

Cecil Township Municipal Authority
Special Meeting
July 20, 2006

The Cecil Township Municipal Authority held a special meeting on Thursday, July 20, 2006 at the Cecil Township Municipal Building. Chairman Donald Gennuso called the meeting to order at 6:30 PM with Stephanie Lucchino, Donald Teyssier, George Elish and Kenneth Heirendt present. Also present was Dan Deiseroth, Gateway Engineers; Romel Nicholas, Solicitor – Gaitens, Tucceri and Nicholas P.C.; Walter O’Shinski P.E. and Dennis Bell, Administrator.

DISCUSS 2006 BOND ISSUE FOR THE MILLERS RUN PROJECT

Mr. Scott Shearer with Public Financial Management Inc., financial advisor to the Authority discussed the 2006 bond sale utilizing three firms as approved by the board at their July 6, 2006 meeting. The three firms will compete for the underwriting in a mini-competitive bond sale on either August 2 or August 3, 2006. The three firms that will participate are Mellon Financial, Wachovia Bank and PNC Capital Markets. Donald Gennuso advised the Board that in 2004 PNC Capital Markets and Michael Mc Caig were appointed investment banker for a two-part bond issue for funding the Millers Run project. The first issue was for \$7.3M in 2004 with the remainder to be funded once the Authority had an approved project. He further stated that PNC Capital Markets should be responsible for the deal and may have recourse.

Scott Shearer stated the planned August 3, 2006 bond sale would be for \$9.M with the short-term borrowing of \$3.5M occurring in early 2007. He further clarified that the Board will adopt the bond documents for the \$9.M issue at their August 3, 2006 meeting and adopt the loan documents at the September 2006 meeting. He stated a minimum of fifteen (15) day separation is recommended to earned higher interest and arbitrage yield.

Scott Shearer stated the trustee would be First Commonwealth Bank, the firm that also handled the 2004 bond issue.

He stated that the 2004 bond funds, currently being held in certificate of deposits with the First Commonwealth Bank, are due to mature beginning in August 2006. He suggested the funds be kept in a liquid money market account. In addition, the Authority has three certificates of deposits totaling \$1.4M with Slovenian Savings maturing in October 2006. He suggested the funds be kept in a liquid money market account for use toward the construction costs (\$1.M) and the debt service payments due in 2007 (\$.4M). The funds for the Rate Stabilization and Improvement Fund (\$.6M) would be allocated from Slovenian Savings certificate of deposits due to mature in the March/April 2008 period.

Romel Nicholas commented that property acquisition within the paper streets remain to be settled. He further stated that Tom Lynch, bond counsel, confirmed that the Authority may proceed with the bond sale prior to final resolution of the property issues. Dan Deiseroth stated all line contracts have been received and are under review. The contract for the treatment plant and pump stations have not been awarded as we are awaiting a letter from the E.P.A. approving the contracts and giving final approval for the grant funds to be used on the treatment plant construction. He stated the letter may be received by the August 3, 2006 meeting.

The Board on unanimous vote on motion by Kenneth Heirendt and second by George Elish authorized Public Financial Management to proceed with a mini-bond sale on August 3, 2006 accepting proposals from three financial institutions for the underwriting of the 2006 bonds the results of which will be presented to the Board at their meeting on August 3, 2006.

ENGINEERING FOR MILLERS RUN PROJECT

Dan Deiseroth advised the Board that Edward Sitarik Contracting would begin work the last week of August 2006 using one crew for each contract. A. Mirante Construction will begin work, on the North contract, by the middle to end of September 2006 using two crews. He stated Ed Kuenzig will be the field engineer for the project and he will be coordinating all the work with Walter O'Shinski. He stated that their staffing would be flexible based on progress in the work. Walter O'Shinski stated he reviewed the Gateway proposal and he would discuss the issue of the limitation of liability with Romel Nicholas.

The Board on unanimous vote on motion by Stephanie Lucchino and second by Donald Teyssier authorized accepting the Gateway Engineers inspection proposal contingent to the final review by Walter O'Shinski.

Walter O'Shinski stated he reviewed the KLH Engineers proposal. He stated the use of the principal was reduced giving a \$15,000 savings and a reduction in the use of KLH staff with a savings of \$47,000.

The Board on four to one vote on motion by Stephanie Lucchino and second by Kenneth Heirendt authorized accepting the KLH Engineering inspection proposal. Donald Teyssier abstained.

Walter O'Shinski discussed the GeoMechanics, Inc. proposal. He stated the proposal is based on time and material. Kenneth Heirendt stated the agreement should be modified for services performed on-site with no travel time.

The Board on unanimous vote on motion by Donald Teyssier and second by Stephanie Lucchino authorized accepting the GeoMechanics, Inc. inspection proposal subject to the agreement being modified in regard to the travel time.

AUTHORIZE SIGNING H.O.P APPLICATION FOR MAPLE RIDGE DEVELOPMENT

The Board on unanimous vote on motion by Kenneth Heirendt and second by George Elish authorized signing the H.O.P. for the access road to the pump station site at the Maple Ridge development site off of Morganza Road.

SOLICITOR

CONDEMNATION FOR PAPER STREET

Romel Nicholas updated the Board on the status of right of ways in the paper streets for the Millers Run project. He stated forty (40) easements are outstanding. He further stated that his office needs the drawings so that condemnation proceedings may progress. He stated the filing of condemnations will require a forty-five day period and that prior to construction the Authority needs to have the property under their control. Dan Deiseroth inquired on when the condemnations would be filed. Romel Nicholas stated the documents should be filed within the next week.

SIMPKINS PRELIMINARY OBJECTION

Romel Nicholas stated a preliminary objection was filed by Mr. Simpkins. He further stated a meeting is scheduled with Mr. Simpkins for Wednesday, July 26 in an attempt to resolve Mr. Simpkins' issues regarding trees on his property. Romel Nicholas stated the appropriate venue for settling this type of issue is at a board of view.

AUTHORIZE REVIEW TO STANDARD CONTRACT DOCUMENTS PREPARED BY GATEWAY ENGINEERS

Dan Deiseroth stated they have revised their contract documents used with contractors. He suggested the solicitor review the new documents for the Authority. He further stated his office would be conducting a seminar on the subject and that Romel Nicholas will be notified on the date and time. The Board on unanimous vote on motion by George Elish and second by Donald Teyssier authorized Romel Nicholas to attend the seminar and review the documents.

DISCUSS REQUEST TO CHANGE SEPTEMBER 2006 MEETING DATE

Donald Gennuso stated he requested the September 2006 meeting be changed, as his schedule would not permit his attending a meeting during the first two weeks of September. He suggested the meeting be changed to Thursday, August 31, 2006.

The Board on a four to one vote on motion by Stephanie Lucchino and second by Donald Teyssier authorized the September 2006 meeting be changed to August 31, 2006. George Elish voted no.

COMMENTS FROM THE FLOOR

No comments were received.

George Elish stated he would like to proceed with a study for Lawrence PA. Dan Deiseroth stated the project was reviewed several years ago and that Andy Blenko could begin work on the 537 Study. It was requested the discussion be included on the August 3, 2006 agenda. Stephanie Lucchino stated she was in favor of a study and getting sewerage to Lawrence PA but her concerns focus on the upcoming Millers Run project.

George Elish commented on assuring quality control exists in the Millers Run project. Dan Deiseroth stated Ed Kuenzig has been involved in other projects and assured the Board that everything will be done to make the job work to the Board satisfaction. Ed Kuenzig stated testing will be completed on all of the sanitary lines. The issue raised by George Elish was focused on the restoration work. Ed Kuenzig stated a two-year maintenance bond has been posted to handle any issue. Dan Deiseroth stated the funds would not be released to the contractors until everyone is satisfied with the work.

There being no other business by unanimous vote on motion by Stephanie Lucchino and second by Kenneth Heirendt the meeting was adjourned at 7:53 PM. The next regular meeting is scheduled for Thursday, August 3, 2006.

Secretary