

Cecil Township Municipal Authority
Monthly Meeting
August 20, 2019

The Cecil Township Municipal Authority held its regular monthly meeting on Tuesday, August 20, 2019 at the Cecil Township Municipal Building in Cecil, PA. Chairman Donald V. Gennuso called the meeting to order at 5:00 PM with Richard Barnes, and Frank Ziemba in attendance. Also present were Attorney Nate Boring, Gaitens, Tucceri and Nicholas; Walter O'Shinski P.E, and Kevin Brett of Lennon, Smith, Souleret Engineers. Patricia Mowry was absent.

MINUTES OF JULY 16, 2019

The Board on a unanimous vote on a motion by Richard Barnes and a second by Frank Ziemba approved the minutes of July 16, 2019. Blane Volovich abstained.

2018 AUDIT REPORT-Cypher & Cypher CPA

Lukas Rayle - Cypher and Cypher CPA presented the 2018 audit report to the Board. The Statement of Net Assets – Proprietary Fund (Balance Sheet) reflects total assets and deferred outflows of \$40,525,751 and total liabilities and deferred inflows of \$17,346,923 with a total net position of \$23,178,828.

The Statement of Revenue, Expenditures, and Changes in Fund Net Position – Proprietary Fund reflects operating revenue of \$3,011,020 operating and maintenance expenses were \$2,031,014, administrative expenses were \$347,010, interest expense totaled \$544,096, other non-operating income of \$895,935. The net income is shown as \$984,835.

Lukas Rayle discussed the 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 continued separation of duties on in-house billing.

ENGINEER'S REPORT

TRADITIONS OF AMERICA PROJECT UPDATE

Walter O'Shinski informed the Board that he had reviewed a set of construction plans for Traditions of America strictly based on their capacity needs. Walter explained that we do have a set of plans that would meet all of the Authorities requirements. Walter explained that two letters were sent to Ron Sabatino about his adjoining future project. One letter sent from Traditions of America stated that they would work with Mr. Sabatino provided that he contacted them in a timely manner and provided them engineering, escrow to cover the costs of the upgrades, and entered into an agreement with them. The second letter was sent from CTMA to Mr. Sabatino and his consultant engineer asking if he is interested in participating in this project. Both letters had a deadline date and no replies were received within those deadline periods. Michael

Parish, attorney for Traditions of America, requested that the Board accept their plans. The Board by a unanimous vote on a motion by Richard Barnes and a second by Frank Ziembra approved the plans. Donald V Gennuso recommended a letter to Sabatino and his consulting engineer with the results of this meetings approval.

LAWRENCE PROJECT UPDATE

Kevin Brett from LSS Engineering, presented the final second opinion review report and the scope that was agreed upon to the Board. Senate engineering original construction cost was at \$7.9 million in their Act 537 plan, KLH engineering's construction cost was at \$12.2 million, and LSS engineers updated construction cost for 2021 is \$17.3 million. The reduced scope was able to bring the construction costs down to \$13.792 million with soft costs the total project cost of the second opinion review came in at \$16.340 million. Kevin explained the reduced scope to the Board as the following: removal of service to 16 low pressure customers, changing the plants tankage to pre-cast concrete, adding in the grit chamber, eliminating the headworks building, and repurposing the existing tanks at Teodori as a pump station rather than building a new pump station at the site. The Board unanimously agreed to all scope changes for this project. Kevin Brett was going to refine the soft cost numbers and get those results to the Board in three weeks to review for the next meeting.

COMMENTS FROM THE FLOOR

There were no comments from the floor.

SOLICITOR REPORT

Nate Boring suggested a 90 to 120 day deadline for easements/condemnations prior to breaking ground on the Windcrest Drive project. Walter O'Shinski informed the Board that there are 5 temporary construction easements and one permanent easement for this project. Walter O'Shinski explained that we have received 6 of 9 easements to connect the old sewer to the new sewer on private property. The 3 of those that did not respond received another letter. All affected parties received an invitation to the meeting tonight at 6:30 to go over any questions. Based on current timelines, this project would be slated to begin in the spring of 2021.

Nate Boring updated the Board that a notice of defect letter was sent out to the Bank and the developer on the Ridgewood Heights sequestered account agreement withdrawal and that all deadlines have based without a reply and a check should be issued. Greg Gennuso informed the Board that we are waiting for the check from the Bank so that remediation of 51 Ridgewood Drive can progress.

Nate Boring gave a brief summary on Canonsburg Houston Joint Authority litigation. The fourth mediation session happened recently and there are three outstanding issues. The engineering/design issues are waiting on drawings and data. The rate increase issue

is waiting on cash flow analysis. The finance issues are waiting on the forensic audit.

BUSINESS MANAGER REPORT

JULY 2019 FINANCIAL REPORT

Greg Gennuso circulated the July 2019 financial report for review.

INSURANCE RENEWAL

Greg Gennuso presented to the Board a property and liability insurance renewal for August 2018 to August 2019. The premium for the renewal is less than our current policy premium. The Board by a unanimous vote on a motion by Blane Volovich and a second by Richard Barnes, approved the insurance renewal.

DISCUSS ALLOWING 109 FAWCETT CHURCH ROAD SEWAGE TO GO TO SOUTH FAYETTE

Greg Gennuso explained that a buyer for the property at 109 Fawcett Church Road expressed interest in connecting to public sewage. The home is currently on an on lot system and is located in both Cecil Township and South Fayette Township. Access to South Fayette sewage is the feasible at this time. Cecil Township does not have any lines in the area. Walter O'shinski explained that years ago a similar request was made to the Board, but was never completed. A legal agreement was generated and it would allow for connection to South Fayette, provided if any sewage lines went to Cecil the homeowner would have to tap in to the Cecil System. The Board did not have a problem allowing this to property to connect to South Fayette provided they executed the legal agreement.

CD RENEWAL 13017806

Greg Gennuso stated that CD # 00-13017806 that matures on August 17, 2018 and recommended ratification of the renewal for one year at the new interest rate of 2.44% with a yield of 2.50% with no penalty for early withdrawal. The Board by a unanimous vote on a motion by Richard Barnes and a second by Blane Volovich authorized the renewal of the CD.

REVIEW OF CORRESPONDENCE

There were no comments on the monthly correspondence.

PAYING OF EXPENSES/TRANSFER OF FUNDS ETC.

The Board by a unanimous vote on a motion by Blane Volovich and a second by Frank Ziembra 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

WINDCREST DRIVE PROJECT DISCUSSION WITH Q & A

No residents appeared for the Windcrest drive discussion.

ADJOURNMENT

There being no other business, the Board by a unanimous vote on a motion by Richard Barnes and a second by Frank Ziemba, the meeting was adjourned at 6:12 P.M. The next regular meeting is scheduled for 5:00 P.M. Tuesday, September 17, 2019.

Secretary