

NORTH HUNTINGDON TOWNSHIP MUNICIPAL AUTHORITY
 WORK SESSION, JULY 6, 2011, 5:30 P.M.
 NORTH HUNTINGDON TOWNSHIP TOWN HOUSE
 11265 CENTER HIGHWAY, NORTH HUNTINGDON, PA 15642

Roll Call:

Andrew Blenko	- Present	Kate Petrosky, Manager	- Present
Edward P. Shields	- Present	Donald J. Snyder, Jr., Solicitor	- Present
Drew Polczynski	- Absent	Daniel J. Hewitt, Solicitor	- Absent
Timothy J. Hondal	- Present	Chuck Gilbert, System Superintendent	- Present
Joseph M. Korenic, Jr.	- 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

No citizens were present.

Engineer's Report

Mr. Coldren stated Country Hills is very close to being complete. It may be about three weeks until total completion. He has not issued the substantial completion so the maintenance bond hasn't kicked in yet. There are some cost overruns of about \$95,000 on an \$824,000 contract. That is mostly for restoration.

Mr. Coldren said Border Patrol would like substantial completion. The lines installed and the laterals are complete. They should be done by the end of next week.

System Superintendent's Report

Mrs. Petrosky stated that Mr. Hondal had asked for more information from Mr. Gilbert on maintenance issues. Mr. Gilbert presented copies of the reports that are generated by the Operator 10 Maintenance software.

Mr. Gilbert stated that Russ Kisner, who was the maintenance foreman, had retired about a year ago. The new maintenance foreman has not been totally trained on the Operator 10, which prints a report when maintenance is due.

The Board would like to see an overall monthly or yearly calendar of everything that is scheduled to be done. Mr. Gilbert said he didn't know if the program will print that, but they are sending people for training and will see if they can get that information.

Mr. Hondal brought up the subject of the need for right-of-way walking. Mr. Gilbert said he doesn't want to just walk right-of-ways. He wants to connect it to the GPS and pull manhole lids. It may take longer but it would be done right and recorded. It's not going to happen overnight. The only time to do it will be in the winter because areas will be overgrown any other time. Mr. Gilbert believes they would be able to do this in five-year rotations.

The Board discussed what should be allowed on top of an easement and what action should be taken, if any, if encroachments are discovered.

Manager's Report

Atwood Estates

Mrs. Petrosky reported there was not much change on the landslide situation at Atwood Estates on the corner of Clay Pike and Barnes Lake. Mrs. Petrosky spoke with the property owner and Attorney Snyder spoke with their landscape architect. Mr. Naylor said the first time his retaining wall moved he contacted his homeowner's insurance. They had a geotechnical firm come in and study the site. He is going to give Mrs. Petrosky a copy of that report. He is getting his retaining wall fixed. Attorney Snyder sent him a letter explaining the Authority's position. The Authority is concerned not so much by the work he's doing, but we need to know why this is sliding and if it's safe for us to bring heavy equipment in to do a permanent repair.

Attorney Snyder stated if there is a problem on the property, we feel it will be caused by his activity, not by anything we might do. Our sewer line is part way down the hill but not all the way to the bottom. We were concerned if we went in there and did anything that would accentuate a problem that he had. Attorney Snyder spoke with Jake Silvis who is the landscaper. They keystoned it in so that it is sufficiently stable ground to put the wall in. The other thing they did was install a swale. They observed the rain water had built up behind the clay and had pushed the clay out. They installed swales so that the water from the adjacent property is discharged down into the storm area. Mr. Hondal asked if the Naylor's problem caused our problem?

Attorney Snyder replied no. They are fairly certain we didn't cause his problem. Apparently the Developer used the storm water area to dispose of his trees and debris. There is general instability there because of that. Another problem is that the Developer is bankrupt. The principals are Tobin and Killian. Killian was in Afghanistan and now he's in Guam because he's a project manager for government housing. Attorney Snyder asked Mr. Blenko if that is marginal how the area slopes?

Mr. Blenko replied they are inherently bad soils. They are not something that shows up on the soil survey. He was surprised by the report that trees and debris had been deposited there. Over time trees and debris will rot and compress. That makes sense because usually when you see a gap and a slump at the upper end, you'll see a pushing out at the toe of the slope, but you don't see that here. This tends to support the idea that maybe it's just gradually compressing, moving, sinking and compacting. Mr. Blenko asked how they know that the trees and debris were disposed of there?

Attorney Snyder replied Jake Sylvis uncovered them. The other complicating factor is the Mr. and Mrs. Naylor have a child for whom the house was specifically built with wide doorways and wide hallways.

Mr. Hondal stated that something moved our line. Whether it's Naylor's property or the property above it, something damaged our facility and we would be amiss if we didn't address that properly. We shouldn't have to pay for the repairs. Granted somebody is bankrupt, but we should still put them on notice that this occurred.

Mr. Gilbert said we still have a lot of work to do. We have to dig up the main line and repair it. Then we're going to have to rip down the pier crossing and put it back up.

Attorney Snyder stated the difficulty is the causal relationship. What caused what? If it was the Developer's failure to properly back fill and properly stabilize, then we're left without a remedy.

Audit

Mrs. Petrosky reported the Auditors are in the office for the second week. It's taking them a little longer this year because of all SWAP transaction.

Newsletter

Mrs. Petrosky stated there was some concern that if the Authority produced a newsletter and sent it out to everyone that it might just get thrown away. She asked if the Board would be willing for the Authority to produce something in-house and have it available at the window and on the web site? One issue is that we continue to see people that have a backup and they call a plumber before they call the Authority. The Board felt the backup information needs to be worded carefully so that the guys are not called out for every little thing that is not the Authority's responsibility.

Mr. Blenko suggested putting it on the website as a PDF file because more and more people are getting their information that way. And, have some printed for the people that come to pay their bill.

Mrs. Petrosky stated they will put a note on the bill that the information is available. She also mentioned that we've recently changed some language on the bill to simplify it. She will send the draft newsletter to the Board to review before it's printed.

General Liability and Public Officials Insurance Renewals

Mrs. Petrosky reviewed the General Liability and Public Officials insurance renewals. The premium went up a couple hundred dollars because the Mountain Ridge Pump Station was added. She also reviewed dividends received from MRM.

CDBG Lateral Program

Mrs. Petrosky asked Mr. Blenko if the Township had made a decision on applying for more Block Grant money for the lateral program? Mr. Blenko replied yes. Mr. Coldren and Mr. Gilbert will supply the street names and estimated number of homes for the application.

Solicitor's Report

Attorney Snyder stated the Glenn Engineering lawsuit has been moved to the November 2011 trial term. He would like to use Judge Caruso as a mediator, but the other side doesn't want that judge as a mediator. Mediation is not arbitration. Arbitration typically is a binding decision. Mediation is a facilitator to try to get the two sides to get to some common ground as a compromise. The person they do agree on is retired Federal Judge Donald Zeigler. He is an appropriate choice, with the Boards permission.

Mr. Hondal asked why Attorney Snyder feels it's better to go the mediation rather than go to trial?

Attorney Snyder replied that through mediation you're going to try to settle the case anyhow. In trial you would have a judge and a jury. The judge would decide the legal issues and the jury would decide the factual issues. Through mediation, there is just a judge but he's not making a decision. Arbitration is where you would have one person making a decision and it's binding on both sides. Most practitioners in Pennsylvania have taken arbitration out of contracts. The American Association fees and filing fees are very, very high. Going to Common Pleas is the cost of filing the complaint which is \$126.

Mr. Hondal said the term mediate to him means negotiate. Are we going to negotiate the amount down to some level? Attorney Snyder replied yes. The mediation is not binding, so we don't have to agree to the results and can still go to trial. It is understood that anything dealing with a municipal body has to be approved by that municipal body. Any settlement reached is a tentative settlement until the Board approves it. Mr. Shields stated they've always felt the case is pretty strong, so why bother to mediate?

Mrs. Petrosky said one of their concerns is the complexity of the technical issues. Attorney Snyder commented that is the argument for Arbitration. You would have people that are versed in the area that are making the decisions. But on the other hand, that is his job to make the jury understand what's going on.

Attorney Snyder reported they filed a lien today for \$8,184.50 on Gabrielle Commons. They reconnected and didn't tell us about it.

A municipal claim for \$4,742.98 was filed against Gloria Brugnoli. Water shut off has been suspended because they are on the same line as Hartford Heights Fire Department.

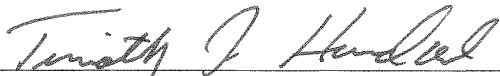
The Authority was approached by a group called Mercuria and they are interested in purchasing effluent water for use within the Marcellus shale industry and/or other drilling areas. They want effluent water because it's treated but it's not drinking water. It's an advantage for them to line up sources of this water and they will in turn parcel that water out or sell it to the drillers.

NHTMA has an advantage because we have a discharge permit that goes to the Youghioghny River. If we take flow out of the river, it is not going to lower the level of the river. Another advantage is that we have close proximity to the railroad and they can tank it wherever they have to go. We insisted that we would not participate in some project that is going to involve trucking through residential neighborhoods. They would either have to pipe it out or take it by railroad. They will provide an infrastructure to store the water either on our property or they will acquire other property but any of those capital costs would have to come out of the transaction first and thereafter it would on a negotiated basis. There was a meeting with Mercuria to talk about the effluent water at the Youghioghny Plant. Attorney Snyder will have a report for the next meeting.

Mr. Hondal felt we should wash our hands of it, or do our homework. It opens us up to lawsuits and he feels it may cost us money in the end.

Adjournment

The Work Session adjourned at 6:59 PM.



~~Edward P. Shields, Secretary~~
Timothy J. Hondal, Assistant Secretary/Treasurer