

Cecil Township Municipal Authority
Monthly Meeting
August 5, 2004

The Cecil Township Municipal Authority held its' regular monthly meeting on Thursday, August 5, 2004 at the Cecil Township Municipal Building. Chairman Donald Gennuso called the meeting to order at 7:30 PM with Donald Teyssier, Stephanie Lucchino, Adam Ferragonio and George Elish present. Also present was Dan Deiseroth, Gateway Engineers; W. Patric Boyer, Solicitor - Eckert Seamans Cherin & Mellott LLC; Walter O'Shinski P.E. and Dennis Bell, Administrator.

MINUTES OF JULY 1, 2004

The Board approved by unanimous vote the minutes of the July 1, 2004 meeting on motion by Adam Ferragonio and second by George Elish.

CYPHER AND CYPHER, CPA – FINANCIAL STATEMENT ANALYSIS

Mr. Steven Cypher presented to the Board an analysis of the financial statement after the Millers Run bond issue. His ratio analysis compared the December 31, 2003 balance sheet with that of June 30, 2004. The report provided current ratio, equity to debt ratio and Altman Z Score. The three ratios were presented with three assumptions – present time, no funds expended; bond funds expended plus \$1,160,000 Authority funds and bond funds expended plus \$2,660,000 of Authority funds.

The net result in the Altman Z score was a decline from a very healthy score of 21.738 at December 31, 2003 to 3.363 present time with no funds expended. The number falls to 2.764 with funds expended including the \$1,160,000 Authority contribution and still further to 1.99 with a greater contribution of Authority funds

In concluding, Mr. Cypher stated the Authority consider maintaining current cash due to unknowns such as the Millers Run project bids.

ENGINEER'S REPORT

UPDATE ON MILLER'S RUN PROJECT

Mr. Dan Deiseroth presented to the Board a task schedule following an aggressive plan. Following the proposed schedule, the earliest date the plans would be ready for bid would be September 29, 2004. Mr. Deiseroth stated the PennDOT permit is still pending. He stated the EPA Grant should be awarded by August 31, 2004. The site and

subdivision plan approvals must be acquired from the township. The schedule reflects an approval date of September 27, 2004. In regards to the bids, Mr. George Elish questioned if two weeks was sufficient to review the bids. Dan Deiseroth stated that it should not be a problem.

Mr. Kevin Hoffman with KLH Engineers addressed the Board on the design status for the treatment plant and pump stations. He stated KLH is awaiting plans from Mack Industries on the treatment plant. He stated preliminary cost estimates have been received from Mack Industries and that KLH is reviewing the values submitted and that once all drawings are made available to KLH the values can be refined for final numbers to be presented to the Board.

Mr. Dan Deiseroth requested a special meeting to discuss the estimated construction costs and the impact on user rates. The Board agreed to meet on Tuesday, August 24, 2004 at 8:00 AM. The meeting will be advertised.

UPDATE OF SOUTHPOINTE INTERCEPTOR STUDY

Mr. Walter O'Shinski advised the Board of a meeting held with PA DEP representative Donna Davis and Canonsburg-Houston Joint Authority engineer Diane Altland. Also attending the meeting were Gary Martin and a group of developers with interest in property that would need to be serviced by the treatment plant.

The purpose of the meeting was to determine capacity availability at the Canonsburg-Houston treatment plant. It was stated that capacity currently exists at the treatment plant but that the plant would need to be expanded. Diane Altland stated the Canonsburg-Houston Joint Authority has agreed to undertake a study to build additional treatment plant capacity.

The developers agreed to proceed with the Southpointe Interceptor Study. Prior to proceeding, Mr. Gary Martin will have to deposit funds originally requested in the Pre-Developer Agreement.

GRAND HIGHLANDS DEVELOPMENT

Walter O'Shinski advised the Board on a township legal advertisement for planning module approval for the Grand Highlands development. He stated the advertisement did not mention plans for expanding the existing Southpointe sewer system and that a letter should be addressed to the township regarding the lack of capacity in the Southpointe sanitary lines. The Board agreed that a letter should be sent to the township objecting to the planning module approval as presented.

OAK BROOK ESTATES

Walter O'Shinski advised the Board that a planning module was denied by the township on the Oak Brook Estates development. He stated there are capacity issues in

the interceptor line during wet weather events. He stated the issue of sewer line ownership needs to be resolved between Canonsburg Borough and the Canonsburg-Houston Joint Authority. A meeting will be scheduled to discuss the issue.

Walter O'Shinski stated that four sections of our line have capacity issues. The lines will need to be upsized. As a part of Canonsburg-Houston Joint Authority planned study for the treatment plant, projected future flows will be needed by all municipalities. Walter O'Shinski suggested prior to replacing pipe the Brush Run watershed be evaluated for maximum flows and the pipe be sized to accommodate those flows. Dan Deiseroth will prepare a proposal for completing a study.

UNIFORM CONSTRUCTION CODE

Walter O'Shinski advised the Board on changes in the code effecting lateral sanitary sewer line inspections. The law requires certified plumbing inspectors complete the lateral inspections. A meeting is planned with the township on how to proceed with the inspections but indicated the Authority will probably do a joint inspection so that appropriate inspection documentation is received for our tap-in files.

LAWRENCE ACT 537 STUDY

Mr. Dan Deiseroth advised the Board that Andy Blenko is project manager for the Lawrence study. Three meetings have been held and weekly meetings are planned. The goal is to outline all alternatives for providing sewerage facilities to the village of Lawrence. Dan Deiseroth stated a meeting needs to be held with Peters Township Municipal Authority to obtain updated information regarding their system and costs. One of the alternatives will be to provide treatment through the Peters Township plant.

SANITARY SEWER ACCEPTANCE OF PRISTINE FIELDS PHASE 8

The Board on unanimous vote on motion by Donald Teyssier and second by Stephanie Lucchino authorized accepting the sanitary sewer lines for Pristine Fields Phase 8. All work has been completed, easements recorded and eighteen month maintenance bond posted.

WILLIAM KIMES PROPERTY AT 3291 MILLERS RUN ROAD, CECIL PA

Mr. William Kimes addressed the Board on the impact of the planned interceptor line through his property. He stated the lines run along the creek but at his property make a radical 45-degree turn into his property. He stated the proposed interceptor line would severely limit the use of his property.

Mr. Dan Deiseroth stated the line was moved to provide sewerage service to the properties at 3291 and 3287 Millers Run Road. He stated a wetlands area exist on the property and noted a wetland approval was obtained by PA DEP. He further stated that

the property is in a 100-year flood plane. Mr. Deiseroth suggested a meeting with the homeowner and the township in an attempt to resolve the issue.

SOLICITOR REPORT

RIGHT OF WAY ACQUISITION PLANS

Mr. Patric Boyer addressed the Board on a strategy for acquiring 77,000 feet of right of way in the Millers Run project. There are 455 properties where right of way is needed. He suggested a package containing a letter, property description, plot drawing, and form easement be mailed to each property owner. The letter would request the easement documents be signed and returned within thirty days. He further stated the Board offer \$1.00 per lineal foot for the right of way.

Mr. Donald Gennuso suggested the letters be mailed but that meetings be scheduled to help explain the mailings. Dan Deiseroth stated the letters would be mailed at the end of September. Mr. Dan Deiseroth will present to the Board a proposal to complete the mailing. It was requested that meeting dates be determined and presented at the September 2, 2004 meeting. Mr. Donald Gennuso requested that Dennis Bell prepare a press release on the PA DEP approval of the Millers Run project.

The Board by a four to zero vote on motion by Stephanie Lucchino and second by George Elish authorized paying \$1.00 per lineal foot for right of ways. Mr. Donald Teyssier abstained from the vote.

BUSINESS MANAGER'S REPORT

INSURANCE RENEWAL

The Board by unanimous vote on motion by Donald Teyssier and second by Adam Feragonio authorized accepting the 2004-2005 insurance program as outlined in a letter from the Robert Simonin Agency. The proposal changes the carrier from St. Paul to Alea/Great American with a premium savings of \$1563.00 over last year's cost. The deductibles for employment practices and public officials have decreased from the prior year.

AUTHORIZE RELEASE OF FUNDS FOR IMOGENE DALBO

The Board by unanimous vote on motion by George Elish and second by Stephanie Lucchino authorized releasing the balance of \$391.81 to Imogene Dalbo from the developer escrow account.

DISCUSS STAFF REQUIREMENTS FOR MILLERS RUN PROJECT

Dennis Bell suggested the Board consider hiring part-time staff for handling specific office work projects related to the Millers Run project. He stated an example would be the work requirements for handling the tap-in and assessment business activity. A specific plan will be presented when the staffing needs change.

AUTHORIZE ADMINISTRATOR TO PARTICIPATE IN WAGE/BENEFIT SURVEY

The Board authorized Dennis Bell to work with Jerry Brown, South Fayette Municipal Authority manager to prepare and conduct a wage/benefit survey. The survey will be conducted on the Municipal Authorities located within the local area.

JUNE 2004 FINANCIAL REPORT

Dennis Bell discussed the financials for June 2004. The total customers billed were 1765. The user fees billed were \$87,834.38 on usage consumption of 11,730,500 gallons. Collections totaled \$88,895.73. The expenses for June were \$114,838.

Dennis Bell stated extraordinary income on the June 2004 statement were quarterly interest income of \$31,563; quarterly interest income on Millers Run funds of \$13,800; tap-in fees collected of \$6,675 and Act 537 Funds reimbursement for the Millers Run project of \$26,928.99.

Dennis Bell reported Reminder Notices were mailed on June 9, 2004 for the February, March and April 2004 billing periods. Sixty-nine customers were issued letters for a total of \$9,624.31 in unpaid past due wastewater bills. Twenty-four customers received property shut-off postings for \$3,287.

Dennis Bell stated five income accounts were over budget by a total of \$57,436. In addition, twelve expense accounts had amounts over budget by \$8,247. Those areas were primarily related to the engineering and advertising for the Millers Run project.

Dennis Bell advised the Board that the Millers Run construction fund, Debt Service Reserve Fund and Debt Service Fund were reclassified from cash assets to restricted assets.

CORRESPONDENCE

Correspondence for the month was reviewed for filing. George Elish inquired on a letter from PA-American Water Company to Representative Victor Lescovitz for water service to Creedmore Road area. Walter O'Shinski stated that this letter was a result of a request from the residents in this area inquiring as to the cost to provide a public water line. They are currently serviced by a private two-inch line. The Authority has made a

request to PA-American Water Company for a revised cost estimate to extend the water line to the proposed Millers Run treatment plant site.

PAYING OF EXPENSES/TRANSFER OF FUNDS, ETC.

A unanimous vote on motion by Donald Teyssier and second by Stephanie Lucchino the Board authorized payment of expenses and transfers as follows.

Brush Run Expense/Transfer MM to Checking
Teodori Expenses/Transfer MM to Checking
Southpointe Expenses/Transfer MM to Checking
CherryBrook Expenses/Transfer MM to Checking
Gilmore Expenses/ACH Debit and PNC Requisition
Employee Time Reports/Payroll
941 E Tax Deposit
Payment of Invoices
Discharge Monitoring Reports were approved for submission to the PA DEP.

COMMENTS FROM THE FLOOR

Mr. Duncan Nickles addressed the Board regarding a landslide in the rear of his property located at 126 Markwood Drive, Canonsburg PA. He thanked Walter O'Shinski for responding to his letter of July 22, 2004, in which, he questioned the integrity of the sanitary sewer line located in the slide area. Mr. O'Shinski's letter stated he inspected the sanitary sewers in the landslide area and that the line was visually lamped to check for alignment problems. He further stated in his letter that the situation would be monitored.

Mr. Jeff Mitchell commented on the monthly costs for the Millers Run project. He asks if all of the township residents will be paying for the project. It was stated that only the users receiving service in the Millers Run project would be charged for the service.

EXECUTIVE SESSION

The Board entered into executive session at 9:35 PM to discuss property acquisitions for the Millers Run treatment plant and pump stations. Donald Teyssier excused himself from the Executive Session. Solicitor Patric Boyer reviewed with the Board the value of properties being acquired. The Board returned to regular session at 9:48 PM. Mr. Donald Teyssier did not return to the regular session.

AUTHORIZE FILING PROPERTY CONDEMNATIONS

The Board, having returned to the general session, by a yes vote from the four members present on motion by Stephanie Lucchino and second by Adam Ferragonio authorized filing condemnations for the Wagner and Andrews properties. Mr. Donald Teyssier was not present for the vote.

AUTHORIZE PROPERTY SETTLEMENTS

The Board by a yes vote from the four members present on motion by Stephanie Lucchino and second by George Elish authorized to settle the property acquisition for the Soverio and Passeiu properties. Mr. Donald Teyssier was not present for the vote.

The Board by a yes vote from the four members present on motion by Stephanie Lucchino and second by Adam Ferragonio authorized to negotiate on the Teyssier property. Mr. Donald Teyssier was not present for the vote.

ADJOURNMENT

There being no other business on unanimous vote on motion by Adam Ferragonio and second by George Elish the meeting was adjourned at 9:55 PM. A special meeting will be held on Tuesday, August 24, 2004 at 8:00 AM. The next regular meeting is scheduled for Thursday, September 2, 2004 at 7:30 PM.

Secretary