

Cecil Township Municipal Authority
Monthly Meeting
August 4, 2005

The Cecil Township Municipal Authority held its' regular monthly meeting on Thursday, August 4, 2005 at the Cecil Township Municipal Building. Chairman Donald Gennuso called the meeting to order at 7:30 PM with Donald Teyssier, Stephanie Lucchino and George Elish present. Absent was Adam Ferragonio. Also present was Phillip Binotto, Eckert Seamans Cherin & Mellott LLC; Dan Deiseroth, Gateway Engineers; and Dennis Bell, Administrator.

MINUTES OF JULY 7, 2005

The Board approved by unanimous vote the minutes of the regular meeting of July 7, 2005 on motion by Donald Teyssier and second by Stephanie Lucchino.

ENGINEER REPORT

UPDATE ON MILLERS RUN PROJECT

Dan Deiseroth presented a report analyzing three alternatives for providing treatment for the Millers Run area through the Canonsburg-Houston treatment plant. The goal was to determine if any savings would be realized in the construction costs. The cost estimates were based on recent actual bids received for the Millers Run project. The comprehensive study completed for the Southpointe and the Morganza Road watersheds was used for the analysis. It was assumed that capacity would be available at the Canonsburg-Houston plant.

Option One analyzed pumping from Millers Run in Cecil directly into the Canonsburg-Houston treatment plant utilizing the most direct route along Klinger Road and Southpointe Boulevard. This option would require one pump station and a 15" force main. The option will not permit any future connections outside of the Millers Run watershed.

Option Two analyzed pumping along Klinger Road to the Papp Road/Klinger Road intersection and flowing by gravity into the Southpointe watershed. It would then proceed and connect into the Morganza Road/Southpointe system. This option would allow for participation by developers with the construction of the gravity sewers. The option will allow for future connections off the gravity sewer portions of the proposed system.

Option Three would pump into the Hendersonville watershed along Cecil-Hendersonville Road and then flow by gravity to Morganza Road. At that point, it would be pumped into the Morganza Road watershed assuming the proposed

Morganza/Southpointe system is built. This option would allow for participation by developers due to the construction of the gravity sewers. The option will allow for future connections off the gravity sewer portions of the proposed system.

The cost estimates consider only providing service to existing structures. The analysis uses criteria of a \$4,500 flat fee with no assessment and a user rate of \$55 per customer, which includes the debt service and operation and maintenance. While the operation and maintenance at the Millers Run treatment plant have been eliminated, the cost of service by Canonsburg-Houston treatment plant at \$3.40 per 1000 gallons of waste and the costs for maintaining pump stations and sanitary lines are included in the analysis.

The options considered do not improve the ability to build the Millers Run project with rates of \$55 per month and a \$4,500 tap-in fee. Deficits exist for all options with no benefit for developer participation. Operations and maintenance costs for the Canonsburg-Houston options exceed the estimated O & M costs for the Millers Run plant.

Other considerations for reducing the costs of the Millers Run project would be to reduce the size of the interceptor line and treatment plant. A smaller interceptor line would hurt long-term development and the smaller treatment plant provides no significant savings. Another consideration would be to reduce the service area, but that would eliminate customers.

Donald Gennuso inquired on ability to presale tap-in to developers. Phillip Binotto will research the tap-in laws to determine if this option is viable. Donald Gennuso suggested some guidelines be written regarding this issue. George Elish inquired if the second-class township code requires supervisor approval on construction cost. Phillip Binotto stated he would investigate and advise the Board.

Donald Gennuso suggested a special meeting with the Board of Supervisors be scheduled to discuss the reports. Dennis Bell will arrange the meeting through Paul Amic.

DISCUSS MORGANZA ROAD AREA PROPOSED SANITARY PLANS

Mr. Lynn Foltz was not present at the meeting to address the Board.

DISCUSS OPTIONS FOR EPA GRANT

Dan Deiseroth stated the EPA grant is secure. He stated an up-date should be provided to the EPA in the spring of 2006.

UPDATE ON LAWRENCE 537 STUDY

Andy Blenko presented a report on the Lawrence study. He stated there are 336 homes in the study area. He stated an environmental problem exists from failing on lot systems and wildcat sewers. The area is located in two watersheds and at a minimum pumping will be needed.

Andy Blenko presented five options to the Board. Two of the options are not viable due to the estimated costs of \$8.7M and \$8.873M. Those options would be to build a new sewerage plant for all of Lawrence and to service the 236 homes through Alcosan. The current treatment plant can handle 100 homes.

Option One provides service for all of Lawrence at the existing Teodori STP. A plant expansion is possible on a limited available site. There would be no potential for future development

Option Two provides for treatment at both the Teodori STP for the 100 homes and treatment at the Peters Township plant for the balance of homes in Lawrence.

Option Three would utilize the Teodori STP to service the 100 homes and then build a second plant at the southern end of the town to serve the 236 homes.

The criteria used were for a \$4,500 tap-in fee and a \$55.00 monthly fee.

The three options have similar construction costs ranging from \$6.4M to \$6.8M. The monthly user fees range from \$112.16 to \$116.94 without a subsidy. The project to come with a \$55.00 monthly fee would require a cash contribution of \$3.5M part of which could be the \$1M grant.

George Elish requested the report be modified to include a \$25 front footage assessment, a \$4500 tap-in fee and a monthly user rate of \$65 per month. Dan Deiseroth stated he would prepare a report for the Board.

Dan Deiseroth stated the PA DEP would prefer options one and/or two.

UPDATE ON TAP-IN FEE CALCULATION FOR ALL DISTRICTS

Dan Deiseroth presented a report for the tap-in fees. Act 57 requires Authorities to recalculate existing tap-in fees using three components – connection fee, capacity and tapping fees. Dan Deiseroth stated historical costs or trended construction costs were used in the analysis. The proposed tap-in fees may be established by area or the Authority may adopt one uniform tap-in fee. The Board requested Dan Deiseroth calculate a uniform tap-in fee and advise the members accordingly. Dan Deiseroth stated a resolution is required for setting the new tap-in fees. A tap-in fee resolution should be available for adoption at the September meeting.

SOLICITOR REPORT

DISCUSS UNRESOLVED PROPERTY ISSUES – MILLERS RUN PROJECT

Phillip Binotto addressed the Board on the status of six properties either purchased or in the process of being acquired for the Millers Run project. It was decided to continue to obtain the properties and to pay for the properties already deeded to the Authority.

BUSINESS MANAGER'S REPORT

DISCUSS INVESTMENT OF CONSTRUCTION FUNDS – 1ST COMMONWEALTH BANK

The Board on unanimous vote on motion by George Elish and second by Donald Teyssier authorized investing \$3.8M of construction funds into a Jumbo CD for a twelve month period at the interest rate of 4.15 percent.

INSURANCE RENEWAL – PROPERTY; LIABILITY; PUBLIC OFFICIALS; VEHICLE & WORKERS COMPENSATION

The Board on unanimous vote on motion by George Eish and second by Stephanie Lucchino authorized acceptance of the insurance proposal presented by the Simonin Agency for annual premiums totaling \$16,090. The effective dates of coverage is from August 6, 2005 to August 5, 2006

PROPOSAL FROM CYPHER & CYPHER CPA FOR AUDIT SERVICE FOR 2005, 2006 & 2007

The Board on unanimous vote on motion by Stephanie Lucchino and second by George Elish authorized accepting the proposal from Cypher & Cypher for auditing services in 2005, 2006 and 2007 at the price of \$5,150, \$5,550 and \$5,950 respectively.

REQUEST FOR CREDIT ON WASTEWATER BILL

The Board on unanimous vote on motion by George Elish and second by Donald Teyssier authorized a credit of 45,100 gallons of water of \$272.86 for Mr. Jeff Mucci, 190 Markwood Drive, Canonsburg PA.

DISCUSS JUNE 2005 FINANCIAL REPORT

Dennis Bell discussed the financials for June 2005. The total customers billed were 1801. The user fees billed were \$90,242.55 on usage consumption of 12,100,930 gallons. Collections totaled \$80,099.78. The expenses for June 2005 were \$35,741.63.

The extraordinary income on the June 2005 financial statement included interest income (monthly and quarterly) of \$38,983.80 and interest income of \$11,026.17 on construction funds for the Millers Run project. The tap-in fees collected in June 2005 totaled \$4725.00.

Dennis Bell reported landlord/tenant reminder notices were mailed on June 30, 2005. Forty-one customers were issued letters for a total of \$3,708.68 in unpaid past due wastewater bills. Expenses are under budget through June 2005 except in four accounts with overages totaling \$901.76.

CYPHER & CYPHER CPA MEETING

Dennis Bell advised the Board of the August 9, 2005 meeting with Steven Cypher to discuss changes made to the financial statements.

CORRESPONDENCE

Correspondence for the month was reviewed for filing.

PAYING OF EXPENSES/TRANSFER OF FUNDS, ETC.

A unanimous vote on motion by George Elish and second by Stephanie Lucchino 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

No comments from the floor.

EXECUTIVE SESSION

The Board entered into executive session at 9:50 PM to discuss professional services. The Board returned to general session at 10:10 PM.

ADJOURNMENT

There being no other business by unanimous vote on motion by George Elish and second by Donald Teyssier the meeting was adjourned at 10:10 PM. The next regular meeting is scheduled for Thursday, September 1, 2005 at 7:30 PM.

Secretary