

Cecil Township Municipal Authority
Monthly Meeting
February 2, 2006

The Cecil Township Municipal Authority held its' regular monthly meeting on Thursday, February 2, 2006 at the Cecil Township Municipal Building. Chairman Donald Gennuso called the meeting to order at 7:35 PM with Stephanie Lucchino, George Elish and Kenneth Heirendt present. Absent was Donald Teyssier due to illness. Also present was Romel Nicholas, Gaitens, Tucceri and Nicholas; Andrew Blenko and Dan Deiseroth, Gateway Engineers; Walter O'Shinski P.E. and Dennis Bell, Administrator.

MINUTES OF JANUARY 5, 2006

The Board on a three to one vote approved the minutes of the reorganization and regular meeting of January 5, 2006 on motion by George Elish and second by Stephanie Lucchino. Mr. Kenneth Heirendt abstained.

WELCOME TO NEW BOARD MEMBER AND THANK YOU TO OUTGOING MEMBER

Mr. Donald Gennuso welcomed Kenneth Heirendt to the Board. He thanked Adam Ferragonio for his service of over ten (10) years on the Board.

ENGINEER REPORT

PARTIAL ACCEPTANCE OF SEWERS - BROOKS & BLAIR HOMES

The Board on a three to one vote authorized an acceptance of the sanitary sewer lines from manhole 3 to manhole 6 in the Brooks & Blair Homes subdivision subject to the completion of all items listed in a punch list dated January 27, 2006 prepared by Walter O'Shinski. Mr. Kenneth Heirendt abstained.

REQUEST FOR RELEASE OF DEVELOPER ESCROW FUNDS FOR WINDSOR WOODS

The Board on unanimous vote on motion by Stephanie Lucchino and second by George Elish authorized the release of \$5,256.18 from the developer escrow account for Windsor Woods. The request was made in a letter to the Board dated January 24, 2006. The Board stated that if the project were to resume the developer escrow funds would have to be deposited prior to the start of work.

T & R PROPERTIES PLAN

Walter O'Shinski stated the letter of support from the Authority for the T & R Properties as requested by Mr. Philip Bishop of Civil and Environmental Consultants Inc. has been prepared. Romel Nicholas requested that Attorney Russell Mills representing T & R Properties address the Board. Attorney Mills requested the letter be addressed to Cecil Township and not to Civil and Environmental Consultants. Romel Nicholas suggested that Attorney Mills review the content of the letter. Walter O'Shinski stated no planning module has been received from T & R Properties as yet..

Walter O'Shinski referred to a letter received from Scott Hilty of Civil & Environmental Consultants regarding lack of cooperation between Lynn Foltz and Ron Sabatino. He stated that at the January 2006 meeting the Board authorized a letter to the township indicating review and approval for the planning module on the Maple Ridge PRD for a pump station with flows of approximately 65,870 gallons per day. He further stated as a part of that approval for writing the letter to the township the two developers agreed to work together to building the 200,000 gallons per day pump station. Romel Nicholas stated that was the stated intent of the developers. Romel Nichols recommended that a letter be sent to the township asking that action on the Planning Module be tabled until the developers can work out their issues. Romel Nicholas suggested the letter address the ambiguity that has occurred since the Board authorized the letter be written offering approval of the planning module.

By unanimous vote on motion by Stephanie Lucchino and second by Kenneth Heirendt the Board authorized a letter to be written to the township recommending action on the Planning Module be table. All parties should be copied on the letter.

MILLERS RUN UPDATE

Andy Blenko reviewed the report on tap fee calculations with the Board. The report considers the estimated total project costs less the \$1M grant, tap-in fees and a \$2M Authority contribution to subsidize the project for the 30-year period. The report shows a maximum tap-in fee of \$8,020 with a \$7,000 tap-in fee for current residents discounted by \$1,000 if paid during a discount period. The estimated average monthly user rate is \$53 to \$55 per month. The user rates are projected to increase at 2.5 percent annually.

The operations and maintenance costs are projected to increase by 3 percent annually.

Andy Blenko presented a slide presentation on the project and an open discussion was held. Mike Monaco questioned the 11-year build-out on the plant capacity. He suggested the numbers be run showing a build-out in seven years. He stated that the Midway Sanitary Authority has no capacity in their new treatment plant. Donald Gennuso stated the most conservative estimate on new tap-ins was used based on the Authority's experience for new tap-ins in the Brush Run and Southpointe areas.

Kenneth Heirendt suggested a lower tap-in fee for current residents and a higher

fee for new customers. Stephanie Lucchino questioned if PA DEP required an updated 537 Study. Romel Nicholas stated he wants to review the eminent domain resolution. Elizabeth Cowden inquired on the size of the interceptor line. Elizabeth Cowden requested the information be mailed to her. Dan Deiseroth agreed to provide the information.

Donald Gennuso stated that contracts need to be negotiated and there is sixty (60) days of work to get to bid. The bid packages would be available in early April 2006.

SOLICITOR REPORT

Romel Nicholas referred to his written report to the Board on ongoing projects. The report included the discussions held with staff for lien processes, rate resolution modification, personnel matters, and borrowing/loans. He stated files that were open from the previous solicitor have been secured.

BUSINESS MANAGER'S REPORT

DISCUSS CANONSBURG-HOUSTON JA RATE INCREASE NOTIFICATION AND CHANGE RESOLUTION

Dennis Bell advised the board that the previous rate increase announced by the Canonsburg-Houston JA was vetoed by the Mayor of Canonsburg. He stated another vote would be taken by Canonsburg council for approving the sixty-cent per 1,000-gallon increase. The board agreed to hold any action pending a final decision.

APPOINTMENT OF OFFICER- ASST. SECRETARY/ASST. TREASURER

The Board on unanimous vote on motion by Stephanie Lucchino and second by George Elish appointed Kenneth Heirendt to the position of Assistant Secretary/Assistant Treasurer replacing Adam Ferragonio.

UPDATE ON WEB SITE DESIGN

Dennis Bell advised the Board that the domain name is ctmaonline.org. He stated the site is basically completed but that work will continue on the developer and landlord sections. He further stated that new items are now appearing on the website specifically the announcement regarding the re-bid on the Millers Run project.

DISCUSS PROCEDURES FOR LIEN FILINGS

Dennis Bell advised the board on changes that may be needed for lien filings now that the solicitor is from Allegheny County. Romel Nicholas stated he reviewed the information provided under the Authority's rules and regulations and that a new

resolution should be issued.

By unanimous vote on motion by Stephanie Lucchino and second by Kenneth Heirendt the Board agreed to have the Solicitor prepare a resolution.

DISCUSS DECEMBER 2005 FINANCIAL REPORT

Dennis Bell discussed the financials for December 2005. The total customers billed were 1804. The user fees billed were \$82,113.04 on usage consumption of 10,078,400 gallons. Collections totaled \$81,324.74. The expenses for December 2005 were \$76,749.39 with \$27,531.74 booked to account payable due to year-end. The developer escrow accounts were charged \$17,365.71 for costs associated with development in 2005. The figure compares to \$53,791.46 collected in 2004. The extraordinary income on the December 2005 financial statement included interest income of \$38,480.66. Tap-in fees of \$1,890.00 were collected.

Dennis Bell reported landlord/tenant quarterly reminder notices were mailed on January 10, 2006.

Expenses are under budget through December 2005 except in ten accounts with those expenses over budget by \$33,814.90 with the majority in treatment charges to account for the higher user rates.

CORRESPONDENCE

The correspondence was review for filing. George Elish commented on a letter dated January 18, 2006 addressed to PA DEP from Diane Altland on capacity issues at the Canonsburg-Houston JA treatment plant.

PAYING OF EXPENSES/TRANSFER OF FUNDS, ETC.

A unanimous vote on motion by George Elish and second by Kenneth Heirendt 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

Kathy Romano commented on the tap-in fees being charged in the other areas and specifically those charged by Canonsburg-Houston JA. She questioned the tap-in fee for residents in the Ridge wood Heights subdivision. Andy Blenko stated the fee should be between \$3,200 and \$4,000.

John Rudinsky questioned how many contracts would be bid for the Millers Run project. The number was quoted as seven.

Dominic Dimatteo questioned why no one is appointed to the Board that is a current sewer customer. Donald Gennuso stated the board of supervisors advertised and few applications were received.

Dominic Dimatteo questioned if the Brush Run bond issue of 1986 was paid. Dennis Bell stated the last payment of approximately \$72,000 was made in November 2005.

Dominic Dimatteo questioned on the amount of income reported in the 2004 audit. Dennis Bell discussed the operating income making a comparison to the amount stated in the audit report.

Elizabeth Cowden questioned the size of the interceptor line. Dan Deiseroth stated the pipe is sufficient to handle the flows in the Millers Run watershed for properties located in the township.

Walter Stanford questioned the proposed change to the rock clause. He also questioned why his suggestion for a US Filter company plant is still not being considered. Walter O'Shinski stated the information provided by Mr. Stanford was not complete and that KLH Engineers will do an evaluation of the information provided.

Stan Kass questioned where the project scope and the plans for an alternative bid to service the school and the township buildings. It was stated the project would be governed by the bids. It was stated that under the new financial analysis the Authority will subsidize with \$2M in an attempt have the initial average user rates at \$55 per month. He stated the project estimated costs are 40 to 50 percent over what the US EPA considers affordable with a medium income of \$50,616 for the township. He questioned how the Authority could justify doing a project with these costs. He asks if the Authority considered smaller plants. Donald Gennuso stated the PA DEP prefers to eliminate small treatment plants by having one treatment facility.

EXECUTIVE SESSION

The Board on unanimous vote on motion by George Elish and second by Stephanie Lucchino entered into an executive session at 9:10 PM to discuss contract issues. The Board returned to the general session at 10:17 PM.

Returning to the general session, the Board on unanimous vote on motion by Stephanie Lucchino and second by Kenneth Heirendt authorized the professionals to prepare the construction specifications and to proceed to re-bid the Millers Run project.

The Board on unanimous vote on motion by Stephanie Lucchino and second by George Elish authorized to pay the invoice for Gaitens, Tucceri and Nicholas P.C., as their amount of payment was not listed on the bills paid for the month.

ADJOURNMENT

There being no other business by unanimous vote on motion by George Elish and second by Kenneth Heirendt the meeting was adjourned at 10:25 PM. The next regular meeting is scheduled for Thursday, March 2, 2006 at 7:30 PM.

Secretary