

Cecil Township Municipal Authority
Reorganization and Monthly Meeting
January 6, 2005

The Cecil Township Municipal Authority held its' reorganization and regular monthly meeting on Thursday, January 6, 2005 at the Cecil Township Municipal Building. Chairman Donald Gennuso called the meeting to order at 7:35 PM with Donald Teyssier, Stephanie Lucchino, Adam Ferragonio and George Elish present. Also present was W. Patric Boyer, Eckert Seamans Cherin & Mellott LLC; Dan Deiseroth, Gateway Engineers; Walter O'Shinski P.E. and Dennis Bell, Administrator.

REORGANIZATION

The Board by unanimous vote on motion by Adam Ferragonio and second by Stephanie Lucchino agreed to retain the officers appointed in 2004. The officer's appointments are as follows:

Donald Gennuso – Chairman
Donald Teyssier – Vice Chairman
Stephanie Lucchino – Secretary/Treasurer
Adam Ferragonio – Asst. Secretary/Treasurer

The Board by a vote of four to one, on motion by Stephanie Lucchino and second by Donald Teyssier appointed Eckert Seamans Cherin & Mellott LLC as Solicitor. George Elish voted no and reiterated his previous position on appointments i.e. proposal for services should be advertised and the bids reviewed.

The Board by a vote of four to one, on motion by Donald Teyssier and second by Adam Ferragonio appointed Gateway Engineers, Inc. as Consulting Engineers. George Elish voted no.

The Board by unanimous vote on motion by Stephanie Lucchino and second by Adam Ferragonio appointed Community Bank as Trustee/Paying Agent.

MINUTES OF DECEMBER 2 AND DECEMBER 13, 2004

The Board approved by unanimous vote the minutes of the December 2, 2004 regular meeting and the minutes of the December 13, 2004 Special Meeting with the Ridgewood Heights residents on motion by George Elish and second by Stephanie Lucchino.

ENGINEER'S REPORT

BRUSH RUN ANNUAL TAP-IN REQUEST TO CANONSBURG-HOUSTON JOINT AUTHORITY

Walter O'Shinski referred to his letter of January 3, 2005 to Canonsburg-Houston Joint Authority for the 2005 Tap-ins. The Brush Run watershed tap-ins was 182 tap-ins and the Morganza Road watershed tap-ins totaled 120. The Southpointe watershed tap-ins totaled 30.

SEWER LINE ACCEPTANCE FOR HEARTWOOD FARMS PHASE 2

The Board on unanimous vote on motion by Donald Teyssier and second by Stephanie Lucchino authorized the acceptance of the sanitary sewer lines servicing Heaertwood Farms Phase 2. Walter O'Shinski advised the Board that all testing has been completed and an eighteen-month maintenance bond posted.

UPDATE ON LAWRENCE 537 STUDY

Dan Deiseroth advised the Board work on all alternatives for providing sewerage to the Village of Lawrence is being finalized. He further stated the lowest cost alternative might be pumping a portion of Lawrence to the Peters Township treatment plant. Approximately one hundred homes can flow by gravity to the Teodori STP. He stated he had a discussion with Peters Township Sanitary Authority for relocating their force main and he is awaiting a written response from Peters Township Sanitary Authority. He stated the report will be drafted and available within 30 to 45 days and probably presented to the Board at their March 2005 meeting. The report is due to the PA DEP by June 2005.

George Elish inquired on accepting the one hundred homes that may flow by gravity to the Teodori STP. Dan Deiseroth stated the 537 Plan is being developed for all of Lawrence and needs to consider all project cost. George Elish inquired on providing a localized income survey. Dan Deiseroth explained the funding procedures related to Pennvest and Rural Utility Service. George Elish stated he does not want to see the project delayed because of the current Millers Run project.

UPDATE OF SOUTHPOINTE INTERCEPTOR STUDY

Dan Deiseroth stated revisions are being made to a draft report and the final report should be completed by January 15, 2005. The report will be presented to the Board and the developers after that date. Dan Deiseroth stated he would set-up a meeting with the developers and then advise the Board. Dan Deiseroth stated the project will be driven by the developers. Donald Gennuso suggested a meeting during the last week in January. Dan Deiseroth will email the Board. The meeting will have to be advertised.

UPDATE ON MILLER'S RUN PROJECT

Dan Deiseroth stated the sanitary line contracts were advertised on December 29, 2004 with a mandatory pre-bid meeting scheduled for Friday, January 28, 2005 at 1 PM in the Municipal Building. Dan Deiseroth stated revised information from Mack Industries on the treatment plant and pump station design will be reviewed by KLH Engineers by January 15, 2005. Dan Deiseroth stated this work should be advertised for bid by January 18, 2005 with the bid opening changed from February 11, 2005 to February 18, 2005. Dan Deiseroth stated the EPA review of the bid results on the treatment plant and pump stations could be completed in sixty days.

Stephanie Lucchino stated the project should continue on schedule. Dan Deiseroth stated the change in the township scheduled meeting dates might impact the planned timeline. He stated the township must adopt the assessment fee schedule prior to the awarding of a contract.

George Elish stated the monthly user rates should be as low as possible for the current residents. Dan Deiseroth stated the analysis prepared by Mike Mc Caig, PNC Capital Markets reflect the lowest monthly user rates during the first 10 years following project completion. George Elish stated turnover of property and new construction will probably occur during this period.

A discussion for establishing a tap-in and assessment fee for the Millers Run project was held. It was decided that in order to keep the project on schedule the fees must be set, as the township must adopt an ordinance establishing the assessment.

The Board on unanimous vote on motion by Stephanie Lucchino and second by Donald Teyssier authorized the Millers Run residential tap-in fee and assessment fee as stated below, with the understanding that if the project bids are higher than anticipated, the Municipal Authority may have the option of contributing additional Authority funds to the Millers Run project.

The residential tap-in fee for the Millers Run project is \$4,000.00 per EDU and front footage assessment fee is \$25.00 per lineal foot. The Ridgewood Heights subdivision residential tap-in fee for customers currently serviced by the Casciola treatment plant is \$3,000.00 per EDU with no front footage assessment fee. The tap-in fees will be discounted by 10 percent if paid during a 60-day discount period. The discount period will be established when the notices are sent. No discount will be applicable for the front footage assessment fee.

The tap-in fee for commercial/industrial customers is based upon the estimated hydraulic and organic usage for each individual establishment. The tap-in fee for existing customers that will utilize the new collection system is \$4,000 for the first EDU and correspondingly the tap-in fee for existing customers presently connected to the Casciola Sewerage System is \$3,000 for the first EDU. Each additional EDU shall be individually calculated considering the additional hydraulic and organic loads that will be generated

and will be based upon PADEP criteria where available. The tap-in fee for commercial/industrial customers shall be charged by the following schedule:

Existing Commercial/Industrial Customers	Amount
First EDU (Minimum)	\$4,000
Each Additional or Fractional Hydraulic EDU	\$4,000
SPECIAL PURPOSE FEE	
An additional cost per pound or fractional pound of BOD, which exceeds the organic load established by the total number of hydraulic EDU's calculated.	\$3,924
Casciola Sewerage System Commercial/Industrial Customers	
First EDU (Minimum)	\$3,000
Each Additional or Fractional Hydraulic EDU	\$3,000
SPECIAL PURPOSE FEE	
An additional cost per pound or fractional pound of BOD, which exceeds the organic load established by the total number of hydraulic EDU's calculated.	\$3,924

An EDU of estimated sewage usage shall equal 231 gallons per day (2.57 persons/household X 90 gallons per person per day = 231 gallons per day) as a hydraulic rating and 0.57 # Biochemical Oxygen Demand (BOD) (2.57 persons/household X 0.22 # BOD per person per day = 0.57 # BOD per day) as an organic rating.

Donald Gennuso stated a special meeting be arranged with the Cecil Township Supervisors discuss the tap-in and assessment fees. He suggested the meeting be arranged prior to the supervisors' February 2, 2005 meeting, as it needs to be placed on the February 2, 2005 township agenda. Dan Deiseroth stated the township would need to adopt an ordinance at their March 2, 2005 meeting, as the Authority may award the construction contracts at their March 3, 2005 meeting.

Dan Deiseroth requested the Board consider having Gateway Engineers provide the inspectors for the construction of the sanitary sewer lines for the Millers Run project. He stated five inspectors and an overseer would be anticipated for the project. Dan Deiseroth suggested that KLH Engineers provide the inspection services for the pump stations and treatment plant. Dan Deiseroth stated a proposal for inspection costs would be prepared for the February 2005 meeting. George Elish suggested that proposals be received from other engineering firms. Donald Gennuso stated that based on his experience in engineering contracts there is no advantage to getting a third company involved and that it may very likely add to the project costs.

SOLICITOR REPORT

Nothing To Report.

BUSINESS MANAGER'S REPORT

UPDATE ON RIGHT OF WAY EASEMENTS – MILLERS RUN PROJECT

Dennis Bell stated that 250 right of way easement documents were recorded as of December 31, 2004. Stephanie Lucchino suggested a telephone call and/or personal meeting be arranged. She stated the work maybe required after normal business hours.

The Board on unanimous vote on motion by Stephanie Lucchino and second by Adam Ferragonio authorized paying Dennis Bell and Gregory Melone a fee of \$15.00 per hour. Donald Gennuso requested timesheets be completed and a telephone log for all telephone calls made to the residents and the outcome of the call.

APPROVAL OF FY 2005 BUDGET

The Board on unanimous vote on motion by Stephanie Lucchino and second by George Elish approved the 2005 Budget. The budget approval authorizes a wage increase of five (5) percent for 2005 as stated below.

Walter O'Shinski – Salary	\$64,608
Dennis Bell – Salary	\$40,100
Gregory Melone – Hourly	\$17.27 per hour

2005 MEETING DATES

Dennis Bell stated the 2005 regular meetings would be held on the first Thursday at 7:30 PM. A notice will be published in the Observer-Reporter on January 12, 2005.

NOVEMBER 2004 FINANCIAL REPORT

Dennis Bell discussed the financials for November 2004. The total customers billed were 1766. The user fees billed were \$72,042.00 on usage consumption of 9,318,700 gallons. Collections totaled \$70,523.00. The expenses for November were \$91,280.00. The extraordinary income on the November 2004 is interest income on Millers Run construction funds of \$10,799.00.

Dennis Bell reported reminder notices were mailed on January 3, 2005. Eighty-seven customers were issued letters for a total of \$12,879.00 in unpaid past due wastewater bills.

CORRESPONDENCE

Correspondence for the month was reviewed for filing.

PAYING OF EXPENSES/TRANSFER OF FUNDS, ETC.

A unanimous vote on motion by Donald Teyssier 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

Mr. Stan Cass, 306 Rosewood Drive, Mc Donald PA addressed the Board on the bids and if one contractor could bid multiple contracts thereby being able to perform the work at a lower costs and therefore reducing the costs of the project. He questioned the user rates being based on water usage as many customers may use in excess of 10,000 gallons per month. Walter O'Shinski stated an average of \$65.00 per customer per month is needed to cover the debt service fee and O & M costs. Walter O'Shinski stated the Board has not decided on how the fees will be billed. He also inquired if there will be a contingency for cost overruns. He questioned if their should be a third party inspector and Donald Gennuso stated he has seen it done both ways and they feel comfortable using the consulting engineers to do the construction inspections.

EXECUTIVE SESSION

Adam Ferragonio requested the Board adjourn into Executive Session to discuss personnel salary issues. The Board entered into Executive Session at 9:25 PM. The Board returned to the General Meeting at 9:45 PM.

The Board on unanimous vote on motion by Adam Ferragonio and second by George Elish authorized salary increases of five percent for all staff.

The Board also selected George Elish and Stephanie Lucchino to review medical insurance coverage prior to the benefit renewal in June 2005. George Elish and Stephanie Lucchino will also review the Personnel Policy Handbook for updates.

ADJOURNMENT

There being no other business by unanimous vote on motion by Adam Ferragonio and second by George Elish the meeting was adjourned at 9:55 PM. The next regular meeting is scheduled for Thursday, February 3, 2005 at 7:30 PM.

Secretary