

**Cecil Township Municipal Authority**  
**Monthly Meeting**  
**October 18<sup>th</sup>, 2022**

The Cecil Township Municipal Authority held its regular monthly meeting on Tuesday, October 18<sup>th</sup>, 2022. Chairman Donald V. Gennuso called the meeting to order at 6:30 PM with, Eron Barnes, Rosanne Rodgers, J. Craig Roach, and Darlene Barni in attendance. Also present were Attorney Romel Nicholas of Gaitens, Tucceri, and Nicholas; Kevin Brett of Lennon, Smith, Souleret Engineers (LSSE); Larry Lennon Jr. of Lennon, Smith, Souleret Engineers (LSSE); Shana Durig, Business Manager, and Michael J. Zrenchak, Authority Manager.

An audio tape of this meeting is available on the Cecil Township web site.

**APPROVAL OF September 20<sup>th</sup>, 2022, MINUTES**

The Board unanimously voted on a motion by Eron Barnes, and seconded by Darlene Barni, to approve the meeting minutes.

**MOTION TO ESTABLISH A SUBCOMMITTEE TO PREPARE 2023 BUDGET**

Mr. Gennuso stated that this does not have to be established by motion. Mr. Gennuso and Mrs. Barnes will serve on the committee.

**MOTION TO APPROVE SIGNING EASEMENT ENCROCHMENT AGREEMENT FOR DECK AT 713 MISSION HILLS DRIVE**

Mr. Gennuso asked Authority Manager for comment on this item. Mr. Zrenchak stated while performing a dye test at the property, it was discovered that a deck was constructed in the sanitary sewer easement which caused the property to fail. The property owner was notified, and the Authority requested the building permit from Cecil Township and records from the Homeowner's Association regarding the deck construction. Both documents show that the deck was to be constructed outside the sanitary sewer easement, but it was built with the easement. The owners are aware of this and requested the encroachment agreement from the Authority. The appropriate documents were submitted and reviewed. Mr. Zrenchak recommended to approve the easement encroachment agreement.

The Board unanimously voted on a motion by J. Craig Roach, and seconded by Darlene Barni, approved the signing of the Easement Encroachment Agreement.

**MOTION TO APPROVE REFUND/CREDIT T&R PROPERTIES, INC. FOR WATER LEAK AT FAIRWAY AT SOUTHPOINTE**

Mr. Gennuso asked Authority Manager for comment on this item. Mr. Zrenchak stated that there was a water leak at Fairway at Southpointe in May, June, and July of 2022. T& R Properties, Inc., who manages the facility has requested some type of credit. A memorandum was distributed to the board which had 5 options. Mr. Zrenchak explained the 5 options that were available. Mr. Zrenchak recommended that a 50% refund would be the most fair and equitable solution. Mrs. Barnes asked for the dollar amount. Mr. Zrenchak stated it was \$19,205.75 based on the 4,519,000 gallons used in the 3-month period. The other decision that is needed since these sewage bills have already been paid is how to apply the credit. The amount can be either credited to their account or a refund check can be issued.

Mrs. Barni asked if they had already paid the full amount of the bills. Mr. Zrenchak stated that they paid the bills as they received them. Mrs. Barni asked if you and Walter O'Shinski decided that they should pay 50% of

4,519,000 gallons. Mr. Zrenchak stated it cannot be determined for certain that water did or did not enter the sewer system. Mrs. Barni stated that upon review of the pictures submitted by herself and other people, she felt that not even 3,000,000 gallons or the 1,134,000 gallons entered the sewer system. Mr. Zrenchak reiterated that the photo also shows our standpipe for the sanitary sewer lateral near the location of leak. There was no definitive way to confirm if any water from the leak did or did not enter the sanitary sewer system. Mr. Gennuso stated it comes down to determining something fair and equitable. Mrs. Barni agreed with Mr. Gennuso but felt that option 3 was fairest way to do the credit. Mr. Gennuso stated that a 50% credit is also appropriate. Mrs. Barni agreed that it was ultimately the decision of the board and that she is only one voice on the board. Mr. Gennuso stated he concurs with the recommendation of Mr. Zrenchak and Mr. O'Shinski and called for a board member to make the motion. Mrs. Barnes stated that the people that know and understand the system the most have made their recommendation based on 5 options. Recommend a refund to T&R Properties, Inc. for the water leak at Fairway at Southpointe in the amount of \$19,205.75.

The Board voted on a motion by Eron Barnes, and seconded by Rosanne Rodgers, to approve the credit to T&R Properties, Inc. for the water leak at Fairway at Southpointe. Mrs. Barni voted no.

### **ENGINEERS REPORT**

Kevin Brett updated the Board on the status of the Lawrence Project. The rebids for the Lawrence Project were opened on October 14<sup>th</sup>, 2022. There were two bids received for the Treatment Plant and Lift Station Construction from the following contractors:

Mele and Mele and Sons, Inc. - \$12,673,000.00  
DiMarco Construction Company, Inc. - \$14,836,851.00

Eight bidders requested bid documents for the project, but the same issues were encountered as last time, some of the bidders dropped out due to work awarded to them or unable to bid project because of their bonding limits. We did have a reduction in cost due to the changes to the plans. It gave the contractors an alternative foundation option which saved excavation costs. Mr. Gennuso asked if the addition money spent on the redesign was worth doing and Mr. Brett stated it helped reduce the bids and was worth the expenditure. The Authority now has 2 good bids, but the project is over budget by 4 million dollars. LSSE ran an analysis to show how this increase affects the rate structure. Mr. Brett stated that no action on the bids can be taken this evening but do need to take action on letters and resolution to submit to Pennvest for the additional funding request. Mr. Gennuso asked for an explanation of the Letter of No Prejudice. Mr. Brett explained that it authorizes you to take action on bids and it won't be held against the Authority. If the bids are awarded prior to receiving the letter, Pennvest could potentially not fund the project. Mr. Gennuso asked Mr. Brett if Pennvest will increase the amount of money in the Pennvest loan. Mr. Brett stated that the letter will give the Authority the ability to request the additional funds, but still be able to award the bids. In January when the Pennvest Board meets, they will be able to take action on the request for additional funding. Mr. Gennuso asked if it will be a problem securing the additional funding needed for the project and Mr. Brett stated that Pennvest has been granting increased funding since everyone's prices for projects has increased. Mr. Gennuso asked for the addition amount that will be requested from Pennvest. Mr. Brett said that LSSE is recommending 4 million dollars.

Mr. Gennuso asked if there are any questions about the report on the project.

Township Supervisor Thomas Casciola asked a question about the bids. Mr. Brett explained that they compared bids to see the difference in costs. Some items that were very expensive were eliminated in the rebid. An alternate foundation system was considered since the original foundation and excavation was extremely expensive. The only other thing that changed was the removal of the grit removal system which was a luxury item and not necessary for the plant to meet permit requirements.

Mr. Lennon from LSSE went over the handouts distributed to the board, which consisted of 2 tables. The upper table detail the original Pennvest application budget of \$17,676,149 with a breakdown of the funding. The lower table was a breakdown of the current bids. The table remained the same except for two items. The construction budget increased to \$21,451,467 and the contingency for the project was removed. The Authority has already spent \$370,256 in engineering and other expenses to date. In order to do the project, the amount of the loan being requested from Pennvest would be \$18,021,723 which is a \$4,145,574 increase.

The impact to the rate structure would be an increase of \$4.00 per month to the service charge every year until 2026 for residential and commercial customers.

Mrs. Barnes questioned if it is normal to remove the contingency from a project. Mr. Lennon stated that you always like to have some contingency, but the Authority reserves would be used as contingency if needed during construction.

Mr. Gennuso stated that at the December meeting, the board would need to adopt a rate increase of \$4.00 per month for the service charge.

Mr. Gennuso asked when construction on the project would be started, and Mr. Brett stated that the line work would done over the winter. If the contract is awarded the first week of November, the pre-construction meeting would be in early December.

Mr. Lennon next went over the Letter of No Prejudice (LONP) to be submitted to Pennvest with the board. Pennvest has been approving the letters for material acquisition recently because of how much costs are changing on a daily basis.

#### **MOTION TO SUBMIT LETTER OF NO PREJUDICE (LONP) TO PENNVEST**

Mr. Gennuso called for a motion on this item . Mrs. Rodgers had a question about the anticipated application submittal date at the top as it shows a 2021 date which would indicate that this previously submitted. Mr. Lennon clarified that the date is when the original application was submitted.

The Board unanimously voted on a motion by Darlene Barni, and seconded by J. Craig Roach, approved the submitting the Letter of No Prejudice to Pennvest.

Mr. Lennon explained the resolution to be submitted to Pennvest. The resolution shows proof of interim financing to cover costs until the Pennvest Loan closing is completed. A copy of the Authority's most recent financial audit and most current bank statement must be submitted along with the resolution. Mr. Gennuso stated that this is to show that the Authority has adequate funding until the loan is received.

#### **MOTION FOR CONDITIONAL APPROVAL OF RESOLUTIUON TO PENNVEST REGARDING ABILITY TO FINANCE THE PROJECT ON AN INTERIM BASIS**

Mr. Gennuso called for a motion on this item .

The Board unanimously voted on a motion by J. Craig Roach, and seconded by Eron Barnes, approved the resolution to Pennvest for interim project financing.

Mr. Lennon explained that a letter needs to be submitted to Pennvest requesting the additional funding needed for the Lawrence project.

#### **MOTION TO SUBMIT LETTER TO PENNVEST REQUESTING THE ADDITIONAL FUNDING FOR THE LAWRENCE PROJECT**

Mr. Gennuso called for a motion on this item .

The Board unanimously voted on a motion by Rosanne Rodgers, and seconded by Eron Barnes, approved the resolution to Pennvest for interim project financing.

Mr. Gennuso asked if there are any questions from the floor.

Township Supervisor Thomas Casciola asked if the tap in fees will be affected for the residents of Lawrence. Mr. Brett explained that there is no change to the tap in fees.

Mr. Gennuso asked what occurs next with the bids. Mr. Brett stated that everything necessary should be back by November 1<sup>st</sup> and special meeting would need to be scheduled for that week to take action.

**MOTION TO AUTHORIZE MCCONNELL TRAILS PHASE 3A BOND REDUCTION No. 5 IN THE AMOUNT OF \$44,546.31**

Mr. Gennuso asked Authority Manager for comment on this item. Mr. Zrenchak confirmed with Mr. Brett that everything submitted was adequate and recommended approving the bond reduction.

The Board unanimously voted on a motion by Eron Barnes, and seconded by J. Craig Roach, approved the McConnell Trails Phase 3A Bond Reduction.

**MOTION TO RATIFY SIGNING OF PRE-DEVELOPER AGREEMENT WITH MCCONNELL TRAILS FOR PHASE 3B**

Mr. Gennuso asked Authority Manager for comment on this item. Mr. Zrenchak stated that McConnell Trails has submitted the \$5000.00 to set up the escrow account for Engineering and review. Recommend signing the pre-development agreement.

The Board unanimously voted on a motion by J. Craig Roach, and seconded by Rosanne Rodgers, approved the signing of the McConnell Trails Phase 3B Pre-Development Agreement.

**MOTION TO AUTHORIZE SIGNING OF ACCEPTANCE RESOLUTION 2022-6 FOR TOA PHASE 3 MH 2-21 TO MH 3-13**

Mr. Gennuso asked Authority Manager for comment on this item. Mr. Zrenchak stated that TOA finally submitted all the necessary documentation for acceptance of the sewers. The has been ongoing since July of this year. Recommend acceptance of the sewers.

The Board unanimously voted on a motion by Eron Barnes, and seconded by J. Craig Roach, approved the acceptance of the sewers from TOA Phase 3 from MH 2-21 TO MH 3-13.

**MOTION FOR CONDITIONAL ACCEPTENCE OF SANITARY SEWERS FROM TRADITIONS OF AMERICA PHASE 4 BETWEEN MANHOLES 3-8 TO MANHOLES 4-9 AND MANHOLE 4-3 TO MANHOLE 4-10**

Mr. Gennuso asked Authority Manager for comment on this item. Mr. Zrenchak stated that this is necessary to start the paperwork process for acceptance. The sewers will not be recommended for acceptance until all the items are completed to the Authority's specifications. Recommend conditional acceptance of sewers to start process for final acceptance.

The Board unanimously voted on a motion by J. Craig Roach, and seconded by Darlene Barni, approved the conditional acceptance of the sanitary sewer from TOA Phase 4 between MH 3-8 to MH 4-9 and MH 4-3 and MH 4-10.

**MOTION TO APPLY FOR RACW LSA GRANT FOR THE LAWRENCE PHASE 2 (GRINDER PUMP/LOW PRESSURE SEWER) PROJECT.**

Mr. Brett stated that this is the same grant that the Authority applied for last year for Phase 2 of the Lawrence Project. A resolution from the Authority as well as the Township must be submitted with the application.

The Board unanimously voted on a motion by Darlene Barni, and seconded by J. Craig Roach, approved applying for the RACW LSA Grant for the Lawrence Phase 2 (Grinder pump/low pressure sewer) project.

**SOLICITOR'S REPORT**

Solicitor Nicholas provided a status memo in the board meeting packets on the McCullough Litigation which required no executive session. The insurance company defense council is handling the matter.

An updated on the status of the Lawrence Project was given. All of the Right of Ways have been secured. The remaining areas are the plant site and Ingress and Egress to the plant. Hope to have movement on these areas by end of the year.

Update on the status of the CHJA litigation. It is still in the procedural stage. Canonsburg filed another motion, but it has not been resolved. No action is needed at the present time.

**BUSINESS MANAGERS REPORT**

Financial Reports – August 2022. Ms. Durig stated that the income statement versus budget statement that was included in the board member packet was incorrect. The current month actual is not correct, the system is populating year to date totals instead of monthly total. She is looking into correcting the issue.

Mr. Gennuso asked for an update on the lien collections. Ms. Durig stated that letters were sent out to customers that owed the Authority \$10,000.00 and over. 3 customers did not respond, 2 customers paid liens in full, 2 customers were set up on payment plans, and 2 customers made a payment pledge agreement to pay liens by a certain date in December 2022. Next are the tap-in liens. 14 customers have no payment plan, 14 customers that have paid liens in full, and 15 customers that are on payment plans. Lastly are the unpaid sewage liens. 36 customers paid liens in full, 31 customers are on payment plans, and 28 customers that have no payment plan.

Mrs. Barnes asked if an aging report can be provided on the 28 customers that are not on payment plans. Ms. Durig said she would provide the aging report.

Mr. Gennuso asked Business Manager for comment on Highmark Insurance rebate. Ms. Durig stated that the rebate from Highmark is due to the Authority not spending 80% of its premiums in 2021. The authority receives 95% and the employee rebates are based off their premium. The breakdown of the refund is provided in the board packet.

Mrs. Barni asked if those checks are listed on the memo provided to the board. Mr. Gennuso said yes, they are listed by current or former employee with the amount to be refunded. Mrs. Barni asked if this was the total amount of the check, Mr. Gennuso stated yes. Mrs. Barni stated that the Authority gets \$1335.00, Mr. Gennuso said yes and that employee rebates range from \$6.00 to \$16.00, a very small amount.

Mr. Gennuso called for a motion on this item .

The Board unanimously voted on a motion by Darlene Barni, and seconded by Eron Barnes, approved the issuance of the Highmark rebate checks to the employees.

Mr. Gennuso asked Business Manager for comment on records destruction. Ms. Durig stated that there are several boxes of records in storage that are due for destruction, and she obtained three quotations. Solicitor Nicholas stated he briefly spoke with the Authority Manager before the meeting about contract language contained in the quotes. Mr. Zrenchak clarified that there is no action necessary this evening on this item, as this was just to provide information and pricing. Before any records would be destroyed, a list would be provided to the board for approval. Solicitor Nicholas said a review of all contracts would be made as well prior to any approval.

Mr. Gennuso asked if it is based on lowest price. Mr. Zrenchak stated that if the lowest price does not have acceptable language in the contract that protects the Authority, you would not go with the low price. Mr. Gennuso asked if there will be a recommendation for next months meeting based on contract and pricing. Mr. Zrenchak stated yes.

**MOTION TO AUTHORIZE RENEWAL OF CD #00-13019917 and CD # 00-13017918 WITH SLOVENIAN SAVINGS FOR ONE YEAR AT NEW INTEREST RATE OF 2.44% WITH A YIELD 2.50% WITH NO PENALTY FOR EARLY WITHDRAWAL.**

Ms. Durig recommended the renewal of the 2 CDs at these rates. Mr. Gennuso asked for the amounts of these CDs. Mr. Zrenchak stated amounts from balance sheet. Mrs. Barnes asked if either of these CD's will be needed for interim funding of the Lawrence Project and Mr. Gennuso stated it does not matter since there is no penalty for early withdrawal.

Mr. Gennuso called for a motion on this item .

The Board unanimously voted on a motion by Darlene Barni, and seconded by J. Craig Roach, approved the renewal of CD #00-13019917 and CD # 00-13017918 with Slovenian Savings for one year at new interest rate of 2.44% with a yield of 2.50% with no penalty for early withdrawal.

**AUTHORITY MANAGER REPORT**

Mr. Zrenchak provided the board with some updates and recommendations on various items.

- Items 1 and 2 were replacement of an aeration blower motor at the Teodori Treatment plant and diagnosing and resolving blower control panel issue.
- Item 3. The 2022 capital improvement budget included \$25000.00 for replacing doors on grit handling building at the Millers Run Treatment Plant. Several vendors were contacted but only one has provided an estimate to date. Will try to get additional estimates and have a recommendation for the next meeting.
- Item 4, recommend purchase of some equipment for the Laboratory to keep operation of the plants efficient and cost effective. Will have prices and a recommendation for the next meeting.
- Item 5, recommend doing an evaluation of the treatment plants, pump stations, and collection system to develop an inventory of all assets. This will enable the Authority to develop a long-term capital improvement budget to plan for repairs and upgrades.
- Item 6. The Authority applied for an LSA grant to replace 2 Authority vehicles. I recommend moving forward with getting prices to replace at least once vehicle as soon as possible. The gray 2010 Ford F-250 is in extremely poor shape and should be removed from service. Also, we should consider purchasing a service truck that has a utility body and crane that can be used for field service and equipment maintenance.

Mr. Zrenchak requested a brief executive session to discuss personnel matters.

### **REVIEW OF CORRESPONDENCE**

There were no comments on the monthly correspondence.

### **PAYMENT OF EXPENSES/TRANSFER OF FUNDS ETC.**

The Board unanimously voted on a motion by Eron Barnes, and seconded by J. Craig Roach, authorized payment of expenses, reports and transfers as follows:

- Payment of Expenses/Invoices etc.
- Employee Payroll; 941 Tax Deposit; Employee State Tax Payment

Mr. Gennuso called for comments from the floor.

### **COMMENTS FROM THE FLOOR**

Township Supervisor Thomas Casciola gave an update on the Cool Valley Project. Developer put Township under pressure to approve their illustrative site plan. The developer was very unprepared for the meeting and asked to schedule another date to be able give the Township more information and answer the questions that were presented. They postponed the meeting again. The developer intends to do the entire development before they ask for the ability to sale things, it is unusual that the developer is going to do the entire development from start to finish. Mr. Gennuso stated that the Authority has not heard anything from the developer formally or informally. Mr. Zrenchak stated that the engineering firm for the developer contacted the Authority to inform them that the project is started again and will send over some site plans and estimated flow data for the project. We requested 1 years' worth of historical flow data based on other developments that are similar. We have not heard anything back since July when they contacted the Authority. Mr. Gennuso asked about their plan for treatment. Mr. Zrenchak stated the original plan was to use the Maple Ridge Pump Station, but that it will need to be upgraded to handle the additional flows. There is also the issue of who will pay for the necessary upgrades to the pump station for the additional capacity.

Supervisor Casciola stated that the developer was pushing the Township so they could break ground on the project in the spring. Almost all of the traffic improvements have approval from PennDOT. Mr. Gennuso stated the Authority has not received any type of official submissions from the developer. Supervisor Thomas Casciola that they do want to work with the developer as this type of development is needed for the community.

Mr. Zrenchak stated he will review the files and report at next month's meeting.

Mr. Brett stated he has two additional items that he omitted from his report. There are two grants available that close in December. The PA Small Water and Sewer Grant and the H2O PA Water and Sewer Grant. He will discuss with Authority Manager for potential projects and have something for the Board to consider at the next meeting.

Jacque King stated he has his calendar for available dates to schedule the special meeting. Discussion ensued for everyone's availability and the consensus was to have the meeting Tuesday November 1<sup>st</sup>, 2022 at 6:00pm. Mrs. Barnes and Mr. Gennuso requested a Zoom link to the meeting since they will be out of town. Mr. King stated he will provide the link to everyone.

### **EXECUTIVE SESSION**


Mr. Gennuso called for a motion for an executive session to discuss personnel matters.

The Board unanimously voted on a motion by Eron Barnes, and seconded by Rosanne Rodgers, to enter executive session to discuss personnel matters at 7:46 PM.

The Board exited executive session at 8:02 PM with no motions.

**ADJOURNMENT**

There being no other business, the Board unanimously voted on a motion by Darlene Barni, and seconded by Eron Barnes, the meeting was adjourned at 8:04 PM. The next regular meeting is scheduled for 6:30 P.M. Tuesday, November 15<sup>th</sup>, 2022.

  
Secretary