

Cecil Township Municipal Authority
Monthly Meeting
August 19, 2014

The Cecil Township Municipal Authority held its regular monthly meeting on Tuesday, August 19, 2014 at the Cecil Township Municipal Building in Cecil, PA. Chairman Donald Gennuso called the meeting to order at 6:00 PM with Stephanie Lucchino, Blane Volovich, Richard Barnes and Timothy Markovich present. Also present were Jeff Hollowood, Gaitens, Tucceri and Nicholas; Michael Sherrieb, KLH Engineers Inc., Walter O'Shinski P.E., Dennis Bell, Administrator and Gregory Gennuso, Assistant Administrator.

MINUTES OF JULY 15, 2014

The Board by a unanimous vote on a motion by Richard Barnes and a second by Stephanie Lucchino approved the minutes of the meeting of July 15, 2014.

2013 AUDIT REPORT

Mr. Steven Cypher, Managing Partner - Cypher and Cypher CPA presented the 2013 audit report to the Board.

The Statement of Net Assets – Proprietary Fund reflects total assets of \$37,456,606 and total liabilities of \$16,701,521 with equity of \$20,755,085.

The Statement of Revenue, Expenditures, and Changes in Net Assets – Proprietary Fund reflects operating revenue of \$1,993,443, operating and maintenance expenses were \$1,811,012, administrative expenses were \$275,083, interest expense totaled \$638,079, other non-operating income of \$965,425 with the net income/(loss) of \$234,694. The net income would have been much smaller had it not been for nonrecurring tap in fee revenue of \$130,364, contribution of sewer lines valued at \$519,800 and the settlement of a lawsuit in the amount of \$279,414. Without these nonrecurring items, the net loss would have been (\$694,884).

Steven Cypher discussed comments in their management letter to assist the Board and management on methods to strengthen internal controls and accounting systems. He focused his discussion on the change in the billing agent from PA-American Water Company to Freedom Systems Corp., a fixed asset appraisal and the fund balance.

ENGINEER REPORT

UPDATE ON SOUTHPOINTE PIPE BURSTING REPAIRS AND PUMP STATION

Michael Sherrieb updated the Board on the status of the Southpointe Pipe Bursting and Pump Station project. He stated the goal for completing the project is October 15, 2014. Walter O'Shinski stated a close out punch list for the pipe bursting was provided to the developers nearly two months ago and the list has not been completed. The estimated completion work on the pump station is at least two months away.

Michael Sherrieb requested the Board approve pay estimate # 4 on the Southpointe pipe bursting project. The amount requested is \$3,600.00 to Morgan Management. He stated this aspect of the project is 88% complete and the final pay item is paving of the cart pathway in the golf course. The Board by a unanimous vote on a motion by Richard Barnes and a second by Timothy Markovich authorized payment on pay estimate # 4 to Morgan Management.

Michael Sherrieb reported on the progress of the pumping station contract in Southpointe. He stated the project is 88% complete and requested pay estimate #5 in the amount of \$161,519.86. The Board by a unanimous vote on a motion by Blane Volovich and a second by Timothy Markovich authorized payment on pay estimate #5 to MDC.

Michael Sherrieb reported that the all of the sanitary lines have been installed on the force main contract in Southpointe. He stated the project is 99% complete with restoration still to be finished. He advised the Board that on all aspects of the project a 10% retainage is being held. He requested the Board approve pay estimate #10 in the amount of \$10,107.00. The Board by a unanimous vote on a motion by Richard Barnes and a second by Blane Volovich authorized payment on pay estimate #10 to MDC.

Michael Sherrieb updated the Board on a meeting with the developers for connecting additional buildings at the Reserve @ Southpointe. The outcome of the meeting was the 4th Amendment to the Sewer Service and Construction Agreement with MDC. MDC agreed to flush the sanitary sewer line prior to connection of any new units and then every 60 days thereafter until the pump station is complete and accepted by the Authority. The Board suggested a letter to the developers stating that no future connections beyond those agreed upon in the 4th Amendment will be approved until the pump station project has been completed and accepted. The Board by a unanimous vote on a motion by Richard Barnes and a second by Stephanie Lucchino authorized signing the 4th Amendment to the Sewer Service and Construction agreement with MDC.

CONDITIONAL ACCEPTANCE OF THE OVERLOOK AND MORGAN PIPE BURSTING PROJECT AT SOUTHPOINTE

Michael Sherrieb discussed with the Board a conditional acceptance of the pipe bursting at Southpointe for the Overlook and the Morgan projects. He stated a punch list

is has been provided and all items are expected to be completed by the developer by the September meeting. In addition, close out documents must be provided to the Authority. The Board by a unanimous vote on a motion by Blane Volovich and a second by Timothy Markovich authorized a conditional acceptance of the sanitary sewer lines impacted by the pipe bursting for MDC and Morgan.

UPDATE ON SANDLEWOOD AND TIMBERCREST DRIVE SEWER PROJECT AND SIGNING A COOPERATION AGREEMENT WITH RAWC

Michael Sherrieb reported on the Cooperation Agreement with the Redevelopment Authority of Washington County for the Sandlewood and Timbercrest Drive Sewer project naming CTMA as a sub grantee of the LSA grant funds and providing for the obtaining, disbursement, and usage of the same. He stated the project is ready for bidding and that either RAWC or KLH Engineers can prepare the bids. He stated if RAWC handles the bidding the costs would be deducted from the grant money. The Board by a unanimous vote on a motion by Richard Barnes and a second by Timothy Markovich authorized KLH Engineers to prepare the bids for advertisement.

UPDATE ON BRUSH RUN SEWER EMERGENCY REPAIR AND SIGNING SELF-CERTIFICATION FORM

Michael Sherrieb updated the Board on the Brush Run sewer line emergency repair and advised that the project is complete. He stated a self-certification form must be signed for reporting to the PA DEP. The Board by a unanimous vote on a motion by Richard Barnes and a second by Stephanie Lucchino authorized signing the self-certification form.

CONDITIONAL ACCEPTANCE OF THE WOODCLIFF DRIVE SANITARY SEWER

Walter O'Shinski requested the Board authorize a conditional acceptance for the Woodcliff Drive sewer lines subject to the 18-month maintenance bond being provided to the Authority. The Board by a unanimous vote on a motion by Timothy Markovich and a second by Blane Volovich authorized a conditional acceptance of the Woodcliff Drive sanitary sewers.

APPROVE SIGNING DEED OF EASEMENT AND CONDITIONAL ACCEPTANCE OF THE QUATTRO INVESTMENT SANITARY SEWER

Walter O'Shinski requested the Board authorize signing a deed of sanitary sewer easement with the Quattro Investment Group for sewer lines to service three office buildings in Southpointe II. The Board by unanimous vote on a motion by Richard Barnes and a second by Timothy Markovich authorized signing the sanitary sewer easement with Quattro Investment Group. The Board by unanimous vote on a motion by Blane Volovich and a second by Richard Barnes authorized the conditional acceptance of the sewer lines to service the three office buildings constructed by the Quattro Investment

Group pending the recording of the sanitary sewer easement and the posting of the 18-month maintenance bond.

COMMENTS FROM THE FLOOR

Donald Gennuso inquired if there were any comments from the floor. No one provided any comments.

SOLICITOR REPORT

Jeff Hollowood referred to his monthly report circulated to the Board. He referred to the 4th Amendment to the MDC Southpointe sewage service and construction agreement. He discussed the request by the developer for a reduction in the LOC for the maintenance bond. He stated the developer was advised that no reduction in the bond is appropriate unless the Authority is not listed as a 3rd party on the bond held with Piatt. Michael Sherrieb stated the maintenance bond is 25% not the standard 15% due to the work being done thru the fairway of the golf course.

Jeff Hollowood discussed with the Board the adoption of a resolution imposing a transportation charge for areas outside of Cecil Township utilizing the Authority's interceptor line. The change is being made in lieu of the proposed service agreement with Chartiers Township. The fee to be assessed is \$2.66 per 1,000 gallons of water calculated based on the costs related to the sewer system. The Board by a unanimous vote on a motion by Richard Barnes and a second by Stephanie Lucchino authorized the Resolution.

Jeff Hollowood discussed the additional space – lease or purchase of property and requested the subject be held in executive session.

Jeff Hollowood discussed the changes made to the personnel policy handbook regarding the reduction in waiting periods for commencement of certain employee benefits, and the increase in vacation days to employees in the second year of employment. The revisions were approved previously by the Board but the changes were not adopted into the handbook. The Board by a four to one vote on a motion by Blane Volovich and a second by Timothy Markovich approved the changes to the personnel policy handbook. Donald Gennuso abstained.

Jeff Hollowood referenced the Sitarik maintenance bond issues indicating the no additional information has been provided to his office. Michael Sherrieb stated he would contact Sitarik to determine the status of the work to be completed.

BUSINESS MANAGER REPORT

RATIFY REINVESTMENT OF CD # 00-13017806

Dennis Bell stated the Board previously authorized reinvestment of Certificate of Deposit # 00-13017806. The Board by unanimous vote on a motion by Richard Barnes and second by Timothy Markovich ratified the decision on the reinvestment for a term of one-year at the interest rate of 1.95% with a yield of 2.00% with no penalty for early withdrawal.

DISCUSS OFFICE SPACE

Donald Gennuso stated that two options are available for either the purchase of the former PNC Bank building or the rental of office space in the Casciola building in Cecil PA. He stated the direction should be a long-term solution for office space. He stated the consensus of the staff would be the purchase of the office building providing sufficient space for the Authority's current need and future expansion. Dennis Bell discussed with the Board the office space at South Fayette Municipal Authority and the configuration of what our space should resemble.

IN-HOUSE WASTEWATER BILLING

Donald Gennuso stated that a decision on whether the Authority's does the wastewater billing is needed so that we may proceed with the decision on office space. He stated that a timeline prepared provides the steps needed to make both the new office space and the billing a reality. The Board by unanimous vote on a motion by Timothy Markovich and a second by Richard Barnes decided that the goal would be to do our own billing.

DISCUSS JUNE 2014 FINANCIAL REPORT

Dennis Bell reported that the financial report for the month of June 2014 was provided for the Board to review. Stephanie Lucchino stated she would prefer to have the report before the meeting.

APPROVE PMAA CONFERENCE ATTENDANCE

The PMAA annual conference is being held the week of August 25, 2014 in Hershey, PA. The Board by a four to one vote on a motion by Richard Barnes and a second by Stephanie Lucchino authorized Greg Gennuso to attend the meetings. Donald Gennuso abstained.

REVIEW OF CORRESPONDENCE

There were no comments on the correspondence.

PAYING OF EXPENSES/TRANSFER OF FUNDS ETC.

By a unanimous vote on a motion by Timothy Markovich and a second by Blane Volovich, 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 PADEP

EXECUTIVE SESSION

The Board by a unanimous vote on a motion by Richard Barnes and a second by Timothy Markovich entered into an executive session at 7:32 PM to discuss real estate and a personnel issue. The Board returned to the general session at 8:08 PM.

AUTHORIZE SOLICITOR TO NEGOTIATE REAL ESTATE TRANSACTION

The Board by a unanimous vote on a motion by Stephanie Lucchino and a second by Timothy Markovich authorized the solicitor to negotiation the purchase of the property at 3337 Millers Run Road, Cecil PA at the terms discussed in the Executive Session.

AUTHORIZE ADMINISTRATOR TO OFFER EMPLOYMENT TO MICHAEL SHERRIEB

The Board by a unanimous vote on a motion by Richard Barnes and a second by Blane Volovich authorized the administrator to write a letter to Michael Sherrieb for employment as the Assistant Engineer/Plant Operator at the terms discussed in the Executive Session.

AUTHORIZE NOTIFICATION TO CWM

The Board by unanimous vote on a motion by Richard Barnes and a second by Timothy Markovich authorized conditional termination of the contract with CWM Environmental as discussed in the Executive Session.

ADJOURNMENT

There being no other business, by a unanimous vote on a motion by Blane Volovich and a second by Timothy Markovich the meeting was adjourned at 8:15 PM. The next regular meeting is scheduled for Tuesday, September 16, 2014 at 6:00 PM.

Secretary