

Cecil Township Municipal Authority  
Monthly Meeting  
June 6, 2006

The Cecil Township Municipal Authority held its' regular monthly meeting on Tuesday, June 6, 2006 at the Cecil Township Municipal Building. Chairman Donald Gennuso called the meeting to order at 7:30 PM with Stephanie Lucchino, George Elish and Kenneth Heirendt present. Absent was Donald Teyssier. Also present was Romel Nicholas, Gaitens, Tucceri and Nicholas; Andrew Blenko, Gateway Engineers; Walter O'Shinski P.E. and Dennis Bell, Administrator.

MINUTES OF MAY 4, MAY 17 AND MAY 25, 2006

The Board on a unanimous vote on motion by Kenneth Heirendt and second by George Elish approved the minutes of the regular meeting of May 4, 2006 and the special meetings of May 17 and May 25, 2006.

ENGINEER REPORT

UPDATE ON MILLERS RUN PROJECT

Andy Blenko discussed the options being considered for constructing all of the project or for eliminating the line from Cowden Road to the Cecil Intermediate School. The other consideration was for the township to do all or none of the paving. Donald Gennuso stated the Board has sixty (60) days from the bid opening to award contracts. Andy Blenko stated the low bidders would be notified by June 29, 2006. He stated that approximately sixty (60) right of ways are outstanding.

Scott Shearer with Public Financial Management Inc. addressed the Board to discuss the financial analysis for the four options under consideration. He stated that at the May 17, 2006 special meeting eight (8) options were presented. At that meeting, the Board asks for another analysis to be completed if the Authority's up-front investment were less than \$2.M and what impact that would have on the monthly user fee. At the follow-up meeting on May 25, 2006, Bjorn Reisal presented to the Board the impact on user rates with a lesser amount contributed from the Authority.

Scott Shearer stated the focus was on obtaining the lowest user rates. In the analysis, the tap-in fee would be \$7,000 discounted by \$1,000 for current homeowners who are not located in areas currently serviced by treatment facilities. The monthly user rate was stated at \$53.00 per month with annual increases of 2.5 percent beginning in 2009. The existing customers would be charged an additional \$1.00 per month. The Analysis provided an estimated four (4) percent return on the investment to the Authority over the forty (40) year bond period. Scott Shearer stated the Authority must strive to operate in a surplus and accumulate additional funds for other projects.

Scott Shearer stated the Authority would need to have the township guarantee both the forty-year (2006 bond issue) and a short-term note. The bonds would be valued at \$9.225M and sold in the July to August 2006 time period with a closing in August to September. The short-term note for \$3.5M would be completed in January 2007 and the funds used to cover construction costs prior to the Authority receiving the tap-in money from the residents. The loan would be arranged for a five-year period. The structuring of the two borrowings would have the Authority obtaining the necessary governmental approvals.

Walter O'Shinski stated he was working on arranging a meeting with the Canon-Mc Millan School district. Scott Shearer advised the Board that the school would be interested in having the \$400,000 tap-in fee attached to the Authority's short-term borrowing. The school district would then reimburse the Authority over the five-year period. Tom Lynch, the Authority's bond counsel, stated the arrangement was acceptable to him. He suggested an agreement would be appropriate between the Authority and the school district with a letter of understanding. Kenneth Heirendt suggested keeping any financial arrange with the school district to five years or less.

Donald Gennuso asks the Board if the contracts should include the paving by the township. Kenneth Heirendt stated he requested a proposal from the township and that as of the meeting no proposal was received. Donald Gennuso stated that members of the Authority board expressed concerns for liability issues and work efficiencies. Donald Gennuso suggested the Board consider approving option one – the full project with the contractors doing the paving.

The Board on unanimous vote on motion by Stephanie Lucchino and second by Kenneth Heirendt authorized awarding the construction contracts for the Miller's Run Project to the lowest bidders by June 29, 2006 for option one – building the entire project with the understanding that a letter of agreement for participating in the project be obtained from the school district. If an agreement cannot be reached by the June 29, 2006 date then option three would be built. Option three reduces the scope by eliminating the sanitary line from Cowden Road to the Cecil Intermediate School.

## BUSINESS MANAGER REPORT

### AUTHORIZE RESOLUTION 3-2006 – ESTABLISHING RULES AND REGULATIONS FOR INSTALLING NON-PUBLIC WATER SUPPLY AND DEDUCT WATER METERS

Dennis Bell explained that Resolution 3-2006 changes the method of reimbursement to the customer for the deduction meter reading. He stated that previously PA-American Water Company processed the usage and dollar value with a credit against the wastewater bill. He further stated the new process would require the Authority to issue a check to the customer. Kenneth Heirendt questioned why the resolution does not address those customers on well water. Dennis Bell suggested the Board take no action

until the issue can be researched and addressed in the resolution.

#### AUTHORIZE SIGNING HIGHMARK BLUE CROSS/BLUE SHIELD AGREEMENT FOR INSURANCE COVERAGES FOR PERIOD JULY 1, 2006 TO JUNE 30, 2007

Dennis Bell reported to the Board that the medical insurance coverage's remain unchanged and that the 2006-2007 premium is lower by 5.05 percent for individual and two-person coverage and by 5.84 percent for individual and child coverage. The Board on unanimous vote on motion by Stephanie Lucchino and second by Kenneth Heirendt authorized signing the agreement with Highmark Blue Cross/Blue Shield.

#### DISCUSS PA-AMERICAN WATER COMPANY CHANGE IN BILLING

Dennis Bell discussed with the Board a request for a change in the monthly billing with PA-American Water Company. He stated the current bill does not breakout the unpaid balance for water and wastewater charges and the proposed change would make that adjustment. The Board on a three to one vote on motion by Stephanie Lucchino and second by Kenneth Heirendt authorized the change in billing with an amount not to exceed \$972.00 for the programming change. George Elish voted no.

#### DISCUSS REQUEST FOR DEDUCTION METER CREDIT

Dennis Bell referred to a letter from Roberta Sarraf and Duane Moore, 1017 Oak Ridge Road, Canonsburg PA for a credit of 134,000 gallons of water used during a two-year period for exterior watering. The resident indicated the meter was installed but that the contractor did not call the Authority for an inspection and initial reading. The Board on a two to one vote on motion by Kenneth Heirendt and second by George Elish authorized a credit for the 134,000 gallons of water or the U.S. dollar equivalent of \$785.70 after the reading fee of \$25.00. Donald Gennuso abstained. Stephanie Lucchino voted no.

#### VALLEY BROOK COUNTRY CLUB CREDIT REQUEST

Walter O'Shinski discussed with the Board an issue regarding deduction meters located at the club. He stated the potable water line was used specifically to fill a pond used for irrigation during the period August 8 to October 12, 2005. The gallons used were 4,804,500 and both water and wastewater charges were billed. The country club requested a credit of \$30,000. Dennis Bell discussed with the Board adjustments to the bill and the appropriate credit of \$27,761.25. The Board on unanimous vote on motion by George Elish and second by Stephanie Lucchino authorized a credit to the Valley Brook Country Club wastewater account with PA-American Water Company.

## AUTHORIZE SIGNING CONFIRMATION OF REPRESENTATIONS FOR 2006 AUDIT

The Board on unanimous vote on motion by Stephanie Lucchino and second by George Elish authorized signing the confirmation letter for the 2006 audit report.

## DISCUSS APRIL 2006 FINANCIAL REPORT

Dennis Bell discussed the financials for April 2006. The total customers billed were 1829. The user fees billed were \$77,591.81 on usage consumption of 9,996,000 gallons. Collections totaled \$65,415.40. The expenses for April 2006 were \$66,143.71. The extraordinary income on the April 2006 financial statement included interest income of \$537.34 and tap-in fees of \$10,012.00. Expenses are under budget through April 2006 except in four accounts for Supplies and Tools over budget by \$216.73; Chemicals over by \$367.66; Gas over by \$13.48; Dues and Publications over budget by \$339.65. Tap-in fees are over budget by \$13,304.00 through April 2006.

## SOLICITOR REPORT

### DISCUSS THE MONTHLY REPORT

Romel Nicholas discussed the monthly report with the Board.

### DISCUSS FILING OF RIGHT OF WAY CONDEMNATIONS

Romel Nicholas advised the Board that between 55 and 60 right of ways would be filed with the prothonatary office on or about June 7, 2006. He stated personal service will be used to hand deliver the packages to the individual property owners. The Board on unanimous vote on motion by Stephanie Lucchino and second by George Elish authorized signing the affidavit for the declaration of takings and the bonding.

### DISCUSS ORDINANCE FROM CECIL TOWNSHIP FOR BOND ISSUE

Romel Nicholas stated the 2006 bond issue requires an ordinance be adopted by Cecil Township for the guarantee of the bonds. The guarantee would provide a lower interest rate on the issue. Tom Lynch, bond counsel, stated he would prepare the letter to be addressed to the township for their advertising the bond issue. The letter must be delivered to the township for their June 12, 2006 meeting. The Board on unanimous vote on motion by George Elish and second by Kenneth Heirendt authorized the letter to the township requesting their authorizing the advertisement for the guarantee on the 2006 bond issue.

## DECK ENCROACHMENT – LOT 208 ARENSBURG ESTATES (WINDSOR WOODS)

Romel Nicholas requested the subject be discussed in executive session.

The Board on unanimous vote on motion by George Elish and second by Kenneth Heirendt authorized a letter to the developer Joseph Perri stating that the Authority is not adverse to a three foot encroachment into the sanitary sewer easement subject to the Authority approving the language in the agreement.

## CORRESPONDENCE

George Elish inquired on an agenda item that was removed prior to the meeting. Walter O'Shinski stated the request from a Chartiers Township resident to tap-into the Authority sanitary line along Nine-Eighty Road, Canonsburg PA. He stated the request did not require a board action as an agreement exist between CTMA and Chartiers Township for residents wishing to tap-in the Authority line. He stated the property owner would be required to obtain all easements. In addition, the Authority would require a cash performance bond of \$1,000.00 be provided before the start of the construction. The tap-in allocation would be from Chartiers Township.

## PAYING OF EXPENSES/TRANSFER OF FUNDS ETC.

A unanimous vote on motion by Kenneth Heirendt 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

Ms. Kathy Romano ask the Board on the amount of the tap-in fee from the Ridgewood Heights residents and the date the tap-in fee would be due.

Donald Gennuso indicated the township will be working with the Washington County Planning office to provide some financial assistance to residents who do not qualify for other program funding i.e. Rural Utility Service grant program. He stated the

township would work to develop a program for the grant money and get the information to the public. Dennis Bell stated grant money for qualified individuals is still available through the RUS program.

#### EXECUTIVE SESSION

The Board entered into an executive session at 9:05 PM to discuss legal issues related to land acquisitions on motion by Kenneth Heirendt and second by George Elish. The board returned to the general session at 10:10 PM. The board took an action of the deck encroachment for Lot 208 Windsor Woods sub-division as stated above.

#### ADJOURNMENT

There being no other business by unanimous vote on motion by Stephanie Lucchino and second by Kenneth Heirendt the meeting was adjourned at 10:15 PM. The next regular meeting is scheduled for Thursday, July 6, 2006 at 7:30 PM.

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Secretary