

The meeting of the Middle Smithfield Township Municipal Authority was called to order on Thursday, August 19, 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 Richard Deetz, Scott Schaller, Doug Olmstead, Dave Scholtz, Robyn Pugh, Sandra Black, and other interested parties.

Scott LaBar moved to accept the minutes of the Authority's meeting held on Thursday, August 6, 2009. Gary Summers seconded the motion and motion carried 5-0.

Gary Summers moved to accept the payables of Wednesday, August 19, 2009. Oscar Woerlein seconded the motion.

Gary Summers questioned Sandy Black if it would be possible to review the Achterman Associates invoices and compare them against their contract. Sandy Black stated she would have the files ready for his review the next day.

Jack O'Rourke questioned Doug Olmstead as to the invoice submitted for payment from F. X. Browne, was this invoice their last one.

Doug Olmstead stated the submitted invoice from F. X. Browne should be the last invoice which comprised of several inspections of the Winona plant.

Motion carried 5-0

212 Software	28.01	56.94	84.95	1204
Achterman Associates	398.75	9,139.74	9,538.49	1205
Alternative Resources, Inc. (ARI)	5,382.07	0.00	5,382.07	1206
AT&T	0.00	125.02	125.02	1207
F. X. Browne	2,317.00	0.00	2,317.00	1208
Scott LaBar	50.00	50.00	100.00	1209
McElwee Group	9,097.50	0.00	9,097.50	1210
Met-Ed	1,271.90	7,262.05	8,533.95	1211 & 1212
Middle Smithfield Township	54.91	1,373.21	1,428.12	1213
John J. O'Rourke	50.00	50.00	100.00	1214

Oscar Woerlein	50.00	50.00	100.00	1215
Prosser Laboratories	2,942.40	14,315.32	17,257.72	1216
Mickey Roth	50.00	50.00	100.00	1217
Serendipity Acctg. & Taxes	0.00	1,462.50	1,462.50	1218
Strand Pool Supply, LLP	3,392.50	0.00	3,392.50	1219
Gary Summers	50.00	50.00	100.00	1220
Verizon	36.29	35.76	72.05	1221
Waste Management	0.00	971.26	971.26	1222
<u>TOTAL BILLS:</u>	25,171.33	34,991.80	60,163.13	

Correspondence:

Presented to the Board for approval was a “Notice to Proceed” letter addressed to Aqua Net Environmental regarding the rehabilitation of the sewage pump stations, Contact No. 2009-01. The letter informs Aqua Net to proceed with the project with a starting date of August 24, 2009.

Oscar Woerlein moved for Mickey Roth to approve the “Notice to Proceed” letter addressed to Aqua Net Environmental with the starting date of August 24, 2009. Scott LaBar seconded the motion and motion carried 5-0.

Also presented to the Board for approval was a letter addressed to PNC Bank informing them of the Authority’s decision to reduce the Miggy Brothers’ Letter of Credit to \$31,070.80. The decision to reduce the Letter of Credit was made at the Authority’s meeting held on Thursday, August 6, 2009.

Jack O’Rourke moved for Mickey Roth to approve the letter addressed to PNC Bank regarding the reduction to \$31,070.80 to the Miggy Brothers’ Letter of Credit. Gary Summers seconded the motion and motion carried 5-0.

Mickey Roth stated Serendipity Accounting regarding the services of the Accounting consultant, Robyn Pugh, had submitted a revised Letter of Engagement increasing the rates for her consulting services. Gary Summers moved to table this item giving the Board members time to review it in detail. Oscar Woerlein seconded the motion. Motion carried 3-1 with Jack O’Rourke abstaining due to the fact he had not received a copy of the revised Letter of Engagement.

Solicitor

Richard Deetz informed the Municipal Authority Board that a copy of the deed for the lot next to the Winona Lakes Sewage Plant had been provided to Alternative Resources, Inc. (ARI) as per their request. The property had been purchased at a judicial sale in 2003. It was originally owned by Rheutee Ramsawak who lost the property because of non-payment of taxes.

Mr. Deetz stated he continues working with bond counsel.

Mickey Roth questioned Mr. Deetz as to the non-extension letter received from PNC Bank regarding the Miggy Brothers' Letter of Credit by October, 2009.

Mr. Deetz responded the letter received from PNC regarding Miggy Brothers' Letter of Credit is triggering a clause which should be in every Letter of Credit. The clause reads as follows "this Letter of Credit is in full force until such time the bank notifies the Authority via certified mail with the notice of termination".

Mickey Roth recapped for Mr. Deetz the previous Authority meeting in which Attorney Ralph Matergia requested a reduction of the Miggy Brothers' Letter of Credit of \$50,000.

The Board made the decision to reduce the Letter of Credit by \$31,000. The decision was made to retain monies due to the possibility of a DEP fine being imposed because of the encroachment onto the wetlands by Miggy Brothers during the Bennigan project. The permit was obtained under the Municipal Authority name, so the fine would be on the Authority and not Miggy Brothers.

Mr. Deetz stated he would contact Attorney Ralph Matergia regarding the Letter of Credit termination notice received from PNC. He also stated the Authority could also withdraw the monies from the Letter of Credit before its termination.

Mickey Roth moved to table the non-extension notice from PNC regarding the Miggy Brothers' Letter of Credit and have Attorney Richard Deetz and Sandra Black contact both Miggy Brothers and Attorney Ralph Matergia requesting clarification of the PNC notice. Jack O'Rourke seconded the motion and motion carried 5-0.

Engineering:

Doug Olmstead informed the Board he is still waiting on the manuals and the as-builts on the Winona Plant from the contractor. The contractor will not be paid until they are received.

No change regarding a budget for the main plant – still working on it.

The 209 Sewer Line Extension permit application has been delivered to Penn Dot today. Within the next couple of days, the permit application will also be sent to DEP for their review. Once the permits are received, bids will be requested.

Regarding grease traps, Bennigan's is using a degreaser agent, moving it out of their system and getting into our system. They have been informed they have to have the tank pumped. If they do not cease and desist, plan to have Richard Deetz get involved regarding the proper way of cleaning a grease trap.

Doug Olmstead stated he received a request from Keystone Hollow Corporation to release their Letter of Credit No. 612. Due to the fact that Robyn Pugh had worked on the original project in 2007, he passed the request to her for researching.

Gary Summers pointed out to the Board that Keystone Hollow owes a tremendous amount of monies to the Sewer Authority.

Accountant:

Robyn Pugh reported she had completed the RFP draft for a new auditor and had submitted it for review to Richard Deetz. Both Gary Summers and Robyn will put together a list to send to potential auditors.

Oscar Woerlein moved for Gary Summers and Robyn Pugh to work together regarding a list of potential auditors. Scott LaBar seconded the motion and motion carried 5-0

Submitted two months of balance sheets and profit and loss for the period of January, 2009 through June, 2009 to the Board. She reported to the Board she had encountered problems with the Topps' Accounting system. Extensive discussion was held by the Board and Robyn regarding the Topps' problem. Robyn will contact Topps' on Thursday regarding the problems she has had.

The 2008 entries which Riley and Company provided have been posted.

The Winona Sewage Plant costs were three million as opposed to the reported two million.

The conference call held with Tom Beckett regarding the Standard and Poor's rating for the Township was held on Tuesday and it went well. The rating will be received before the end of the week.

Plant Operator

Dave Scholtz reported the July DMR report was submitted for the main plant with no exceptions and the sewage treatment plant is running very well. Treatment plant flow average was 448,000 and peak flow was 571,000. No sludge was received at the main plant. Processed 47.4 tons of biosolids which were disposed of at the Keystone Landfill.

Odor monitoring continues at the plant and no odor complaints have been received. Odor log monitoring was performed on Pump Stations 5 and 6 and there was no change in the sulfide levels.

Regarding the electric usage, submitted the charts for it to the Board today. Electrical usage is up by about 13% over the same period last year.

Have continued painting around the sewage plant – trying to finish it before the winter weather sets in.

The air valve actuator has been replaced on Basin Number 2 and it is up and operating.

On the sludge holding tank, the sludge digester pump was replaced with a spare pump.

Pump Station 5 had one alarm which was traced back to a blown fuse which was replaced on the call box. Pump Stations 4 and 6 experienced a power outage on July 16 and the generators came on – no problems encountered. Pump Station 4, which had a tripped circuit breaker previously, tried to re-enact the incident but could not. Pump Station 3 developed a leak next to the pipe in addition to the leak in the wet well.

Pump Stations 2, 3 and 8 also experienced power outages on July 25th and no problems were encountered because of it. Pump Station 2 has a transducer level monitor which is defective and it is out of the warranty period. Have spoken to ITT Flygt regarding it and they will get back to Dave about it.

The following pumps have been serviced by ITT Flygt Corporation. At the main plant, there are two pumps, Pump 1 stator oil was dark but pressure was okay. No oil should be found in the stator and ITT Flygt submitted a repair estimate of \$6,218.20 for it. Pump #2 was found in good condition.

At Pump Station #4, Pump #1 stator oil was dark and unit pressure tested low which indicated a leak. The unit needs to be overhauled and the repair estimate is \$3,173.80.

Pump Station #5, Pump #1 was found to be in good condition, vibration in the rails. Pump #2 stator oil and unit pressure tested “no good” and overhaul was recommended. ITT Flygt submitted a repair estimate of \$3,173.80.

Pump Station #7 which is located by McCool Road, Pump #1 motor oil was found dirty but the main problem was worn impellers. The estimated repair from Flygt was \$2,585. Pump #1 also has worn impellers and the estimated repair on it is also \$2,585.

The pumps are all operational and not out of service and the motor linings are in good shape. The oil has been changed in all of the pumps but a couple of them have to be serviced.

Oscar Woerlein suggested Dave Scholtz set up a rehab schedule regarding the repairs of the pump stations.

Doug Olmstead suggested working out a system with ITT Flygt regarding a schedule for the repairs on the pumps. Since they are the manufacturers of the pumps, they should fix them.

Jack O'Rourke questioned Dave Scholtz as to his contact at ITT Flygt. Dave stated his contact at Flygt is Mark Lauer and his phone number is (610) 647-1617, Extension 37.

Gary Summers questioned Dave regarding the differences in the repair kit estimates for the pumps. Dave responded the differences in the estimates are because the motors are two different sizes, one motor is a 20 horsepower and the other motor is a 25 horsepower.

Dave Scholtz and Doug Olmstead will get together and prioritize which pumps need to be repaired right away and which pumps can wait.

At the Winona Plant the flow rate was 19,000 with a peak flow of 22,000 with no sludge removal. No problems to report regarding the pump stations. The July DMR was submitted and everything was in compliance.

The plant was operating well until Tuesday when a dissolve oxygen sensor on the Number 2 Basin stopped working. Kruger was contacted and it still has not been repaired.

Regarding the flow meter at Country Club of the Poconos, Joe has the readings which have been taken every day since the installation of the meter. Dave will provide the results to the Board at the next meeting.

Doug Olmstead reported he received a phone call from a supplier of the same type of equipment which is located at the pump stations. The supplier is willing to put together information and budget numbers to replace the controls for the main plant.

Scott LaBar questioned Dave about the damaged impellers on Pump Station 7. Dave replied it is possible that the grit is from the construction project near the pump station.

Doug Olmstead stated LTS has a construction project behind the pump station and it could be possible the damage to the impellers came from it. LTS should be made aware of the damage to the pump station.

Oscar Woerlein informed Dave that the lifting device he has is inadequate because Dave's requirement is a 2-ton chain pull.

Scott Schaller questioned Dave Scholtz if he had spoken to the Township personnel regarding the 2-ton chain pull. Dave stated he had spoken to them and they stated the equipment they had was inadequate.

Old Business

Mickey Roth questioned Sandra Black whether she had encountered any problems with the Topps' Accounting System. Sandra replied she had had no problems when she ran the third quarter billing cycle and in her daily work. She stated she receives updates from Topps' just about every Monday and is the only person using the Topps' system on a daily basis.

Total collected on delinquent accounts since August 7, 2009 was \$12,984.39, new outstanding balance is \$184,093.57.

New Business:

Presented to the Board for approval by the Chairman from the Township Attorney Jennifer Wise is a "First Amendment to Settlement Agreement". The Township had entered into the agreement on March 13, 2009 which set forth the terms and conditions of a settlement of various disputes and disagreements between the Township and LTS Development, LLC. Mickey Roth questioned Richard Deetz whether it was necessary for the approval of the Municipal Authority Board on the agreement.

Richard Deetz stated the First Amendment to Settlement Agreement really does not affect the Authority but the Chairman needs to sign off on it even though it deals more with the Township. Mr. Deetz recommended the Authority Chairman approve the agreement.

Jack O'Rourke moved for Mickey Roth to sign off on the LTS First Amendment to Settlement Agreement. Oscar Woerlein seconded the motion and motion carried 5-0.

Citizen's Comments

Scott Schaller mentioned to the Authority Board whether Doug Olmstead had informed the Board of the digging of the trenches along Route 209 and the possibility of dropping a water line in the trenches for PA American Water.

Doug Olmstead stated it would cost the Authority approximately \$300,000 for the water line to be a part of the Sewer Authority's trenches.

Gary Summers stated the Board is in the sewer business not water and he disagreed to "dropping the water line" in the trenches unless PA American Water is willing to covered the costs for it. He would definitely vote against it unless PA American Water paid for the water line up front.

Oscar Woerlein questioned Doug regarding the possibility of PA American Water purchasing the line after the Authority has placed it in the trenches.

Doug stated if the Authority Board does not pay for it, ultimately the Township would have to end up paying for the water line. PA American Water does not want their water system in the same trenches as the sewers.

Mickey Roth informed Doug Olmstead to contact PA American Water and get a letter of commitment from them before adding the water line to the trenches.

Doug stated PA American Water will not provide the letter of commitment.

Mickey Roth replied the Authority Board was not willing to commit themselves to adding the water line to the trenches without a letter of commitment from PA American Water. The decision would be for PA American to dig their own trenches for their water line or come on board with the Sewer Authority.

Scott LaBar stated it did not make sense for the streets to be dug up twice and Doug should try to get a letter of commitment from PA American Water before the trenches are dug for the sewers.

Richard Deetz stated he would check with George Aman regarding the bond issue and how it would affect both the Authority and the Township regarding the possibility of adding a water line to the sewer trenches.

Citizen Pat Cusmano asked Doug if the problem with Foodtown had been resolved. He stated the small stores brought their grease over to the big store, Foodtown, for disposal.

Doug Olmstead stated Damian DeGeorge was dealing with the Bennigan problem and their usage of a degreaser agent. Once the problem is solved, Damian would then pursue the problems at Foodtown.

Oscar Woerlein moved to enter into Executive Session to discuss personnel matters and the revised Letter of Engagement submitted by Serendipity Accounting at 8:00 P. M. Gary Summers seconded the motion and motion carried 5-0.

Executive Session:

Jack O'Rourke moved to reconvene the Board meeting at 9:00 P. M. Oscar Woerlein seconded the motion and motion carried 5-0.

Jack O'Rourke moved for the Chairman to approve the appraisal completed on Sandra Black as the Recording Secretary of the Municipal Authority Board. Gary Summers seconded the motion and motion carried 5-0.

There being no further business, the meeting at 9:15 P. M.

Respectfully submitted:

Sandra Black, Recording Secretary
Middle Smithfield Township Municipal Authority

Mickey Roth _____

Jack O'Rourke _____

Oscar Woerlein _____

Gary Summers _____

Scott LaBar _____