

Cecil Township Municipal Authority  
Monthly Meeting  
July 7, 2005

The Cecil Township Municipal Authority held its' regular monthly meeting on Thursday, July 7, 2005 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 W. Patric Boyer, Eckert Seamans Cherin & Mellott LLC; Scott Rusmisl, Gateway Engineers; Walter O'Shinski P.E. and Dennis Bell, Administrator.

MINUTES OF JUNE 2, 2005

The Board approved by unanimous vote the minutes of the regular meeting of June 2, 2005 on motion by Adam Ferragonio and second by Stephanie Lucchino.

AUDIT REPORT 2004

Mr. Steven Cypher, Managing Partner of Cypher & Cypher CPA presented the 2004 audit report to the Board. He stated the financial statements have been prepared in conformity with Generally Accepted Accounting Standards (GAAP) as applied to governmental units. He further stated the Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting principals implemented by the Authority.

The Statement of Net Assets – Proprietary Fund (previously Balance Sheet) reflects total assets of \$13,006,095 and total liabilities of \$7,416,156 with equity of \$5,586,939. The Statement of Revenues, Expenditures, and Changes in Net Assets – Proprietary Fund reflects operating revenue of \$1,039,496, operating expenses of \$733,563, other non-operating income/expenses of \$240,382 and net income of \$546,315. The operating revenue is \$52,737 higher than fiscal 2003 or 5.34%. The administrative expenses were \$104,966 and the operation and maintenance expenses were \$611,874 with the latter being 3.685% higher than in 2003.

In the management letter, Mr. Cypher discussed risk management, and in particular, cash and deposit security and a disaster recovery plan. He recommended a review of existing collateral agreements and development of a strategy on the Authority's cash and investment policies. The recovery plan should include steps for preserving and rebuilding financial data.

The Authority owns infrastructure constructed by developers. GASB 34 permits governments to retroactively report infrastructure that was placed in service prior to implementation of the statement. The effect of this treatment would be to increase the

equity and overall financial position of the Authority. Implementation of this aspect of the standard is not required but is optional at the election of the Board.

The issue of separation of duties was discussed with the understanding that staff size limits the options available. He stated that two areas have greatly assisted in this area – the billing and collection system handled by PA-American Water Company and cash disbursements which require the signatures of two officers.

## ENGINEER REPORT

### UPDATE ON LAWRENCE 537 STUDY

Scott Rusmiser stated Peters Township Sanitary Authority would require payment of a full tap-in fee which could impact any decision to obtain service through Peters Township. He further stated the report would be available for discussion at the August 4, 2005 meeting.

### UPDATE ON TAP-IN FEE CALCULATION FOR ALL DISTRICTS

Scott Rusmiser stated a draft report has been prepared and requires a review by Walter O'Shinski. The report will be prepared for the August 4, 2005 meeting.

### DISCUSS OPTIONS FOR EPA GRANT

Scott Rusmiser stated a telephone conference call with Valerie Breznecky of the EPA would be scheduled to determine what options are available for the grant money.

## SOLICITOR REPORT

### DISCUSS UNRESOLVED PROPERTY ISSUES – MILLERS RUN PROJECT

Patric Boyer addressed the Board on the status of six properties either purchased or in the process of being acquired for the Millers Run project. An important question, needing an answer, is will the Millers Run project be constructed. The Board requested a fee proposal from Gateway Engineers for a preliminary study and an in-depth study for providing treatment through Canonsburg-Houston Joint Authority. The preliminary report must be available for the August 4, 2005 meeting as the property issues must be resolved. Gateway Engineers will prepare the proposal and email to the board members. All property issues are tabled until the August 2005 meeting.

Stephanie Lucchino stated an opinion from the solicitor is needed for the properties deeded or purchase agreed to but no deed transfer. Patric Boyer stated that in the agreements it may state the purpose of the acquisition and will review the issue.

## BUSINESS MANAGER'S REPORT

### AUTHORIZE MOTION TO RESCIND AUTHORITY CONTRIBUTION TO MILLERS RUN PROJECT

The Board on unanimous vote on motion by Stephanie Lucchino and second by George Elish authorized rescinding a motion allocating \$1.159 million of Authority funds to the Millers Run project.

### MAY 2005 FINANCIAL REPORT

Dennis Bell discussed the financials for May 2005. The total customers billed were 1808. The user fees billed were \$80,834.26 on usage consumption of 10,023,900 gallons. Collections totaled \$75,080.25. The expenses for May 2005 were \$98,547.03. The extraordinary income on the May 2005 financial statement included interest income of \$755.25 and interest income of \$11,330.93 on construction funds for the Millers Run project. The tap-in fees collected in May 2005 totaled \$2,700.00.

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. He stated that reminder notices to landlords and tenants were mailed on June 30, 2005 with forty-one landlords receiving the letter. The total amount was \$3,708.68. Expenses are under budget through May 2005 except in five accounts with overages totaling \$1,041.00.

## CORRESPONDENCE

Correspondence for the month was reviewed for filing.

Donald Teyssier commented on a letter from Partridge Venture Engineering regarding a meeting scheduled for July 14, 2005 to discuss sewage facilities in the Morganza Road area. Walter O'Shinski stated the developer is Lynn Foltz who is proposing a townhouse development across Morganza Road from All Clad Metals. He stated he believes the meeting may involve building a pump station for the development with service through North Strabane MA.

George Elish commented on an article in the PMAA magazine on treatment plant designs, specifically artistically designed plants to blend in with the community.

## 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. Alfred Heirendt of 23 Crestwood Drive, Cecil PA addressed the Board. He stated the Millers Run project should be constructed. He delivered a report for the Board offering three inputs from the people living in the project area with the hope of getting the project on track.

#### EXECUTIVE SESSION

The Board entered into executive session at 8:50 PM to discuss professional services. The Board returned to general session at 9:45 PM.

#### AUTHORIZE RFQ FOR LEGAL SERVICES

The Board on unanimous vote on motion by Stephanie Lucchino and second by George Elish authorized to advertise an RFQ for Legal Services.

#### ADJOURNMENT

There being no other business by unanimous vote on motion by Donald Teyssier and second by Adam Ferragonio the meeting was adjourned at 9:50 PM. The next regular meeting is scheduled for Thursday, August 4, 2005 at 7:30 PM.

---

Secretary