

Cecil Township Municipal Authority
Monthly Meeting
February 1, 2007

The Cecil Township Municipal Authority held its' regular monthly meeting on Thursday, February 1, 2007 at the Cecil Township Municipal Building. Vice Chairman Stephanie Lucchino called the meeting to order at 7:30 PM with George Elish and Kenneth Heirendt present. Absent was Donald Gennuso, excused with notice. Also present was Romel Nicholas, Gaitens, Tucceri and Nicholas; W. Scott Rusmiser, Gateway Engineers; Walter O'Shinski P.E. and Dennis Bell, Administrator.

MINUTES OF JANUARY 4, 2007

The Board on a unanimous vote on motion by Kenneth Heirendt and second by George Elish approved the minutes of the regular meeting of January 4, 2007.

ENGINEER REPORT

UPDATE ON CANONSBURG-HOUSTON JOINT AUTHORITY 537 PLAN

Ms. Diane Altland, Canonsburg-Houston Joint Authority (CHJA) staff engineer discussed with the Board a corrective action plan issued by PA DEP in March 2006. The plan required an optimization study for the CHJA treatment plant and an updated 537 Plan. The 537 Plan was submitted to PA DEP to meet their required submission date of September 30, 2006. To date no comments have been received from PA DEP. The 537 Plan calls for the wastewater treatment plant to be increased from a 5 MGD plant to an 8.3 MGD plant for average daily flow. The estimated cost for the upgrade, as stated in the 537 Study, is \$27 Million if the entire upgrade is constructed, and if the entire plan is implemented the user rate would be increased.

The optimization study for the wastewater treatment plant called for upgrades to the biotower distribution arms, secondary clarifier upgrades to include center well, baffles, and inlet gates, and hydraulic upgrades to improve flow through the plant. PA DEP stated that the upgrades would provide CHJA a wet weather flow permit. The revised permit would permit wet weather flow through the plant to be increased from 15 MGD to 18 MGD peak forward flow and the 3-month maximum flow would be increased from 5 MGD to 6 MGD average daily flow. In the Brush Run sewer line near Advanced Auto Parts, the hydraulic issues identified required a redesign in the interceptor sewer and the design package was forwarded to PA DEP for approval.

Diane Altland stated the costs to improve the Brush Run sewer line and implement the optimization improvements at the plant cost \$890,000. She stated the CHJA Board recommended a rate increase of \$0.60/1,000 gallon of water used effective April 1, 2007.

George Elish questioned Ms. Altland on the current debt of the Canonsburg-Houston Joint Authority and the company's organization and management structure. Diane Altland stated the current debt is approximately \$10 Million with bonds maturing from 2014 to 2020. She further stated that the CHJA owns the plant and operates in a leaseback arrangement with the Boroughs of Canonsburg and Houston under a lease agreement originally dated in 1961. Diane Altland stated that she is the only Canonsburg-Houston Joint Authority employee and that most of her work relates to capital projects.

Walter O'Shinski inquired if the Canonsburg-Houston Joint Authority board considered increasing their tap-in fees. Diane Altland stated no work has been completed on reviewing the tap-in fee calculations and that it needs to be revisited by mid-year.

George Elish asked if the Authority had given any thought to selling the treatment plant to a private company. Diane Altland stated that financial information was provided to PA-American Water Company but nothing came of the inquiry.

Diane Altland stated that 2007 tap-ins is on hold by PA DEP due to an odor problem at the plant.

George Elish commented on North Strabane's interest in obtaining a seat on the joint authority board. Diane Altland stated the board consists of five members – four from Canonsburg and one from Houston. Diane Altland stated their solicitor is reviewing options for expanding the board, an effort started in June 2006.

Diane Altland stated new municipal agreements with Cecil, North Strabane and Chartiers townships need to be reviewed.

LETTER FROM STEVE & LEEANNE HINES – 75 CREEDMORE ROAD

Leeanne Hines addressed the Board on the impact to their property caused by the construction project. She specifically stated the issue of the road widening at her property just before entering into the plant site, drainage problems caused by earth being moved, removal of trees and shrubs near her property and what plans for a barrier of trees, unnatural landscape adjacent to home and the effects of drilling on their well water system.

Stephanie Lucchino stated the Board would take the issues under advisement and have them addressed reasonably soon. Scott Rusmiser suggested a meeting with the property owners to discuss the issues and provided Ms. Hines with his business card.

UPDATE ON MILLERS RUN PROJECT

Ed Kuenzig discussed with the Board on progress made in the Millers Run project. The overall interceptor contract is forty-three (43) percent completed. He stated work continues along Millers Run past Casciola's WWTP. Mack Industries started repair

work on leaking manhole connections. The Southeast Contract is approximately thirty-six (36) percent completed. He stated work was completed on the sewer lines to the Elm & Klinger pump station and that work began on the Mawhinney Road sewer lines. He stated a restoration issue from Frances Resatar on Klinger Road was addressed with the property owner. The North Contract is approximately twenty-eight (28) percent completed. He stated work continues on the sewer lines to South Fayette and that work began on portions of S.R. 50 from De Paoli Road to Altieri Street. The Southwest Contract started on sewer lines to the interceptor "T" manhole near Sylvan Drive, Bishop Alley and Wilson Avenue.

George Elish complimented Ed Kuenzig on the contents of the semi-monthly report he emailed to the board in mid-January.

Kevin Hoffman discussed the construction activities on the Mechanical WWTP contract. The rough grading at the site has been completed as has the construction of the storm piping and end walls. The drilling has started at the construction site. Approximately twenty-five (25) percent of the contract financial is complete.

Kevin Hoffman discussed the construction activities on the Electrical WWTP contract. He stated the acquisition and installation of permanent utilities (electric and telephone) are being pursued. Walter O'Shinski stated the power would come from the Reissing Road area and will have to cross John Kosky's property. He stated a right of way would be required. Allegheny Power Company is reviewing the issue of the construction costs from what was estimated. Approximately two (2) percent of the contract financial is complete.

Construction activities on the Mechanical Pump Station contract includes continuing construction of the access road at the Klinger Road site, rough grading at the Klinger Road site, setting emergency overflow structures and setting a trash basket, wet well manholes and valve vault. He stated that progress has been slowed due to unexpected site conditions related to ground and surface water. Approximately fourteen (14) percent of the contract financial is complete. Change orders for increased concrete work for jib crane installation at the main pump station at an additional cost of \$3,069.21. Also, removal of poor subsurface soils and replacement with acceptable backfill. The cost is to be determined and monitored by Gateway Engineers.

Construction activities on the Electrical Pump Station contract include acquisition of utilities for the two sites. Two and one half (2 1/2) percent of the contract financial is complete.

Kevin Hoffman reviewed the two options considered for water at the treatment plant site. One option was to purchase a storage tank and have the water hauled into the site. The second option was to obtain public water service through PA-American Water Company. He discussed the pros and cons for both options.

Walter O'Shinski stated the water usage at the plant would be minimal. The

biggest user will be for operating the filter press and that the effluent should provide sufficient water for operating the press. Kevin Hoffman stated the operations would use approximately 80,000 gallons of water per month. Kevin Hoffman stated that the foundation work would begin soon and a decision would be needed before that work could begin.

George Elish commented on the water clarity issue for the Hines property on Creedmore Road. He stated he would be in favor of building the public water line to the site.

The Board on unanimous vote on motion by Kenneth Heirendt and second by George Elish authorized having PA-American Water Company to construct a main line extension of approximately 2,030 feet of eight inch DICL pipe along Creedmore Road to the wastewater treatment plant at an estimated cost of \$167,320 as stated in their letter of January 8, 2007.

AUTHORIZE MILLERS RUN PROJECT PAYMENT ESTIMATES

The Board on unanimous vote on motion by George Elish and second by Kenneth Heirendt authorized the payments on the following contracts –

Pay Request # 4 to Edward T. Sitarik Contracting Inc. totaling \$164,490.88 for work completed on the interceptor contract.

Pay Request # 4 to Edward T. Sitarik Contracting Inc. totaling \$290,568.37 for work completed on the southeast contract.

Pay Request # 3 to A. Merante Contracting totaling \$153,348.86 for work completed on the north contract.

Pay Request # 2 to Edward T. Sitarik Contracting, Inc. totaling \$37,800.00 for work completed on the southwest contract.

Pay Request # 4 to Kranick Environmental totaling \$60,975.00 for work completed on the treatment plant.

Pay Request # 2 to Lone Pine Construction totaling \$83,450.68 for work completed on the pump station mechanical contract.

UPDATE ON MAPLE RIDGE

Lynn Foltz addressed the Board on the status of the meeting with North Strabane Municipal Authority on the dissolved oxygen levels. He stated that Dan Slagle, Engineer for North Strabane Municipal Authority suggested chemicals be used to accomplish the dissolved oxygen levels stated in the agreement between Cecil Township Municipal Authority and North Strabane Municipal Authority. He stated that Mark Zemaitis would work out the details with Walter O'Shinski and Dan Slagle. Lynn Foltz stated he is

working to obtain the easement from Woody Welsch and it should be resolved shortly. Lynn Foltz requested the Board authorize signing the water quality management permit application once the two issues have been resolved and the design approved.

The Board on unanimous vote on motion by George Elish and second by Kenneth Heirendt authorized signing the water quality management permit application subject to having all outstanding issues resolved.

OVERLOOK AT SOUTHPOINTE

Mark Zemaitis, Partridge Venture Engineering addressed the Board on the planned sub-division known as the Overlook at Southpointe and Ironwood II. Romel Nicholas advised the Board that the discussions were informal as no planning module was submitted to the township.

He stated that Mitchell Development Company proposes constructing a pump station on Parcel 14 and diverting sewage from the interceptor into the pump station and building a dedicated forced main to the Canonsburg-Houston Joint Authority treatment plant. He stated the capacity issues associated with the lower portions of the existing interceptor would be eliminated and that future development within the watershed would be resolved. It would also accommodate development within the remainder of the Southpointe watershed. He stated portions of the interceptor above the pump station might need to be upsized as development within the watershed progresses.

The developer has committed to upgrading four segments of the existing interceptor between the development and the proposed pump station. All costs of the pump station, force main, property acquisitions will be paid for by Mitchell Development Company. The developer would fund an Operations and Maintenance Account to be used by the Authority to subsidize O & M costs until a full build-out of the Overlook at Southpointe development is complete.

The Board on unanimous vote on motion by George Elish and second by Kenneth Heirendt authorized a letter be written to the Cecil Township Supervisors recommending approval of the planning module for the Overlook at Southpointe development provided that the special conditions be included in the planning module as worked out between Walter O'Shinski, Romel Nicholas and the developer.

WASTELOAD MANAGEMENT REPORTS – TEODORI, CHERRYBROOK AND CHJA SERVICE AREAS

Walter O'Shinski stated the Chapter 94 Wasteload Management Report for Teodori STP and Cherrybrook STP for the operating year 2006 were completed and requested the Board authorize signing the report.

He further stated his letter of January 23, 2007 to Canonsburg-Houston Joint Authority provided information on the Cecil Township Municipal Authority sewer system for use

by the Canonsburg-Houston JA Wasteload Management Report.

The Board on unanimous vote on motion by George Elish and second by Kenneth Heirendt authorized signing the two reports and forwarding the reports to PA DEP.

SOLICITOR REPORT

Romel Nicholas discussed with the Board the easement update report dated January 31, 2007. The report states that 561 rights of way were needed for the Millers Run project. Seventy (70) rights of way are outstanding as of January 17, 2007. He stated no action is needed, as the condemnation filing is the action. The six-year (6) statute of limitations is in effect. He suggested that any properties that are unique should be reviewed and addressed now through a board of viewers. George Elish inquired on what the potential costs to settle all seventy (70) cases. Romel Nicholas stated that he would prepare a summary of the estimated cost per case for the Board to review at the March 1, 2007 meeting.

Romel Nicholas stated a meeting was held with Columbia Gas Company as a follow-up to his letter. He reported that he believes the issues addressed in his letter will be resolved.

BUSINESS MANAGERS REPORT

AUTHORIZE CLOSING COMMUNITY BANK REGULAR CHECKING ACCOUNT

The Board on unanimous vote on motion by George Elish and second by Kenneth Heirendt authorized closing the regular checking account number 1110000335 with Community Bank.

AUTHORIZE CLOSING NATIONAL CITY BANK CHECKING ACCOUNT

The Board on unanimous vote on motion by George Elish and second by Kenneth Heirendt authorized closing the regular checking account number 3987005337 with National City Bank.

RATIFY BOND INTEREST PAYMENT – 2006 BOND ISSUE MILLERS RUN

The Board on unanimous vote on motion by George Elish and second by Kenneth Heirendt authorized the payment on February 1, 2007 to First Commonwealth Bank for the semi-annual bond interest payment on the 2006 Millers Run bond issue.

AUTHORIZE BOND INTEREST PAYMENT – 2004 BOND ISSUE MILLERS RUN

The Board on unanimous vote on motion by Kenneth Heirendt and second by

George Elish authorized the interest payment on March 1, 2007 to First Commonwealth Bank for the semi-annual bond interest payment on the 2004 Millers Run bond issue.
AUTHORIZE RELEASE FROM DEVELOPER ESCROW - MAINTENANCE BOND
PRISTINE FIELDS 8

The Board on unanimous vote on motion by Kenneth Heirendt and second by George Elish authorized releasing the Pristine Fields Phase 8 maintenance funds totaling \$1,574.00 to Donald Herman.

AUTHORIZE RELEASE FROM DEVELOPER ESCROW – ALTO PIANO PHASE 1

The Board on unanimous vote on motion by Kenneth Heirendt and second by George Elish authorized releasing the Alto Piano Phase 1 developer escrow funds totaling \$2,695.76 to William Graziani.

AUTHORIZE RELEASE FROM DEVELOPER ESCROW – ALTO PIANO PHASE 2
& 4

The Board on unanimous vote on motion by George Elish and second by Kenneth Heirendt authorized releasing the Alto Piano Phase 2 & 4 developer escrow funds totaling \$2,124.76 to William Graziani.

AUTHORIZE RELEASE FROM DEVELOPER ESCROW – ALTO PIANO PHASE 5
& 7

The Board on unanimous vote on motion by George Elish and second by Kenneth Heirendt authorized releasing the Alto Piano Phase 5 & 7 developer escrow funds totaling \$4,059.94 to William Graziani.

AUTHORIZE RESOLUTION 1 – 2007 ADJUSTING SANITARY SEWER CHARGES

The Board on unanimous vote on motion by Kenneth Heirendt and second by George Elish authorized Resolution 1 – 2007 adjusting sanitary sewer charges throughout the Cecil Township Municipal Authority Service Area. Effective on usage billed on/after April 1, 2007, the residential usage rate will be \$7.25/1,000 gallons used and the commercial usage rate will be \$7.45/1,000 gallons used. The monthly base fee of \$8.75 remains unchanged.

DISCUSS DECEMBER 2006 FINANCIAL REPORT

Dennis Bell discussed the financials for December 2006. The total customers billed were 1844. The user fees billed were \$88,370.35 on usage consumption of 10,771,700 gallons. Collections totaled \$72,883.38. The expenses for December 2006 were \$87,007.74. The extraordinary income on the December 2006 financial statement included interest income of \$580.90. Interest income on the construction funds totaled \$69,332.17. Expenses for Millers Run project were adjusted to the fixed asset by

\$108,228.89. Expenses were under budget through December 2006 except in twelve accounts for Other Office Expenses over budget by \$1,906.67; Supplies and Tools over budget by \$2,324.81; Legal Expense over budget by \$4,830.10; Dues and Publications over budget by \$121.45; Treatment Charges over budget by \$10,873.73; Telephone over budget by \$627.39; Sludge Removal over budget by \$2,385.65; Billings over budget by \$326.09; Electricity over budget by \$243.70; Other Operational Expense over budget by \$195.34; Bad Debt over budget by \$227.75; Company Vehicle Expense over budget by \$1,274.53. The total net amount for expenses over budget for the year was \$6,396.35. The income accounts with variances through December 2006 were User Fees over budget by \$12,901.76; Tap-in Fees over budget by \$44,438; Interest Income over budget by \$29,516.04; Misc. Income over budget by \$125 and Costs and Fees over budget by \$688.

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

CORRESPONDENCE

The correspondence was reviewed for filing.

George Elish commented on the letter received from Case / Sabatini regarding their interest in bidding on the auditing services. George Elish inquired on the time remaining on the Cypher & Cypher term. Dennis Bell stated he would provide the Board with the information.

COMMENTS FROM THE FLOOR

Dominick Dimatteo commented on the information provided by Diane Altland on the status of the Canonsburg-Houston Joint Authority 537 Study and the potential future impact on the user rates.

ADJOURNMENT

There being no other business by unanimous vote on motion by George Elish and second by Kenneth Heirendt meeting was adjourned at 10:10 PM. The next regular meeting is scheduled for Thursday, March 1, 2007 at 7:30 PM.

Secretary