

Lake City Sewer Authority Meeting of November 28th, 2017

Meeting was held at the Lake City Council Chamber starting at 7:00 p.m.

Attending: Chairman Robert Pier; Joseph Legnasky; David Jackson excused; Darwin Michielsen; Rick York Engineer Steve Halmi and Attorney Bax

Visitors: Brent Sewer Plant operator

No Public Comments

Approval of the minutes from November 14th 2017 with the announced changes motion by: Darwin Michielsen second by: Rick York

motion carried

Financial Report:

None to be presented

Discussion was led by Rick York on the proposed Office Building Contract No 2017-2; with the high cost of just over 1000 square feet and a low bid cost of \$297,400 we really need to focus on a better utilization of spending funds for one employee. Suggestion is Rent / lease or bid out a Temporary Office Trailer this would house the road work crew and the sewer plant operator for office space and use the Garage Office area as the Sewer Plant operators Lab Area which would require an installation of a shower (it already has the bathroom with a sink and toilet and extra room for the shower). This would be an approximate expense of \$18,000. This office trailer is fully heated and air conditioned. Should we go with a Operating Sewer Authority or a combination of a Sewer and Water Authority for the future that could be housed at the Borough Building in where the Borough Manager office was and now for storage and the Council Chambers could continue be used for the meeting. The other advantage to using the Borough Building it already has the essential equipment of phone systems; fax system; internet; copier systems etc. Brent was included in the discussion. Attorney Bax was asked for his input and this would be a policy decision of the Authority. If the cost would be over the \$15,000 which would require a bid. We need to investigate the possibility of lease or rental. It looks like the bid would be thru the borough. A review would have to be made into the ADA and OSHA compliance. Cost for every \$100,000 borrowed is \$.37 for each customer; or \$17.02/month; or \$204.24/year.

Engineer Hamli:

Bid Award as follows:

Contract No. 2017-1 General Construction:

motion to accept the bid of: Konzal Construction Co. Base Bid of \$2,612,000 Alternate #1 for \$88,800 and Alternate #2 -\$89,000 for a total of \$2,789,800

motion by: Rick York second by: Darwin Michielsen Motion Carried

Contract No. 2017-2 Office Building

This bid was Tabled

Contract No. 2017-3 Steel Painting

C.W.Beal - \$97,690.00

Motion by: Darwin Michielsen second by: Rick York Motion carried

Requesting the Engineer Steve Halmi to apply for additional funding for the project based on the submitted bids which were higher than budget. The Board will need to make a decision on this matter in order to resubmit to Pennvest for the additional costs. This will not be reviewed until the late January 31st meeting and the closing would be two to three months later.

The additional amount to be requested would be \$450,000.00

Motion by Darwin Michielsen second by Rick York motion carried

Engineer Halmi - reviewed and revised the plans for the UCC Building Plans Examiner for the Office Building. There will be a resolution required for amending the project contract - CA/ Inspection will be presented at the next meeting. There will be a conference call on 12-01-17 with Pennvest Dave Henning and Heather Myers along with Attorney Alberstadt reflecting the closing procedures of the loan. Steve Halmi presented the summary of cost for Pennvest Application; which the costs presented for the 10 categories was \$4,612,000 and with the amended costs based on the bids was \$5,360,640. After the first draw request into Penn Vest and we pay off the Andover Bank Loans we should have a working capital of \$350,000 per Steve Halmi, interest on the Penn Vest loan will be based on the draws made during the construction period of time this is at a reduced rate of interest, and after the completed closing of the project full interest will be paid on the monies borrowed thru the draws.

Attorney Bax

Funding offer review stays open for 182 days from the original date or 276 days then the offer is closed. Reviewed the paint bid bond under contract 2017-3 and it was confirmed as correct thru Erie Insurance Company.

Next meeting is 01-09-2018

motion to adjourn by Darwin Michielsen second by Rick York

jll

Lake City Municipal Sewer Authority Summary of Costs for Pennvest Application

Phase	Costs Presented With Pennvest Application		Amended Costs Based on Bids Received	
	Total	Total	Total	Total
1. Administrative Deiss & Halmi Engineering, Inc. - Pennvest	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00
2. Legal The McDonald Group MacDonald Illig Advertising	\$ 61,300.00	\$ 61,300.00	\$ 40,300.00	\$ 18,000.00
3. Financial/Accounting UCC Filing Fee - Dept of State Interim Financing Costs (except interest)	\$ 6,600.00	\$ 6,600.00	\$ 100.00	\$ 6,500.00
4. Interest Andover Bank Pennvest	\$ 84,700.00	\$ 84,700.00	\$ 54,200.00	\$ 30,500.00
5. Engineering Deiss & Halmi Engineering, Inc. - Design/Bidding Deiss & Halmi Engineering, Inc. - CA/inspect	\$ 440,000.00	\$ 440,000.00	\$ 305,000.00	\$ 135,000.00
6. Permits DEP NPDES DEP WQM ECCD NPDES ECCD E&S ECCD Disturbed Acreage	\$ 3,400.00	\$ 3,400.00	\$ 500.00	\$ 500.00
7. Lands	\$ -	\$ -	\$ -	\$ -
8. Construction Contract 2015-1 Pipeline Contract 2017-1 Contract 2017-2 Contract 2017-3	\$ 3,610,000.00	\$ 4,358,640.00	\$ 1,173,750.00	\$ 2,789,800.00
9. Contingency	\$ 361,000.00	\$ 361,000.00	\$ 297,400.00	\$ 97,690.00
10. Other Penelec Tank Cleaning Misc. Equipment	\$ 20,000.00	\$ 20,000.00	\$ -	\$ -
Totals	\$ 4,612,000.00	\$ 5,360,640.00	\$ -	\$ -

Prepared by: Deiss & Halmi Engineering, Inc.