

The meeting of the Middle Smithfield Township Municipal Authority was called to order on Thursday, August 6, 2009 at 6:00 P. M. with the Pledge of Allegiance, Mickey Roth presiding.

Municipal Authority members present: Mickey Roth, Jack O'Rourke, Oscar Woerlein, Gary Summers, and Scott LaBar.

Also present Jennifer Wise, Doug Olmstead, Sandra Black, and other interested parties.

Jack O'Rourke moved to accept the minutes of the Authority's special meeting held on Wednesday, July 22, 2009. Oscar Woerlein seconded the motion and motion carried 5-0.

Jack O'Rourke moved to accept the payables of Thursday, August 6, 2009. Oscar Woerlein seconded the motion and motion carried 5-0.

Ralph Matergia, attorney for Miggy Brothers, LLC. requested to address the Authority Board regarding a reduction in the letter of credit held by the Authority. Mr. Matergia recapped for the members the work which was completed on the Bennigan's project. The line work had been completed by Hanover Construction. Regarding the encroachment onto the wetlands, they have applied for a permit and expect issuance of it in about a month.

Mr. Matergia also stated there will not be any penalties regarding the encroachment because the problem had been corrected and the permit requested. He is requesting the release of \$50,000 from escrow.

A letter from Hanover Engineering Associates, Inc. was also submitted on behalf of Miggy Brothers, LLC which stated the encroachment onto the wetlands had been restored to its original pre-construction grade. Hanover Engineering also stated in their letter dated July 31, 2009 addressed to the Authority that the DEP had indicated there would be no fines issued for the infraction since the restoration of the encroachment had been completed.

Jack O'Rourke requested documentation regarding the negative findings of the encroachment onto the wetlands from Mr. Matergia.

Attorney Matergia stated the only documentation regarding the negative findings was stated in the submitted letter from Hanover Engineering.

Mickey Roth questioned Mr. Matergia whether the DEP will submit a letter stating that there will not be any penalties regarding the encroachment.

Attorney Matergia stated there would not be any documentation forthcoming from the DEP.

Doug Olmstead stated the Authority should be provided with a separate indemnification agreement regarding the possibility of fines.

Attorney Matergia stated he would provide an agreement stating they would be responsible for the payment of fines if DEP decided there should be one.

Mickey Roth requested the Board's input as to the request of funds being released from the Miggy Brothers' letter of credit.

Jack O'Rourke stated he was willing to release 90% of the funds held by the Authority. Oscar Woerlein agreed with Jack O'Rourke as to the releasing of 90%.

Citizen Pat Cusmano stated he was under the impression the wetlands issue had been settled several months ago and why would the DEP not issue a fine.

Mickey Roth stated the repair had been taken care of by the core of engineers but the Authority was waiting on the reaction from the DEP.

Gary Summers stated he was agreeable to the release of 90% of the monies held in the letter of credit. He questioned Attorney Matergia as to the delay in requesting the permit.

Attorney Matergia replied the federal pre-requisite approvals had to be settled first before applying for the "after the fact" joint permit because the wetlands are federal property.

Scott LaBar questioned Jennifer Wise as to whether she was comfortable releasing the requested funds from the letter of credit.

Jennifer Wise stated as the substitute solicitor for the Municipal Authority it is her role to make sure the Authority is adequately protected. At the present time, the Authority holds the letter of credit and the DEP has not rendered a decision as of yet and fines could possibly be pending.

Mickey Roth stated he is willing to release half of the monies due to the fact that if a fine is received from the DEP it would be against the Municipal Authority and not against Miggys Brothers, LLC. Holding half of the letter of credit would ensure payment towards any fines issued.

Attorney Matergia agreed to the Authority releasing \$31,000 from the letter of credit.

Mickey Roth moved to release \$31,000 from the irrevocable standby letter of credit which was issued on October 31, 2007 for \$62,070.80 to Miggys Brothers LLC retaining \$31,070.80. Gary Summers seconded the motion and motion carried 5-0.

Attorney Matergia requested the Authority contact PNC regarding the reduction in the letter of credit.

Correspondence:

Mickey Roth informed the Board of the receipt of a letter of recommendation addressed to the H20 committee from Congressman Paul Kanjorski. Presented to the Board was a letter of appreciation to be sent to Congressman Kanjorski on behalf of the Authority Board.

Jack O'Rourke moved for Mickey Roth to sign off on the letter of appreciation addressed to Congressman Paul Kanjorski. Oscar Woerlein seconded the motion and motion carried 5-0.

Correspondence was received from BCM Engineers regarding their wastewater process system. This item was tabled.

Correspondence was also received from Financial S&olutions, an independent financial advisory firm which assists municipalities and authorities with their tax-exempt financing transactions. This item was tabled.

Solicitor

Richard Deetz the Authority's solicitor was excused from the meeting and Jennifer Wise, solicitor for Middle Smithfield Township and substitute solicitor for the Municipal Authority is in attendance.

Jennifer Wise stated she was presenting to the Board two matters in relationship to the Bushkill Group. The first is a resolution and the second a subsidy agreement.

The Resolution is approving the financing of certain improvements to the Authority's sewer system, by the issuance of the \$6,900,000 principal amount of General Obligation Bonds, Series of 2009 of the Township of Middle Smithfield, which will be subsidized under a subsidy agreement dated as of August 15, 2009 and further amended by a subsidy amendment dated as of September 15, 2009. The Resolution authorizes the Chairman or Vice-Chairman and the Secretary or Assistant Secretary of the Authority to execute and deliver the subsidy agreement on behalf of the Authority and to also execute any other documents as necessary to complete the transaction.

Oscar Woerlein moved that the Chairman and the Secretary of the Authority Board approve the Resolution as presented to the Authority Board by Attorney Jennifer Wise. Jack O'Rourke seconded the motion and motion carried 5-0.

Jennifer Wise stated the Subsidy Agreement did not have to be approved at the meeting but it will be presented to the Chairman or Vice-Chairman for execution at the bond meeting together with other documentation. Basically the agreement states the Authority will pay back to the Township \$6,900,000, interest on the bond, and in 2012 the aggregate interest on the bond.

Jack O'Rourke moved for the Chairman to approve at the bond meeting the Subsidy Agreement. Scott LaBar seconded the motion and motion carried 5-0.

Jennifer Wise stated she had emailed Attorney Richard Deetz regarding the reduction in the letter of credit of Miggys Brothers, LLC.

Engineering:

Doug Olmstead reported all the inspections on the Winona Plant were now completed and there are minor issues which have to be addressed.

Most of the manuals have been received by F. X. Browne who is now putting them together. The as-builts are still being worked on by the McElwee Group and payment will be held until they are received.

Regarding the processing test which Kruger has to conduct, specifications have been reviewed and this test is really geared towards the discharge parameters. Based on the reports provided by Dave Scholtz, the parameters are being met.

A copy of the official warranty had been received from Kruger with a maintenance bond and it was given to F. X. Browne. The package is now being turned over to the Recording Secretary. The package also contained keys for several areas of the Winona Plant.

Still working on a budget for the main plant.

Regarding the sewer line extension, have met with PA American for needed information and will finalize it with the assistance of Fred Courtright in order to submit the permit applications to both DEP and to Penn Dot.

Grease trap update, Bennigan's has a 2,000 gallon trap which is currently only half full. They are scheduled for service on Tuesday August 11th and the manager will contact Damian and provide a report on it.

Damian has been unable to inspect the grease trap at Foodtown and has contacted Jack Mignosi's to clarify the situation.

Damian also stopped by Los Tres Amigos Restaurant. They have gone above the standards in the cleaning regimen of their grease trap. They filter the cleaning solutions through cheesecloth before disposal.

Giuseppe's Pizza grease trap is cleaned bi-weekly and was found to be in a satisfactory condition. They did not provide the haulers' information.

Citizen Al Decker questioned the engineer regarding the number of grease traps which have not been checked.

Doug Olmstead stated the list is in the hands of Damian DeGeorge who was not present at the meeting.

Plant Operator

Dave Scholtz stated the flows at the main plant are running high especially on Saturday and Sunday because of the summer months. Sludge processing continues with no problems encountered. Odor issues, no complaints have been received and everything is going good.

ITT Flygt serviced the pump at the sewage plant yesterday and worked on Pump Station 7 located by McCole Road as per their service agreement. They also worked on Pump Station 4. They were suppose to finish up with Pump Station 5 today but no report has been received. Pump Station 3 has a guard rail problem; they will service this pump station when the rehabs on the pump stations are completed. There is also a leak at Pump Station 3 and a repair clamp cannot be placed due to the area that it is in.

Had a meeting with Doug, ITT Flygt and Township employees regarding the servicing of Pump Station 6. The Township personnel stated it would not be safe to use their equipment which is too large. ITT Flygt refuses to go over the curb. ITT Flygt is currently on hold until a decision is made regarding the guard rails for Pump Station 3 and the pulling of Pump Station 6. Doug Olmstead stated the Authority should purchase a chain hose, preferably an electric one and will get together with Dave Scholtz regarding the purchasing of one.

Mickey Roth questioned Dave Scholtz as to the readings from the flow meter installed at Country Club of the Poconos.

Dave Scholtz stated the meter readings are roughly 50 to 55 thousands gallons per day.

There have been several power outages at various times.

Winona Plant is running very well. Grass was planted around the plant and it is growing. Dave Scholtz questioned the Board as to who would be mowing the lawn.

Mickey Roth authorized Dave Scholtz to purchase a small lawn mower for usage at the Winona Plant.

Old Business

Total collected on delinquent accounts since July 22, 2009 was \$22,568.33, new outstanding balance is \$197,077.96.

Citizen's Comments

Jack O'Rourke questioned Marianne Glamman of Wayne Bank as to whether there were any new banking features which the Board should be aware of. Citizen Glamman responded she was not aware of any at the moment but would update the Board if any were forthcoming.

Executive Session:

Oscar Woerlein moved to enter into Executive Session to discuss personnel items at 7:00 P. M. Jack O'Rourke seconded the motion and motion carried 5-0.

Jack O'Rourke moved to reconvene the Board meeting at 7:25 P. M. Oscar Woerlein seconded the motion and motion carried 5-0.

There being no further business, the meeting adjourned at 7:30 P. M.

Respectfully submitted:

Sandra Black, Recording Secretary
Middle Smithfield Township Municipal Authority

Mickey Roth _____

Jack O'Rourke _____

Oscar Woerlein _____

Gary Summers _____

Scott LaBar _____