

Lake City Sewer Authority Meeting of April 10th, 2018

This Meeting was held at Lake City Borough Council Chambers at 7:00 p.m.

Attending: Robert Pier; Rick York; David Jackson; Darwin Michelson; Joseph Legnasky; Attorney Gary Bax; Engineer Steve Halmi.

Visitors: Councilperson Betty Stephens; and Sewer Plant Operator Brent; Councilman Douglas Straw

Minutes for approval: Minutes of March 13th and March 27th, 2018 motion by Darwin Michelson

second by: Rick York motion carried

Financials:

Bill to be presented this evening:

Deiss & Halmi Engineering Inc - Invoice # 2-18-18B - \$ 7493.73 check # 1058

The McDonald Group LLP - Invoice # 60870 - \$240.00 Check # 1076

The McDonald Group LLP - Invoice # 60689 - \$1922.87 Check # 1057

Konzel Construction Contract 2017-1 - \$ 159,354.00 Check # 1059

Deiss & Halmi Engineering Inc. - Invoice # 3-18-3A - \$ 110.00 Check # 1058

Deiss & Halmi Engineering Inc. - Invoice # 3-18-3B - \$7907.46 Check # 1058

Deiss & Halmi Engineering Inc. - Invoice #3-18-3D - \$1500.00 Check # 1058

Motion to approve: Rick York Second by: Darwin Michelson motion carried

Request for Disbursement from Andover Bank Request #19 - \$ 178,288.06

Motion to approve: Darwin Michelson Second By: Rick York motion carried

Need a Resolution for setting up a separate account at PNC Bank for this project which will be a Non-Interest bearing account . Signature cards will be signed by Chairman and Sect'y/Treasurer and the routing form to be completed by PNC Bank and submitted with a voided check to PennVest.

Motion by Rick York

Second by: Darwin Michelson motion carried

Engineering Halmi: Settlement on the PennVest Loan Closing for \$5,063,240 this was completed electronically with all members involved. A revised cost on the Project for Atty: Alberstadt will be \$20,230.08 and for the McDonald Group is for \$44,000 as submitted in letter form to Pennvest.

Sewer plant project : Gant chart was presented by the contractor - all areas are on target . Change orders to be signed tonight

Change order # 01 - **decrease** in cost by \$10,300

Change order # 2 - upgrade on the sludge pump - \$3,600.30

Change order #3 - tie in to the existing 6" main due to **inadequate borough drawing** - \$3,461.56

Change order #4 - Tree and brush clearing and removal **this was to be completed by the borough crew** - \$14,181.37

Change order #5 - Delete the separate main disconnect switch from the sludge press building and install a safety switch. - + \$432.63 **decrease**.

Motion to approve the Change Notice 1 thru 5 Motion by: Rick York second by: Dave Jackson carried

The newly installed water line which the contractor has installed has encroached the EPI property; the property owner was informed by Engineer Halmi on 4-11-18 and the contractor has been informed.

Pennvest payment request will be submitted in the amount of \$1,818,507.39 motion by Rick York and second by Darwin Michelson motion carried.

Country gardens mobile home park - has submitted their sewer plans for a hook up to Lake City Borough this has been approved by Lake City Council adopted a resolution for the project as described in the Planning Module and will be submitted to Donna Ulan-Smith of DEP.

Attorney Bax: presented the resolution :

The LCMSA finds that United States Steel products required by the Contract as forth in Addendum 1, page 00 73 73-9, for the rotary sludge press as specified in Pages 44 16-1 through 44 16-17 of the Contract, are not produced in the United States in sufficient quantities to meet the requirements of the Project and Contract.. Motion to accept this Resolution by: Rick York and second by Dave Jackson motion carried.

the solicitors report of 4/10/18 :

- * Pennvest closing completed with the coordination of Attorney Alberstadt and Engineer Halmi
- * Provided additional documentation to Attorney Alberstadt as required by Pennvest (lease, other letters agreements and documentation.
- * Original LCMSA Certificate of incorporation and bylaws.
- * Draw from Pennvest has been reviewed and can be submitted for payment.

Konzel Construction SPPA Waiver Request

* Konzel has requested a SPPA waiver based on its information that Fournier Industries, its rotary sludge press manufacturer and seller, cannot purchase United States steel components for the rotary sludge press for a delayed time period exceeding several months.

* Konzel represents that this delay would in turn, unreasonably delay the Project as the rotary sludge press must be installed and operational prior to commencing other construction activities of the Project.

* Konzel asserts that the inability of Fournier Industries to purchase, acquire and incorporate United States steel components into the rotary sludge press would grossly violate Project deadlines, and consequently trigger violations of the PADEP Consent Order of March 25, 2016 unless the LCMSA waives the requirement for United States Steel components to be used in the rotary sludge press.

LCMSA SPPA Waiver Resolution :

as presented and approved above.

Opinion Letter on Waiver:

* Reviewed 2018 Pennvest Funding Offer, 2018 Funding Agreement, and 2017-1 Contract and Addenda, federal and state statutes, regulations and cases decided there under

* Relying on these representations of Konzel and Fournier, the LCMSA may adopt the Resolution Approving the Limited Waiver of Steel Products Procurement Act. The LCMSA can do so in compliance with the SPPA and the terms, conditions or convenats of its 2018 Pennvest loan.

* Konzel and Fournier have provided documentation that support the concern that a delay of several months for installation of the rotary sludge press manufactured with United States Steel products as required by the SPPA would have a severe and adverse impact upon the Project, and could cause the operator, Lake City Borough, to potentially violate the PA DEP consent order of March 25, 2016.

The budget review will be looked at in the May meeting.

Next meeting is May 08th, 2018

Submitted J. Legnasky Sect'y/Treasurer