

Cecil Township Municipal Authority  
Special Meeting On  
Millers Run Project Costs  
April 14, 2005

The Cecil Township Municipal Authority and the Cecil Township Board of Supervisors held a special meeting on Thursday, April 14, 2005 at the Cecil Township Municipal Building. Chairman Donald Gennuso called the meeting to order at 7:30 PM. The Authority members present were Stephanie Lucchino, Adam Ferragonio and George Elish. Absent was Donald Teyssier. Also present was Ben B.C. Coleman, Lillian Veres, Phyllis Zaccarino, Dan Deiseroth, Gateway Engineers; W. Patric Boyer, Solicitor - Eckert Seamans Cherin & Mellott LLC; Walter O'Shinski P.E. and Dennis Bell, Administrator.

#### MILLERS RUN

Mr. Dan Deiseroth reviewed the Millers project financials based on the construction bid amounts, land and right of way acquisition, engineering, legal and project administration fees. The total costs are \$15,740,556.00. The annual operation and maintenance costs total \$191,394.00. He stated that Mike Mc Caig with PNC Capital reviewed the numbers and completed the financial projections. Under the various scenarios, the tap-in fee ranged from \$3,000 to \$5,000, with and/or without a 10% discount, a \$25.00 per lineal foot for frontage and Authority contributions of \$1,909,200.00.

Phyllis Zaccarino commented on whether due diligence was completed on the companies with the low bids. Her concerns center on if a particular contractor cannot fulfill their obligation. Don Gennuso stated that all contractors would provide surety bonds to protect the Authority for work not completed. Dan Deiseroth stated the contracts would be reviewed for completeness prior to any contract being signed.

Phyllis Zaccarino commented that the elementary school is being service but not the intermediate school. She stated the school district plans to consolidate the elementary schools and that the Cecil school would probably be closed. Walter O'Shinski stated our project couldn't be put on hold pending decision by the school district, which could take several years.

Phyllis Zaccarino commented on the sludge press. Walter O'Shinski stated costs for liquid sludge is 8 to 12 cents per gallon. He stated costs to have sludge hauled in a cake form would be lower. Liquid sludge from the Authority's other two plants would also be hauled to the Millers Run plant for disposal.

Phyllis Zaccarino questioned the operations and maintenance proposed budget of \$191,394.00. Walter O'Shinski stated the number was projected with a three percent increase to account for inflation.

Phyllis Zaccarino questioned the staff requirements for the new plant. Walter O'Shinski stated the plans would require hiring one additional employee as a plant operator. Phyllis Zaccarino questioned if one employee could handle a 24/7 operation. He stated a person would be at the plant for a normal 8-hour day and that all of the plants are on alarm systems.

Dan Deiseroth stated properties with 133 lineal feet or less would be penalized if the front footage assessment were not applied.

James Passieu questioned the fairness of charging him \$7,500.00 in front footage with the pipe being installed only 5 feet into his property.

Dominic DiMatteo stated the residents in Muse have been paying sewerage charges since 1986 with no decrease in the rates. Walter O'Shinski stated the rates today are about the same as they were in 1991. He stated it is not fair for the current customers to be surcharged \$3.25 to cover the Millers Run project expenses.

Mr. Clemons, a Ridgewood Heights resident, questioned the economics of scale on the project. He stated people would really be hurt by this project. He stated the option of having treatment at Alcosan needs to be explored aggressively. He stated the school and township building should be included in the project. Dan Deiseroth stated the costs to get into the Alcosan system would be higher considering tap-in fees from South Fayette Municipal Authority and Alcosan. He also stated the lines would need to be upsized to accommodate the flow. In addition, an inter-municipal agreement would need to be negotiated with South Fayette. The costs would be approximately \$15 to \$16 per month higher to each customer.

The Board on unanimous vote of four members, with Donald Teyssier being absent due to illness, on motion by Stephanie Lucchino and second by George Elish authorized the tap-in fee for the Millers Run project be set at \$4,500.00 and \$3,500.00 with the latter applicable to Ridgewood Heights and Windsor Woods. A ten (10) percent discount on the tap-in fee if paid during a sixty (60) day discount period was approved. The current customers will be surcharged \$3.25 per month. All previous motions on tap-in fee are rescinded. The motion is dependant on the township adopting the front foot assessment resolution at their May 4, 2005 meeting.

The Board set a special meeting for Wednesday, April 20, 2005 at 7:00 PM to set a tap-in fee for the project if the township does not approved the front footage resolution.

The Board on unanimous vote of four members, with Donald Teyssier being absent, on motion by Adam Ferragonio and second by Stephanie Lucchino authorized payment of \$9,000.00 to Eckert Seaman for the initial cost of condemnation filing fees.

The Board on unanimous vote on motion by George Elish and second by Adam Ferragonio the meeting adjourned at 10:00 PM.

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Secretary

