



The reliable information source

Jefferson Hills Taxpayers, WE LOST **\$1.7 MILLION - PLUS!**

Knowledge of the law is essential, in order that a municipality conducts itself in compliance with all laws, in order to avoid litigation, unnecessary costs to the taxpayers, and even criminal prosecution. An ethical and equitable Solicitor, who is an attorney, is necessary.

Knowledge of engineering is essential, for planning, designing, development, construction, maintenance, and repair of various facilities. Likewise, an ethical and equitable Engineer is necessary for the technical and complex services.

With both disciplines, how does a community really know if the advice and services are valid, economical, and benefit the taxpayers?

What your not supposed to know.

Many believed that the Hunters Field Development, off of West Bruceton Road, would provide the borough a windfall, from the Lick Run Pump Station, constructed and paid for by Maronda Homes, and the sewage tap-in fees collected, by the borough.

But the **Truth** is that over **\$1.7 million** of our **Tax Dollars** were used to finance the project.

It seems that Gateway Engineering, Inc., the borough engineer for some 40 years, created the project, and was able to steer it through council, with the advice of the Borough Solicitor.

The question is; was the project really necessary, legal and ethical? There already were sewer lines in place, and a sewage system capable of servicing the new home construction. **Who is really in control?**

All of the **engineering** work was performed by, and paid to, Gateway Engineering. Even though the borough minutes state that it was a **private** developer's project, the borough obtained financing from a bond issue, and paid Maronda Homes to build it, without publically advertising for bids, as required by law.

We really need to look **VERY HARD** at costs incurred and services to the taxpayers in recent years. NO money, for the K9 Program, Community Day, Summer Concerts, and Recreation. Funds were allocated to build a salt storage facility and maintenance garage, which never happened Now, another bond was issued for **\$5.98 million** to obtain financing, for the same purposes. 1.

Something Appears Very Wrong!

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Documents for all number references 1-33 are available at <http://www.VUMORE.ORG>

A municipality provides the disposal of sewage. Jefferson Hills relies on the sewage treatment plants of West Elizabeth, Clairton and, until recently, Pleasant Hills. Sewer Lines, already paid for, exist throughout the borough for these plants.

“... if a developer wants to build, they pay all costs.”

adequate capacity at the treatment plant servicing the development.

The Borough Engineer reviews the module, the Sewer Manager signs it, and then it is submitted to the Department of Environment Protection (DEP), for approval.

infrastructure to service the new homes. **Simply put, if a developer wants to build, they pay all costs.**

Every home connecting to the sewer system must pay a tap-in fee, which had to be previously allocated by the DEP.

In April 2003, Pleasant Hills set their tap-in fee at \$2,500, in order to recapture required sewage system upgrade costs. Later, that fee was reduced to **\$2,000**.²

For a new development, a developer submits a sewer planning module to the Borough, confirming

The developer is unilaterally responsible for construction of the sewer

Agreement Between Pleasant Hills & Jefferson Hills

As far back as **January 1965**, an agreement was signed stating; “*Authority (Pleasant Hills) is willing, upon the terms and conditions of this Agreement, to furnish sanitary sewage service to Borough (Jefferson Hills).*”³

Hills installed a connecting 21 inch Terracotta pipeline from Barrati Farms, and adjoining parcels, to the Pleasant Hills treatment plant. In fact, Jefferson Estates used this sewer line, until the Lick Run Pump Station was activated in 2009. A few homes are still connected.⁵

During the **Hunters Field development** planning phase, Pleasant Hills engineer sent a letter, **April 24, 2003**, certifying *adequate capacity to accept the proposed flows, and that no overload exists or is proposed within the next five years.*⁷

Once in place, **Jefferson**

Department of Environment Protection (DEP) Allocates Taps

There were sufficient taps allocated in a letter, from the DEP to Jefferson Hill's Borough Manager, dated **July 1, 2003**, It states; “*We hereby approve the following tap allocation request in response to your engineer's June 6, 2003 letter...*”⁹

Taps Allocated by DEP
 2003 - 30taps
 2004 - 50taps
 2005 - 50taps

At this point, Jefferson Estates was being developed and plans for Hunters Field were nicely progressing. Pleasant Hills had the capacity to accept the sewage and the DEP allocated the taps

(or connections) for each residential unit planned.

One developer commented, on **February 14, 2003**; “*If treatment plant needs \$2,500 per lot, so be it.*” Another developer was fine with paying \$3300.¹¹

Lick Run Pump Station

Despite the expense of the existing sewer line, it appears that Gateway Engineers designed the Lick Run Pump Station to completely bypass Pleasant Hills.

This project may have been started even before the Borough Council approved such a plan.

The Meeting Notes of Gateway Engineers, dated February 9, 2003, show work assignments to design the pump station and obtain permits necessary for construction. Curiously, the notes state that “*Pleasant Hills is too expensive.*”¹³

Today, Pleasant Hills residents pay **\$6.70** per **1,000** gallons, Jefferson Hills residents pay **\$8.50**.

More importantly, the November 9, 2009 files of Gateway Engineers show **Total Project Cost of \$1,727,711.50**.¹⁵

The Jefferson Hills Tax Payers paid all the costs.

On **June 20, 2005**, the Borough Council adopted Resolution 13-2005, which ratified the June 1, 2005 agreement between the Borough and Clairton Municipal Authority.

The agreement stated Maronda Homes would purchase land from Cider, Inc. (Barrati Farm) for lots known as "Hunter's Field", and land from East Suburban Assocs. and/or Donald and Catherine Housley for lots known as "Mill School", and will

construct a pump station.

It also stated that Gill Hall Land Co., as the owner and developer of Jefferson Estates and Jefferson Woodlands, would connect to that pump station. These developments were referred together as "the **Plans.**"

Clairton agreed to provide sewer taps and sewage treatment service for the "**Plans,**" which would bypass Pleasant Hills.^{17.}

Note of Special Interest:

There really was no significant issue with Pleasant Hills. In fact, the agreement states; "... absent the parties entering into the within agreement, and absent Maronda and Gill Hall entering into a separate agreement with the Borough, would be directed to Pleasant Hills Authority...", i.e., **the sewage would continue to flow to Pleasant Hills.**

Now Folks, this is where it becomes very interesting.

This new Agreement states: "... **the Borough estimates that its costs** for preparation, designing, engineering and obtaining all necessary and required permits ... will be approximately **\$130,000.**"

"Maronda estimates that its costs for constructing and installing the improvements will be approximately **\$750,000.**"

But wait: Remember it was stated in the first paragraph of page 2, of this newsletter: **"the developer is responsible and assumes all flow costs, i.e., the infrastructure to transport**

the waste from the source to disposal. "Well, the Agreement further states: **"the Borough will immediately provide full cash reimbursement to Maronda for Maronda's costs of constructing and installing the Improvements..."**

Moreover, "the **Borough estimates** that it will have to undertake a bond issue, and incur bonded indebtedness, in the approximate amount of **\$4,975,000** to provide for its cost in preparing, designing, engineering, and obtaining all necessary and required permits

for the Sewer Extension Plan; to reimburse Maronda for its estimated costs of constructing and installing the Improvements; and to defray the Borough's costs of the bond.^{19.}

Bond	\$4,975,000
Engineering	-\$130,000
Construction	-\$750,000
Remaining	\$4,095,000
<u>So, Here's what we have</u>	
<i>Does this make sense? What happens to the remaining \$4,095 Million?</i>	

Sewer Extension and Reimbursement Agreement ^{25.}

Notice the word **Reimbursement** included in the title.

This is yet another separate agreement which was also dated June 1, 2005. It is between Maronda Homes, Gill Hall Land Company, and Jefferson Hills Borough.

With the cost of engineering, the financial bond and more, we are now looking at a total project of **\$1,265,361.43.**

. Significant Factors

1. Sewage will bypass Pleasant Hills.
2. Jefferson Hills Borough will

reimburse Maronda Homes for all costs.

3. Maronda Homes and Gill Hall Land Company will purchase a minimum of **486** sewer taps.
4. A Fee will be paid to Jefferson Hills Borough for each tap-in, over a **10** year period, as reimbursement for the payment made to Maronda for the construction and installation costs.

The **reimbursement** fee per tap is calculated as **\$2,603.62.** Then, when Clairton's **\$809** fee is added, the total tap fee is **\$3,412.62.** This was col-

lected as early as August, 2005, but the Lick Run Pump Station was not activated until 2009.

Why? Clairton was not yet entitled to their fee. **Where did the fee go?**

By ordinance, the borough collects **\$1,500** to cover the tap-in (or connection) costs. But, for the home's that flow sewage to the Lick Run Pump Station, only the **reimbursement fee per tap of \$2603.42** is collected, and the **Tax Payers** lose the **\$1,500** fee. There is **NO New Revenue**, here.

Where is that big Windfall?

There's Something Wrong with this Picture?

March 2011, Maronda filed for Chapter 11 with debts of \$100 million. ^{23.}

As previously stated, the **Reimbursement** agreement is valid for **10** years, and then expires. If the total cost is not recaptured within that stated time period, it is lost. The period began June 1, 2005, and is currently 6 years into the agreement. Maronda was required to purchase a minimum of **35 taps**, and that was in the year 2006.^{25.}

Approximately only **29 taps were purchased to date in Hunters Field.**

Then, you may have remembered mention of the 21-inch sewer pipeline already installed to Pleasant Hills, and used for a short period by Jefferson Estates. Well, by bypassing Pleasant Hills, all of the pipeline and associated manholes were abandoned. The cost, of course, is **our wasted tax dollars**, and today would require an engineer to estimate the dollars that went **"down the toilet."**

Guess who recently paid to pave West Bruceston Road that runs past Hunters Field? Yes, it drastically needed paved, but is this panic, to encourage sales of Hunter Field Homes over other

Jefferson Hills developers? Or is it **election** season?

Since the agreement was signed, the Lick Run Pump Station costs have further increased to an estimated **1,727,711.50**.^{27.}

Last, but very significant is inflation. Each year the borough will lose an amount due to inflation. If inflation is averaging **3%** per year, as is often quoted, in 10 years, the value of the **\$1,727,711.50** costs paid up front, by the Borough, increases to **\$2,321,899.78**. With inflation, which was not considered in the agreement, we will potentially realize additional losses of **\$594,188.28**.

IT MUST BE STOPPED! IT MUST BE FIXED!

This is all too incredible, complex and convoluted to just make up, so more related detail, and supporting documents are available for referencing on the Internet at **vumore.com**.

The Lick Run Pump Station project started in 2003, and was not completed until 2009. During that time, the Borough changed solicitors, managers and council members, but the engineering firm stayed the same!

The borough's elected officials must step up to the responsibility of curbing both legal and engineering expenses. At the December 8, 2008 Council Meeting, Mr. Khalil made a motion to enter into an easement agreement with Wheeling and Lake Erie Railroad along with a payment of \$25,300, and Mr. Weber seconded the motion, as recorded in the minutes.^{29.} This was a continuation of the **Lick Run Pump Station** project. They, along with Mrs. Reynolds, were the slate of candidates who rode into office with the support of the now **defunct** "*Citizens for Good Government*," who were to watch over the our tax dollars. To further exacerbate things they have written, on **page 33 of the IN Magazine**, how they are going to reduce engineering costs.^{31.} Of course, they had 4 years,

and nothing was done.

How Much Longer?

In those same December 8, 2008 minutes, the borough engineer started her report on the **Lick Run Pump Station** project by saying; "*This project is being constructed by the developer and is not a Borough project.*" Well, if you have read this newsletter to this point, you know that it is just **not true**.^{33.}

Public projects exceeding \$10,000 must be advertised for bids, according to law, and it was just not done.

WHY NOT ?

Stop the Waste and Just Imagine!

Council Candidates, Beth Weiss-Greb, Joe Skrinjorich, & Mike D'Alessandro will reduce Legal and Engineering Expenses, and do **much more**.

Count on it!

Please  November 8th

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