

Cecil Township Municipal Authority  
Workshop Meeting  
January 15, 2008

The Cecil Township Municipal Authority held a financial workshop meeting on Tuesday, January 15, 2008 at the Cecil Township Municipal Building. Chairman Donald Gennuso called the meeting to order at 5:00 PM. The Authority members present were Kenneth Heirendt, Blane Volovich and Stephanie Lucchino. Absent was George Elish. Also present were Scott Rusmisl, Gateway Engineers; Eric Tissue, KLH Engineers; Sean Garin, Gaitens, Tucceri & Nicholas; Walter O'Shinski P.E. and Dennis Bell, Administrator.

#### OVERVIEW OF FINANCING FOR THE MILLERS RUN PROJECT

Mr. Scott Shearer, financial advisor with Public Financial Management reviewed the financing on the Millers Run project. He stated bonds were issued in 2004 and 2006 totaling \$16.3M and in 2007 a short-term loan in the amount of \$3.0M was obtained. In addition, he stated that the Authority contributed \$2.0M toward the project, of which, a \$650,000 Rate Stabilization Fund was established.

#### REVIEW FINANCING MODEL

Scott Shearer presented a financial model to the Board providing a visual graph of projected revenues and expenditures based on a specific rate and tap fee assumptions. During the presentation, the user rate and tap fee figures were changed demonstrating the impact on the rate stabilization and improvement fund during the course of the bond issue through 2043.

#### REVIEW TAP-IN FEE CALCULATION

Mr. Eric Tissue, KLH Engineer discussed the allowable tap-in fee calculation for the Millers Run project. The formula for establishing the allowable tap-in is stated in Pennsylvania Act 57 of December 2003. He stated the tap-in fee for new customers (not currently serviced by sanitary sewers) could be as high as \$8,170 per EDU. He stated that customers currently served by a sanitary sewer system could be charged a total allowable tap-in fee as high as \$4,756.

#### DISCUSS SETTING TAP-IN FEE AND USER RATES FOR THE MILLERS RUN PROJECT

The Board worked through various scenarios making adjustments to the user rate and the tap-in fee and observed what impact the changes made to the financial model. Donald Gennuso stated that Scott Shearer provided the Board with nine to ten variables in the financial model from which to work. The model presented reflected the 2008 Authority budget with both the user fees from the existing customer base and the user fees and tap-in fees from the Millers Run project.

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

established the following residential tap-in fees and user rates for the Millers Run project:

Existing Residential Dwelling Customer Without Sewer Service - \$6,200 per equivalent dwelling unit discounted to \$5,900 if paid within a 60-day discount period from April 1, 2008.

Existing Residential Dwelling Customer Currently Serviced By Casciola and Windsor Woods Treatment Facilities - \$3,250 per equivalent dwelling unit discounted to \$3,100 if paid within a 60-day discount period from April 1, 2008.

Future New Residential Dwelling Customer (Not Utilizing The Casciola or Windsor Woods Sewer Collection Systems) - \$7,900 per equivalent dwelling unit with no discount.

The following components were established to determine the residential monthly user rates:

Monthly Service Charge	\$ 8.75
Monthly Debt Service Charge	\$11.25
Water Usage Fee	\$ 7.25 Per 1,000 Gallons of Usage

The commercial tap-in fees and monthly usage rates are being evaluated and were not established.

#### ADJOURNMENT

The Board on unanimous vote on motion by Kenneth Heirendt and second by Stephanie Lucchino adjourned the meeting at 7:00 PM.

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Secretary