

Cecil Township Municipal Authority  
Monthly Meeting  
JUNE 19, 2012

The Cecil Township Municipal Authority held its regular monthly meeting on Tuesday, June 19, 2012 at the Cecil Township Municipal Building. Vice Chairperson Stephanie Lucchino called the meeting to order at 6:03 PM with Blane Volovich, Leslie Peters and Richard Barnes present. Absent was Donald Gennuso. Also present was Jeff Hollowood, Gaitens, Tucceri and Nicholas; Eric Tissue, KLH Engineers Inc., Walter O'Shinski P.E. and Dennis Bell, Administrator.

MINUTES OF MAY 15, 2012

The Board, by a unanimous vote on a motion by Blane Volovich and second by Richard Barnes, approved the minutes of the meeting of May 15, 2012.

ENGINEER REPORT

VALLEYCREST CONSTRUCTION UPDATE

Michael Sherrieb reported that the contractor has addressed several items on the punch list but several items remain to be completed.

OAKBROOKE SEWER RELOCATION ACCEPTANCE

Walter O'Shinski reported that all construction on the sewer line relocation in Oakbrooke Estates Phase 1 has been completed and a maintenance bond has been posted. He recommended that the Authority accept the sewer line. By unanimous vote on motion by Richard Barnes and second by Leslie Peters the Board authorized accepting the sewer line.

CHERRYBROOK NPDES RENEWAL APPPLICATION

Walter O'Shinski advised the Board on the October 2012 expiration of the NPDES Permit for the Cherrybrook STP. He recommended the Board authorize signing the renewal application for a five year term. By unanimous vote on motion by Blane Volovich and second by Leslie Peters the Board authorized signing the renewal application.

THE OVERLOOK AT SOUTHPOINTE

Keith Straight with PVE Sheffler addressed the Board on their work for a master plan encompassing three projects – The Overlook, Ironwood 2 and the Reserve at Southpointe. He stated project design started in 2009 on the Overlook and Ironwood 2

project with the knowledge that a pumping station would be constructed to service the two projects. He further stated that the third development known as the Reserve at Southpointe has been added thereby requiring a new master plan. While a pump station would need to be constructed to accommodate the full build-out of the project, Keith Straight stated that Walter O'Shinski and Eric Tissue reviewed the drawing to determine line capacity by sections and that it has been reported that sufficient capacity exists to accommodate eighty-one (81) EDUs (equivalent dwelling units) of flow.

By unanimous vote on motion by Richard Barnes and second by Leslie Peters the Board authorized providing capacity for eighty-one (81) EDUs for the Overlook at Southpointe and Ironwood 2 developments.

Jeff Hollowood stated that Southpointe MDC, LLC, the developer prepared two agreements – First Amendment to Sewage Service and Construction Agreement; and Pump Station And Forced Main Operation And Maintenance Reimbursement Agreement. He stated both agreements were reviewed by Walter O'Shinski and himself and the final document presented to the Board for consideration incorporated their recommended changes.

The First Amendment to Sewage Service and Construction Agreement provides for capacity to eighty-one (81) EDUs provided that the existing line be cleaned and flushed annually. The agreement details which line sections require cleaning and also require the developer to deposit into escrow an amount of \$8,500.00 to assure payment for the annual cleaning and flushing. By unanimous vote on motion by Leslie Peters and second by Blane Volovich the Board authorized signing the agreement.

The Pump Station and Forced Main Operation and Maintenance Reimbursement Agreement provides for Southpointe MDC LLC and Morgan Acquisitions LLC to jointly provide an escrow and assume responsibility for the cost of the operation and maintenance of the pump station until such time as the Authority receives sufficient contributions from new Authority customers to maintain the pump station. The amount of the escrow to be deposited is \$108,000.00 upon completion of the forced main and pump station and acceptance by the Authority. The agreement further states that any sanitary sewer tap for use by single family residents in the Overlook at Southpointe, Ironwood 2 or the Reserves at Southpointe will result in a \$9.50 per month credit towards operation and maintenance of the pump station for each month paid. Also a credit for any apartment units in the Reserve at Southpointe or Ironwood 2 or Overlook will be credited at the rate of \$7.00 per EDU for each month paid. The agreement outlines specifics for maintaining the escrow account balance and actions that will be taken if the account balance is not properly funded. By unanimous vote on motion by Richard Barnes and second by Leslie Peters the Board authorized signing the agreement.

#### WOODCLIFF DRIVE SANITARY SEWER OWNERSHIP ISSUE

Walter O'Shinski advised the Board that the sanitary sewer line to service lots along Woodcliff Drive in Southpointe 2 has not been accepted by the Authority. He

stated an electrical switch gear concrete box was placed over an 8” ductile iron sewer line. In a letter dated June 12, Washington County Authority proposes that the sanitary sewer line be owned and maintained by them until such time as the sanitary sewer can be rerouted, probably within a twelve month period. By unanimous vote on motion by Richard Barnes and second by Leslie Peters the Board authorized that the sanitary sewer line to service Woodcliff Drive in Southpointe 2 remain a private line that will be owned and maintained by the Washington County Authority..

### SOLICITOR REPORT

Jeff Hollowood referred to the solicitor report circulated to the Board prior to the meeting. He stated that four properties in the Fleehler subdivision will be liened. Stephanie Lucchino inquired on the status of the pending lien for a property located in the Fleehler subdivision as a bankruptcy was filed by the property owner. Blane Volovich suggested reviewing the file to determine assets and liabilities as related to the Chapter 13 filing and it was recommended that this be done prior to the solicitor being instructed by the Board on how to proceed.

### BUSINESS MANAGER REPORT

#### APPOINT BILLING AND COLLECTING AGENT

Adam Buchanan reviewed the information in the billing provider general report. The service provider offers three options ranging from full service to include customer service to using a collection service. Leslie Peters stated that the committee wanted a firm who could provide excellent customer service and be customer friendly. In addition, the software system selected must accommodate the needs of the office staff and the customer payment options. By unanimous vote on motion by Richard Barnes and second by Blane Volovich the Board agreed to sign a contract with Freedom Systems, Norristown, PA. The company provided an extensive listing of government and municipal authorities using their utility billing and accounting software.

#### AUTHORIZE SIGNING CORPORATE TRUST MUTUAL FUND DISCLOSURE & CONSENT FORM

Dennis Bell referred to a letter from M & T Bank, trustee for the Authority’s bonds and the request for signing a mutual fund disclosure and consent form authorizing and directing M & T Bank to invest any cash balances into the Wilmington U.S. Government Money Market Fund. By unanimous vote on motion by Leslie Peters and second by Blane Volovich the Board agreed to sign the disclosure and consent form.

#### DEVELOPER ESCROW – GRAZIANI

Dennis Bell discussed with the Board an outstanding balance due to the Authority

from William Graziani. In referring to his letters, the most recent being April 12, 2012, in which he requested the funds be paid, there has been no response from Mr. Graziani. Stephanie Lucchino recommended a letter be sent by the solicitor to Attorney Frank Arcuri requesting the funds to be paid to the Authority by a specific date. Leslie Peters recommended the letter include a provision that issuance of tap-in permits be on hold until the matter is resolved. The Board agreed with the recommendation.

#### AUTHORIZE SIGNING RESOLUTION 2012-2

By unanimous vote on motion by Richard Barnes and second by Leslie Peters the Board authorized signing Resolution 2012-2 establishing the 2012 staff salaries.

#### AUTHORIZE SIGNING HEALTH AMERICA INSURANCE CONTRACT FOR 2012-2012

Dennis Bell reviewed the Health America health insurance coverage for the year beginning on August 6, 2012 and continuing for one year. The plan is a carry over from the current medical insurance policy. The plan will have an increase in premium costs by 4.4 percent. By unanimous vote on motion by Leslie Peters and second by Blane Volovich the Board authorized signing the Health American Insurance contract.

#### APRIL 2012 FINANCIAL REPORT

Dennis Bell reported that the financial report for the month of April 2012 was provided for the Board to review.

#### DEBT SERVICE RESERVE FUND 2011 BOND INVESTMENT

Jeff Hollowood advised the Board that M & T Bank, trustee for the 2011 bonds, has received notification from Natixis regarding a downgrade of their long-term senior unsecured rating. The downgrade constitutes a rating event under the agreement.

By unanimous vote on motion by Leslie Peters and second by Blane Volovich Pursuant to Section 4.2 (a)(i) of the Investment Agreement between CDC Funding Corp., the Trustee and the Authority, the Board directs M & T Trust Company, as Trustee, to provide written notice to CDC Funding Corporation (CDCFC) to deliver and grant, or cause to be delivered and granted, to the Collateral Agent, a first priority security interest under the applicable Uniform Commercial Code or other applicable law in and to Collateral, which Collateral shall, on the date of CDCFC's receipt of notice hereunder, have a Collateral Value equal to the Collateral Requirement Level.

#### CORRESPONDENCE

No comments were made on the correspondence.

PAYING OF EXPENSES/TRANSFER OF FUNDS ETC.

By a unanimous vote on a motion by Blane Volovich and second by Leslie Peters, 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

COMMENTS FROM THE FLOOR

There were no comments from the floor.

ADJOURNMENT

There being no other business, by a unanimous vote on a motion by Leslie Peters and second by Blane Volovich, the meeting was adjourned at 6:57 PM. The next regular meeting is scheduled for Tuesday, July 17, 2012 at 6:00 PM.

\_\_\_\_\_  
Secretary