

**PETERS TOWNSHIP
SANITARY AUTHORITY**

111 BELL DRIVE
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, Administrative Assistant

AGENDA

REGULAR MEETING

August 9, 2011

ROLL CALL:

REVIEW OF MINUTES FOR APPROVAL: Minutes of July 12, 2011

VISITORS:

1. Tom Robinson, 132 Camp Lane Restaurant

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 July 31, 2011

PAYMENT OF BILLS & REQUISITIONS:

OTHER BUSINESS:

1. Memorandum of Understanding with Kamwood Realty, LP regarding proposed rezoning of property at Galley and Waterdam Road
2. Approve Resolution No. 03-08-11 PTSA Letter Of Credit as security to PennDot for the Valley View Drive Sewer Extension, Sugar Camp Road Highway Occupancy Permit
3. Authorization for proper officials to execute Agreement of Right of Way for sewer extension across the property of 495 Sugar Camp Road
4. Discussion of switching banking institutions

ADJOURNMENT:

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REGULAR MEETING

August 9, 2011

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 G. Robert Jacobs, Eric S. Grimm, Michael P. Crall, Terrence G. Byrne, and David G. Blazek. Also present were Keith Bassi, Solicitor, Jason E. Stanton, Lennon Smith Souleret Engineering, Inc. (LSSE), James J. Miskis, Manager, Mark A. Chucuddy, Assistant Manager and Patricia L. Mowry, Financial Controller.

APPROVAL OF MINUTES:

A Motion was made by Mr. Blazek seconded by Mr. Grimm to approve the minutes of July 12, 2011 meetings as prepared by Diane Gregor. The Motion carried unanimously. Mr. Byrne abstained.

VISITORS:

1. **Mr. Robinson**, Owner of 132 Camp Lane
RE: Brush Run Treatment Plant Odor Control

Mr. Robinson recently purchased the property at 132 Camp Lane, previously the Class Room restaurant. He will be leasing the property and the tenant is in the process of remodeling the structure and will be opening a new restaurant. Over the past month both the tenant and Mr. Robinson have issued complaints with the Authority regarding odors. Mr. Robinson would like to work with the Authority to eliminate or minimize the odors. He requested the Authority plant trees between the plant and the restaurant property to provide a visual screen, which could also help block some of the odors. Mr. Jacobs informed Mr. Robinson that the predecessor had minimal complaints and most of odors that are being detected on the property are odors normally associated with treatment plants and the treatment process being used. The Brush Run plant is well maintained and operated, and is within the PaDEP guidelines. The Authority will do everything practical to mitigate odors, however the owner and tenant need to recognize the restaurant is located directly above the plant and within 140 feet. Therefore they should expect occasional musty odors associated with the aerobic digestion process. Management will continue to do what it can to mitigate odors, and has made a couple changes that should eliminate some of the odors. The suggested mitigation of planting of trees will not eliminate the odors. Mr. Crall proposed to continue to discuss mitigation techniques and all parties should realize there is a cost/benefit consideration in eliminate the odors. It would cost a significant amount of money to cover the process treatment tanks and install odor treatment technology to remove relatively infrequent odors. The benefit verse the overall cost is probably not there. We should not financial burden our current customers for the benefit for the select few. The Authority will continue to partner together with the owner and tenant to eliminate or reduce the risk of the challenges associated with odors. Mr. Robinson departed the meeting.

2. **Mr. Dillard** – Landman representing Mason Dixon
RE: Marcellus Gas Leasing for PTSA property located at 974 Church Hill Road

Mr. Bassi reported the oil and gas title examination has been initiated to confirm the rights of the Authority from the 1913 existing lease. If the lease is confirmed the Authority would have the rights to the royalties that have been paid in order to keep the lease in existence. Mr. Bassi reported the 1913 lease did not include an underground pooling clause, and in order for production to occur that clause would have to be added to the 1913 lease. Mr. Dillard informed the Board they have a site ready to start production, however, in order for them to precede all the affected properties gas leases have to include the pooling clause. Mr. Dillard proposed to pay the Authority \$1,000 per parcel for an existing 0.22 parcel and a 0.64 parcel for the inclusion of the pooling clause. Mr. Miskis questioned why the acreage did not match the 1.8 areas the Authority owns at that location. Mr. Crall recommended waiting to confirm the acreage and for Mr. Bassi to recommend what is in the best interest of the Authority. Mr. Bassi will finish the title examine and make the recommendation at a subsequent meeting. Mr. Dillard departed the meeting.

SOLICITOR'S REPORT: Copy on file.

Mr. Bassi reported PNC has still not responded to any of his or Management's correspondences regarding the formal demand for payment from the escrow accounts for the developer, McHolme for the Hidden Brook Development. PNC is in breach of their fiduciary duties by not releasing the funds. The Board directed Mr. Bassi to pursue collections against PNC, Hidden Brook, and James McHolme. There was a discussion regarding whether to continue with the repair with the risk of not being reimbursed or to wait until funds are received to finish the repair. The estimated repair is approximately \$130,000. It was decided to not proceed with the repair since there is no health risk associated with waiting, and to discuss at the next meeting, at which time Mr. Bassi should have a response from the bank.

Mr. Bassi distributed and reviewed the temporary right of entry, access, and testing and construction easement agreement for the property owners involved in the Friar Lane Pilot Program. The significant points of the agreement are the property owner's will be compensated \$200 for participation in the program, and for any investigative repairs up to a cumulative maximum amount of \$3,000 to be at the discretion of the Authority. The agreement is in effect for 365 days and is not transferable.

A Motion was made by Mr. Blazek and seconded by Mr. Grimm to approve utilizing the temporary right of entry, access, and testing and construction easement agreement for the property owner's of the Friar Lane pilot program. The Motion carried unanimously.

Mr. Bassi reported he drafted the right of way agreement that was negotiated by Management with Sugar Woods Associates for the Valley View Sewer extension project. Mr. Miskis negotiated compensation in the amount of \$22,500 for the easement, which was based on Meridian Realty Advisor's appraised value of damages caused by the easement of \$25,000. Mr. Bassi recommended the execution of the agreement.

A Motion was made by Mr. Byrne and seconded by Mr. Grimm execute the right of way agreement with Sugar Woods Associates for the Valley View Sewer extension project in the amount of \$22,500. The Motion carried unanimously.

Mr. Bassi reported he has reviewed and recommended execution of the memorandum of understanding with Kamwood Realty for the Waterdam and Galley Road property. Mr. Miskis outlined the significant points of the agreement, the Authority would not object to the re-zoning provided that the construction is phased over a 3-year period with carry over each year if taps are not utilized, subject to Pennsylvania Department of Protection regulations, the Authority's tap management plan, and the availability of taps, and the Developer agrees to replace the existing sanitary sewer that traverses the Property at its sole cost, using pipe, pipe bedding and embedment stone, and other materials provided by the PTSA.

A Motion was made by Mr. Blazek and seconded by Mr. Byrne execute the Memorandum of Understanding with Kamwood Realty for the Waterdam and Galley Road property. The Motion carried unanimously.

ENGINEER'S REPORT: Copy on file.

Mr. Stanton reported the Highway Occupancy Permit for the driveway to the future Donaldson's Crossroads WPCP was issued on July 28, 2011.

Mr. Stanton reported the comments and request for clarifications were received from the Chapter 105 Joint Stream Obstruction and Encroachment permit application. The Authority has 1-year to respond to all comments, or a new application will have to be submitted.

Mr. Stanton reported the Part II permit application for the Valley View Sewer Extension project is administrative complete and is under technical review by the PaDEP.

Mr. Stanton reported on the schedule for the Valley View Sewer Extension. Component A re-bid opening is August 19th, resident meetings regarding the sewer alignments and obtaining rights of ways will be scheduled over the next month, and the PENNVEST application submittal is November 16, 2011. Mr. Stanton requested approval of a service order assisting the Authority with the PENNVEST application, closing, and administrative tasks.

A Motion was made by Mr. Crall seconded by Mr. Blazek to approve Service Order No. 273-039 for PENNVEST administration and support for an amount not to exceed \$4,000. The Motion carried unanimously.

MANAGER'S REPORT: Copy on file.

Mr. Miskis reported he had authorized a service order to Gavin Boward Beitko Engineer Inc. for a geotechnical evaluation for the Hidden Brook development repair for an amount not to exceed \$3,000.

Mr. Miskis reported there are now 65 households participating in the Friar Lane Pilot program, which are 5 more than the target amount of homes sought to participate.

Mr. Miskis reported one of the Authority's maintenance employees was in a vehicle accident and will be off duty for an extended period of time. Management may need to consider hiring a temporary employee during the employee's leave of absence.

Mr. Miskis reported the Township asked for the Authority's participation in a grant application to evaluate the conversion of their municipal fleets to natural gas. The request was in order to illustrate a multi-municipal application, and the Authority would not have any financial obligation if a grant is received. Management provided a letter for inclusion in the Township's application.

Mr. Miskis reported the 2012 Budget preparation process will begin in September. The Authority has not raised rates in several years and will need to plan strategies for rate increases going forward in order to properly budget for the 5-year capital plan, which includes the major DC Plant expansion project.

Mr. Miskis reported the 18-month warranty period has concluded on the Lakeview Square commercial development. An inspection was done and found the sewer line to be in satisfactory condition. Therefore the cash security will be returned to the Developer.

Mr. Miskis reported when the Spring Meadows Phase 2 sewage planning was done Parcel A & B were to be provided sewage by the Authority even though they were located in Bethel. The Builder made application and paid the tapping fee to the Authority. However, Bethel has since required the parcels to be provided sewage service by their Authority, and the tapping fee will be refunded to Builder. The invoice is on the requisition for approval.

Mr. Miskis reported both contractors made good progress on the Brush Run WPCP Wet Weather Improvement project. CET Engineer has approved Payment Request No. 1 made by the general contractor, Galway Bay in the net amount of \$142,865.66, subject to delivery of the prevailing wage certifications. The electrical contractor has not submitted for a progress payment. The \$142,865.66 is on the Construction Fund Requisition for approval.

Mr. Miskis reported he requested Galway Bay to install an additional valve to the airline to the new aeration tank in order to isolate the aeration and digestion air systems. The total amount of the Change Order No. 1 is priced at \$1,802.56 and will be presented at a later meeting for formal approval.

Mr. Miskis reported as part of this project the Authority staff was to construct a wooden baffle wall in the Aeration Tank No. 1 to create the anoxic zone, however due to being short staffed Mr. Miskis recommended Change Order No. 2 to Galway Bay to construct the wooden baffle in Aeration Tank No. 2.

A Motion was made by Mr. Byrne seconded by Mr. Grimm to approve Galway Bay's Change Order No. 2 in the amount of \$3,857.53 for the construction of the wooden baffle in Aeration Tank No. 2. The Motion carried unanimously.

ASSISTANT MANAGER'S REPORT: Copy on file

Mr. Chucuddy reported one of the requirements for laboratory accreditation is to have annual proficiency testing samples analyzed. The PaDEP issued the final report and we received "acceptable" ratings on all parameters at the Brush Run plant.

Mr. Chucuddy reported the 2011 sanitary sewer rehabilitation project was started on August 4th, 2011. There has been so far a 40% failure rate on the joints tested. The failed joints are chemically grouted, and retested.

Mr. Chucuddy reported the bids for the sludge transportation and disposal contract are due August 22, 2011. They will be awarded at the 2nd meeting this month.

SPECIAL PROJECTS MANAGER'S REPORT: Copy on File

CORRESPONDENCE FOR THE BOARD'S INFORMATION: Copy on file

FINANCIAL CONTROLLER'S REPORT: Copy on file

Ms. Mowry recommended closing the three banking accounts the Authority currently has with PNC Bank and accept the proposal from Charleroi Federal Bank for establishment of the three accounts. Charleroi proposed higher interest earnings on all the accounts and locked in the monthly fee not to exceed \$400 until December 2012.

A Motion was made by Mr. Blazek and seconded by Mr. Crall to open bank accounts with Charleroi Federal Bank and to authorize Patricia Mowry as a user on the accounts without check writing privileges. The Motion carried unanimously.

Mr. Bassi presented the resolution required for Charleroi Federal to issue a letter of credit for the highway occupancy permit for the Valley View Sewer Extension project.

A Motion was made by Mr. Crall and seconded by Mr. Grimm to approve Resolution 03-08-11 authorizing the Charleroi Federal Bank to issue to PennDot a \$5,000 Irrevocable Letter of Credit for the Highway Occupancy Permit for the Valley View Sewer Extension Project. The Motion carried unanimously.

FINANCIAL STATEMENT REVIEW: Month ending July 30, 2011.

PAYMENT OF BILLS & REQUISITIONS: Copy on File

A Motion was made by Mr. Crall and seconded by Mr. Grimm to approve disbursements in the amount of \$522,957.10 from the following funds:

<u>Fund</u>	<u>Disbursement</u>	<u>Total</u>
Operating	Checks: 19571-19644	\$85,112.56
Payroll	Transfer from Operating to Payroll fund	\$58,000.00
Operating	Transfer to DSF	\$185,908.75
Developer	Transfer to Operating	\$13,474.74
Construction Fund	Req. 11-11	\$142,865.66
CIRF	Req. 100 -11	\$37,595.39
	Total	\$522,957.10

The Motion carried unanimously.

OTHER BUSINESS:

A Motion was made by Mr. Grimm and seconded by Mr. Blazek to adjourn the meeting at 9:30 p.m. The Motion carried unanimously.

Respectfully Submitted,

Patricia L Mowry

MOTIONS SUMMARY

MOTION NO.	Moved	SECOND	MOTION SUMMARY TABLE	VOTE
1	Blazek	Grimm	Approve Minutes of the July 12, 2011 meeting	4-0
2	Blazek	Grimm	Approve utilizing temporary right of entry, access, and testing and construction easement agreement for property owner's on Friar Lane pilot program	Approved
3	Byrne	Grimm	Execute the Right of Way Agreement with Sugar Woods Associates for the Valley View Sewer extension project in the amount of \$22,500	Approved
4	Blazek	Byrne	Execute Memorandum of Understanding with Kamwood Realty for Waterdam and Galley Road property	Approved
5	Crall	Blazek	Approve Service Order Authorization No. 273-039 for PENNVEST administration and support for an amount not to exceed \$4,000	Approved
6	Byrne	Grimm	Approve Galway Bay's Change Order No. 2 in the amount of \$3,857.53 for the construction of the wooden baffle in Aeration Tank No. 2	Approved
7	Blazek	Crall	Approve Opening Bank Accounts with Charleroi Federal Bank and to authorize Patricia Mowry as a user on the accounts without check writing privileges	Approved
8	Crall	Grimm	Approve Resolution No. 03-08-11 authorizing Charleroi Federal Bank to issue to PennDot a \$5,000 Irrevocable Letter of Credit for the Highway Occupancy Permit for the Valley View Sewer Extension Project	Approved
9	Crall	Grimm	Approve disbursements in the amount of \$522,957.10	Approved
10	Grimm	Blazek	Adjourn the Meeting at 9:30 p.m.	Approved