

Cecil Township Municipal Authority
Monthly Meeting
November 17, 2004

The Cecil Township Municipal Authority held its' regular monthly meeting on Wednesday, November 27, 2004 at the Cecil Township Municipal Building. Vice Chairman Donald Teyssier called the meeting to order at 7:30 AM with Stephanie Lucchino, Adam Ferragonio and George Elish present. Absent was Donald Gennuso. Also present were Dan Deiseroth, Gateway Engineers; W. Patric Boyer, Solicitor - Eckert Seamans Cherin & Mellott LLC; Walter O'Shinski P.E. and Dennis Bell, Administrator.

MINUTES OF OCTOBER 6 AND OCTOBER 7, 2004

The Board approved by unanimous vote the minutes of the October 6 and October 7, 2004 meetings on motion by Stephanie Lucchino and second by George Elish.

ENGINEER'S REPORT

DISCUSS EXPANSION OF CANONSBURG- HOUSTON JOINT AUTHORITY SERVICE AREA

Mr. Howard Hlawati - Penn South Development addressed the Board on his planned development off of Klinger Road. He stated that he has had discussions with Diane Altland of the Canonsburg-Houston Joint Authority and portions of his proposed project are outside of the existing service area. Mr. Hlawati requested the Board consider formally applying for a change in the existing service area with Canonsburg-Houston Joint Authority.

Walter O'Shinski stated that requesting a new service agreement might be premature since the sanitary sewer lines have a capacity issue. Dan Deiseroth stated the Southpointe study should be completed within thirty days. He suggested the Board take no action until the study is complete. Walter O'Shinski suggested that Howard Hlawati contact PA DEP on whether a treatment plant concept would be acceptable as a short-term solution until capacity becomes available.

UPDATE ON LAWRENCE 537 STUDY

Dan Deiseroth advised the Board that Big Blue Archeological Research Inc completed the Phase 1-A Archeological study. No historical structures exist in the area. Archeological studies require no additional work until the design plans are completed.

Dan Deiseroth stated plans would provide an option of building a force main to

Peters Township treatment plant. He indicated the recent flooding in Lawrence would be considered in the planning. He stated the study should be completed within sixty days.

UPDATE OF SOUTHPOINTE INTERCEPTOR STUDY

Dan Deiseroth stated work continues for updating the 1999 Southpointe study. He stated current consumption data has been obtained and is being incorporated into the report. The study will encompass the build out of the Southpointe and the Morganza Road areas. The review will have alternatives for consideration. He stated the concepts are completed and need reviewed by Walter O'Shinski. He stated Gateway Engineers would make a presentation to the Board and the developers after the study is completed.

UPDATE ON MILLER'S RUN PROJECT

Dan Deiseroth reviewed an updated schedule with the Board. The schedule is contingent on KLH Engineers and Mack Industries providing the plans on the treatment plant and pump stations by the week of December 5, 2004. The bids would be advertised on December 5, 2004 with a pre-bid meeting scheduled for January 22, 2005. The bids would be opened on February 4, 2005 and the bid awarded on March 3, 2005. The construction would begin on April 1, 2005.

Following the bid opening on February 4, 2005, a special meeting, prior to the township supervisors February meeting, will be required to determine a tap-in and assessment fee. The Board of Supervisors would discuss the tap-in and assessment fees at their February 16, 2005 meeting with a vote to approve at their February 23, 2005 meeting.

Kevin Hoffman - KLH Engineers updated the Board on the meetings held with Mack Industries regarding the incomplete plans that were provided. KLH met with Mack and their subcontractors and expect revised plans and specifications to be provided. The time table result of the meeting is that Mack will provide one final check set to KLH and by December 3, Mack will be able to produce the final bid documents. If the plans are not complete, the Authority has two options to consider. KLH could redesign , which would result in a delay to the schedule or use the plans provided and provide addendums to the bid documents as questions arise. The latter is covered by a KLH proposal for these services. The final plans must be submitted for review by KLH before anyone will know if any revisions or addendums will be required.

George Elish requested clarification for the comment stated in the KLH report dated November 17, 2004 "KLH recognized that due to the past history with Mack, the bid and construction phases of the project would likely be more difficult". Kevin Hoffman stated that the level of detail provided was not up to the standard that KLH normally provides. Mr. Elish inquired on how long Mack Industries was in business. Donald Teyssier stated probably twenty years. Kevin Hoffman stated the plans for the treatment plant and pump stations are substantially complete and the major problems are

with the building and electrical system designs, which are being prepared by subcontractors hired by Mack Industries.

George Elish commented that the Authority's contract was with KLH Engineers for a complete set of plans for the treatment plant and pump stations. The issue is between KLH and Mack Industries on any deficiencies created by Mack Industries. George Elish questioned Kevin Hoffman on why Mack Industries was selected to prepare the plans and specifications. Kevin Hoffman indicated because of the cost savings versus using KLH to prepare the complete design. Adam Ferragonio stated that by using Mack Industries the Authority was saving approximately \$200,000. Kevin Hoffman stated they would have completed all of the design work using their own staff.

George Elish stated the Board makes decisions on the recommendations from the professionals and staff. George Elish stated the people's monies are involved in these projects and should not be used frivolously. He inquired on what the delay is costing the Authority. Walter O'Shinski stated the costs according to Michael Mc Caig are in the range of \$400 per day.

Stephanie Lucchino stated Mack Industries agreed to do the design work for a nominal amount with the hope that they would be the lowest bidder for the treatment plant and pump station contracts.

The proposal from KLH Engineers for additional bid phase's services, if necessary, was tabled until the Board had the opportunity to read the document. The Board will consider the proposal at their December 2004 meeting.

The general project services and resident observation services are included in the original budget. Dan Deiseroth will meet with Walter O'Shinski to discuss what is included in the original Gateway contract and the KLH proposal and prepare a report to the Board.

Dan Deiseroth advised the Board that Right of Way Easement letters were mailed on October 29, 2004. The date established for the easements to be returned is November 30, 2004. Stephanie Lucchino indicated that we need to begin considering what steps would be followed to obtain the easements not received by November 30, 2004.

Dan Deiseroth stated he had a telephone conversation with Miller Centrifugal regarding the Millers Run project. He stated a letter was written to the company stating they will not be serviced by the project.

Dan Deiseroth stated a report on a combine tap-in fee and user rate for the township will be completed and distributed to the Board within a week.

SOLICITOR REPORT

AUTHORIZE SIGNING EDA GRANT APPLICATION FOR SOUTHPOINTE II

The Board on unanimous vote on motion by Stephanie Lucchino and second by Adam Ferragonio authorized signing an EDA Grant Application for Southpointe II as requested by the Washington County Authority.

BUSINESS MANAGER'S REPORT

RIGHT OF WAY EASEMENTS – MILLERS RUN PROJECT

Dennis Bell stated that 544 right of way easement documents were mailed on October 29, 2004. He stated approximately 70 right of way documents have been signed and are ready for recording. He further stated that approximately 45 right of way documents have errors or corrections and are being reissued by Gateway Engineers.

AUGUST 2004 FINANCIAL REPORT

Dennis Bell discussed the financials for September 2004. The total customers billed were 1760. The user fees billed were \$87,296.73 on usage consumption of 11,646,680 gallons. Collections totaled \$79,885.25. The expenses for September were \$218,244.47. The extraordinary income on the September 2004 is interest income on Millers Run construction funds of \$13,905.24 and tap-in fees collected of \$21,800. Quarterly interest income on the investments with Slovenian Savings & Loan totaled \$33,365.68.

Dennis Bell stated income accounts were over budget by a total for the year of \$207,274 most related to the Millers Run project and not budgeted. In addition, eight expense accounts were over budget by \$28,673 and included treatment charges, studies and updates for new engineering studies, bad debts, supplies and tools. A bond interest payment on September 1, 2004 for \$118,786 is reflected in the total expenses paid with the funds being withdrawn from the First Commonwealth Bank – Debt Service Fund.

Dennis Bell reported quarterly Reminder Notices were mailed on September 14, 2004. Ninety customers were issued letters for a total of \$7,482.00 in unpaid past due wastewater bills. On October 8, 2004 fifteen properties were posted for water shut-off.

CORRESPONDENCE

Correspondence for the month was reviewed for filing. Adam Ferragonio advised the Board that the Canonsburg-Houston Joint Authority has received an inquiry regarding the purchase of the treatment plant. George Elish commented on Patric Boyer's letter to

Richard Matson from Ridgewood Heights. Mr. Boyer stated he spoke with Mr. Matson to further clarify the Board's position in regard to the Ridgewood Heights treatment facilities.

PAYING OF EXPENSES/TRANSFER OF FUNDS, ETC.

A unanimous vote on motion by Adam Ferragonio and second by George Elish 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

ADJOURNMENT

There being no other business on unanimous vote on motion by Stephanie Lucchino and second by Adam Ferragonio the meeting was adjourned at 8:50 AM. The next regular meeting is scheduled for Thursday, December 2, 2004 at 7:30 PM.

Secretary