

Cecil Township Municipal Authority
Monthly Meeting
July 19, 2011

The Cecil Township Municipal Authority held its' regular monthly meeting on Tuesday, July 19, 2011 at the Cecil Township Municipal Building. Chairman Donald Gennuso called the meeting to order at 6:00 PM with Stephanie Lucchino, Blane Volovich, and Richard Barnes present. Absent was Leslie Peters. Also present was Romel Nicholas, Gaitens, Tucceri and Nicholas; Eric Tissue, KLH Engineers Inc., Walter O'Shinski P.E. and Dennis Bell, Administrator.

MINUTES OF JUNE 14, 2011

The Board on unanimous vote on motion by Richard Barnes and second by Blane Volovich approved the minutes of the meeting of June 14, 2011.

COMMENTS FROM THE FLOOR

Mrs. Linda Moore addressed the Board regarding the sanitary sewer easement proposed for her property. The easement is required to build a gravity sewer line to eliminate the Valleycrest pump station. Mrs. Moore stated the amount being offered is not sufficient in that the line is benefiting the Fleeher residents. She stated that they are not being treated fairly with the amount being offered at one-dollar (\$1.00) per foot.

Romel Nicholas explained the Board position and that the one-dollar (\$1.00) per foot offered is exactly what was offered for all of the easement located in the Millers Run project area. He stated that the Board at their June 14, 2011 offered a shed and gravel driveway in addition to the cash offer of three hundred eighty (\$380.00) dollars. He read a from the minute book the June 14, 2011 minutes for the action taken regarding the amount offered to the Moore's for the right of way through their land. Romel Nicholas stated all property owners located in the Millers Run project areas were treated the same with a fair offer of one-dollar (\$1.00) per foot.

Donald Gennuso stated the Board has the option of filing a condemnation for acquiring the right of way through the Moore property and he expressed concern for the construction timeline for utilizing the Local Share funds.

UPDATE ON BOND REFINANCE

Jason Brockman, Public Financial Management presented to the Board an update on the municipal bond market indicating the market is close to the previous low of August 26, 2010. He stated at the current time the net savings on a refinance for the 2004 bond issue is approximately \$174,000 and he further stated the Board previously issue a

target savings of between \$350,000 and \$500,000. He stated that currently a 2.89% net savings exists which is higher than a normal savings rate for most bond refinancing. Mr. Brockman requested the Board give consideration for appointing a bond counsel so that a trust indenture may be prepared for the rating agency to obtain a credit rating from Moody's, which is currently in progress. He further stated that bond counsel is needed to review the preliminary official statement and obtain an insurance commitment from the assured guaranty.

ENGINEER REPORT

AUTHORIZE RELEASE TO LONE POINE OF FINAL PAYMENT ON CONTRACT

Michael Sherrieb reported to the Board on completion of the repair to the jib crane at the Millers Run pump station. He requested the Board authorize the final payment to Lone Pine Construction Company for their work completed. He stated that the work was inspected. The Board on unanimous vote on motion by Richard Barnes and second by Blane Volovich authorized a payment of \$2,000.00 to Lone Pine Construction Company.

RELEASE OF PERFORMANCE BOND – ALTO PIANO PHASE 3, 6, 8 AND 9

Walter O'Shinski stated that all sanitary construction and testing have been completed in Alto Piano for phases 3, 6, 8 and 9 and that an eighteen month maintenance bond has been provided to the Authority. He stated the letter of credit for the performance bond needs to be released. The Board on unanimous vote on motion by Stephanie Lucchino and second by Blane Volovich authorized a letter to Slovenian Savings approving the release of the performance bond to William Graziani.

RELEASE OF PERFORMANCE BOND – OAKBROOKE ESTATES PHASE 1 AND 2

Walter O'Shinski stated that all sanitary construction and testing have been completed in Oakbrooke Estates for phases 1 and 2 and that an eighteen month maintenance bond has been provided to the Authority. He stated the letter of credit for the performance bond needs to be released. The Board on unanimous vote on motion by Richard Barnes and second by Stephanie Lucchino authorized a letter to S & T Bank approving the release of the performance bond to Daniel Caste, developer of Oakbrooke Estates.

DISCUSS LETTER FROM JERRY HATFIELD – 165 MC CONNELL ROAD CECIL

Jerry and Mary Ann Hatfield addressed the Board for obtaining sewer service for their property located at 165 Mc Connell Road, Cecil PA. He stated a right of way was provided to Ron Fleehler by the adjoining property owners John and Ann Zdilla. Walter O'Shinski inquired if the right of way document was recorded and Mr. Hatfield stated that it was not. It was noted that Ronald Fleehler did not make the connection to the Fleehler Treatment facilities.

Walter O'Shinski stated the Board policy is that no private lateral lines are permitted in the Authority system and that the Board would need to decide on permitting a private lateral line through an adjoining property. He stated a right of way needs to be prepared and recorded and that Mr. Hatfield would be responsible for obtaining the right of way and having the document recorded. He further stated that construction of the sanitary lateral and Y would be the property owner responsibility and that all construction must follow the Authority specifications and the lines would need inspected. Dennis Bell stated the construction specifications are on the Authority website.

The Board on unanimous vote on motion by Blane Volovich and second by Richard Barnes authorized construction of a private lateral line to service the property located at 165 Mc Connell Road, Cecil PA due to the circumstances regarding this property subject to the property owner obtaining the right of way and having the document recorded. A letter will be addressed to the Jerry and Mary Ann Hatfield regarding the decision made by the Board.

REQUEST TO USE ACCESS ROAD FOR VALLEYVIEW DRIVE SLIDE REPAIR

Walter O'Shinski discussed with the Board a request from a contractor to use Quarry Road for gaining access to a slide area in the Georgetown Estates subdivision. He stated the slide impacts on the sanitary sewer located at the rear of properties located along Valleyview Drive, Lawrence PA. He stated we would require a letter on how the driveway would be used and during what time periods. In addition, the Authority would need to be named as additional insured and a performance bond would be needed.

DISCUSS LETTER FROM SOUTH FAYETTE MUNICIPAL AUTHORITY – FAWCETT CHURCH ROAD

Walter O'Shinski referred to the letter received from the South Fayette Municipal Authority stating three outstanding issues that need further clarification prior to their office formally petitioning Alcosan and the City of Pittsburgh for the connection. He stated the property has not reported any malfunctions and the owners have expressed a desire to sell the property. He stated that South Fayette Municipal Authority suggests that a regional solution be considered for the Fawcett Church Road. Donald Gennuso stated the issue is a private matter that the property owner must resolve with the South Fayette Municipal Authority. No further action was taken by the Board regarding this matter.

DISCUSS ELECTRIC GENERATION SERVICE THROUGH DUQUESNE LIGHT ENERGY LLC

Michael Sherrieb addressed the Board on changing electric generation service from Allegheny Power to Duquesne Light Energy LLC. He stated a three year agreement would lock the Authority into a fixed rate of 6.79 cents per kilowatt hour which compares to the current fee of 6.76 cents per kilowatt hour. He stated the provider may increase rates on a quarterly basis and the trend would probably be for increases in electric costs in

the future. The Board elected not to make any changes from the current provider.

SOLICITOR REPORT

Romel Nicholas stated the monthly report was circulated to the Board prior to the meeting. He stated three issues need to be addressed in Executive Session and those being Sitarik litigation, the Flecher property issue and the Moore easement.

BUSINESS MANAGER REPORT

AUTHORIZE HEALTHCARE RENEWAL WITH HEALTH AMERICA

Dennis Bell reported that the cost associated with the one year renewal of health coverage reflects no change from the current year. He recommended the Board authorize approving the Health America coverage beginning on August 6, 2011 through August 5, 2012. The Board on unanimous vote on motion by Richard Barnes and second by Blane Volovich authorized renewal of the annual coverage with Health America.

DISCUSS APPOINTMENT ON BOND COUNSEL

The Board on unanimous vote on motion by Stephanie Lucchino and second by Richard Barnes appointed Dinsmore & Shobl as bond counsel with Attorney Sean Garin as our principal contact.

DISCUSS RENEWAL OF COMPANY INSURANCE

Dennis Bell discussed the insurance proposal received from the Robert A. Simonin Agency Inc. and B & W Insurance Agency, Inc. for all insurance coverage beginning on August 6, 2011 through August 5, 2012. He stated after a review of the two proposals comparing the coverage being quoted, the Simonin Agency quote was \$17,695 compared to B & W Insurance quote of \$17,792. The Board on unanimous vote on motion by Richard Barnes and second by Stephanie Lucchino accepted the proposal prepared by the Simonin Agency for the next twelve month period.

AUTHORIZE ENCASHMENT SLOVENIAN SAVINGS CERTIFICATE OF DEPOSIT NUMBER 00-13018645

The Board on unanimous vote on motion by Blane Volovich and second by Richard Barnes authorized the encashment of Certificate of Deposit number 00-13018645 in the amount of \$366,006.59 plus accrued interest maturing on August 20, 2011. The date for encashment is August 1, 2011.

AUTHORIZE REINVESTMENT SLOVENIAN SAVINGS CERTIFICATE OF DEPOSIT NUMBER 00-13017806

The Board on unanimous vote on motion by Richard Barnes and second by Stephanie Lucchino authorized the reinvestment of Certificate of Deposit number 00-13017806 in the amount of \$794,863.67 plus accrued interest maturing on August 15, 2011 for a period of one year at the interest rate of 1.95% with an APY of 2.00%.

DISCUSS CHANGE IN AUGUST 2011 MEETING DATE

The Board discussed changing the August 16, 2011 meeting date but it was agreed to hold the meeting on August 16, 2011. The Board agreed to make a change to the September date from September 20 to September 27, 2011. The September meeting date change will be advertised.

LETTER FROM BERNADETTE GARDNER REGARDING POOL FILLING

Dennis Bell discussed the letter from Bernadette Gardner requesting a refund on a pool filling. It was stated that no telephone call was received prior to the filling of the pool, so that a reading could be taken on the water meter, a standard policy of the Authority. In addition, a review of the account, the amount of water usage billed in June 2011 is comparable to usage during each of the month from December 2010 through February 2011. It was suggested an adjustment would not equate in a sufficient refund after the Authority charge of \$25.00 is applied and therefore the Board elected to not refund Ms. Gardner.

AUTHORIZE SIGNING LETTER TO M & T BANK ON EXCESS FUNDS IN REVENUE FUND

The Board on unanimous vote on motion by Blane Volovich and second by Richard Barnes authorized a letter be sent to M & T Bank, Trustee stating that no excess funds exists in the Revenue Account that could be transferred to the Capital Improvement Fund with M & T Bank.

AUTHORIZE TRANSFERRING FUNDS FROM PNC TAP-IN ACCOUNT TO PNC SWEEP ACCOUNT

The Board on unanimous vote on motion by Richard Barnes and second by Stephanie Lucchino authorized \$75,000.00 be transferred from the PNC Tap-In Account to the PNC Operating Sweep Account.

MAY 2011 FINANCIAL REPORT

Dennis Bell stated the financial report for the month of May 2011 was provided for the Board to review.

CORRESPONDENCE

Donald Gennuso inquired on the letter received from Debbie Carter for damage done on their property located at 551 Muse Bishop Road, Mc Donald PA. during the Millers Run sewer line construction. Walter O'Shinski reported to the Board on his discussion with Ms. Carter regarding the property issue. Romel Nicholas stated that the property was never on the Sitarik restoration listing and that since several years have passed perhaps the only option would be for Ms. Carter to file a claim with the Sitarik insurance company. It was suggested a letter be sent by the solicitor to the insurance company with the information provided by Ms. Carter.

Stephanie Lucchino inquired on the letter addressed to the Valley Brooke Country Club for a grease problem causing foaming at the Teodori STP. Walter O'Shinski stated that no response was received from the Valley Brooke Country Club. Donald Gennuso recommended a letter be addressed to the Valley Brooke Country Club from the Solicitor's office regarding the problem being created at the Teodori STP.

Stephanie Lucchino inquired on whether Ms. Christine Kief, Georgetown Road, Lawrence PA agreed to participate in a private sewer line project. Dennis Bell stated the four property owners have signed construction agreements and appropriate funding to cover the property owners financial responsibility for the project is available.

Dennis Bell discussed the error in billing for the Fleher customers and advised the Board that a correct bill would be issued. Donald Gennuso suggested a letter be mail to the residents explaining the error and what corrective steps are being taken by PA-American Water Company.

PAYING OF EXPENSES/TRANSFER OF FUNDS ETC.

A unanimous vote on motion by Blane Volovich and second by Stephanie Lucchino the Board authorized payment of expenses and transfers as follows.

DMR Review and Approval; Payment of Expenses/Invoices etc.
Employee Payroll; 941 Tax Deposit; Employee State Tax Payment
Discharge Monitoring Reports were approved for submission to the PA DEP

EXECUTIVE SESSION

The Board on motion by Stephanie Lucchino and second by Richard Barnes authorized entering into an Executive Session at 7:45 PM to discuss Sitarik litigation, Fleher property deed transfer and the Moore property issue. The Executive Session ended at 7:58 PM and the Board returned to the general meeting.

AUTHORIZE ENABLING RESOLUTION FOR CONDEMNATION

The Board on motion by Richard Barnes and second by Stephanie Lucchino authorized the Solicitor to prepare an enabling resolution number 2011-4 memorializing the directive given this day to have Solicitor immediately proceed with property condemnation procedures for lands owned by James M. and Linda J. Moore, on Moore Lane, Cecil PA

AUTHORIZE NOTICE TO PROCEED ON CONDEMNATION

The Board on motion by Blane Volovich and second by Stephanie Lucchino authorized the Solicitor to prepare condemnation documents, authorize appropriate signatures and upon execution of the condemnation documents, and fulfillment of appropriate procedures, a property condemnation be filed with the court regarding the James and Linda Moore property.

ADJOURNMENT

There being no other business by unanimous vote on motion by Blane Volovich and second by Stephanie Lucchino the meeting was adjourned at 8:00 PM. The next regular meeting scheduled for Tuesday, August 16, 2011 at 6:00 PM.

Secretary