

Cecil Township Municipal Authority  
Special Meeting On  
Millers Run Project Costs  
September 29, 2005

The Cecil Township Municipal Authority and the Cecil Township Board of Supervisors held a special meeting on Thursday, September 29, 2005 at the Cecil Township Municipal Building. Chairman Donald Gennuso called the meeting to order at 7:30 PM. The Authority members present were Donald Teyssier, Stephanie Lucchino, Adam Ferragonio and George Elish. 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 presented information on the updated study for providing sewerage treatment through the Canonsburg-Houston treatment plant. He stated all flows into the Canonsburg-Houston plant must be pumped.

Three options were examined. The first option was pumping from Millers Run approximately 26,560 feet via a 15-inch force main along Klinger Road and Southpointe Boulevard. It is the least costly of the three options estimated at \$15,510,473. The negative impact is no ability to pick up additional customers in the Southpointe watershed.

The second option was pumping to the area of Papp and Klinger Road approximately 8,900 feet of 12 inch force main along Klinger Road then approximately 8,110 feet of gravity sewer from Papp Road through Southpointe to a new pump station on Morganza Road at which point it would be pump to the Canonsburg-Houston treatment plant. This option allows for tap-ins from future customers in the Southpointe watershed and helps to achieve the recommended ultimate sewage in the Southpointe watershed. The negative is high construction cost to build the Morganza Road pump station and force main. The estimated cost for this project is \$18,627,057.

The third option it to pump Millers Run to the Hendersonville watershed by building approximately 5,170 feet of 12 inch force main along Cecil-Henderson Road, then 12,810 feet of gravity sewer from the high point near Karmann Road to a proposed Hendersonville pump station and then pumping into the Morganza Road watershed and pumping again to the Canonsburg-Houston treatment plant. The pros allow tap-in of future customers in the Morganza and Hendersonville watersheds and helps to achieve the recommended ultimate sewage plan in the Southpointe and Hendersonville watersheds.

The negatives are the highest construction cost for building two pump stations and force mains. The estimated cost for this project is \$23,129,172.

All three options considered in the study do not improve the ability to build the Millers Run project with rates of \$55 per month and a tap-in fee of \$4,500. Due to the costs of options two and three, there would be no incentive for developer participation. The estimated operation and maintenance costs for the Canonsburg-Houston treatment plant exceed the estimated O & M costs of a Millers Run treatment plant due to the treatment charge to Canonsburg-Houston and the operating costs of pump stations and lines. The Millers Run project as bid would have a deficit of \$4.741 million using the basis of a \$4,500 tap-in fee and a monthly user rate of \$55 per month.

The Alcosan alternative was reviewed as an option for the Millers Run project. The agreement with South Fayette Township permits up to 300 taps and any additional capacity would have to be agreed to by both South Fayette and Alcosan. South Fayette Township has I & I problems and they may be reluctant to issue any additional tap-ins over the 300 already allocated. The Alcosan rates would be 26 percent higher than the lowest cost alternative for the Millers Run project. Also, the Alcosan rates are increasing to account for wet weather issues and corrective actions mandated by PA DEP.

The design of the treatment plant provides for flow from the Fleehler system and for future growth of 448 equivalent dwelling units (EDU's). PA DEP guidelines recommend a 20-year design life. The design life of the proposed treatment plant is only 13 years based upon growth peaking at 45 EDU's per year.

The pipe sizing can be reduced but that would eliminate any ability to service areas outside of the township. Reducing the pipe size by one increment on the interceptor sewer offers an insignificant savings over the entire project costs. The cost savings is insignificant to the overall project costs.

## LAWRENCE ACT 537 PLAN UPDATE

Andy Blenko presented the information on sewage options for Lawrence. PA DEP required that the 1992 study be updated as a result of the construction of the Hill Station Manor subdivision. Photographs of raw sewage discharges were presented.

The Village of Lawrence sits in two watersheds. Any option for providing sewerage to the village will require addressing the needs in the two watersheds, which will result in higher costs. Five options were studied. The first option provides for building a pump station and expanding the Teodori STP. The option would offer no potential for future growth in the watershed.

The second option provides for 100 EDU's to flow to the existing Teodori STP and the remainder of 236 EDU's would be serviced through Peters Township Sanitary Authority. Peters Township would charge a tap-in fee currently being charged to their residents. In addition, Peters Township has a strict I & I policy. The Lawrence residents would have to comply with their policy.

The third option provides for 100 EDU's to flow to the existing Teodori STP and the remainder of the 236 EDU's to a new treatment plant to be built on the northern end of the town along Chartiers Creek.

The fourth option provides for constructing a new treatment plant for all of Lawrence. The current treatment plant would be abandoned and replaced with a pump station. The advantage of this option is the flexibility to expand the treatment plant to accommodate future growth.

The fifth option provides for the treatment of the 236 EDU's through the Alcosan system. The option would require the approval from five governmental groups.

The construction costs under options four and five are approximately two million dollars higher than options one, two and three. The latter three options have similar construction costs ranging from \$6.4M to \$6.8M.

Option three is the most cost-effective alternative for addressing the sewage needs of Lawrence. It solves the immediate needs of the area and allows for future growth in the service area as the plant could be built for future expansion.

The issue to be addressed is what direction the township wishes to pursue. The Authority has debt of \$7.3M, which was guaranteed by the township in June of 2004. The debt incurred was to construct a sewer system in the Millers Run area. The debt service payments on the bond issue are now coming due, which impacts on the Authority's financial position. The bonds have a five-year call. The other issue is the federal grant awarded for constructing a sewer project. In the spring of 2006, the EPA will require an update on the status of a construction project and where the grant will be utilized.

During the course of the evening, several residents expressed opinions on the information provided. The overall consensus of those present is that sewage is needed in the township.

Based on a discussion held on financing the project, Donald Gennuso suggested Mike Mc Caig with PNC Capital Markets re-run the financial modules.

The meeting was adjourned at 10:25 PM.

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Secretary