

**PETERS TOWNSHIP
SANITARY AUTHORITY**

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James J. Miskis, Manager
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REGULAR MEETING

AUGUST 10, 2004

ROLL CALL:

The regularly scheduled meeting of the Peters Township Sanitary Authority was called to order by the Chairman at 7:00 p.m. Board members present were G. Robert Jacobs, Gerald C. Grubesky, Denver E. Yingling, John P. Slagle, and George A. Khalouf. Also present were Terry Soster and Kevin Hoffman, KLH Engineers, Inc.; Fred E. Baxter, Jr., Solicitor; James J. Miskis, Manager; Mark A. Chucuddy, Assistant Manager; Patricia Foote, Financial Controller, and Mildred Paff, Admin/Acct. Clerk.

REVIEW OF MINUTES FOR APPROVAL:

A minor change was made on page 2 for clarification. John Slagle moved to approve the Minutes of July 13, 2004 as corrected. The motion, seconded by Denver Yingling, carried without a dissenting vote.

VISITORS:

1. James Lawrence – 142 Ivy Lane

Kevin Hoffman, KLH Engineers, explained that the sanitary sewer was designed to transverse Mr. Lawrence's property and follow the slope at 146 Ivy Lane. When the contractor, Glenn Johnston, Inc. was doing the restoration during the construction phase, Mr. Lawrence requested that the contractor install a swale and the contractor did so, even though he was not obligated to do so under the Contract with the Authority. In May of this year, the contractor's crew returned to complete restoration of properties, and Mr. Lawrence requested that the swale be removed. The runoff was no longer a problem, therefore the swale served no purpose. The contractor's position has been that Mr. Lawrence asked that the swale be created and therefore, restoration on his property had been completed. The resident observer noted in his field log that Mr. Lawrence seemed to be acceptable to the swale when it was constructed.

Terry Soster said KLH has concluded that the contractor has satisfied his contractual obligations regarding restoration of Mr. Lawrence's property and recommends the contractor not be required to address the swale as a contract deficiency.

Mr. Lawrence said the property next to him (146 Ivy Lane) had grey water that was always running down in his yard. He told the contractor that they should grade so that the water would not sit there. Mr. Lawrence said the seepage has washed away the topsoil that the contractor placed on his property. He now has exposed roots and rocks and still has a low spot where he wanted a gentle slope.

Mr. Soster explained that if Mr. Lawrence had not asked for a change, it would have been put back to pre-construction conditions. Mr. Lawrence said he was told by the contractor that they would take care of it in the spring. He did not sign any agreement with the contractor.

A brief discussion took place and Mr. Grubesky said the Authority does not have a basis to go back and correct this problem. The Board members concurred that it is unfortunate but there is nothing the Authority can do about it.

2. Mr. Louis Siyufy – 140 Sherwood Drive

(Note: It was on Mr. Siyufy's property that Allegheny Power had to replaced a transformer pole damaged during a thunderstorm and in the process, crushed and blocked the sanitary sewer line requiring emergency excavation of the sewer.)

Mr. Baxter informed Mr. Siyufy that he is the Solicitor for the Authority and he advises that the Board will not discuss anything concerning Allegheny Power because of the lawsuit filed.

Mr. Siyufy said that he was present to discuss the language used by the manager during their onsite discussion. He did not think the manager responded in a professional manner. Mr. Miskis said he was particularly boisterous that day.

Mr. Khalouf said this is a personnel matter and the Board would want to discuss this with the manager. Mr. Siyufy said he will stop back at the next meeting and Mr. Khalouf said the Authority could notify him in writing.

The visitors, Mr. Lawrence and Mr. Siyufy departed at 7:30 p.m.

Mr. Miskis said that Mr. Siyufy was very cooperative during this emergency situation by allowing them onto his property and creating a temporary stream crossing. Mr. Miskis said there was a hazardous site crew cleaning up oil from the transformer along with our contractor who was repairing the sewer line.

Mr. Siyufy is suing the Authority for \$7,000 for damages to his property. The Authority has filed a lawsuit with the Magistrate for \$7,000 against Allegheny Power because if not for their negligence, the Authority would not have been there. The Authority did received a release from Allegheny Power for the payment of the Authority's expenses but the release was returned unsigned as it did not indemnify the Authority. The hearing is set for September 9, 2004.

SOLICITOR'S REPORT: Copy on file

ENGINEER'S REPORT: Copy on file

Mr. Soster said the engineers recommend payment of \$10,767.76 to Glenn Johnson, Inc., contractor for the Ivy Lane Project for punch list completed and supporting documentation supplied.

Mr. Soster said it has been 3 months since DEP did a walk through on the project and we have not received a written report summarizing the findings of the final walk through. The engineers have requested a response and advised the Authority not to make further payments to the contractor until we receive a response from DEP, as they are agents for Pennvest.

Mr. Slagle questioned why the Authority should pay the contractor when the work is not completed and he has not signed the documents required to close Pennvest. Mr. Soster said that the \$10,767.76 is for work completed and we are still holding a retainage. Mr. Khalouf is concerned that the retainage, after this payment, will not be enough for the Authority to complete all outstanding restoration deficiencies.

Mr. Grubesky said that retainage is money held until the project is complete. Mr. Baxter, Solicitor, said the contractor is in breach of the contract and he has not complied with the notice regarding restoration. Mr. Soster said the Authority should finish the project and send the contractor a check for the amount that is remaining. Mr. Slagle is concerned that we are going to complete the punch list items and exhaust the money in payment of these items and the contractor will owe the Authority money.

Mr. Soster said there is an 18-month maintenance bond and the Authority can make a claim against the bond if there are any claims from property owners.

George Khalouf moved to pay the \$10,764.76 contingent upon delivery of all contract closure documents from the contractor, Glenn Johnston, Inc. Denver Yingling seconded the motion. The vote was 4 in favor and 1 negative vote.

George Khalouf moved to approve Change Order No. 7 to the Ivy Lane Sewer Project in the credit amount of \$647.34 to correct unit price quantities and a credit for a tree the contractor did not supply. Gerald Grubesky seconded the motion that carried without a dissenting vote.

Mr. Miskis said that A & S Landscaping is proceeding on the minor restoration items but the concrete bids obtained from a local concrete driveway contractor were exceptionally high. Mr. Miskis suggests offering the property owners a monetary amount to settle the concrete problems.

Gerald Grubesky moved to authorize the manager and engineer to offer the property owners a monetary settlement subject to obtaining the property owners' consent and releases. The motion, seconded by Denver Yingling, carried without a dissenting vote.

In regard to the Sugar Camp stream crossing, Mr. Miskis asked if the Authority could bid the project pending receipt of DEP approval and permits. Mr. Soster said they will advertise the project for bid.

The contractor, PFB Electric Co. for Contract 2003-3, (pump station electrical) has agreed to pay the Authority's overtime costs for the two electrical failures and the engineers will prepare a change order for the credit.

KLH Engineers is preparing bid specifications for advertising the Friar Lane Liner Rehabilitation Project August 30, 2004 with bid opening September 10 and awarding the bids at the September 2004 meeting.

KLH Engineers have determined that the exposed Valleybrook Interceptor and stream bank rehabilitation is an emergency situation. Mr. Soster said there are right of ways involved and a stream permit will be required. The engineers approach is to relocate the sewers by Right of Entry agreements with the property owners and getting right of ways after the sewer is relocated to expedite the relocation of the sanitary sewer.

MANAGER'S REPORT: Copy on file

The Authority's three-year contract with Jordan Tax Service for sewer service billing ends December 1, 2004. The Contract provided that the agreement could continue in one year terms until terminated by either party. There have been some difficulties with Jordan Tax Service such as reports not received in timely manner and water terminations not conducted quarterly. Mr. Miskis said that the Authority wants to change the current agreement to include liquidated damages if reports are not received timely. The agreement would also require that water terminations be conducted on a quarterly basis rather than Jordan's practice of once a year.

Denver Yingling moved to notify Jordan Tax Service that PTSA will not extend the current contract under the existing terms and we will enter into negotiations to modify the contract. The motion was seconded by Gerald Grubesky and carried without a dissenting vote.

Gerald Grubesky moved to approve entering into the standard Developer's Construction Agreement with the Developer of Brookwood Manor Phase 3. John Slagle seconded the motion that carried without a dissenting vote.

John Slagle moved to approve entering into the standard Developer's Construction Agreement with the developer of the Evanovich Plan subject to the delivery of all securities and plan approval. The motion was seconded by George Khalouf and carried without a dissenting vote.

There is still one property in the Ivy Lane Project that has not connected to the sanitary sewer as required. Mr. Baxter explained that the Sheriff's office did not serve the complaint filed on Labrosse and he had to refile. The Labrosses will have 30 days to respond to the complaint and if they do not answer, Mr. Baxter will enter a default judgment against them and ask the Court to allow the Authority onto his property to connect the home to the sanitary sewer. The connection costs will be placed as a lien on the property.

The recent revisions to the sewer tapping fee law provides for "Special Purpose Tapping Fees". A policy development for the Special Purpose Tapping Fee was explained by Mr. Miskis. The Special Purpose Tapping Fee provides authorities a cost-effective alternative for recouping public funds expended on sewer extensions to abate malfunctioning septic systems without going through the assessment process. The Special Purpose Fee would permit sewer extensions that had the capacity to serve several properties in an area even if only one property connected when the project was completed. The cost of the project would be divided among the equivalent dwelling units that the extension could eventually serve and payment would be received as each

property tied into the system. This may take many years before the Authority would recoup its money but the tapping fee would be increased each year to adjust for inflation.

Mr. Miskis proposed establishing a Special Purpose Tapping Fee in conjunction with the Spring Meadows Plan. The contractor of the Spring Meadows Plan would extend the line at his cost to serve two properties on East McMurray Road and rather than paying the contractor for the extension, the Authority will allow reimbursement through taps issued for the Spring Meadow Plan. The approximate cost of the extension is \$45,000 and three EDUs could be served by the extension.

Mr. Miskis prepared Tapping Fee Special Purpose Part Policy Guidelines listing 9 conditions that must be considered when a property owner requests an extension of the public sewer to serve their property.

John Slagle moved to adopt Resolution No. 03-08-04 for policy development for the Special Purpose part of the tapping fee. The motion was seconded by Gerald Grubesky and carried without a dissenting vote.

CORRESPONDENCE FOR THE BOARD'S INFORMATION: Copy on file

FINANCIAL CONTROLLER REPORT: Copy on file

FINANCIAL STATEMENT REVIEW: Month ending July 31, 2004

PAYMENT OF BILLS & REQUISITIONS:

John Slagle moved to approve Operating Fund checks 12118 through 12177 totaling \$222,296.04; Developer Fund transfer of \$6,827.45 to Operating Fund; and Capital Improvement & Redemption Fund 12-04 listing seven vendors to be paid totaling \$4,892.31 and adding Glenn Johnston Inc., for a payment of \$10,764.76 bring the total requisition to \$15,657.07. George Khalouf seconded the motion that carried without a dissenting vote.

ADJOURNMENT:

George Khalouf moved to adjourn the regular meeting of the Peters Township Sanitary Authority at 9:52 p.m. The motion, seconded by John Slagle, carried without a dissenting vote.

Respectfully submitted,

Mildred Paff, Admin/Acct. Clerk