

Cecil Township Municipal Authority
Monthly Meeting
December 6, 2007

The Cecil Township Municipal Authority held its' regular monthly meeting on Thursday, December 6, 2007 at the Cecil Township Municipal Building. Chairman Donald Gennuso called the meeting to order at 7:30 PM with Stephanie Lucchino, George Elish, Kenneth Heirendt and Blane Volovich present. Also present was Romel Nicholas, Gaitens, Tucceri and Nicholas; Scott Rusmisl, Gateway Engineers; Walter O'Shinski P.E. and Dennis Bell, Administrator.

MINUTES OF NOVEMBER 1, 2007

The Board on unanimous vote on motion by Blane Volovich and second by Stephanie Lucchino approved the minutes of the regular meeting of November 1, 2007.

ENGINEER REPORT

UPDATE ON AS-BUILT PLANS FOR THE MILLERS RUN PROJECT

Mr. David MacIntyre, engineer with Gannet Fleming addressed the Board to provide an update on the status of the As-Built plans for the Millers Run project area. He stated that the current work is focusing on the Casciola system. In that regard, he stated rights of way work at the courthouse is completed and the mapping of the force main will be completed, as no as-built drawing exists for the system. The goal is to have the information to the solicitor's office by mid-January 2008. He stated that 200 of the 600 GPS points have been marked.

UPDATE ON MILLERS RUN PROJECT

Scott Rusmisl discussed his monthly report with the Board. He stated that Substantial Completion walk-through on the North contract has been completed. A final punch list of items to be corrected by the contractor is being prepared. Final payment will be withheld until all punch list items are completed.

On the Interceptor contract, the mainline sewer and manhole testing and the Substantial Completion walk-through has been completed. A final punch list will be developed during the final completion walk-through and provided to the contractor.

On the Southeast and Southwest contracts the Substantial Completion walk-through continues. Lateral work continues on both contracts. The contractor is compiling Restoration items for completion. Driveway paving on Salvini Lane was found to be deficient and must be corrected. He stated that both contracts are nearing Substantial Completion.

Scott Rusmisl discussed with the Board the extension of the sewer line to service the Flecher system. He estimated the cost of \$7,907 to complete the drawings and applications for the

Highway Occupancy Permit and for the wetlands. The extension of the sewer line to service the Casciola and Windsor Woods subdivision was discussed. He stated that approximately 250 lineal feet of pipe is needed to connect the systems. He stated the cost will be presented to the Board and the work could be completed as a change order.

Romel Nicholas stated that PA DEP suggested extending the line to service the Fleehler system sooner rather than later. He also stated that PA DEP suggested a meeting with the Fleehler attorney to revisit the issues related to Fleehler. Romel Nicholas stated he had a telephone conversation with Attorney Beltzner and that he is awaiting a response.

Walter O'Shinski stated that the PADEP indicated that a planning module and Part II Permit will not be required to extend the sewer to the Fleehler property line.

The Board on unanimous vote on motion by Kenneth Heirendt and second by Stephanie Lucchino authorized Gateway Engineers to prepare contract documents, design plans, specifications and applicable permit applications for the design of the sewer lines to connect the Casciola and the Windsor Woods treatment facilities and the extension of the line to pick up the Fleehler system at a cost not to exceed \$10,000.

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

Pay Request # 14 to Edward T. Sitarik Contracting Inc. totaling \$17,014.50 for work completed on the interceptor contract.

Pay Request # 14 to Edward T. Sitarik Contracting Inc. totaling \$4,355.85 for work completed on the southeast contract.

Pay Request # 13 to A. Merante Contracting totaling \$365,984.16 for work completed on the north contract.

Michael Sherrieb presented the KLH Engineers monthly report to the Board. He presented three change orders to the Board.

Change Order Number 3 decreasing the estimated contract by \$48,244.60 for electrical utility installation at the WWTP site to \$21,755.40 from the estimated \$70,000.

Change Order Number 4 increasing the painting costs on the Jib Crane at the Main Pump Station site by \$325. The painting was done to match the color of the Jib Crane to the building exterior color.

Change Order Number 2 for a total increase of \$531.64 for utility installation for electrical and telephone installation charges at the pumping stations totaling \$33.35 and for \$498.39 to purchase and install 3 phase louver damper motor starter with line voltage thermostat. The later was a discrepancy in the electrical drawings and the HVAC schedule, which was not uncovered during the design or bidding.

The Board on unanimous vote on motion by George Elish and second by Kenneth Heirendt approved the three changes orders presented by Michael Sherrieb.

Mike Sherrieb commented that the two pump station contracts are completed and a punch list has been issued. He stated that the remaining item is for the installation of the pumps to occur in February 2008 in preparation for start-up and testing in March 2008. He stated the balance to complete the pump stations was \$114,46.04.

Mike Sherrieb stated the costs to extend the Columbia Gas service to the WWTP site was \$9,627 to extend a 2" medium pressure polyethylene gas line 450 feet. In addition, an estimated \$8,000 to \$10,000 for Kranick Environmental to install the remaining 600 feet of service line for a total project cost of \$20,000. He stated that due to the costs KLH Engineers recommends the installation of the LPG gas system as designed.

Mike Sherrieb discussed the two options from Allegheny Power for extending service to the treatment plant. He stated the total up front cost under option 1 was \$48,495.40 compared to an up front cost of \$21,495.40 under option 2. The fundamental difference is that Allegheny Power is willing to recover the cost of the Rights of Way clearing over the first five years of service through a guaranteed minimum distribution charge. The distribution charge is based solely on the usage and KLH Engineers estimates show the Authority monthly distribution will be in the range of \$750.00 per month and \$950.00 per month based on estimated usage. He stated that KLH Engineers is recommending a new service agreement with Allegheny Power at the increase Minimum Monthly Distribution Charge of \$932.28 and to forego the direct payment of the Rights of Way clearing.

The Board on unanimous vote on motion by Stephanie Lucchino and second by Blane Volovich authorized the payments on the following contracts –

Pay Request # 14 to Kranick Environmental totaling \$71,216.75 for work completed on the treatment plant.

Pay Request # 8 to Wagner Electric totaling \$31,846.86 for work completed on the electrical contract at the treatment plant.

Pay Request # 9 to Lone Pine Construction totaling \$32,949.84 for work completed on the pump station mechanical contract.

Pay Request # 9 to Wagner Electric totaling \$9,845.59 for work completed on the pump station electrical contract.

MAPLE RIDGE – ADDITIONAL CAPACITY REQUEST (25 EDU'S) AND LETTER OF CREDIT RELEASE

Walter O'Shinski stated a request from Lynn Foltz to increase by 25 EDU's the reserve capacity for the Maple Ridge subdivision. He stated the Board would need to authorize a letter approving the additional capacity be prepared for submission by the Township to the PA DEP for

the required Planning Module Exemption. He also advised the Board on a request from Lynn Foltz that his letter of credit be reduced by \$12,192.63.

The Board on unanimous vote on motion by Kenneth Heirendt and second by Blane Volovich authorized a letter for the additional capacity of 25 EDU's for the Maple Ridge subdivision and that the Letter of Credit be reduced by \$12,192.63.

ELM DRIVE GRINDER PUMPS

Walter O'Shinski discussed with the Board the four properties located on Elm Drive, Canonsburg PA that will require service by grinder pumps. He stated a list of responsibilities has been prepared. The Board suggested that a letter be addressed to the four property owners outlining their responsibilities for maintaining the grinder pumps.

TOWNSHIP REQUEST FOR REIMBURSEMENT ON ROAD TRENCH REPAVING

Scott Rusmisl discussed Gateway Engineers' letter regarding the credit from the contract for paving quantities for asphalt trench repair on the township roadways with a reduced depth of asphalt. He stated that in March 2007 the Board discussed the issue of the trench repair and its' estimated cost savings of \$120,000.

The Board on unanimous vote on motion by Blane Volovich and second by Stephanie Lucchino authorized a payment of \$101,839.75 to Cecil Township Supervisors for the paving cost savings for the asphalt trench repairs on the township road in the Millers Run project.

COPOLA PLANNING MODULE

Walter O'Shinski discussed with the Board a request for a planning module for a planned three lot subdivision on Mawhinney Road, Cecil PA. He stated that PA DEP requested a full planning module, which has been prepared for the project. He stated the issue is that no treatment facility is available until the spring of 2008 when the Millers Run treatment plant will be completed.

The Board on a four to one vote on motion by Kenneth Heirendt and second by George Elish authorized approving the planning module for the Coppola Plan of Lots with conditions. Stephanie Lucchino abstained.

ALLEGHENY POWER SERVICE AGREEMENT

The Board on unanimous vote on motion by Kenneth Heirendt and second by George Elish authorized Allegheny Power Option 2 for installation of utility power to the WWTP site. The service agreement includes an installation upfront cost of \$21,755.40 and a minimum distribution charge of \$932.28 monthly.

SOLICITOR REPORT

Romel Nicholas presented the monthly report to the Board. He discussed the settlement for the Wagner Estate condemnation and property acquisition. Gaitens, Tucceri letter of December 6, 2007 outlines the offering settlement of \$2,459.59 to DiSalle & Arcuri representing the Wagner Estate. Romel Nicholas stated a draft copy of the personnel handbook has been provided to the committee members for their review. A meeting will be scheduled for issues that need to be discussed and resolved and the plan would be for the entire Board to receive a final draft copy at the January 2008 meeting. Romel Nicholas commented on the mortgage foreclosure naming the Authority as property owner and the response to the Phelan, Hallinan & Schmief law firm to the contrary.

PERSONAL INJURY LAW SUIT - KAPPELER

Romel Nicholas discussed the civil complaint filed with the Court of Common Pleas by Cindy and Matthew Kappeler for damages sustained by falling into a hole on Elementary Drive at the time of the construction of the Millers Run sewer project. Romel Nicholas stated the insurance carriers have been advised of the lawsuit for their response.

UPDATE ON DEP MEETING REGARDING FLEEHER SYSTEM

Romel Nicholas updated the Board on the meeting with PA DEP regarding the Fleeher treatment facility.

DISCUSS CASCIOLA SUPPLEMENTAL ABANDONMENT AGREEMENT REQUEST

Romel Nicholas discussed with the Board a request from Thomas Casciola regarding issues related to the abandonment of his treatment facility and transfer to the Authority. Romel Nicholas stated a draft agreement was provided for the Board's review. Romel Nicholas stated the original agreement was very vague and several questions remain to be answered i.e. dismantling of the tanks, retention of land. George Elish suggested the original contract and proposed abandonment agreement be summarized to provide bullet points making a comparison between the two documents. Walter O'Shinski stated that a time line needs to be considered for the approvals needed for Tom Casciola to abandon his system. Romel Nicholas stated the time line is between 60 to 80 days for the approvals to be obtained by the appropriate agencies.

COMMENTS FROM THE FLOOR

There were no comments from the floor.

BUSINESS MANAGERS REPORT

AUTHORIZE SIGNING CONFIRMATION LETTER TO PLGIT FOR 2007 TAX

The Board on unanimous vote on motion by Stephanie Lucchino and second by Blane Volovich authorized signing the confirmation letter to confirm basic information related to the tax treatment for the 2007 Guaranteed Subordinate Sewer Revenue Note with PLGIT.

DISCUSS OCTOBER 2007 FINANCIAL REPORT

Dennis Bell discussed the financials for October 2007. The total customers billed were 1888. The user fees billed were \$108,867.35 on usage consumption of 12,592,500 gallons. Collections totaled \$108,042.34. The expenses paid for October were \$36,035.93. The extraordinary income on the October 2007 financial statement included interest income of \$19,898.20. Expenses were under budget through October 2007 except in five accounts totaling an overage in the accounts of \$75,134. The income accounts with variances in October 2007 were user fees over budget by \$142,2334; interest income over budget by \$75,791; tap-in fees under budget by \$15,211; and misc. income under budget by \$585.

CORRESPONDENCE

The correspondence was reviewed for filing. George Elish commented on the letter from Michael Baker, regarding the new Washington County Share Account funds available through gaming revenues from the casino. He stated a deadline of December 31, 2007 exists for submitting an application. Dennis Bell stated he has the application and he will follow-up with the Washington County Authority regarding specifics for submitting the application.

George Elish commented on scheduling a financial work session for discussing the tap-in fee and user rates. The Board agreed to schedule a working session the week of January 14, 2008. Dennis Bell will confirm a date with Scott Shearer and advise the board members. He stated the meeting would have to be advertised.

PAYING OF EXPENSES/TRANSFER OF FUNDS ETC.

A unanimous vote on motion by Blane Volovich 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

EXECUTIVE SESSION

The Board entered into executive session at 9:23 PM to discuss potential litigation. The Board returned to the general session at 9:53 PM.

ADJOURNMENT

There being no other business by unanimous vote on motion by Stephanie Lucchino and second by George Elish the meeting was adjourned at 9:54 PM. The next regular meeting is scheduled for Thursday, January 3, 2008 at 7:30 PM.

Secretary _____