

Cecil Township Municipal Authority
Monthly Meeting
June 2, 2005

The Cecil Township Municipal Authority held its' regular monthly meeting on Thursday, June 2, 2005 at the Cecil Township Municipal Building. Chairman Donald Gennuso called the meeting to order at 7:30 PM with Stephanie Lucchino, Adam Ferragonio and George Elish present. Absent was Donald Teyssier, who advised the administrator he would not be present due to grandsons' high school graduation. Also present was W. Patric Boyer, Eckert Seamans Cherin & Mellott LLC; Dan Deiseroth, Gateway Engineers; Walter O'Shinski P.E. and Dennis Bell, Administrator.

MINUTES OF MAY 5, 2005

The Board approved by unanimous vote the minutes of the regular meeting of May 5, 2005 on motion by Adam Ferragonio and second by Stephanie Lucchino.

ENGINEER'S REPORT

DISCUSS PROPOSAL FROM GATEWAY ENGINEERS – MORGANZA ROAD/SOUTHPOINTE PLANNING MODULE

Dan Deiseroth addressed the Board on a proposal to prepare a planning module proposal for the Morganza Road/Southpointe Interceptor project. He stated the next step in moving the project forward is the planning module. He indicated that the developers would pay for the planning module report. Walter O'Shinski suggested the proposal be between the developers and Gateway Engineers. He further stated a pre-developer agreement would be required to cover any legal and engineering costs the Authority may charge for reviews.

UPDATE ON LAWRENCE 537 STUDY

Dan Deiseroth stated a letter received from Peters Township Sanitary Authority imposes stringent requirements to control I & I in their system. He further stated all Peters Township Sanitary Authority rules and regulations would have to be followed. The additional costs to the residents for complying with the Peters Township Sanitary Authority regulations related to I & I issues maybe excessive.

Donald Gennuso questioned on what difference exists between PTSA and CTMA I & I issues. Walter O'Shinski stated Peters Township Sanitary Authority has a requirement to camera the lines under the basement floors. Any cracked piping found would need to be replaced before a connection would be approved to the new sanitary sewer.

Dan Deiseroth stated a report to the Board would be made within 30 days.

UPDATE ON MILLER'S RUN PROJECT

Donald Gennuso stated the Cecil Township Supervisors voted not to approve the front footage assessment and the project costs. The vote was two against and one for the project. The Board of Supervisors provided a letter the Authority regarding their rejection of the project. A similar letter was mailed to PA DEP.

Donald Gennuso stated the expiration on the bids is Friday, June 3, 2005. Michael Mc Caig addressed the Board on issues related to the bonds. He stated the bonds are callable after five years. He suggested the Authority determine what capital projects may be constructed in the short term (1 to 2 years) and the bond funds and grant money be set aside for those projects. He further stated the remainder of the bond funds be defeased and placed in an escrow account to earn higher interest rates. He stated the objective is to earn higher fees to cover the borrowing yield and get the lowest payments with the same term. The investments would be in U.S. treasury securities. He stated the Authority net cost on the bonds is approximately two percent. George Elish questioned that once the funds are defeased would the funds be available for additional projects. Michael Mc Caig state the Authority would have to go with a new borrowing.

George Elish stated he is in favor of moving ahead with the Millers Run project. He further stated a new Board of Supervisors will take office in January 2006 and the project be repositioned with them.

Donald Gennuso questioned the status of the federal grant. Dan Deiseroth stated the Millers Run project would expire on July 30, 2006 relative to the grant but that an extension is possible. He further stated the grant could be used on other wastewater projects with appropriate approvals by the USDA.

Donald Gennuso questioned the status of the right of way easements. It was decided to hold all right of way easements that have been obtained. Pat Boyer stated the Andrews and Soviero property has been settled. He stated the deed for the Kosky property has been received but payment has not been made. Dennis Bell stated only the Andrews have been paid. He further stated that all engineering and legal fees billed to date have been paid.

Stephanie Lucchino stated the 537 Study is Cecil Township's responsibility to implement. She stated since the township board of supervisors voted not to approve the front foot resolution and the construction costs she would not want to award contracts and then perhaps have legal issues as to why the contracts were awarded.

The Board by a three to one vote on motion by Stephanie Lucchino and second by Adam Ferragonio voted to reject all bids and place the Millers Run project on hold. George Elish voted no.

George Elish stated the project is not dead. He suggested the Board continue to refine the project during the next few months so that everything could continue to move forward. Donald Gennuso stated the next steps should be to wait for the PA DEP to comment through the township. Stephanie Lucchino expressed her concerns on ever getting any study approved by the Board of Supervisors. George Elish stated Phyllis Zaccarino asked legitimate questions of which we could not satisfy her concerns. He stated a different approach is needed and that all options should be explored. George Elish stated the Authority must be proactive and think about the strategy to move the project forward.

SOLICITOR REPORT

Nothing to report.

BUSINESS MANAGER'S REPORT

AUTHORIZE WASTEWATER CREDIT TO JAY BIONI FOR WATERLINE BREAKS

The Board on unanimous vote on motion by George Elish and second by Stephanie Lucchino authorized a credit of an additional 264,100 gallons of water or the equivalent of \$1,597.80 to Jay Bioni, 1551 Nine-Eighty Road, Canonsburg PA for a service line hidden leak. The PA-American Water Company issued a partial credit on February 8, 2005 for 64,500 gallons or \$390.23.

UPDATE ON RIGHT OF WAY EASEMENTS – MILLERS RUN PROJECT

The Board suggested all work on the Millers Run project right of ways be ceased.

Dennis Bell inquired if the funds reserved for the Millers Run project on the cash position report be removed. The Board agreed the funds should not be listed as reserved for Millers Run project.

APRIL 2005 FINANCIAL REPORT

Dennis Bell discussed the financials for April 2005. The total customers billed were 1785. The user fees billed were \$69,051.02 on usage consumption of 8,717,200 gallons. Collections totaled \$96,300.71. The expenses for April 2005 were \$62,178.78. The extraordinary income on the April 2005 financial statement included interest income of \$676.18 and interest income of \$10,941.35 on construction funds for the Millers Run project. The tap-in fees collected in April 2005 totaled \$15,693.00.

Dennis Bell reported quarterly reminder notices were mailed on April 22, 2005. Fifty-one customers were issued letters for a total of \$13,617.72 in unpaid past due

wastewater bills. Nineteen properties were posted for water shut-off. Expenses are under budget through April 2005 except in four accounts with overages totaling \$1,096.83.

CORRESPONDENCE

Correspondence for the month was reviewed for filing.

Adam Ferragonio questioned a letter received from Attorney Adam Barnes regarding the Wheeler/Losey and Taboni Properties in Southpointe. Walter O'Shinski stated the sanitary sewer line was re-routed and sections of line abandoned. He stated minor restoration through the golf course is needed and that the work should be completed soon. He further stated a response to our letter to Rod Piatt for a sanitary sewer easement is unresolved.

PAYING OF EXPENSES/TRANSFER OF FUNDS, ETC.

A unanimous vote on motion by Stephanie Lucchino and second by Adam Ferragonio 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. Alan Korey thanked George Elish for wanting to move the project forward. He stated the front foot assessment plan is proposed was unfair to property owners with large parcels. He suggested other alternatives be considered.

Mr. Richard Manson of Ridgewood Heights applauded the township supervisors for voting down the Act 537 Plan.

Mr. Jeff Mitchell stated the Authority board should not blame the supervisors. He stated the supervisors spoke for the citizens. He stated a plan must be developed that is affordable for the citizens.

EXECUTIVE SESSION

The Board entered into executive session at 8:25 PM to discuss personnel issues. The Board returned to general session at 9:35 PM.

ADJOURNMENT

There being no other business by unanimous vote on motion by Stephanie Lucchino and second by Adam Ferragonio the meeting was adjourned at 9:35 PM. The next regular meeting is scheduled for Thursday, July 7, 2005 at 7:30 PM.

Secretary