

NORTH HUNTINGDON TOWNSHIP MUNICIPAL AUTHORITY
 WORK SESSION, FEBRUARY 6, 2013, 5:30 P.M.
 YOUGHIOGHENY WATER POLLUTION CONTROL PLANT
 4222 TURNER VALLEY ROAD, NORTH HUNTINGDON, PA 15642

Roll Call:

Todd M. Fry	- Present	Kate Petrosky, Manager	- Present
Timothy J. Hondal	- Present	Charles J. Gilbert, System Supt.	- Absent
Joseph M. Korenic, Jr.	- Present	Mike Branthoover, Finance Director	- Present
William H. Miller	- Present	Chris Sanner, Asst. System Supt.	- Present
Edward P. Shields	- Present	Daniel J. Hewitt, Solicitor	- Present
		David A. Coldren, KLH Engineers	- Present

The Work Session of the North Huntingdon Township Municipal Authority was called to order at 5:30 P.M.

Citizen's Input

Ken Weaver – Hometown Rooter

Mr. Weaver reported that they are using their rain days now. They had a total of 26 weather related days. They are three days into them so they have 23 days left. They have 28 sewers left to do. They are averaging one to one-and-a-half a day depending on the weather. They are going to be about a week short and are asking for an extension on substantial completion. Restoration should be completed by the May 1, 2013 deadline. The Board will discuss it and will let him know.

Manager's Report

The Board discussed the use of a facsimile signature when no one is available to sign checks. Due to the work schedules of several board members, and Mr. Miller's vacation, there may be times when getting the second signature will be difficult. Attorney Hewitt suggested waiting a month to see if it's necessary, and keeping track of the times when having the stamp would have been beneficial.

Statements of Financial Interest are due by May 1, 2013.

All but one of the easements for Country Hills has been received. An attorney called to ask some questions but it appears to be worked out.

A revised agreement is needed from First Niagara for their sign placement because the property has been sold.

A preliminary letter from received from Glenn Engineering about a 252-lot subdivision that's going in at the intersection of Barnes Lake and Hahntown Wendel on the side with Falcon Ridge. Part of it will flow through Falcon Ridge to Yough. If there's not enough capacity it will need to be upgraded. The second phase will flow to Brush Creek.

Engineer's Report

Advanced Contracting has made substantial progress in Country Hills over the past month. They have 25 weather days which would extend their contract to the end of February. The contractor thinks he needs about a month beyond that. There have been seven water line breaks. There have been three homes with water in their basements because of the breaks. The contractor says he's submitted everything to his insurance company. The Board tabled his request from last month for a time extension.

The Township road, permit application and the project agreement for Country Hills Phase 3 have been revised. There is about 8,000 feet of sewer to replace and it's all in the roadway. Based on the Township's new ordinance, the Authority's restoration is going to be substantial. We either have to do a lane width restoration with milling and repaving, or the full road width has to be done with milling and overlay. The total cost of restoration will be \$181,000 which will be the Authority's responsibility. The project agreement states in lieu of our contractor doing the road restoration, the Township would accept payment from the Authority and the Township will do the road restoration within the next three years as part of one of their projects. The downside is that for the three years our contractor will be bringing the trench and binder up to the existing road surface. That cost is about \$50,000. The Township will remove that binder when they do their road restoration. As part of their revised agreement, the Township agrees to waive the road opening permit fee which is \$14,000. The total Phase 3 contract cost is going to be around \$1.7 million. The Board discussed in great length the pros and cons of the Authority versus the Township doing the road restoration, and decided to ask if the Township would be willing to reduce the time period for their restoration.

Solicitor's Report

A proposal was received from WWMA to extend their term to 2052. They are not asking for any action at this time other than an indication that the Authority would or would not be favorably inclined to do that. The Authority would be asked to sign off on this eventually. This is probably critical to their bond financing for their \$60 million loan. They need the extra term so they can extend the loan financing.

There has been nothing more happening with the Marco swimming pool. The Authority's easement was encroached but it's been televised and is in good shape. The issue is

now the Township's. The Marcos were supposed to provide additional information to the Township. The Marcos are on notice if something bad would happen, the Authority is protected. A follow-up letter is going to be sent to see what the Township is going to do.

The Leader easement is still lingering. The warehouse he wants to put in will be on our easement. Attorney Hewitt is still waiting to hear back from Attorney Jim Duffy.

Finance Director's Report

For the rate district study, the EDU's and assets in Brush Creek and Yough were used to drive expenses. Brush Creek's cost per EDU was less but with the rate increase the cost is fairly even with Yough. The Board feels there is no need to pursue separate rates at this time but they want to look at it again in the future.

Bids for sludge disposal were advertised because it's set to expire. Waste Management offered a 5% increase bid verbally but because it went to bid it came in at a 15% increase. It was suggested the bids be rejected and it be rebid.

A draft of the operating budget and five-year plan should be ready for the March meeting.

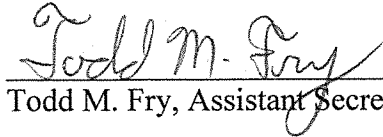
On our Standby Bond Purchase Agreement, PNC Bank has proposed extending our liquidity fee. In our bond now is 65 points based on the principal amount which is \$8,650,000. They are offering to give us a five point discount for one year. We'll save almost \$4,000 by going with this agreement and the letter of credit stays at .15% so that fee doesn't change. The second option was to go for a two-year agreement at 70 basis points thereby increasing it each of the next two years .5%. That will end up costing us roughly \$7,300. The Authority's Moody's rating changed from A to A2, which is merely a reclassification, and is not a negative reflection on the Authority's credit standing. An amendment is needed to modify our agreement to reflect that change.

Assistant System Superintendent's Report

Atwood Estates is finished except for some restoration. The plastic pipe was removed and replaced with ductile. The line may have been installed incorrectly. The Board would like to see the inspection records.

Adjournment

The Work Session adjourned at 7:12 PM.



Todd M. Fry

Todd M. Fry, Assistant Secretary/Treasurer