

Cecil Township Municipal Authority
Monthly Meeting
August 3, 2006

The Cecil Township Municipal Authority held its' regular monthly meeting on Thursday, August 3, 2006 at the Cecil Township Municipal Building. Chairman Donald Gennuso called the meeting to order at 7:35 PM with Stephanie Lucchino, Donald Teyssier, George Elish and Kenneth Heirendt present. Also present was Romel Nicholas, Gaitens, Tucceri and Nicholas; Andrew Blenko, Gateway Engineers; and Dennis Bell, Administrator.

MINUTES OF JULY 6 and July 20, 2006

The Board on a unanimous vote on motion by George Elish and second by Kenneth Heirendt approved the minutes as amended of the regular meeting of July 6, 2006 and the special meeting of July 20, 2006.

ENGINEER REPORT

ACCEPTANCE OF SANITARY SEWERS - HILLVIEW HEIGHTS

The Board on unanimous vote on motion by Stephanie Lucchino and second by Donald Teyssier accepted the sanitary sewers for the Hillview Heights town homes located on S.R. 980 in Canonsburg, PA. Dennis Bell reported that all requirements of the construction agreement were completed by the developer including the posting of an eighteen (18) month maintenance bond in the amount of \$1500. All easements were received and recorded.

ACCEPTANCE OF SANITARY SEWERS FROM MANHOLE 6 TO 7 TO 12 IN THE BROOKS & BLAIR HOMES

The Board on unanimous vote on motion by Stephanie Lucchino and second by Kenneth Heirendt accepted the sanitary sewers for Brooks & Blair Homes from manhole 6 to 7 to 12. Dennis Bell reported that all testing for this section of sanitary line was completed. A letter of credit in the amount of \$5,000 was received from S & T Bank, Indiana PA in the amount of \$5,000 to cover the eighteen-month maintenance bond.

PA DEP MAPLE RIDGE PLANNING MODULE RESPONSE

Andy Blenko stated a letter dated July 26, 2006 was received from PA DEP regarding the planning module for the Maple Ridge PRD. The planning module was returned as incomplete and technically deficient. Andy Blenko stated he attended a meeting with the North Strabane Municipal Authority and Lynn Foltz to discuss issues regarding the downstream capacity of the line. North Strabane, as a part of the planning module, stated that backflow preventors would be installed to prevent basement flooding which caused concerns from the PA DEP. He stated that North Strabane Municipal Authority agreed to conduct a hydraulic capacity test to determine the

impact that the pump station would have in their system. The field test would be completed within the next two weeks.

Andy Blenko stated that All Clad Metals flows are greater than previously reported which will require an amendment to the planning module. All Clad also identified that their discharge will contain some industrial waste. They have had the industrial waste tested and monitored and will supply the information to the Authority.

Lynn Foltz provided the Board with a status report on the Maple Ridge sanitary sewer and lift station. He discussed the issue raised by the PA DEP regarding the planning module fee paid and the amount due for the 200,000 g.p.d. application. He stated that he paid \$8,250 for the capacity he will need for the Maple Ridge PRD and other developers would pay the difference as they submit their planning modules to the PA DEP. He stated he would discuss the issue with Emily Shade with PA DEP.

Kenneth Heirendt addressed the issue of installing a second impeller to get to the maximum capacity. Lynn Foltz deferred the question to the engineers.

UPDATE ON MILLERS RUN PROJECT

Andy Blenko stated the assignment for the Casciola easements have been completed and mailed to Thomas Casciola. He stated that Kranick Environmental Contractors has received approval of their MBE/WBE contract requirements and therefore the contract for the wastewater treatment plant should be awarded.

The Board on unanimous vote on motion by Donald Teyssier and second by Stephanie Lucchino authorized awarding the wastewater treatment plant contract to Kranick Environmental Contractors.

Andy Blenko stated Donald Gennuso would sign all of the contracts next week. He stated his office is reviewing bonds and insurance and that notices to proceed would be issued within a few weeks. He stated they are currently reviewing shop drawings from the various contractors.

Donald Gennuso inquired on how best to communicate to the residents in the Millers Run project. Kenneth Heirendt suggested a letter similar to one that was mailed for the Midway project. Dennis Bell suggested the letter be mailed at the earliest possible date so that the citizens are advised prior to the start of construction. Kenneth Heirendt stated he would provide a copy of the letter issued by the Midway Authority and that Andy Blenko, Dennis Bell and himself would prepare the letter. Dennis Bell stated the draft would be circulated to the board.

UPDATE ON LAWRENCE 537 STUDY

Andy Blenko provided a draft copy of the Lawrence Act 537 Plan for the Board to review and provide comments. He stated an approval of the plan would require a timetable for implementation. He stated the Board may wish to move slow and with caution due to the pending Millers Run project. He further stated the Board could submit the analysis with no definitive timetable. He suggested the timeline could be four years.

BUSINESS MANAGERS REPORT

2006-2007 INSURANCE PROPOSAL FROM SIMONIN AGENCY

The Board on unanimous vote on motion by George Elish and second by Kenneth Heirendt approved the insurance coverage's for the premium of \$ 13,166 for all coverage's for the year beginning August 6, 2006. Dennis Bell referred to the letter from Robert Simonin stating that the property value for the Teodori STP was increased by \$1.5M due to an error in previous reporting. He also discussed the option of having a property appraisal by an independent company as recommended by Robert Simonin. The Board suggested the discussion be held when Walter O'Shinski could present to the Board the property values used to determine the coverage's. The discussion will be on the August 31, 2006 agenda.

ANNOUNCE 2006 BOND SALE DATE CHANGE FROM AUGUST 3 TO AUGUST 31 2006

Dennis Bell announced that the Bond sale will be held on August 31, 2006 and that Scott Shearer with Public Financial Management Inc. will be present at the board meeting on August 31, 2006 to discuss the sale at which time the Board will finalize the transaction.

ANNOUNCE CHANGE IN THE SEPTEMBER 2006 MEETING DATE

Dennis Bell announced that the Board at their July 20, 2006 special meeting voted to change the September 2006 meeting date from September 7 to August 31, 2006. The change will be advertised.

AUTHORIZE RELEASE OF PERFORMANCE BOND FOR HILLVIEW HEIGHTS

The Board on unanimous vote on motion by George Elish and second by Stephanie Lucchino authorized the release from the developer escrow funds totaling \$4,705 to C & A Enterprises. The amount is net after \$1,500 is retained for the eighteen-month maintenance bond and the payment of expenses.

REQUEST FOR CREDIT ON WASTEWATER BILL FROM LISA FORTUNATO-HOFRICHTER

The Board on a four to one vote on motion by George Elish and second by Kenneth Heirendt authorized the refund of \$145.31 for wastewater charges to Lisa Fortunato-Hofrichter. Stephanie Lucchino voted No. Dennis Bell discussed the letter received from Ms. Hofrichter and the watering of sod in May and June 2006. He further stated that the deduction meter application and resolution was mailed to Ms. Hofrichter with the suggestion that a deduction meter be installed. George Elish ask if the deduction meter application was on the website. Dennis Bell stated that it was but that additional steps may be needed to get the homebuilder to address the issue with the homeowner. George Elish suggested contacting the township to determine if something could be placed on the occupancy application and/or the lien letter. Dennis Bell stated he would discuss it with the township manager.

REQUEST FOR CREDIT ON WASTEWATER BILL FROM WALTER AND BARBARA KRYSPIN

The Board on a four to one vote on motion by George Elish and second by Donald Teyssier authorized the refund of \$ 188.16 to Walter and Barbara Kryspin for water used in 2005. Stephanie Lucchino voted No. Dennis Bell discussed the letter received from Ms. Kryspin regarding the late night watering that occurred without the property owner knowledge. The homebuilder installed an irrigation system with timer on the property unbeknown to the property owners. He further stated that once the issue was disclosed no additional water occurred in 2005. The property owners have installed a deduction meter and the Authority staff completed the initial inspection and reading within the last week.

AUTHORIZE BOARD MEMBER TO ATTEND PMAA ANNUAL CONVENTION SEPTEMBER 10 - 13, 2006

Dennis Bell advised the Board that George Elish expressed an interest in attending the annual conference in Hershey, PA. He stated that neither Walter O'Shinski nor himself could attend the meeting. He indicated the costs could range from \$1,000 to \$1,300. The Board on a three to two vote on motion by Kenneth Heirendt and second by Donald Teyssier authorized the expenditure of up to \$1,300 for George Elish to attend the conference. Donald Gennuso and Stephanie Lucchino voted No. Donald Gennuso stated he voted no due to the higher expenses related to the Millers Run project.

DISCUSS JUNE 2006 FINANCIAL REPORT

Dennis Bell discussed the financials for June 2006. The total customers billed were 1832. The user fees billed were \$78,427.98 on usage consumption of 8,196,700 gallons. Collections totaled \$77,351.34. The expenses for June 2006 were \$78,594.99. The extraordinary income on the June 2006 financial statement included interest income of \$438.36 and tap-in fees of \$2,085.00. Expenses are under budget through June 2006 except in two accounts for Supplies and Tools over budget by \$982.08 and Other Office Expenses over budget by \$1,899.33. Tap-in fees are over budget by \$26,625.00 through June 2006. User fees were under budget by \$40,262.33 and Interest income is under budget by \$11,635.90. George Elish commented on the Account Payable increased to \$74,598.13 on the June statement. Dennis Bell explained the difference was in the amount booked treatment charges to Canonsburg-Houston Joint Authority. He stated the amount is paid quarterly. George Elish commented on the difference in the actual vs. budget for the user fees. Dennis Bell stated the difference has been carrying on several statements and he would investigate. Donald Gennuso stated the usage projections in the 2006 budget may have been overstated.

SOLICITOR REPORT

Romel Nicholas provided his monthly report to the Board. He stated that fifty easements were filed for rights-of-way in the Millers Run project. He stated that the second filing had thirty easements for rights-of-way in the paper streets in the project area. Romel Nicholas stated that all but three of the condemnations were served and commended the server for the good service. He referred to the appraisals and the information he provided to the Board on Mr. Gary Bodnar. Donald Gennuso asks if it was needed to take an action on appointing the appraiser at this time. Romel Nicholas stated it was not.

Romel Nicholas addressed the Ronald De Felice letter with the Board. He stated the previous property owner paid for the tap-in fee for the Center Street property in the late 1980's. He stated Mr. De Felice wants to build a home on the property and that he is requesting approval from the Authority to tap into the South Fayette Township sewer line. Donald Gennuso stated a precedent has been established for other property owners wanting to tap into the South Fayette system. The Authority wants to retain all customers but the customer may tap into the South Fayette system but once the Millers Run project is complete he would have to tap into the Authority system and pay the tap-in fee to Cecil Township Municipal Authority. The Board requested a letter be addressed to Mr. De Felice regarding the matter.

Romel Nicholas addressed the request from Sitarik Contracting Company for use of the Authority tax exemption. He stated the Authority, as a public utility would issue a certificate to the contractor for the purchase of materials and supplies for the Millers Run project. He stated a letter should accompany the certificate indicating that the purchases are for the Millers Run project.

Romel Nicholas addressed the Board on the Preliminary Objection filed by David Simpkins. He stated that Walter O'Shinski, Dennis Bell and himself met with Mr. Simpkins in an effort to have the preliminary objection withdrawn by Mr. Simpkins. He stated that he spoke with Mr. Simpkins on Friday, July 28, 2006 and at that time Mr. Simpkins had not withdrawn the preliminary objection and that he was leaving town for vacation for ten days. Romel Nicholas stated he follow-up that conversation with Mr. Simpkins with a letter on the same day. Romel Nicholas stated Mr. Simpkins or his attorney did not withdraw the objection. He stated that he would have to respond to the preliminary objection and request the court to arrange a hearing at the earliest date due to the urgency of the project start date.

Romel Nicholas stated the advertisement for the John and Jane Doe property on Wilson Avenue, Cecil PA had an error in the last paragraph. He stated a correction was made and run by the newspaper and that Gaitens, Tucceri and Nicholas will pay the cost for the advertisement being run a second time.

Romel Nicholas stated the importance of having a video taping of the project area. He suggested that the contractors may not do the best job in their video taping and expressed the importance of having good tape for any property issues that may arise due to construction on the Millers Run project. Andy Blenko stated the contracts state videotaping is required. Andy stated he would review the language in the contract related to the video taping on the part of the contractors.

Romel Nicholas stated he presented to the Board the fees to be charged for the review on the 2006 bond issue. Stephanie Lucchino stated the fees were reasonable comparing those charged for the 2004 bond issue review. The Board on unanimous vote on motion by Stephanie Lucchino and second by George Elish authorized the fees of \$15,500 for Gaitens, Tucceri and Nicholas review and opinion letter for the Authority.

Romel Nicholas provided a rate comparison worksheet obtained from the South Fayette Municipal Authority.

CORRESPONDENCE

Andy Blenko stated a letter was received from KLH Engineers requesting a meeting with the South Fayette Municipal Authority to discuss issues and administration for the Millers Run project properties that will connect into the South Fayette system. He will coordinate a meeting with Walter O'Shinski upon his return.

George Elish commented on the construction draw down schedule prepared by Gateway Engineers. He inquired if the schedule had been provided to the First Commonwealth Bank, trustee for the 2004 bond funds. Dennis Bell stated the schedule was provided to them.

PAYING OF EXPENSES/TRANSFER OF FUNDS ETC.

A unanimous vote on motion by Donald Teyssier 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

Mr. Joe Slebonik representing the Cecil Volunteer Fire Department addressed the Board for a schedule on when work would occur near the firehouse. He stated events are held in the fire department hall and they need to determine what would be impacted by the construction work. Andy Blenko stated that once the contractor schedule has been prepared it would be circulated to the fire department.

Mr. Frank Ludwin asks the Board on the proposed tap-in fee for the Grange Hall. Andy Blenko stated the tap-in fee is based on usage and flows. He stated it may be one or two E.D.U. Donald Gennuso stated the fee would probably be \$6,000 for an E.D.U.

ADJOURNMENT

There being no other business by unanimous vote on motion by George Elish and second by Kenneth Heirendt the meeting was adjourned at 9:00 PM. The next regular meeting is scheduled for Thursday, August 31, 2006 at 7:30 PM.

Secretary