

**PETERS TOWNSHIP
SANITARY AUTHORITY**

111 BELL DRIVE
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

FEBRUARY 10, 2015

ROLL CALL:

REVIEW OF MINUTES FOR APPROVAL: Minutes of January 13, 2015

VISITORS:

1. Peter Vancheri, CPA, Hosack, Specht, Muetzel, & Wood 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 January 31, 2015

PAYMENT OF BILLS & REQUISITIONS:

OTHER BUSINESS:

1. Resolution Amending Rate Schedule A revising fees for Property Dye Testing and Developer Project Review.
2. Select Financial Advisor for the Donaldson's Crossroads Replacement Plant financing.
3. Select Bond Counsel for the Donaldson's Crossroads Replacement Plant financing.

ADJOURNMENT:

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REGULAR MEETING

February 10, 2015

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

APPROVAL OF MINUTES:

A Motion was made by Mr. Grimm and seconded by Mrs. Kaminsky to approve the minutes of January 13, 2015 as prepared by Patricia L. Mowry, with minor corrections. The Motion carried unanimously.

VISITORS:

1. Peter Vancheri, CPA, Hosack, Specht, Muetzel, & Wood LLP, regarding the Authority's appointment of Auditor for 2015 to perform the 2014 audit.

Mr. Miskis indicated Mr. Vancheri attended the meeting to answer any questions or concerns the Board may have had before selecting an auditor for appointment for 2015. Hosack, Specht, Muetzel, & Wood LLP is currently the Authority's independent auditor.

A Motion was made by Mr. Byrne and seconded by Mrs. Kaminsky to enter into executive session at 7:01 p.m. to discuss personnel and legal matters. Mr. Coldren was excused from the executive session. The Motion carried unanimously.

Executive Session ended at 7:57. Mr. Vancheri departed the meeting.

Mr. Miskis presented the proposal submitted by Guthrie, Belczyk, & Associates, P.C. certified public accountants for the 2014 audit in the amount of \$9,500 for 2014, \$10,000 for 2015, and \$10,500 for 2016. Management reported Mr. Guthrie had a meeting with the Manager and Financial Controller to review the prior audit, and to better understand the Authority's financial reporting. Mr. Guthrie was very thorough and knowledgeable. Mr. Bassi reported he was familiar with the firm and recommended the Board appointing them. The proposal included three years, however there is no financial obligation for years two and three. The Board appoints an auditor every year.

A Motion was made by Mrs. Kaminsky and seconded by Mr. Grimm to appoint of Guthrie, Belczyk, & Associates, P.C. for 2015 for the 2014 audit engagement in the amount of \$9,500, subject to Mr. Bassi's approval of the engagement letter. The Motion carried unanimously.

Mr. Bassi reported Mr. Miskis forwarded a letter from a property owner regarding a sewage backup that occurred on January 16, 2015 at 180 East. Highland Drive. Mr. Miskis indicated the evidence was

verified and the backup occurred because of a problem with the main line. The Authority was aware of a problem due to a prior backup but failed to address the defect other than regular flushing of the line. Management recommended reimbursement to the property owner for expenses incurred regarding the sewage backup if all insurance claims are denied. The public sewer line will be repaired by the end of March. The amount of the reimbursement will be at the discretion of the Manager.

SOLICITOR'S REPORT: Copy on File.

Mr. Bassi reported in anticipation of the financing proposed for the DC plant expansion project, the corporate term of the Authority must coincide with the length of the bond issue or any other financing. After research it was determined the current charter's existence is until August 1, 2040, which would be 24 years remaining. A longer term will be needed if a 30-year bond issue is considered. Therefore, Mr. Bassi will start the process of extending the existence. A resolution will be needed as well as a Township ordinance. The process will take two to three months.

Mr. Bassi reported two collection cases were initiated at the District Justice's office for the collection of delinquent accounts incurred by a home builder, Heartland Homes, on sites in the Hidden Brook Plan of Lots.

ENGINEER'S REPORT: Copy on File.

Mr. Coldren reported the status of the Crossings – Sheriff's Court. The final comments were received by the Authority and are being incorporated into the final as-built drawings.

Mr. Coldren reported the design was completed for the Stratford Manor Pump Station Force Main Replacement project. The bid opening is scheduled for March 3, 2015 at 11:00 at the Authority's office.

Mr. Coldren reported the status of the Donaldson's Crossroads Sewer System Interceptor Improvements project. The design is approximately 40% complete and the permit applications are 35% complete.

MANAGER'S REPORT: Copy on file.

Mr. Miskis reported the Authority enrolled in the SHACOG program for contracted CCTV work. The work consists of 9,000 feet of CCTV inspection assuming a price of \$1.35 per foot the cost would be \$12,150, slightly more than the \$10,000 that was budgeted.

Mr. Miskis reported the Local Share Account Committee recommended a one-year grant in the amount of \$500,000 for the DC WPCP Replacement project. The Authority had requested \$3 million over a three year period which included the interceptor project in year three. The Authority will be able to apply again next year for the DC interceptor project.

Mr. Miskis reported Management recommends adoption of the resolution to adjust dye test fees from \$150 to \$175, the backwater agreement fee from \$30 to \$35, and to revise the fees charged for developer land development review. The adjustment is necessary due to increased costs since the fees were last set.

A Motion was made by Mrs. Kaminsky and seconded by Mr. Grimm to adopt Resolution 01-02-15 for the revision of the revised Schedule A of rates and charges for the increase of fees for the dye test fee, backwater fee, and developer land development review fees. The Motion carried unanimously.

Mr. Miskis presented an overview of the 2014 revenue and expenses summary. The overall sewer rental revenues are under budget resulting in an operating budgeted shortfall. There will be no operating surplus

transfer for 2014. However, the budgeted equipment replacement allowance transfer will occur next month.

Mr. Miskis reported the status of the design of the DC WPCP Replacement project is slightly over budget with approximately 97.2% of the budget expended. Mr. Miskis recommended approval of payment of January's invoices from GHD for a total of \$64,304.49, as presented on the CIRF requisition.

Mr. Miskis reported GHD considers themselves \$30,000 over budget and that they plan to absorb most of the overrun. They are requesting an increase in the approved amounts for several task that are time and material budgets. Management recommended approval of an increase of \$12,900 to the budget. The adjustment is requested mainly for changes made to the design because of the garage being broken out of the initial site plan and for additional direct cost incurred for surveying and geotechnical work.

A Motion was made by Mrs. Kaminsky and seconded by Mr. Byrne to approve the increase of \$12,900 to GHD's budget. The motion carried by a 4 to 1 vote with Mr. Crall casting the lone dissenting vote.

Mr. Miskis gave an overview of previously proposed financing for the DC WPCP Replacement project and interceptor project. At this point in time the Authority is in the development phase of establishing a revised financial plan based on the \$20.9 million construction estimate for the treatment plant. It is the Authority's intention to pursue a PennVest low interest loan for the maximum of \$11 million. Mr. Miskis received two proposals for Financial Advisors and four proposals for Bond Counsel. Mr. Miskis recommended The PFM Group as the financial advisor and will negotiate a final fee structure and scope of the project. The approximate range is between \$17,500 – 28,500 depending on bond issue size and how many separate bond issues are completed. Mr. Miskis recommended Dinsmore & Shohl, LLP as Bond Counsel and will negotiate a final fee structure and scope of the project. The approximate range is between \$18,000 – 27,000 depending on bond issue size and how many separate bond issues are completed.

A Motion was made by Mrs. Kaminsky and seconded by Mr. Grimm to approve The PFM Group as the Authority's independent financial advisor subject to negotiation of the final scope and fee not to exceed \$19,000 for bond issues less than \$10 million, and \$27,000 for issue of 20 million. . The Motion carried unanimously.

A Motion was made by Mrs. Kaminsky and seconded by Mr. Crall to approve Dinsmore & Shohl, LLP as Bond Counsel subject to negotiation of the final scope and fee. The Motion carried unanimously.

ASSISTANT MANAGER'S REPORT: Copy on File.

Mr. Chucuddy reported the Authority received its annual laboratory accreditation. The new accreditation expires January 31, 2016.

Mr. Chucuddy reported the attorney representing the Authority has requested dates from the Plaintiff for the taking of depositions in regards to legal issue regarding 105 Fieldbrook sanitary sewer back-up claim.

SPECIAL PROJECTS MANAGER'S REPORT: Copy on File

CORRESPONDENCE FOR THE BOARD'S INFORMATION: Copy on File

FINANCIAL CONTROLLER'S REPORT:

Mrs. Mowry reported the billing system is almost completely set up and most bugs worked out. The sewer bills went out on January 15, 2015. Overall the sewage billing went well. The customer portal is not anticipated to be available until late Spring. The collections are still high, partly due to the Authority not doing 3rd quarter shut offs.

FINANCIAL STATEMENT REVIEW: Month ending January 31, 2015.

PAYMENT OF BILLS & REQUISITIONS: Copy on File

A Motion was made by Mrs. Kaminsky and seconded by Mr. Grimm to approve disbursements in the amount of \$366,319.41 from the following funds:

Fund	Disbursement	Total
Operating	Checks: 23297 through 23389	\$103,020.14
Payroll	Transfer from Operating to Payroll fund	\$60,000.00
Charleroi Loan	Valley View Sewer Ext. 2012 Debt Payment	\$4,438.13
Operating	Quarterly Transfer Debt Payment to DSF	\$119,136.22
Developer	Transfer to Operating	\$0.19
CIRF	Requisition No. 142-15	\$77,524.80
CIRF	Penn Vest – Ivy Lane – 2003 Debt Payment	\$2,199.93

The Motion carried unanimously.

OTHER BUSINESS:

A Motion was made by Mrs. Kaminsky and seconded by Mr. Byrne to adjourn the meeting at 9:26 p.m. The Motion carried unanimously.

Respectfully Submitted,

Patricia Mowry

MOTIONS SUMMARY

MOTION NO.	MOVED	SECOND	MOTION SUMMARY TABLE	VOTE
1	Grimm	Kaminsky	Approve Minutes of January 13, 2015	Approved
2	Byrne	Kaminsky	Enter into executive session at 7:01 p.m. to discuss legal matters	Approved
3	Kaminsky	Grimm	Appoint Guthrie, Belczyk & Associates, P.C. for 2015 and 2014 audit engagement in the amount of \$9,500, subject to Mr. Bassi's approval of the engagement letter	Approved
4	Kaminsky	Grimm	Adopt Resolution 01-02-15 for the revision of the revised Schedule A of rates and charges for the increase of fees for the dye test fee, backwater fee and developer land development review fees	Approved
5	Kaminsky	Byrne	Approve the increase of \$12,900 to GHD, Inc. budget	4-1
6	Kaminsky	Grimm	Approve The PFM Group as the Authority's independent financial advisor subject to negotiation of the final fee and scope	Approved
7	Kaminsky	Crall	Approve Dinsmore & Shohl, LLP as Bond Counsel subject to negotiation of the final fee and scope	Approved
8	Kaminsky	Byrne	Approve disbursements in the amount of \$366,319.41	Approved
9	Kaminsky	Byrne	Adjourn the Meeting at 9:26 p.m.	Approved