

BENNER TOWNSHIP WATER AUTHORITY

REGULAR MEETING

June 19, 2012

ATTENDANCE:

AUTHORITY MEMBERS PRESENT: Tom Eby
Steve Lanich
Gary Shultz

OTHER ATTENDEES: Warren Miller – SBWJA
Kelly Gill – SBWJA

CONSULTING ENGINEER: Brian Book, P.E. – Hazen & Sawyer

GUESTS: Jerry May and Delmer Dashem – Peru Residents

CALL TO ORDER:

The June 19, 2012, Regular Meeting of the Benner Township Water Authority was called to order at 6:32 P.M. by Tom Eby, Chairman.

APPROVAL OF MEETING MINUTES:

The Minutes of the May 15, 2012 regular meeting were presented for review. **Mr. Shultz moved, seconded by Mr. Lanich to approve the Minutes of the May 15, 2012 Regular Meeting as presented. 3 ayes, 0 nays, 2 absent. The motion carried.**

TREASURER'S REPORT:

Mr. Lanich reviewed the Treasurer's Report as presented. The total balance as of May 31, 2012 for both bank accounts is \$185,651.53. Mr. Eby asked the Board if there were any questions regarding the Paid Checks or Bills by Vendor submitted for approval. **Mr. Eby moved, seconded by Mr. Shultz to approve the Treasurer's Report as presented, the Paid Checks in the amount of \$244.44 and Bills by Vendor in the amount of \$7,184.36. 3 ayes, 0 nays, 2 absent. The motion carried.**

SBWJA REPORT:

Insurance Certificates – Mr. Miller indicated that he contacted St. Mary’s Insurance Agency to inquire about pollution liability insurance and coverage requirements. The Authority does not need pollution liability insurance because the chemicals used within the water system are considered potable and the Authority does not have pollutants. Mr. Miller indicated that pollution liability insurance is more common in the gas industry and would cost the Authority an additional \$10,000 per year to have.

The Authority currently has insurance coverage of \$1,000,000 with an aggregate of \$2,000,000 per occurrence, which is determined by the insurance industry and is standard with the size of the Authority’s system. Mr. Miller also informed the Board that the Authority is covered under the umbrella of the Commonwealth and is exempt from these types of lawsuits.

Brian Book entered the meeting at 6:45 p.m.

Water Connection Fees – Mr. Miller suggested the Authority consider increasing its connection fees approximately 3%, or \$18.00, to cover the increase in water meter costs. Mr. Miller recommended the following changes in the Connection Fees:

| Current | | Proposed | |
|----------------|-----------------|-----------------|-----------------|
| Connection Fee | \$350.00 | Connection Fee | \$360.00 |
| Meter Fee | \$192.00 | Meter Fee | \$200.00 |
| Inspection Fee | \$ 50.00 | Inspection Fee | \$ 50.00 |
| Permit Fee | <u>\$ 50.00</u> | Permit Fee | <u>\$ 50.00</u> |
| | \$642.00 | | \$660.00 |

Mr. Lanich moved, seconded by Mr. Eby to approve a 3% increase, or \$18.00, to the Authority’s Connection/Meter Fees as listed above. 3 ayes, 0 nays, 2 absent. The motion carried.

SOLICITOR'S REPORT: Mr. Campbell was absent from the meeting.

ENGINEER'S REPORT: See the attached Engineer's Report which has been made a part of these official Meeting Minutes.

Village of Peru:

Payment Application #1 –Mr. Book presented Glenn Johnston's payment application #1 in the amount of \$147,877.95 for work completed through May 24, 2012. The quantities have been reviewed and approved by the Authority's inspector; therefore, Mr. Book recommended the Authority approve the payment request, which will be paid using Centre County CDBG monies. **Mr. Eby moved, seconded by Mr. Shultz to authorize payment for Glenn Johnston's payment Application #1 in the amount of \$147,877.95 for the Village of Peru Project.** 3 ayes, 0 nays, 2 absent. **The motion carried.**

Substantial Completion – Mr. Book informed the Board that Glenn Johnston requested substantial completion on June 1, 2012, indicating their work was complete. A walk-through of the job was held on June 11, 2012 in which representatives from all parties were in attendance (SBWJA/BTWA; Hazen & Sawyer; Glenn Johnston). As of June 11, 2012 the only item outstanding for the project was the red-lined contract drawings to be provided by the contractor; therefore, \$1,000.00 was retained for this item. Mr. Book stated that on June 16, 2012 the red-lined contract drawings were received.

Once substantial completion is granted the one-year warranty period commences and the Authority will own/insure the system. Mr. Book recommended the Board approve/grant substantial completion for the Peru Project. **Mr. Eby moved, seconded by Mr. Shultz to approve/grant Substantial Completion to Glenn Johnston for the Village of Peru Project as requested.** 3 ayes, 0 nays, 2 absent. **The motion carried.**

Project Costs – Mrs. Gill provided the Board with an update on the costs the Authority has paid to date and an estimated overall out of pocket projection for the Peru project. As of June 19, 2012, not including payments approved during this evening's meeting, the Authority has spent \$32,299.76 for Engineering, Surveying and Legal Advertisements. With project inspection costs, remaining engineering and contractor's payment applications, the Authority is looking at spending another \$103,000 for an overall out of pocket expense of approximately \$135,000. These figures do not include the recording fees for ROWs, legal fees, and the cost to purchase meters for the project. Mrs. Gill stated that the Authority is looking at a 15 year payback for the project.

Connection Notices – With the Board accepting substantial completion, Mr. Miller recommended the connection notices be issued to the property owners requiring connection to the new system within 60 days. Mr. Book suggested wording be added to the connection notices to make the homeowner aware of their responsibility for properly terminating their old line. Once the 60 day period expires, SCI Rockview will be notified that they can disconnect the old line at the valve on their property. Mr. Eby inquired about the billing cycle for the Peru residents and when it would take effect. Mrs. Gill informed the Board that the property owners will be billed once they make the connection to the new line and will be on a different billing cycle than the other Benner Township Water Authority customers due to location.

Mr. Eby moved, seconded by Mr. Shultz to issue the 60 day connection notices to the Village of Peru property owners requiring connection to the new line and to include details on the proper procedures for disconnection of the old line. 3 ayes, 0 nays, 2 absent. **The motion carried.**

GUESTS:

Jerry May and Delmer Dashem (Village of Peru) – Mr. May and Mr. Dashem indicated they were extremely pleased with the construction that was completed and thanked the Board for their help with the upgrades. Mr. May inquired about the continuation of the existing agreement with Rockview for the water supply and asked if any new connections could be made to the water system. Mr. Miller commented that he believes the Commonwealth will continue to provide water to the Peru residents, but he is unsure how any new taps would be handled.

On behalf of the residents of Peru, Mr. May asked if the Board had made a decision on whether or not they would be providing water meters to the property owners for the project, at no cost. Mr. Miller indicated that if the Board would choose to provide meters, he recommended only those deemed as low to moderate income be eligible for the “at no cost” meters. The County could provide the Authority with a list of those properties deemed low to moderate income.

Mr. Lanich moved, seconded by Mr. Shultz to provide a water meter and couplings, at no cost to the property owner, to any residents of the Village of Peru project as deemed low to moderate income by the County for their owner-occupied properties. 3 ayes, 0 nays. 2 absent. **The motion carried.**

CORRESPONDENCE: There was no Correspondence presented for discussion.

OLD BUSINESS: There was no Old Business presented for discussion.

NEW BUSINESS: There was no New Business presented for discussion.

ACTION ITEMS:

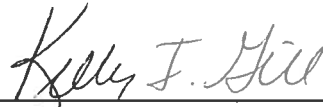
- ◆ Warren Miller/Kelly Gill to send connection notices to Peru residents

Next regular scheduled meeting is July 17th at 6:30 p.m.

ADJOURNMENT:

Mr. Eby moved, seconded by Mr. Shultz to adjourn the meeting at 7:38 p.m. 3 ayes, 0 nays, 2 absent. The motion carried.

Respectfully submitted,



Kelly J. Gill, Recording Secretary

CC: Benner Township 07/19/2012

HAZEN AND SAWYER
Environmental Engineers & Scientists

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State College, PA 16803
Tel: 814-272-3332
Fax: 814-272-3013

June 15, 2012

Benner Township Water Authority
1124 Buffalo Run Road
Bellefonte PA, 16823

RE: Engineer's Status Report
June 2012

Dear Authority:

The following summarizes the actions completed on your behalf:

Retained Engineer (90120-000)

We are prepared to work with Warren on the Chlorine application point permitting issue at his direction. He is currently collecting data, and we anticipate this work to begin before your next meeting.

PERU Water Line Extension (90096-000)

Since your last meeting, there has been progress on this project as summarized below:

Construction Progress: On June 1st, Glenn Johnston posted a letter requesting a Substantial Completion Walk-Through, and this was received on June 5th. Consistent with the requirements of the contract (Article 14.04 of Section 00700) an inspection of the work was scheduled and completed on June 11th. Present for the inspection were Warren Miller & Chad Decker (BTWA's representatives), and Ernie Guffey (Glenn Johnston) and Brian Book (BTWA's Engineer). It is my opinion after reviewing the project, that the work is Substantially Complete. I will provide you with a Substantial Completion Certificate at your meeting.

The certificate will detail the outstanding items of work (paperwork) and establishes the value of retainage (\$1000). It will detail responsibilities going forward – basically BTWA is now the owner, needs to insure and maintain. The date of substantial completion is therefore June 11, 2012 and the one year correction period will commence on that date. You do have seven days to object to this determination.

Payments: The cut off for the first progress payment occurred on Friday, May 25th. The Resident Project Representative (Chad Decker) reviewed the quantities and an application for payment was submitted on May 29th in the amount of **\$147,877.95**. We have reviewed the application and recommend payment in that amount at your meeting. Subsequent to the request for Substantial Completion, the Contractor has made a second submittal for a program payment, we have this document and it is otherwise in order although other aspects of the Contract must catch up to it (Change Order No. 2 and Substantial Completion).

| Contract (As of 6/1) | Bid Value | Previous Change Orders | Current Change Orders | Current Total | Previous Payments | Current Payments | Remaining Contract |
|-------------------------|---------------|------------------------------|-----------------------------|------------------|----------------------|---------------------|-----------------------|
| Glenn Johnston | \$ 217,603.00 | \$ 30.50 | Varies per Item | \$ 260,001.42 | \$ 0.00 | \$ 147,877.95 | \$112,123.47 |
| Time | 120 days | | | | | 67 days | 53 days |

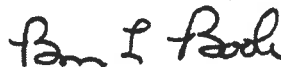
Certified Payrolls: We recently received the okay from Matt Milliron for Glenn Johnston. Matt does have some paperwork improvements to be done on the Road Bore Subcontractor (Centerline Boring). These items will need to be fixed prior to action on Application for Payment #2.

Change Orders: We will present Change Order No. 2 for your review at the meeting. This change order finalizes the unit quantities that we actually used to complete the project. The total value of the changes in unit quantities for **Change Order No. 2 is \$42,267.92.**

We look forward to discussing these and other matters that may come before the Authority at your meeting tonight. Should you have any questions or concerns, please do not hesitate to contact me at 814-470-0778.

Very truly yours,

HAZEN AND SAWYER, P.C.



Brian L. Book, P.E.
Senior Associate