

Cecil Township Municipal Authority
Monthly Meeting
August 16, 2016

The Cecil Township Municipal Authority held its regular monthly meeting on Tuesday, August 16, 2016 at the Cecil Township Municipal Building in Cecil, PA. Chairman Donald V. Gennuso called the meeting to order at 6:00 PM with Stephanie Lucchino, Timothy Markovich, and Richard Barnes in attendance. Also present were Attorney Romel Nicholas, Gaitens, Tucceri and Nicholas; Kevin Hoffman P.E., KLH Engineers; Walter O'Shinski P.E, and Gregory Gennuso, Administrator. Blane Volovich was absent.

MINUTES OF JULY 19, 2016

The Board on a unanimous vote on a motion by Richard Barnes and a second by Timothy Markovich approved the minutes.

2015 AUDITOR REPORT

Mr. Steven Cypher, Managing Partner - Cypher and Cypher CPA presented the 2015 audit report to the Board.

The Statement of Net Assets – Proprietary Fund (Balance Sheet) reflects total assets and deferred outflows of \$39,633,629 and total liabilities and deferred inflows of \$17,383,547 with a total net position of \$22,250,082.

The Statement of Revenue, Expenditures, and Changes in Fund Net Position – Proprietary Fund reflects operating revenue of \$2,350,671, operating and maintenance expenses were \$2,071,336, administrative expenses were \$433,437, interest expense totaled \$624,323, other non-operating income of \$ 752,723. The net income is shown as \$-25,702.

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 Authorities investment policies; the continued separation of duties on in-house billing; insuring proper internal controls are in place and being continually reviewed, and conducting a fixed asset appraisal.

ENGINEER'S REPORT

LAWRENCE ACT 537 PLAN UPDATE

Kevin Hoffman circulated a memo that updated the Board to the status of the project. The following items were contained in the memo:

- A preliminary layout of gravity and force main sewers has been completed and

reviewed with Walter on August 11th. Some potential revisions to alignment were discussed and will be reevaluated

- An updated dye testing schedule has been discussed and plans are to have the work completed by the end of the week of August 22.
- The results of the initial geotechnical report indicated that the material on which the WWTP (Waste Water Treatment Plant) is proposed to be constructed is all mine spoils and potentially corrosive to certain materials. The presence of the mine spoils through depth would require the use of auger piling to support the WWTP structure. The other potential issue raised by the geotechnical report was the possible necessity of mine grouting. It was recommended that the borings be continued to determine if the mine was intact, collapsed or solid coal was present. We authorized continued boring and the result was that solid coal was present and the risk of subsidence was low, eliminating the need for mine grouting. It is still recommended that the purchase of mine subsidence insurance be considered. Although mine grouting is not necessary, the use of the auger cast pile is still required at the current proposed WWTP location. 200 piles at 60 feet deep would be required and the estimated cost of the piles exceeds \$ 700,000. In an effort to minimize site costs, we are evaluating the site immediately adjacent to the proposed site as it sits approximately 30 feet lower in elevation.
- The property owner for the proposed site now has a representative that we have spoken with, but have not yet had any meetings. Until we know how we will be using the site, we will not plan to meet with the property owner or his representative.
- Preliminary design also continues on the Teodori Pump station and the associated force main.

DCED SMALL PROJECTS GRANT

Kevin Hoffman informed the Board that a small projects grant not to exceed \$500,000 is available to be used for any projects that will be ready to start by January 17, 2018. Walter O'Shinski suggested a replacement of the sewer on Windcrest Drive. This project should fit into the parameters and would help to eliminate some of the problems in that stretch of sewer line. The Board by a unanimous vote on a motion by Richard Barnes and a second by Stephanie Lucchino, approved KLH to begin design on this project, contingent on an acceptable proposal.

MANHOLE RAISING POLICY DISCUSSION

Walter O'Shinski addressed the Board on the addition of manhole raising policy. This was brought about by a resident wanting to raise a manhole that was located in the resident's driveway. Walter O'Shinski and Romel Nicholas, agree that a policy of the Authority supplying a manhole ring for minor elevation adjustments is acceptable and

larger grade changes that require more than a ring will be the responsibility of the property owner. Walter O'Shinski will draft the policy.

BOND RELEASE FOR SOUTHPOINTE PUMP STATION

Walter O'Shinski addressed the Board on the 18 month maintenance bond for the Southpointe Pump Station. Walter explained that the bond is actually a letter of credit with a bank and that the time period has elapsed for the bond. Walter also explained that a problem with a valve at the Pump Station currently exists and that we have been working with the developer to fix the problem. Walter further explained that we have not filed a claim against the Letter of Credit because the developer has been cooperative and requested that Romel Nicholas review the Letter of Credit. Walter and the Board agreed that the Letter of Credit should not be released until this problem is resolved.

SOLICITOR REPORT

Romel Nicholas informed the Board that work on the safety manual was near completed and a draft will be provided for review.

Romel Nicholas informed the Board that no new correspondence was received in the Monaco tap-in issue and purchase of the Monaco WWTP.

Romel Nicholas informed the Board that he had reviewed the insurance policy that is up for renewal and that there are some areas that we may want to get some clarifications on items such as, what is covered under the computer media and data, and what defines outdoor property. Walter O'Shinski brought up that the Southpointe Pump Station was missing from the list of pump stations and needed to be added. Greg Gennuso is to contact and have the pump station added.

BUSINESS MANAGER REPORT

AUTHORIZE 2016-2017 GENERAL INSURANCE COVERAGES

Greg Gennuso addressed the Board on the renewal of the 2016-2017 insurance policy. The Board by a unanimous vote on a motion by Richard Barnes and a second by Timothy Markovich approved the 2016-2017 insurance policy contingent on adding the Southpointe Pump Station to the policy.

AUTHORIZE RENEWAL OF CD 00-13017806

Greg Gennuso stated that CD # 00-13017806 matures on August 17, 2016 and recommended renewal for one year at the interest rate of 1.95% with a yield of 2.00% with no penalty for early withdrawal. The Board by a unanimous vote on a motion by Richard Barnes and a second by Timothy Markovich authorized the renewal.

AUTHORIZE SIGNING LETTER TO M&T BANK ON EXCESS REVENUE FUNDS

Greg Gennuso informed the Board that there are no excess funds available in Millers Run and therefore have to make the bond holder, M & T Bank, aware of that fact in a letter. The Board by a unanimous vote on a motion by Richard Barnes and a second by Timothy Markovich authorized the letter to M & T Bank.

DISCUSS PROPERTY ACQUISITION ON MILLERS RUN AND DISCUSS CERTIFIED OPERATOR RESUME

Held for executive session at the end of the meeting.

DISCUSS ELECTRICITY BROKER

Greg Gennuso informed the Board and circulated a quote from a broker for electricity providers. A broker from Integrity Energy proposed a \$750 to \$914 a month savings on the electricity. Timothy Markovich explained how the contracts work and that this could be a good thing but to be very wary of the contract language. The Board recommended if we do propose to move forward with this that we get multiple quotes.

FINANCIAL REPORT FOR JUNE 2016

Greg Gennuso reported that the financial report for the month of June 2016 was provided for the Board to review.

REVIEW OF CORRESPONDENCE

There were no comments on the correspondence.

PAYING OF EXPENSES/TRANSFER OF FUNDS ETC.

The Board by a unanimous vote on a motion by Stephanie Lucchino and a second by Richard Barnes, 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 FOR PROPERTY ACQUISITION AND CERTIFIED OPERATOR RESUME RECEIVED

The Board by a unanimous vote on a motion by Richard Barnes and a second by Stephanie Lucchino entered into executive session at 7:02 pm

The Board exited from executive session at 7:30 with the following motions:

The Board on a unanimous vote on a motion by Stephanie Lucchino and a second by Richard Barnes approved a motion to authorize KLH to preliminary design and determine the feasibility of an office building.

The Board on a unanimous vote on a motion by Richard Barnes and a second by Stephanie Lucchino authorized Romel Nichols to follow up with Jesse White, the attorney whom is handling the probate on the property.

ADJOURNMENT

There being no other business, the Board by a unanimous vote on a motion by by Timothy Markovich and a second by Richard Barnes, the meeting was adjourned at 7:31 P.M. The next regular meeting is scheduled for 6:00 P.M. Tuesday, September 20, 2016.

Secretary