

NORTH HUNTINGDON TOWNSHIP MUNICIPAL AUTHORITY
 WORK SESSION, DECEMBER 7, 2011, 5:30 P.M.
 YOUGHIOGHENY WATER POLLUTION CONTROL PLANT
 4222 TURNER VALLEY ROAD, 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 5:38 P.M.

Citizen's Input

No citizens were present.

Manager's Report

Mrs. Petrosky reported that Mrs. Sullivan is appealing the Board's decision to require them to use KLH Engineers, Inc. to design the line relocation for their property in Franklin Farms so they can install a swimming pool. The estimated project cost for construction was \$16,000. Bonding would be 110% of that, or \$17,600. Escrow to cover the Authority's legal and engineering costs was \$6,000. Mrs. Sullivan feels they've already done the engineering and felt they were going to have to pay twice.

The Board discussed with Dave Coldren how he came up with the numbers. They also discussed different scenarios if KLH did only some of the work. They agreed the Sullivans can obtain their own engineer but must follow certain rules and regulations.

The project meeting with the Country Hills/Emergency #2 residents is set for next Wednesday at 7:00 PM at the Townhouse. The Commissioners for these wards have been invited. Staff will be showing a video of a main line inspection so the residents can see the condition of the lines. Citizens will be given a chance to ask questions. The goal is to get all easements and agreements signed by the end of January. The hope is for work to begin in April so it should go out to bid in February.

As part of the labor contract, the pension agreement has to be revised to include the Drop Plan. A new plan Agreement has to be done. There was a change in the law that deals with the allocation of excess interest. In the past, if excess interest was earned in the pension plan over and above what was guaranteed, the Board had the discretion each year to decide where that interest would be allocated. When the notice is sent of the excess interest, it is always broken down into

three accounts: active members account, municipal account and retirees. Allocation of the excess interest was totally up to the Board. That has changed. If a plan is underfunded, it is mandated that the excess interest be sent to the municipal account. If a plan is 95% funded, discretion is still retained but a decision has to be made and it has to be part of the pension Agreement. If the Board were to make a decision and put the interest where it's earned, that becomes a current benefit to everybody within the plan. If next year it's severely underfunded and excess interest is earned, nothing can be taken away from the current employees because it's become a pension benefit. Mrs. Petrosky spoke with labor counsel Gretchen Love and they feel the safe, conservative path for the Authority in this Agreement is to allocate any excess interest to the municipal account. It can be changed in the future. The Board agreed excess interest should be allocated to the municipal account.

Beginning in early 2012, the Authority is going to be looking at which customers should have a grease trap. Letters will be sent explaining the Authority's rules and regulations. Inspections will be done to see if they have traps and if they are maintaining them.

Mrs. Petrosky described a recent visit from an Ipnar Road resident who desperately wants sewage. Her leach beds fill up in every rain and she has raw sewage in the yard. Kate explained the Authority has looked at many areas as part of the Act 537 Plan which is still being reviewed by the DEP. The Authority may want to consider line extensions in the next budget process. About six or eight line extensions were done before we got into the rehab that's being done now. The Hahntown-Wendel/ Ipnar Road extension would pick up about 86 EDUs, but at a cost of \$4.1 million. That's almost \$50,000 per home. In the plan, Dave Coldren has presented 13 projects that are rated based on priority. The projects range in cost from \$300,000 to \$4.1 million, but for priority it's right in the middle of the list.

There was discussion if the Authority could get more than the standard tap fee if undeveloped land becomes developable due to a line extension. Attorney Snyder stated the cost of construction could be assessed. The three ways are through the monthly rates, tapping fees and assessments. Assessments break down into front foot or benefits. It's also possible to qualify for some other project funding from grant agencies that are not typical.

The Board discussed the priority of line extensions versus the lines in need of rehabilitation. This depends on the deadlines the DEP puts on WWMA and contributing municipalities. There is a Consent Order but they haven't told us what they feel we should be contributing to the system. The Board feels they've done line extensions in the past and hope to do more in the future, but line rehab is taking priority.

Adjournment

The Work Session adjourned at 6:47 PM.


Edward P. Shields, Secretary