

**SUMMIT TOWNSHIP SEWER AUTHORITY
MONTHLY BUSINESS MEETING
FEBRUARY 27, 2014**

The regular monthly business meeting of the Summit Township Sewer Authority was called to order with the Pledge of Allegiance at 9:02 a.m. by Chairman Chris Fette at the Sewer Authority Building, 8890 Old French Road, Erie, Pennsylvania. CALL TO ORDER

Present: Chris Fette, Chairman; Michael Rose, Vice Chairman; Cloyd J. Rose, Secretary; Laban Marsh, Ass't Secretary; Mark Welka, Treasurer; William C. Steff, P.E., Manager; Douglas C. Sceiford, P.E., Hill Engineering; George Joseph, The Quinn Law Firm; and Caitlyn Haener, Administrative Secretary. Visitors: Summit Township Supervisor Tom Church. ROLL CALL

Motion by Mr. C. Rose, seconded by Mr. Marsh to approve the minutes of the January 30, 2014 Reorganizational Meeting. Vote 5/0. 1/30/14 REORG MINUTES

Motion by Mr. C. Rose, seconded by Mr. Marsh to approve the minutes of the January 30, 2014 Regular Business Meeting. Vote 5/0. 1/30/14 MINUTES

Motion by Mr. Welka, seconded by Mr. M. Rose to approve the Treasurer's Report as submitted to and reviewed by all Board members. Vote 5/0. TREASURER'S REPORT

Motion by Mr. Marsh, seconded by Mr. M. Rose to approve the Expenditure Report as submitted to and reviewed by all Board members. Vote 5/0. EXPENDITURES

SOLICITOR'S REPORT

Solicitor Joseph reports that the purchase of the proposed Holiday Inn Lift Station Upgrade site from John Swenson is pending the approval of the parcel subdivision. The sales agreement expires February 28, 2014. Solicitor Joseph has prepared an extension to the sales agreement to allow time for the subdivision. The extension will provide an additional 60 days to complete the sale by April 30, 2014. SWENSON SALES AGREEMENT EXTENSION

Motion by Mr. M. Rose, seconded by Mr. Marsh, to enter into a 60 day extension of the sales agreement with John Swenson. Vote 5/0.

Solicitor Joseph reports that the deed project for the Valley View Lift Station, purchased from Sumprop, has become unwieldy due to the number of outparcels. Rather than writing a deed by excepting and reserving, Solicitor Joseph will draft a Metes & Bounds description. VALLEY VIEW LIFT STATION DEED

Solicitor Joseph reports that Travaglini Enterprises has signed and returned a Standard Easement Agreement. Travaglini Enterprises is requesting a \$1.00 payment for the easement. TRAVAGLINI EASEMENT

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Motion by Mr. C. Rose, seconded by Mr. Marsh, to enter into a standard Easement Agreement with Travaglini Enterprises for \$1.00. Vote 5/0.

TRAVAGLINI
EASEMENT

As a part of the agreement, Travaglini is requesting compensation for estimated loss of business due to construction disturbance during the project. Travaglini is requesting a total of \$9,999.00 to compensate for the anticipated loss. Solicitor Joseph read aloud the calculation provided by Travaglini to support the figure. Discussion ensued. Manager Steff reminded the Board that the planned path of the pipe will cross the parking lot in front of the business. Solicitor Joseph recommends the Authority enter into a Letter of Understanding with Travaglini Enterprises to define their terms of use.

TRAVAGLINI LOSS
COMPENSATION

Motion by Mr. C. Rose, seconded by Mr. M. Rose, to enter into a Letter of Understanding with Travaglini Enterprises regarding estimated loss compensation in the amount of \$9,999.00. Vote 5/0.

TRAVAGLINI
LETTER OF
UNDERSTANDING

Solicitor Joseph is currently working on a Highway Occupancy Permit Indemnification Agreement for the future GetGo site at the corner of Peach and Hershey. Giant Eagle has requested to self-insure the GetGo project. Giant Eagle will represent in the agreement that they have a net worth of \$100 million. Discussion ensued. Manager Steff expressed the concern that making an exception to the standard indemnification agreement for a single project would create a developer class of one; he added that other large developers, such as Waste Management, have accepted the terms of the standard agreement. Further, Manager Steff is concerned about the possibility of a sudden drop in Giant Eagle's net worth during the term of the project. Solicitor Joseph emphasized that the indemnification language is very strong in the agreement. Mr. Welka confirmed with the professional staff that a standard certificate of insurance provides approximately \$1-\$2 million in coverage. Solicitor Joseph will continue to work with Giant Eagle on an agreement that will allow Giant Eagle to self-insure as long as their net worth is \$100 million; if their net worth drops below \$100 million, Giant Eagle will be required to inform the Authority and get insurance.

GETGO H.O.P.
INDEMNIFICATION
AGREEMENT

ENGINEER'S REPORT

2010 Sewer Extension Project: Engineer Sceiford reports that Contract 2 (Dorn Road) is progressing as weather permits. Engineer Sceiford recommends Payment #4 on Contract 2 to McLallen Construction in the amount of \$23,895.35.

2010 SEWER
EXTENSION
PROJECT

Motion by Mr. Marsh, seconded by Mr. Welka, to authorize payment #4, Contract 2 to McLallen Construction in the amount of \$23,895.35. Vote 5/0.

CONTRACT 2,
PAYMENT #4

Engineer Sceiford reports that the contractor for Contract 3 (New Road) is on winter shut-down until spring; Contract 4 (New Road Pump Station) parts have been ordered.

CONTRACT 3
UPDATE

Mr. Welka asked Engineer Sceiford if any of the contracts for the 2010 Sewer Extension Project have run over since the beginning of the project. Engineer Sceiford responded

2010 SEWER
EXTENSION
PROJECT COSTS

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that, despite some minor changes and adjustments, right now the contracts are either running at contract price or lower.

2010 SEWER
EXTENSION
PROJECT COSTS
(Cont.)

Manager Steff noted that five residents have prepaid for lateral connections to vacant lots or garages to be installed, at cost, with the 2010 Sewer Extension Project.

PREPAID LATERALS

Engineer Sceiford reports that Engineer Fails has been working on the PennDOT Route 19 widening project, to relocate a force-main near Dorn Rd. Engineer Fails has finished the plans and specs; they've been sent to PennDOT for bidding.

PADOT ROUTE 19
WIDENING PROJECT

MANAGER'S REPORT

Manager Steff reports that the Sanitary Sewer Right of Way Agreement between the STSA and Craig & Lisa Troyer for the property located at 7620 Old Perry Highway was not recorded prior to the sale of the property and the Troyers did not include the Agreement in the sale. Manager Steff has obtained a new agreement with Todd Weiland of United Refinery, the new owners of the property. Manager Steff recommends that the Authority enter into the Sanitary Sewer Right of Way Agreement with United Refinery.

UNITED REFINING
(7620 OLD PERRY
HWY) EASEMENT

Motion by Mr. M. Rose, seconded by Mr. C. Welka, to enter into the Sanitary Sewer Right of Way Agreement with United Refinery for the property located at 7620 Old Perry Highway. Vote 5/0.

PennDOT Route 19 Widening Project: Manager Steff reports that PennDOT has provided a Utility Relocation Agreement for Board approval. Per the Agreement, PennDOT estimates they will spend \$43,500 on engineering and construction costs relating to the relocation of the STSA force-main near Dorn Road. The STSA will reimburse PennDOT 50% of the cost (an estimated \$21,750). PennDOT expects that the STSA will expend \$14,110 in engineering for the project. PennDOT will reimburse the STSA 50% of the cost (an estimated \$7,055). Manager Steff recommends the Board enter into the Utility Relocation Agreement with PennDOT.

PADOT WIDENING
PROJECT

Motion by Mr. Welka, seconded by Mr. Marsh, to enter into the Utility Relocation Agreement with PennDOT for the PennDOT Route 19 Widening Project. Vote 5/0.

PA DOT UTILITY
RELOCATION
AGREEMENT

Manager Steff reports that there is a conflict with the date of the March Regular Business meeting. The regular monthly meeting scheduled for March 27, 2014 conflicts with the annual Pennsylvania Rural Water Association Conference. Manager Steff requests the Board reschedule the meeting to March 20, 2014.

RESCHEDULE
MARCH MEETING

Motion by Mr. Marsh, seconded by Mr. Welka, to reschedule the monthly regular business meeting from March 27, 2014 to March 20, 2014. Vote 5/0.

MARCH MEETING
3/20/14

Manager Steff requests authorization to release the \$5,000 bond held as a part of the Indemnification Agreement for Highway Occupancy from Waste Management. Manager

WASTE
MANAGEMENT
BOND

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Steff has confirmed with PADOT Permit Inspector, Rick Price that the permit is officially closed and the work has been accepted.

Motion by Mr. M. Rose, seconded by Mr. Welka, to release the \$5,000.00 H.O.P. Bond to Waste Management. Vote 5/0.

RELEASE WASTE
MGMT H.O.P. BOND

VISITOR COMMENTS

Supervisor Church commented that the STSA Board Members work very well together.

SUPERVISOR
CHURCH

NEW BUSINESS

Mr. Welka requested an update on the progress of the Holiday Inn Lift Station Project engineering and design. Manager Steff responded that he has been in communication with an electrical engineer. There are remote control and monitoring options that will be considered with input from the STSA operations staff in a meeting with Engineer Fails. Engineer Sceiford reports that Engineer Fails has been working on the design and recommended that the STSA ask the Millcreek Township Sewer Authority about the remote control functions used in their Kearsarge Pump Station.

HOLIDAY INN LIFT
STATION PROJECT
UPDATE

Mr. M. Rose requested clarification of the rate resolution issue. Manager Steff responded that Supervisor Church called Secretary Haener regarding the penalty and interest explanation on the sewer bills. The language on the pre-printed bills is not clearly consistent with the way penalty and interest are calculated. Secretary Haener found that when penalty and interest rates were lowered in 2004 to comply with a new state statute, the interest rate change was approved in the minutes (5/27/2004) but the penalty rate change was not. Solicitor Joseph is currently researching whether the Authority has been applying penalties in accordance with the timeline defined by the statute. Solicitor Joseph recommends a new rate resolution to replace the current rate resolution, numerous amendments and motions that support the current rate structure. Mr. Fette asked Solicitor Joseph if customer refunds may be in order if the Solicitor finds that the Authority has been applying penalty incorrectly. Solicitor Joseph responded no; any changes to penalty calculation would be off-set considering the Authority is authorized to pass attorney's fees through to delinquent customers but did not.

RATE RESOLUTION
PROJECT UPDATE

Mr. Marsh requested an updated list of delinquent customer balances from the June 30, 2013 Lien List.

DELINQUENT
CUSTOMER LIST

With no further business to come before the Board, Mr. M. Rose, motioned to adjourn, seconded by Mr. Marsh. Vote 5/0.

ADJOURNMENT

Chairman Fette adjourned the meeting at 9:56 a.m.

Respectfully submitted by,

Caitlyn Haener
Administrative Secretary