

NORTH HUNTINGDON TOWNSHIP MUNICIPAL AUTHORITY
 REGULAR MEETING, SEPTEMBER 5, 2012, 7:00 PM
 YOUGHIOGHENY WATER POLLUTION CONTROL PLANT
 4222 TURNER VALLEY ROAD, NORTH HUNTINGDON, PA 15642

ROLL CALL:

Andrew Blenko	- Present	Kate Petrosky, Manager	- Present
Timothy Hondal	- Present	Charles J. Gilbert, System Supt.	- Present
Joseph Korenic, Jr.	- Present	Chris Sanner, Asst. System Supt.	- Present
William Miller	- Present	Donald J. Snyder, Solicitor	- Present
Edward Shields	- Present	David A. Coldren, KLH Engineers	- Present
		Mike Branthoover, Finance Director	Present

The Regular Meeting of the North Huntingdon Township Municipal Authority was called to order at 6:58 P.M. by Andrew Blenko, Chairman. Mrs. Petrosky called the roll and a quorum was present.

CITIZEN'S INPUT

Joseph Bauccio – 10631 Route 30

Mr. Bauccio owns a one-story commercial building. The building has been vacant since July 2011. All the utilities have been shut off since then. The last tenant was Hayden Satellite. When they left, they trashed the building. They took the furnace, light fixtures and even the mailbox. Back in July he received a sewage bill of more than \$400. He then spoke with Kate and was then about the disconnect policy. He didn't realize sewage continues to be billed even when water is shut off. He's looking for relief on the \$400 charge.

Mr. Bauccio said the bill he received is addressed to 10631 Route 30 but his home address was written in pencil at the bottom. Mr. Hondal asked if he removed the toilet and if it's been inspected?

Mr. Bauccio replied yes, he removed the toilet and it's been inspected. That was in July that it was disconnected. He has a tenant that is starting to see what needs done. He had no idea sewage continues and he just got a bill last month. Mr. Bauccio owns a million dollars of real estate in Irwin and all of his bills are fairly current. This charge is not fair. He's not used the service and the building has been vacant.

Mr. Blenko said we see this again and again. Our position has consistently been that we have to follow the rules of the Authority. Mr. Blenko has been on the Board for ten years and he's probably seen this twenty times and we've never wavered on that policy.

Mr. Bauccio said he's not looking for a break, he's just looking for justice. He's willing to fight this legally if necessary.

Mr. Shields said he understands and he believes Mr. Bauccio's ignorance of the fact that he was liable for this. In a situation like this Mr. Bauccio admitted he didn't realize the sewage bills continue even though the water was off. In a case like this, which is a classic case, ignorance is not an excuse.

Mr. Bauccio asked what about the ignorance of the Authority for not billing him at home? Mr. Shields asked if he called the Authority when the tenant left the property so the mail would go to the right place?

Mr. Bauccio asked why he would do that? He had the water shut off and didn't think sewage would continue. This is ruthless. Mr. Bauccio asked if the Authority was trying to stick it to him? He's lived in the Township for twenty years.

Mr. Shields said we have to be consistent because then the next person will say we let him go.

Mr. Bauccio said we are not letting him go, he didn't use the service. It's just been a shell and he's not collected a dime out of that building for fourteen months. He's not used this sewage.

Mr. Shields said he understand that. Mr. Bauccio heard the Authority's position and the Authority has heard his.

Mr. Bauccio said he's prepared to fight it legally. He's prepared to do that and it will cost both parties money. He'll sue for damages and legal fees as well. Is it worth \$400? He's determined to do it and he spoke to his attorney. Mr. Blenko said we will expect to hear from his attorney.

Mr. Bauccio stormed out of the room, threw a water bottle against a door and left the building.

Attorney Snyder said if you don't get your tax bill you still have to go find out what your taxes are.

Mrs. Petrosky said this points out one of the reasons security is important at the Plant and Office. This is why she has a panic button to the police department. Some customers are very calm, pleasant and polite until you tell them what they don't want to hear.

June Zhang – 11723-31 Railroad Street (5032 Impala Drive, Murrysville, PA 15668)

Ms. Zhang is the property manager for an investment property. They closed on May 18, 2012 on the property in Larimer. They never had any other property either personally or for investment in North Huntingdon before. They received a bill in July for sewage. They postponed turning the water on until close to July 1. They weren't aware the Authority is charging the sewage even without the water turned on. They have five units that aren't all being used. They feel it's not fair to pay the sewage if they didn't turn on the water. Five units at \$44.30 each month is a big loss for them.

Mrs. Petrosky said Ms. Zhang did come in, got information on the disconnect policy and followed through with that. Three units were disconnected August 7.

Ms. Zhang said there's no water in the house and there's no way they use the sewer line. They weren't aware of the sewage situation. It would be fair at closing to include a letter to let people aware of this. Being charged for five units when three of them aren't being used is unreasonable.

Mr. Blenko stated that has been our policy in the past. The basis for that is that most of our costs aren't related to treating the water as much as they are to maintenance of our system. 92% of our costs are fixed costs and 8% are variable. Even with no usage we still have to inspect the lines, keep them working, flush them, visit pump stations every day, run lab tests, etc. We've looked in the past and analyzed where our costs are to see if it was feasible to do some type of variable rate billing based on the usage. Every time we've ended up deciding that doesn't make sense based on our internal economics.

Ms. Zhang asked if we could be reasonable when people turn on the water as a starting point instead of at the closing? They weren't even aware of it. When they closed it a dye test was done. That is a shared line for the main pipe. Not every unit has their own manhole to the street. What do we test one pipe and not five? It's not reasonable. She has talked to other investors in the area who think this doesn't make sense.

Mr. Blenko asked if there was a bill while the building was empty and for sale? Ms. Zhang said it was paid at the closing. Mr. Hondal said then that she knew bills were being paid? Ms. Zhang said their attorney did the closing and she didn't know. Mr. Hondal asked then if the records would've been given to her attorney showing that someone was paying the bill?

Attorney Snyder said they would've had to get a no-lien clearance letter from us that would reveal what the bills were and whether they were paid or not. That's part of the normal closing process. Ms. Zhang said that was before.

Attorney Snyder said that doesn't matter. You're buying a piece of property in North Huntingdon Township. This Authority is probably one of the most communicative authorities in

Pennsylvania. You can get on the website and find out anything about us. These are bills that are ongoing. As the Chairman said, we have the obligation to continue to provide this service to this property. We don't know whether you're going to turn on the water next week, in three weeks or in three months. And frankly, we have the service provided to your property and you get charged for it. You may not like it, but that's the way it works. It works the same here as it does in several other municipalities.

Ms. Zhang said they have ten other properties.

Attorney Snyder said he represents six other municipal authorities and they all do it the same way. It's one of the things that is part of buying property and making an investigation about what you're responsible for. That's what our answer is and we're not going to vary. Mr. Snyder asked if she makes an inquiry about how much she has to pay on a bill in the future?

Ms. Zhang replied no, that is not part of the process. Attorney Snyder responded it is part of due diligence if you're a buyer. Ms. Zhang thanked the Board for hearing her opinion and is there anywhere to go up higher in the Authority for this issue?

Attorney Snyder said no, this is the Board for the Authority. If you don't pay the bill a lien will be filed.

Ms. Zhang said she does pay the bill but she doesn't think it's fair. She has to have her opinion to stand up for the people. It's not right. She may start a law suit. She then left the building.

Mr. Shields said the hard thing for people to understand is it's not a service, they are paying for infrastructure and that's part of it.

ENGINEER'S REPORT

Mr. Coldren reported that there was a bid opening on August 30, 2012 for the Pump Station Driveway Paving project. There were four bidders on the project out of the five who picked up plans and specs and attended the mandatory pre-bid meeting. The low bidder was A. Folino Construction and the bid was \$101,698 and that's to redo the driveways at Hartford Heights, Falcon Ridge, Woodside, Larimer, Thomas Drive and Indian Lake. References were checked and A. Folino has done work with KLH in the past. They've done a very nice job elsewhere and have provided the proper bid security. Contract 2012-3 is being recommended to be awarded to A. Folino in their lump sum bid amount of \$101,698.

Motion: Shields Motion to award Contract 2012-3 to A. Folino Construction
Second: Hondal for \$101,698.

Motion Carried 5 – 0 – 0

Mr. Coldren said the County has given the green light to advertise the CDBG Lateral Repair Project Phase IV. He realizes the Board has some concerns whether this can be done by the end of the year. The Authority is prepared to put the project out for bid and have bids back to the Board by the October meeting and try to fast-track the contract signature. The contract time would probably be 60 days based on the previous three phases. The contractors were doing one to two laterals a day. Restoration could be an issue as we get later in the season.

Motion: Hondal Motion to solicit bids for the lateral repairs under the
Second: Korenic CDBG grant.

Motion Carried 5 – 0 – 0

Mr. Blenko asked about the contract terms? Mr. Coldren replied there are two options. We can hold them to sixty days and depending on the weather possibly extend their contract through a change order. Or we can build that in now before we go out to bid.

Mr. Shields asked what the terms were of the grant? Mr. Blenko said he thinks there's just an end date by which it has to be spent. Mr. Hondal asked if all the properties have been identified? Mrs. Petrosky replied yes, it's based on our inspections. Mr. Hondal asked if there's any delay from the County from this point on? Mrs. Petrosky replied no, they've given us permission to go out to bid.

Mr. Hondal said let's consider a 90-day installation period with an end day of May 1, 2013 for all the restoration completion.

Motion: Hondal Motion to authorize the bidding of the CDBG Lateral
Second: Korenic Repair Project Phase IV

Motion Carried 5 – 0 – 0

Mr. Coldren said they are finalizing the plans and specs on the Long Run Variable Frequency Drive Replacement. He hopes to have those done next week and is requesting permission to put the project out for bid.

Motion: Hondal Motion to solicit bids for the VFD for Long Run.
Second: Shields

Motion Carried 5 – 0 – 0

Mr. Blenko asked what the cost is on that project? Mr. Coldren replied it's \$35,000 and it's in the five-year capital plan.

Mr. Coldren reported we've finally received the Part II Permit from DEP for the treatment plant disinfection system. DEP has had the application since April. He's requesting authorization to advertise that project for bid. The estimate is between \$85,000 and \$100,000. This is the sodium hypochlorite replacing the chlorine gas system.

Motion: Korenic Motion to solicit bids for the sodium hypochlorite
Second: Miller system.

Motion Carried 5 – 0 – 0

Mrs. Petrosky asked if Mr. Coldren needed formal permission to make the repairs at Atwood Estates? Mr. Coldren said yes, to go in and do the work and to not require the written report.

Mr. Blenko stated this was discussed in the Work Session. He had been trying to get a geo-technical opinion. The latest word is that the engineering firm could give us one, but it's a \$2,000 bill to get it but their liability would be limited to the extent of what they were paid for the opinion. It sounds like we're spending \$2,000 for a \$2,000 insurance policy. If the Authority is comfortable doing it, let's go and do the repair work that's needed. We can't walk away or turn our back on it.

Mr. Coldren said the Authority's crew would do the work. Mr. Korenic asked if there needs to be a motion? Mr. Hondal reminded Attorney Snyder there had been a previous decision to obtain the geotechnical study and he didn't know if that had been by a motion or not about six months ago.

Attorney Snyder suggested making a motion to rescind any action with respect to obtaining a geotechnical opinion on the Atwood Estates situation because it is our sense that the matter could be reviewed by our own Consulting Engineer and by the staff. Such a geotechnical report is not going to afford any additional information.

Motion: Hondal Motion to rescind any action with respect to obtaining a
Second: Blenko geotechnical opinion on Atwood Estates.

Motion Carried 5 – 0 – 0

SOLICITOR'S REPORT

Attorney Snyder had nothing to report.

MANAGER'S REPORT

Motion: Korenic Motion to approve the minutes of the Regular Meeting on
Second: Hondal August 1, 2012.

Motion Carried 5 – 0 – 0

Motion: Blenko Motion to approve the minutes of the Work Session on
Second: Hondal August 1, 2012.

Motion Carried 5 – 0 – 0

Motion: Shields Motion to approve payment of the bills:
Second: Korenic

Capital Reserve Requisition #140 -- \$201,294.76
Administration and System -- \$493,254.72
Payroll -- \$155,126.69

Motion Carried 5 – 0 – 0

OLD BUSINESS

Mrs. Petrosky said there were three proposals from PS^x. Two of the quotes were for the Plant. The first was for the video monitoring system for \$5,972 versus the swipe card system for \$8,880. There was a separate proposal for the video system at the Administrative Office for \$2,669. The budget was \$10,000 for the Plant and \$3,000 for the Office.

Mr. Blenko asked if they've decided to go with the swipe card for the plant and the video for the office?

Motion: Hondal Motion to proceed with the swipe card at the Plant for
Second: Blenko \$8,880 and the video at the Office for \$2,669.

Motion Carried 5 – 0 – 0

NEW BUSINESS

Mrs. Petrosky asked permission to offer employment to Joseph Funk contingent upon successfully completing a drug and alcohol screening, criminal background check and physical capabilities test. There would be a probationary period of 90 working days. The starting salary is \$18.53 per hour during the probation. Mr. Funk would not be a member of the collective

bargaining unit. He would be considered an at-will employee and would have no benefits other than workers' compensation.

Motion: Shields Motion to offer employment to Joseph Funk.
Second: Korenic

Motion Carried 5 – 0 – 0

Mrs. Petrosky asked for permission to advertise for new applicants if this offer is not accepted.

Motion: Shields Motion to advertise for new applicants if the offer of
Second: Korenic employment to Joseph Funk is not accepted.

Motion Carried 5 – 0 – 0

Mrs. Petrosky requested approval of the 2012 Fiscal Year Audit Report. Auditor Elizabeth Krisher came to the meeting last month and reviewed the results of the audit.

Motion: Blenko Motion to approve the 2012 Fiscal Year Audit Report.
Second: Hondal

Motion Carried 5 – 0 – 0

Mrs. Petrosky stated the Authority would like to purchase a server for the Plant based on the September 4, 2012 quotation from Excelos, our computer consultant.

Mr. Blenko asked about the two, two terabyte drives. Those will always be kept the same so if you update one you move it to the other so there is a built-in backup? Mr. Branthoover replied yes, and the server itself is a four terabyte.

Mr. Blenko asked if one of the portable ones would be moved to the Office? That provides security because if something happens at one place or another you have a backup at the other location.

Mr. Branthoover replied yes, and Excelos is also going to provide offsite backups because the volume of data is so huge. It's going to be a \$20 a month stipend and it's well worth it. At the Office now we're running two servers side by side, if one blows up we don't miss a heartbeat. The price for the server is \$3,922.49. The backup UPS is \$597.66. The two, two terabyte hard drives are \$149 each for a total of \$298. We also talked about the 24-port switch for \$1,433.75. That quote is \$6,351, \$100 of that is a contingency in case any cabling needs run. But all the labor is covered under our support agreement that we have with Excelos. We have unlimited 24/7 support with them.

Mr. Blenko asked for the total dollar amount and Mr. Branthoover replied without contingency it's \$6,251.90. If cabling is required, it's \$6,351.90.

Motion: Blenko Motion to acquire a new server network for the Plant,
Second: Hondal backups, UPS and two, two terabyte drives and a 24-port
switch.

Motion Carried 5 – 0 – 0

ANNOUNCEMENTS

An Executive Session was held after the meeting for personnel matters.

ADJOURNMENT

Motion: Hondal Motion to adjourn.
Second: Korenic

Motion Carried 5 – 0 – 0

Meeting adjourned at 7:45 PM.



William H. Miller, Secretary