 3% rate increase.

SOLICITOR'S REPORT: Copy on File.

Mr. Nicholas reported he is part of the Solicitor's group with ALCOSAN in regards to the consent decree. He indicated the Authority will be getting an order for the Marella Manor service area that is tributary to ALCOSAN. The order will require communities to develop best practice policies and a time of sale lateral testing program.

Mr. Nicholas reported the status of the issue with PAWC water regarding the damage to one of the Authority's sanitary sewer line, located at Sun Chevrolet 2939 Washington Road. Mr. Swope, General Counsel and Secretary for PAWC responded with a \$5,550 offer towards the Authority's estimated \$15,800 sewer line repair. Management and Solicitor will continue to negotiate with PAWC for the reimbursement.

ENGINEER'S REPORT: Copy on File.

Mr. Coldren reported the status of the Route 19 Valleybrook Ramp and Interceptor Relocation project. KLH is in the process of completing close-out paper work with PADOT.

Mr. Coldren reported the status of the Stratford Manor Pump Station Improvements and Force Main Replacement project. The new pumps have been delivered and the Contractor is in the process of scheduling the installation. Mr. Coldren recommended a change order for a time extension.

Motion: To approve Change Order No. 1 to Contract No. 2014-1 for the Stratford Manor Pump Station Improvements and Force Main Replacement project for a time extension of 55 days to October 23, 2015.

Moved by Mr. Grimm, 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. Coldren reported the Authority issued the purchase order for the Aerzen blower for the Brush Run Blower No. 2 replacement. KLH is in the process of finalizing the plans and profile diagram of the piping modifications required for the installation.

MANAGER'S REPORT: Copy on file.

Mr. Miskis reported the Donaldson Crossroads WPCP corrective action plan was submitted on July 22, 2015. A letter was received by PaDEP that approved the plan as submitted, with the exception of being able to carry over any unused taps at the end of the year. The Corrective Action Plan replaces the organic loading tap management plan. The Authority will need to make a formal request for taps each year.

Mr. Miskis reported the payment to County Line Advisors pertaining to the LSA grant received for the Donaldson's Crossroads WPCP Replacement project is on the requisition for approval.

Mr. Miskis reported one of the maintenance employees resigned during September. Management will advertise for a replacement.

Mr. Miskis reported on developer activity. The Primrose Preschool appears to be moving forward again, and the Waters of McMurray Senior living facility is being proposed for vacant property at Friar Lane and Valley Brook Road.

Mr. Miskis reported the PaDEP representative indicated that issuing a Consent Order to replace the Corrective Action Plan as approved for Donaldson's Crossroads Treatment Plant Replacement Project

would not be beneficial in obtaining better raking points for the PennVest loan that is being requested. Therefore this matter was discontinued.

Mr. Miskis reported the status of the Donaldson's Crossroads Treatment Plant Replacement Project. Mr. Miskis provided the draft bid evaluations. The HVAC and the Plumbing contracts will be re-bid. Allowing for the HVAC bid in the amount of the engineer's, the bid total is \$16 million well under the engineer's estimate of \$18.55 million.

Mr. Miskis reported GHD provided a proposal for construction phase services for the Donaldson's Crossroads Treatment Plant Replacement Project. GHD will be using KLH as a subcontractor for resident observation services. The proposal also includes more specialized electrical inspections, verification of prevailing payroll wage certifications, and engineering support during the warranty period. Management recommended acceptance of GHD's proposal.

Motion: To accept GHD's proposal for construction phase services for the Donaldson's Crossroads Treatment Plant Replacement Project, in estimated the 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

ASSISTANT MANAGER'S REPORT: Copy on File.

Mr. Chucuddy reported both the custodial and landscaping services contracts for the administrative building are expiring December 1, 2015. Both contracts were one –year contracts with two option years. Mr. Chucuddy recommended exercising the option years' 2 for both contracted services at the same rates as the 2014 contracts.

Motion: To approve option year 2 for the annual contract for landscaping with Wilkes Lawn Care and Landscaping in the amount of \$3,288

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

Motion: To approve option year 2 for annual contract for custodial services with Coverall North America Inc. in the amount of \$5,940

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. Chucuddy reported the status of the 2015 Sanitary Sewer rehabilitation project. The work commenced on October 5, 2015. The project is approximately 28% complete, of the work completed there is an estimated 16 ½% failure rate on the joints.

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 September 30, 2015.

PAYMENT OF BILLS & REQUISITIONS: Copy on File

Motion: To approve disbursements in the amount of \$207,123.30 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: 1086 through 1076	\$92,441.56
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	\$337.98
CFS Capital Improvement Fund	Requisition No. 4	\$42,705.70
CFS Bank Capital Improvement Fund	Penn Vest Payment – Ivy Lane Sewer Ext. 2003 Debt Payment	\$2,199.93

OTHER BUSINESS:

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

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 8:25 p.m.

Motion: To adjourn the Board Meeting at 8:25 p.m.

Moved by Mr. Byrne, Seconded by Mr. Crall

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	Byrne	Kaminsky	Approve Minutes of September 8, 2015 Board Meeting	Approved
2	Grimm	Byrne	Approve Change Order No. 1 to Contract No. 2014-1 for the Stratford Manor Pump Station Improvements and Force Main Replacement project for a time extension of 55 days to October 23, 2015	Approved
3	Grimm	Kaminsky	Accept GHD's proposal for construction phase services for the Donaldson's Crossroads Treatment Plant Replacement Project, in the estimated amount of \$900,000	Approved
4	Kaminsky	Grimm	Approve option year 2 for the annual contract for landscaping with Wilkes Lawn Care and Landscaping in the amount of \$3,288	Approved
5	Byrne	Kaminsky	Approve option year 2 for annual contract for custodial services with Coverall North America Inc., in the amount of \$5,940	Approved
6	Kaminsky	Grimm	Approve disbursements in the amount of \$207,123.30	Approved
7	Grimm	Kaminsky	Enter into executive session at 8:13 p.m. to discuss labor negotiations	Approved
8	Byrne	Crall	Adjourn the Meeting at 8:25 p.m.	Approved