

Cecil Township Municipal Authority  
Monthly Meeting  
August 2, 2007

The Cecil Township Municipal Authority held its' regular monthly meeting on Thursday, August 2, 2007 at the Cecil Township Municipal Building. Chairman Donald Gennuso called the meeting to order at 7:30 PM with Stephanie Lucchino, George Elish, Kenneth Heirendt and Blane Volovich present. Also present was Romel Nicholas, Gaitens, Tucceri and Nicholas; W. Scott Rusmisl, Gateway Engineers; Walter O'Shinski P.E. and Dennis Bell, Administrator.

MINUTES OF JULY 5, 2007

The Board on a majority vote of 4 – 1 on motion by Blane Volovich and second by George Elish approved the minutes of the regular meeting of July 5, 2007. Stephanie Lucchino abstained.

DISCUSS MILLERS RUN FINANCING – PUBLIC FINANCIAL MANAGEMENT

Ms. Jamie Doyle, with Public Financial Management, presented to the Board information on the 2000A Emmaus bond pool loan and bond sale. The Guaranteed Revenue Note, Series of 2007 in the principal amount of \$3.0M will be used to complete the financing for the Millers Run project. The short-term borrowing is for five years with a no prepayment penalty clause. The interest rate is variable quoted at 3.97% plus .53% in administrative fees. The closing will be September 6, 2007 with the funds being deposited into a PLGIT/ARM account.

Tom Lynch, Lynch and Lynch reviewed a resolution authorizing the incurrence of debt in the amount of \$3.0M Guaranteed Subordinate Sewer Revenue Note, Series of 2007. The resolution authorizes outlines the details for debt service on the note, principal and interest payment dates, redemption provision, place of payment and other details of the note. It further appoints a loan paying agent and sinking fund depository. It authorized the execution of a guaranty agreement with the township and other necessary action.

The Board on unanimous vote on motion by Kenneth Heirendt and second by George Elish authorized the resolution for a \$3.0M Guaranteed Subordinate Sewer Revenue Note, Series of 2007.

## ENGINEER REPORT

### UPDATE ON MILLERS RUN PROJECT

Scott Rusmisl discussed his monthly report with the Board. The interceptor line is totally installed and the repair through the park is completed. Work continues on pouring concrete inverts in the manholes and repairs to the line and manholes are being made as necessary. Restoration work continues along the interceptor line. All trees and stumps stockpiled near the township building have been burned.

The southwest sewer lines are approximately ninety-four percent installed. All sewer mainline work is complete. Asphalt paving was completed on Redwood, Wildwood and Cowden Road. Restoration work continues through the yards along Lynncrest Drive, Wilson Road and Dickson Street. Scott Rusmisl stated a meeting to discuss the pavement restoration on Muse Bishop Road should be scheduled within the next few weeks.

PA DEP completed an inspection of the wellhead at 585 Muse Bishop Road and determined that the damage caused by Sitarik Contracting did not present a safety problem. The well owner was contacted and provided with Sitarik information if repairs are needed.

On the southeast contract, the last run of pipe along Cecil-Henderson Road was installed on July 24, 2007. Restoration work on Elm Drive and Klinger Road are being addressed. Meetings were held with several residents who addressed the Board at the July 2007 meeting regarding property issues.. Lawn restoration work was completed on Jupiter, Belgium Hill Road, Mawhinney Road, Cecil Henderson Road and Penny Lane. Nine-eight percent of the southeast sewer is installed.

The north contract is approximately eighty-six percent installed. The mainline sewer work was completed near Ridgewood Drive and CIC Drive. Only one mainline sewer along S.R. 50 needs to be installed. Concrete slabs under S.R. 50 near Ridgewood were encountered during construction. PA DOT has requested that the damaged concrete slabs be replaced prior to placing the final asphalt pavement. A request was made that PA DOT reconsider the replacement of the concrete slabs and permit the contractor to place an additional layer of material on the roadway. Work continues along S.R. 50 from North DePaoli toward Clifford Road. Work started along S.R. 50 from Grant Alley toward Ridgewood Drive. Final wearing course on S.R. 50 from Bishop Hill Road heading east on S. R. 50 will be placed after Columbia Gas completes their gas line restoration work. Testing on the North contract area continues with approximately 50 percent of the pipe installed passing testing.

Scott Rusmisl stated a request for change order number 3 on the Southwest contract to Edward Sitarik Contracting in the amount of \$11,074.50 to remove a concrete footer on Cowden Road. A request for change order number 4 on the Southwest contract

to Edward Sitarik Contracting to relocate a private waterline on Salvini Lane in the amount of \$2,381.62.

Scott Rusmisl reported to the Board on a letter received from GeoMechanics, Inc. for the water issues at the Stephen Hines and Silver Creek Nursery properties. He suggested that details of the report be discussed in executive session.

Gateway Engineers proposal for estimated inspection fees to complete the project was discussed. The costs associated were related to additional work that needs to be done and the fee structure is based on the contract with Gateway Engineers. George Elish commented that some of the work has been inspected two times and inquired if a third inspection will be necessary. Scott Rusmisl stated repairs on the lines south of S. R. 50 that failed air tests and manholes that failed are being repaired and will be retested.

Kenneth Heirendt commented if the action list is being properly tracked for completion. Scott Rusmisl stated he is tracking all of the action items.

Kevin Hoffman reported that four payment authorizations are being submitted for approval. He stated the pre-cast tanks for the sewage plant have been installed. The tanks will be sealed and grouted beginning the week of August 6, 2007. The structural steel for the building will be delivered to the site within the next few weeks and installed. He stated an inspection from the Army Corp. of Engineers was conducted on August 2, 2007 with no issues being raised to the contractors.

Kevin Hoffman stated that discussion between Allegheny Power and John Kosky for acquisition and installation of permanent utilities to the site continues. Allegheny Power met with John Kosky onsite and they are negotiating the easement alignment and evaluating the costs of the various options. Once agreement on the alignment is decided then the actual installation costs can be finalized.

Kevin Hoffman stated that the main pump station wet well has been closed and back filled. He stated that Allegheny Power is working to finalize the cost for electric service to the site. The Klinger Road pump station is schedule for paving on August 3, 2007 and the fence will be installed shortly. The power to the site will occur after August 13, 2007. Kevin Hoffman stated a change order number 1 will be presented at a future meeting for tree trimming required by Allegheny Power at the Klinger Road pump station. He stated the estimate should not exceed \$4,000.00.

Kevin Hoffman stated he has been in discussion with the contractor regarding a credit previously requested for the concrete footer test that yielded less than the 4,000 psi specified by the contract documents. He stated additional testing will be completed the week of August 6, 2007. He stated the main pump station has been back filled and grading continues at the site. Allegheny Power is working to finalize the cost for power to the site.

Donald Gennuso commented on the contract time extension requested by Lone Pine Construction for an additional 140 days. He stated the actual number of days requested is 170. Kevin Hoffman stated he is good with a 90 day extension and it will not have an impact with the overall construction timeline but that he wanted to verify what impact that would have on Wagner Electric work.

Donald Gennuso commented on the letter received regarding the fill at the main pump station site and the over excavating at the site in the area of where the building was to be located. Kevin Hoffman stated he would meet with Gateway Engineers and GeoMechanics to resolve the issues at the site.

The Board on unanimous vote on motion by Kenneth Heirendt and second by Stephanie Lucchino authorized the payments and change orders on the following contracts –

Pay Request # 10 to Edward T. Sitarik Contracting Inc. totaling \$38,860.10 for work completed on the interceptor contract.

Pay Request # 10 to Edward T. Sitarik Contracting Inc. totaling \$30,101.07 for work completed on the southeast contract.

Pay Request # 9 to A. Merante Contracting totaling \$127,414.39 for work completed on the north contract.

Pay Request # 8 to Edward T. Sitarik Contracting, Inc. totaling \$343,708.69 for work completed on the southwest contract.

Pay Request # 10 to Kranick Environmental totaling \$785,827.90 for work completed on the treatment plant.

Pay Request # 4 to Wagner Electric totaling \$30,997.85 for work completed on the electrical contract at the treatment plant.

Pay Request # 5 to Lone Pine Construction totaling \$43,787.80 for work completed on the pump station mechanical contract.

Pay Request # 5 to Wagner Electric totaling \$8,955.00 for work completed on the pump station electrical contract.

George Elish commented on providing sewage to the properties at the end of Elm Drive. Walter O'Shinski stated that the work was deleted from the current contract because of the need to be serviced by grinder pumps. Service to these properties will be evaluated after the current project is completed.

## DISCUSS LETTER FROM JEFFREY MC KEAN, ELM DRIVE

Mr. Jeffrey Mc Kean addressed the Board regarding a damaged tree located at the rear of his property. He stated that he removed the tree branch that fell into his yard and repaired the fence damaged by the fallen tree branch. He stated that the tree is located in the Authority right of way and is concerned for the public safety if the tree were to fall. The Board by a four to one vote on motion by George Elish and second by Kenneth Heirendt authorized that the tree be removed to the ground leaving the root system. Stephanie Lucchino voted no.

## COMMENTS FROM THE FLOOR

Stephen Hines, 75 Creedmore Road, Cecil PA commented on the condition of his property. He stated that the well water issue continues on his property. Donald Gennuso suggested that Kevin Hoffman and Scott Rusmiser visit the site and meet with Mr. Hines to resolve the issues.

Stephen Hines requested a copy of the GeoMechanics letter regarding the water issue. George Elish stated that professionals were hired to advise the Board on the water issues. Romel Nicholas stated that the professionals make recommendations and the Board needs to follow their advice. Mr. Hines asks what he should do about the problem. Donald Gennuso suggested a letter be addressed to Mr. Hines regarding the findings of GeoMechanics.

Stephen Hines stated that traffic along Creedmore Road is still a problem. He further stated that dust continues and the contractors are sweeping but no water is being used. Donald Gennuso stated that water needs to be used and the road broomed daily. Kevin Hoffman will discuss the issue with the contractors.

Kenneth Heirendt inquired on the status of the public water line. Walter O'Shinski stated the work has not been scheduled and that he advised PA-American Water Company not to schedule the work until after August or September due to the heavy traffic volume due to materials being delivered to the treatment plant site.

Jeffrey Mc Kean commented that Gateway Engineers should do a better job in controlling the contractors regarding placement of signage. He stated that consideration for people and their ability to move through the construction area and the ability for emergency vehicles to travel through the construction area has been controlled very well.

John Retzloff commented on charging a higher tap-in fee for new development. He suggested at least three times what is proposed for existing property owners. George Elish commented that the tap-in fee couldn't be arbitrarily set but that the Authority must follow a formula established by the law for setting tap-in fees. Romel Nicholas stated that the tap-in fee is rationally set based on the criteria established by the law. Donald Gennuso stated the report reflecting the calculations for the tap-in fee for the Millers Run

project could be obtained from the Authority office. Romel Nicholas stated that as per the Right To Know Law a letter requesting the information should be provided to Dennis Bell. John Retzloff stated the tap-in fee and monthly user rates are the highest in the state. Romel Nicholas stated that the Rostraver Township Municipal Authority fees may be significantly higher than those proposed for the Millers Run project.

Teresa Kauffman, National City Bank manager addressed the Board on working together for assisting customers on their tap-in fees. She suggested that perhaps evening meetings with the Authority and township be held to assist the Millers Run customers on how best to obtain the funds needed to cover the tap-in fee.

Debra Rhone, Vice President National City Bank Small Business Development addressed the Board stated that the bank is in the community and would appreciate any business that may be directed to their bank.

Dennis Bell stated that when the Community Bank account was closed that the funds were moved to National City Bank. He further stated that at least four or five money market accounts, including the developer escrow account is held at National City Bank. He stated that a good working relationship exists between the Authority and the bank and that will continue.

#### MILLERS RUN AS-BULT PLAN PROPOSAL

Donald Gennuso requested the issue be discussed in Executive Session.

#### SOLICITOR REPORT

Romel Nicholas presented his monthly report to the Board. He discussed the landlord/tenant issues stated in the Rules and Regulations and recommended that at some future date the policy manual be reviewed and perhaps rewritten. He stated the manual was completed in 1986. He also referred to the Personnel Policy Handbook and the need to review and rewrite the manual.

#### BUSINESS MANAGERS REPORT

#### AUTHORIZE 2004 BOND INTEREST PAYMENT DUE SEPTEMBER 1, 2007

The Board on unanimous vote on motion by Stephanie Lucchino and second by George Elish authorized the bond interest payment in the amount of \$155,933.35 as corrected and payable to the bondholders on September 1, 2007 on the 2004 bond issue.

## APPROVE 2007-2008 INSURANCE PROPOSAL FROM SIMONIN AGENCY

The Board on unanimous vote on motion by Stephanie Lucchino and second by Kenneth Heirendt authorized approving the 2007-2008 insurance with the Simonin Agency at a cost of \$15,263 for all coverages. The amount reflects an increase in cost over 2006-2007 of \$166.00.

## AUTHORIZE OPENING PLGIT/ARM ACCOUNT FOR 2007 LOAN PROCEEDS AND RESOLUTION 3-2007

The Board on unanimous vote on motion by Kenneth Heirendt and second by Blane Volovich authorized opening an account with PLGIT for the proceeds from the 2007 Millers Run loan.

The Board on unanimous vote on motion by Blane Volovich and second by Kenneth Heirendt authorized Resolution 3-2007 to join with other local government units as a settler of the Pennsylvania Local Government Investment Trust for the purpose of purchasing share of the trust.

## DISCUSS OFFICE RELOCATION

Dennis Bell discussed with the Board options available for providing additional office space by the end of 2007. He stated the space is needed to accommodate an additional employee to assist in the handling of the new customers in the Millers Run project. The Board suggested a letter be addressed to the township supervisors providing them with the various options.

## DISCUSS JUNE 2007 FINANCIAL REPORT

Dennis Bell discussed the financials for June 2007. The total customers billed were 1882. The user fees billed were \$112,250.48 on usage consumption of 13,046,700 gallons. Collections totaled \$95,754.65. The expenses paid for June 2007 were \$32,773.82. The extraordinary income on the June 2007 financial statement included interest income of \$444.51 and interest income on the construction funds totaled \$34,924.77. Quarterly interest income on certificate of deposits totaled \$45,119.99. Expenses were under budget through June 2007 except in seven accounts totaling an overage in the seven accounts of \$31,072.54. The income accounts with variances in June 2007 were user fees over budget by \$34,893.67; interest income over budget by \$9,426.26; tap-in fees over budget by \$5,374.15; and misc. income over budget by \$350.00.

## CORRESPONDENCE

The correspondence was reviewed for filing.

George Elish commented on a letter from Mack Industries regarding making the payments to both the contractor and the supplier. Scott Rusmiser stated this is the second time that Mack Industries requested such an arrangement and a letter was mailed to Mack Industries referring them to the bond insurance company.

## PAYING OF EXPENSES/TRANSFER OF FUNDS ETC.

A unanimous vote on motion by George Elish and second by Kenneth Heirendt the Board authorized payment of expenses and transfers as follows.

Brush Run Expense/Transfer MM to Checking  
Teodori Expenses/Transfer MM to Checking  
Southpointe Expenses/Transfer MM to Checking  
CherryBrook Expenses/Transfer MM to Checking  
Gilmore Expenses/ACH Debit and PNC Requisition  
Employee Time Reports/Payroll  
941 E Tax Deposit  
Payment of Invoices  
Discharge Monitoring Reports were approved for submission to the PA DEP

## EXECUTIVE SESSION

The Board entered into executive session at 9:30 PM to discuss issues related to professional services. The Board returned to the general session at 10:35 PM and approved the following actions.

The Board on unanimous vote on motion by Blane Volovich and second by George Elish authorized the solicitor to review with the intent of rewriting the Personnel Policy Manual at a cost not to exceed \$15,000.

The Board on unanimous vote on motion by Stephanie Lucchino and second by Kenneth Heirendt authorized soliciting proposals for preparing the As-Built Plan for the Millers Run project area and the Casciola sewer system.

The Board on unanimous vote on motion by Kenneth Heirendt and second by George Elish authorized Gateway Engineers Inc. to prepare the As-Built Plan for the old Millers Run sewer line to South Fayette Township at a cost of \$1480.00.

The Board on unanimous vote on motion by George Elish and second by Blane Volovich authorized to solicit proposals for consulting engineering services for the year 2008.

ADJOURNMENT

There being no other business by unanimous vote on motion by Kenneth Heirendt and second by Blane Volovich the meeting was adjourned at 10:40 PM. The next regular meeting is scheduled for Thursday, September 6, 2007 at 7:30 PM.

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Secretary