

**SUMMIT TOWNSHIP SEWER AUTHORITY
MONTHLY BUSINESS MEETING
JULY 30, 2015**

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; Laban Marsh, Secretary; Cloyd J. Rose, Ass't Secretary; Mark Welka, Treasurer; William C. Steff, P.E., Manager; Clayton J. Fails, P.E., Hill Engineering; George Joseph, The Quinn Law Firm; Caitlyn Haener, Administrative Supervisor. Visitors: None. ROLL CALL

Motion by Mr. M. Rose, seconded by Mr. Marsh to approve the minutes of the June 25, 2015 Regular Business Meeting. Vote 5/0 6/25/15 MINUTES

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

Motion by Mr. Welka, seconded by Mr. Marsh 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 issue with Dr. VanDamia's bill for past usage has been resolved. The Authority received payment in full. With his payment Dr. VanDamia included a letter addressed to the Board recommending that the Authority hire more people. Solicitor Joseph reports that the matter is concluded. VANDAMIA BILLING ISSUE

Solicitor Joseph reports that the Board met in executive session prior to the regular business meeting to discuss a letter received from Attorney Kevin McKeon of McLean, Virginia making a protest regarding the Route 97 Lift Station Project Contract 1 bid opening on July 28, 2015. Solicitor Joseph reports that Atty McKeon's protests are not well founded. After reviewing the matter, Solicitor Joseph reports that G.M. McCrossin used the original bid form, instead of the bid form that went out with the addendum. However the invitation to bid states the Authority reserves the right to waive any informalities; the list of subcontractors may be submitted with the bid or provided within 5 days of the bid opening; the issue does not involve price, timeline or scope of work. McCrossin acknowledged receipt of the addendum; McCrossin acknowledged that their bid is for the base bid. Based on his review of the matter, Solicitor Joseph recommends that the Authority could award Contract 1 to McCrossin as they are the apparent lowest bidder on the base bid; if the Board is inclined to award the alternate bid, Solicitor Joseph reminded the Board that McCrossin did not submit an alternate bid. ROUTE97 LIFT STATION PROJECT

Solicitor Joseph reports that Leon Wasielewski contacted him because he was having trouble getting a performance bond, as required under the Developer Agreement for the proposed Eldaberry Woods Subdivision Project. Mr. Wasielewski's contractor has agreed to provide a performance bond. ELDABERRY WOODS PROJECT

**Summit Township Sewer Authority
Monthly Business Meeting
July 30, 2015**

Solicitor Joseph reports that he has reviewed the Payment Service Network, Inc. Service Agreement. Solicitor Joseph reports that he sent his comments to Administrative Supervisor Haener. Solicitor Joseph would try to have the automatic renewal clause removed in favor of a renewal that would require affirmative action; Solicitor Joseph would also prefer that the contract should be under the laws of Pennsylvania, rather than Wisconsin. Administrative Supervisor Haener will forward Solicitor Joseph's comments to PSN.

PAYMENT
SERVICES
NETWORK
AGREEMENT

Solicitor Joseph reports that he has drafted a note resolution regarding the Route 97 Lift Station Project. The bank commitment letter expires if the closing does not occur by August 31, 2015. Solicitor Joseph will defer to Manager Steff's report on the topic for further discussion.

NOTE
RESOLUTION

ENGINEER'S REPORT

Engineer Fails reports that the bid opening for the rebid of Route 97 Lift Station Project Contract 1 yielded bids from the same contractors. When the rebid was advertised, the project timeline was still 365 days to substantial completion with a later start date. It was suggested by one of the bidders that that an alternate bid with a longer timeline may yield lower bids due to less winter work. An addendum was issued for an alternate bid with a timeline of 445 days to substantial completion. The apparent low bidder, G.M. McCrossin, was the lowest bidder for the original 365 days and their bid was even lower than all of the alternate bids. Engineer Fails reports that G.M. McCrossin has a good record as a contractor with this kind of work. Engineer Fails recommends that awarding to McCrossin is in the best interest of the project.

ROUTE 97 LIFT
STATION
PROJECT:

Motion by Mr. M. Rose, seconded by Mr. Welka, to award Contract 1 of the Route 97 Lift Station Project for general construction of the sewage pump station to G.M. McCrossin in the amount of \$2,178,620. Vote 5/0.

AWARD
CONTRACT 1

Engineer Fails reports that the apparent low bidders for Contracts 2 & 3 have agreed to extend their bid prices through today unconditionally. Engineer Fails recommends that the Board make those awards at this time. Engineer Fails recommends the Board award Contract 2 to Cox and Kanyuck Electric.

Motion by Mr. Welka, seconded by Mr. M. Rose, to award Contract 2 of the Route 97 Lift Station Project for electrical construction to Cox and Kanyuck Electric in the amount of \$346,352. Vote 5/0.

AWARD
CONTRACT 2

Engineer Fails reminded the Board that Contract 3 for sanitary sewer construction consisted of a base bid and an alternate bid. Engineer Fails explained that the base bid is to construct the I-90 force main crossing using conventional bored/jacked methods, with a 12 inch ductile iron carrier pipe inside a 24 inch steel casing pipe; the alternate bid is to construct the crossing using horizontal directional drilling methods with a 14 inch HDPE pipe. Both methods will produce comparable results with respect to pumping performance, but the alternate bid is nearly \$80,000 less. Discussion ensued. Engineer

CONTRACT 3
DISCUSSION

**Summit Township Sewer Authority
Monthly Business Meeting
July 30, 2015**

Fails recommends the alternate bid be awarded to the lowest bidder, Chivers Construction.

ROUTE 97 LIFT
STATION PROJECT
(Cont):

Motion by Mr. C. Rose, seconded by Mr. Welka, to award Contract 3 of the Route 97 Lift Station Project for sanitary sewer construction to Chivers Construction in the amount of \$409,351. Vote 5/0.

AWARD
CONTRACT 3

Engineer Fails will send out Notices of Award as soon as possible; Notices to Proceed could go out in a couple of weeks. Brief discussion of how the Contract 1 complaint could escalate and impact the project timeline ensued.

Mr. Welka left the meeting at 9:25 a.m.

MANAGER'S REPORT

Manager Steff reports that Karl Ostermann (2012 Old Hershey Road) has requested to connect to the Millcreek Township Sewer Authority system. Manager Steff distributed an exhibit that shows that Mr. Ostermann's property is split by the township boundary: his home is in Summit Township but his yard and garage are in Millcreek Township. His next door neighbor's property is also split; that home sits in Millcreek and is connected to the MTSA system on Spires Drive. Sewer is not available at this location via the STSA system and there is not currently a project planned in that area. This area may be included in the proposed Connection Compliance Project, but that project would be at least 2-3 years away. Mr. Ostermann's most reasonable option for connecting to sewer now is to cross his backyard and his neighbor's property to connect to MTSA on Spires Drive. Manager Steff explained that the downside for the STSA is that allowing this residence to connect to MTSA means that there will be one less resident to share in the cost of a future STSA project in the area. Discussion ensued. Manager Steff reminded the Board that several Millcreek residents connected to the STSA system during the South Hill Road Project and Solicitor Joseph drafted the necessary agreements. Solicitor Joseph would only need to update the agreements for Mr. Ostermann's situation. Manager Steff recommends that the Board allow Mr Ostermann to pursue an MTSA connection that would involve drafting an interagency agreement between the MTSA and STSA, an agreement between the MTSA and Mr. Ostermann, and an easement agreement between Mr. Ostermann and his neighbor.

OSTERMANN
(2012 OLD
HERSHEY ROAD)

Motion by Mr. Marsh, seconded by Mr. M. Rose, to allow Karl Ostermann of 2012 Old Hershey Road to pursue connection to the MTSA system. Vote 4/0.

OSTERMANN
CONNECTION

Manager Steff reports that Dorset Hospitality has signed a standard Sanitary Sewer Right of Way Agreement regarding the new Best Western Hotel at 8033 Oliver Road. Manager Steff recommends the Board enter into the agreement.

BEST WESTERN
(8033 OLIVER RD)

Motion by Mr. C. Rose, seconded by Mr. Marsh, to enter into a standard Sanitary Sewer Right of Way Agreement for the Best Western at 8033 Oliver Road with Dorset Hospitality. Vote 4/0.

EASEMENT
AGREEMENT

**Summit Township Sewer Authority
Monthly Business Meeting
July 30, 2015**

Manager Steff reports that on July 19, 2015 the Authority mailed a Request for Proposal to six area banks regarding a loan for the Route 97 Lift Station Project. The request was for a loan of \$1.2M for 7 - 10 years; longer terms were not available. Four banks responded: PNC Bank, Northwest Savings Bank, Erie Bank and Marquette Savings Bank. PNC Bank offered the most favorable terms: fixed 1.95% APR for 84 months. Manager Steff explained that the timing of the loan is a little off; due to the late start of the project, the loan closing will be prior to the start of major construction. However, closing now locks in the loan at the lower rate as interest rates are expected to start rising. Solicitor Joseph has drafted a note resolution for a closing on or before August 28, 2015. Solicitor Joseph presented the Note Resolution to the Board.

ROUTE 97
PROJECT LOAN

Motion by Mr. C. Rose, seconded by Mr. Marsh, to accept the PNC Bank proposal and authorize the Board Officers to execute the Note Resolution for a \$1,200,000 revenue note. Vote 4/0.

PROJECT LOAN:
\$1.2M PNC BANK

Manager Steff reports that the Authority has received a request from National Fuel Gas for an easement at the New Road Lift Station site. The proposed gas line must cross the property to serve the proposed Eldaberry Woods Subdivision. NFG did not include an exhibit with the easement agreement. Manager Steff recommends the Board approve the easement contingent on NFG's agreement to provide 5ft of horizontal separation from the sewer main and bore under the driveway as to not encumber existing facilities. STSA will prepare an exhibit and add it to the agreement.

NFG EASEMENT
NEW ROAD

Motion by Mr. M. Rose, seconded by Mr. Marsh, to enter into a Right-Of-Way Agreement with National Fuel Gas at the New Road Lift Station property contingent upon NFG's agreement to provide 5 feet of horizontal separation from the sewer main and bore under the driveway. Vote 4/0.

NFG EASEMENT
WITH
CONTINGENCIES

Manager Steff reports that Attorney Devine has contacted the Authority regarding selling another lot at the Estates at Five Points. Manager Steff reiterated that the Authority will not issue another sewer connection permit until there is an easement recorded in favor of the STSA and as-builts are provided.

ESTATES AT FIVE
POINTS

NEW BUSINESS

No new business.

With no further business to come before the Board, Mr. M. Rose motioned to adjourn, seconded by Mr. C. Rose. Vote 4/0.

ADJOURNMENT

Chairman Fette adjourned the meeting at 10:18 a.m.

Respectfully submitted by,

Caitlyn Haener
Administrative Supervisor