

The meeting of the Middle Smithfield Township Municipal Authority was called to order on Thursday, November 5, 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, Doug Olmstead, Scott Schaller, Dave Scholtz, Sandra Black, and other interested parties.

Oscar Woerlein moved to accept the minutes of the Authority's meeting held on Wednesday, October 21, 2009. Jack O'Rourke seconded the motion. Gary Summers requested the word "additional" should be added to the third paragraph on Page 5 where it is stated "This purchase will give the Authority a total of 671 edus". The sentence should read "This purchase will give the Authority 671 additional edus". Motion carried 5-0 to accept the minutes with the necessary correction.

Gary Summers moved to accept the payables for Thursday, November 5, 2009. Oscar Woerlein seconded the motion.

Gary Summers questioned Doug Olmstead as to whether the invoice submitted by "The McElwee Group" was the last invoice with reference to the Winona Plant. Doug Olmstead stated the invoice is the last to be received by the Authority from the McElwee Group but he was still waiting for the final invoice from Barry Hoffman and Company. Motion carried 5-0.

	<u>Winona</u>	<u>MSTMA</u>	<u>Total</u>
212 Software	56.94	28.01	84.95
Allstate Septic Systems	225.00	0.00	225.00
Aqua Net Environmental	29,118.60	12,479.40	41,598.00
Kirk, Summa & Company	0.00	21.30	21.30
Scott LaBar	50.00	50.00	100.00
McElwee Group	97,186.19	0.00	97,186.19
M & T Bank	0.00	356,022.50	356,022.50
MST	141.45	1,112.58	1,254.03
John J. O'Rourke	50.00	50.00	100.00
Oscar Woerlein	50.00	50.00	100.00
Mickey Roth	50.00	50.00	100.00
Strand Pool Supply, Inc.	1,526.50	1,349.75	2,876.25
Gary Summers	50.00	50.00	100.00
Verizon	93.72	246.72	340.44
Waste Management	2,406.95	0.00	2,406.95
<b><u>TOTAL BILLS:</u></b>	<b>131,005.35</b>	<b>371,510.26</b>	<b>502,515.61</b>

**Correspondence:**

The General Obligation Bonds – Series 2006 payment in the amount of \$356,022.50 to M & T Bank is due on November 15, 2009. In order to meet this payment a wire transfer from the PLGIT Plus account has to be made to the Authority’s Operating Account. A letter has been submitted to request a wire transfer of \$400,000 to the Operating Account.

Oscar Woerlein moved for Mickey Roth to approve the wire transfer of \$400,000 from the PLGIT Plus account to the Authority’s Operating Account to cover the Bond payment to M & T Bank in the amount of \$356,022.50. Gary Summers seconded the motion and motion carried 5-0. Sandra Black was instructed to take care of the wire transfer on Friday, November 6, 2009. Marianne Glamman of Wayne Bank is also be notified of the incoming transfer to the Operating Account.

Also presented for approval is the renewal of the highway permit for Miggy Brothers – Bennigan’s Restaurant. This permit is to be renewed for twelve months.

Pat Cusmano questioned the Board as to whether the fine for the encroachment of the wetlands by Miggy Brothers had ever been received.

Richard Deetz replied Miggy Brothers had informed the Board there would not be a fine for the encroachment.

Mickey Roth also stated the Authority Board is holding over \$33,000 in case the DEP does fine Miggy Brothers for the encroachment. The Authority Board is protected in case a fine is forthcoming.

Jack O’Rourke moved Mickey Roth approve the renewal of the highway permit for Miggy Brothers – Bennigan’s Restaurant for the next twelve months. Oscar Woerlein seconded the motion and motion carried 5-0.

**Solicitor:**

Richard Deetz reported he has not received any response to his letter to Kevin James of Keystone Hollow regarding their request for the releasing of their Letter of Credit No. 612. This item is to remain on the Authority’s Agenda until it is resolved.

Prepared Resolution 11-5-09 which further clarifies the establishment of the new tapping fees for Route 209 for residential and commercial customers... It was motioned and approved at the Board’s meeting of October 21 to raise the tapping fees to \$6,500 for both residential and commercial customers and subject to change upon the completion of the tapping fee accounting analysis conducted by the Municipal Authority’s accountants and Doug Olmstead, the Authority’s engineer.

Mickey Roth moved to approve Resolution 11-5-09 which raises the tapping fees to \$6,500 for both residential and commercial customers and subject to change upon the

completion of the tapping fee accounting analysis conducted by the Municipal Authority's accountants and Doug Olmstead, the Authority's engineer. Oscar Woerlein seconded the motion and motion carried 5-0

The Authority Board acquired 1.91 acres of land next to the treatment plant and the taxes were paid at the closing and the receipts are now being turned over to the Authority's secretary for filing away.

Four sets of signed documents were completed at the closing of both the Authority's and Bushkill Group meeting on Thursday, October 20. The solicitor received a set as the Attorney for the Authority Board, one set was given to the Authority's secretary and Charlie Vogt as the attorney for the Bushkill Group received a set and the Bushkill Group also received a set. Mr. Deetz is turning over his set of the documents to the Authority and would prefer having a xerox copy of the documents.

Regarding the 1.91 acres of land, an exempt application has been prepared to the Board of Monroe County Assessment of Appeals to exempt the property from real estate taxes.

Jack O'Rourke moved for Richard Deetz to file the exemption application to the Board of Monroe County Assessment of Appeals regarding the 1.91 acres of land purchased from the Bushkill Group. Oscar Woerlein seconded the motion and motion carried 5-0.

### **Engineering:**

Doug Olmstead reported he is still waiting on the final invoice from Barry Hoffman and Company on the Winona Plant. Mr. Hoffman has several items to finish up at the plant before receiving final payment from the Authority.

Item B on the Agenda should be changed from "Budget – Main Plant" to "Main Plant Maintenance Program". Met with the representative from Lindy Construction regarding the concrete structure to be done for the coming year for the main plant. Was unable to locate plans for the main plant and had to request them from the original owner. Have not had a chance to review the plans as of yet in order to forward them to the contractor. Once the Township's wide mapping copying machine is up and running will have the plans scanned and forward to the contractor.

Regarding the Route 209 Sewer Line extension the permit is still being reviewed by DEP and PennDot.

Today a liner was put in at one of the lift stations, so the rehabilitation of the pump stations is proceeding well.

Nothing to report on grease traps however there is a new set of grease traps which have to be added to the Authority's system which is located at Fernwood. Plan to get in touch with Mr. Briggs in order to co-ordinate the inspections.

Also had a meeting with Mr. Briggs and Mark Turner from Fernwood with Dave Scholtz for the formal handover regarding the sewer system. Dave received his first call regarding a problem with one of the pump stations. This pump station is one of the stations which should have been fixed before the Authority's takeover of it. Has a quote for a replacement pump for the pump station but wants to make a phone call before proceeding with it. Equipment listing will be provided to Dave Scholtz. A memo regarding the pumps will be sent to the Authority.

Dave Scholtz has gotten in contact with the person at Fernwood who handles the maintenance. "Scotty's" expenses will be billed to the Authority from Fernwood and eventually either the Authority or Prosser Laboratories will take on the expense of hiring him on.

Snyder should be billed for the additional two edus' since he is currently only being invoiced for nine edus. A letter will be sent to Mr. Snyder by the engineer with the results of his findings. Since he is already hooked up to the system the original connection fee of \$2,300 will be charged as opposed to the new tapping fees. He will be made aware of the new tapping fees.

Richard Deetz will review the report submitted by the engineer before Mr. Snyder is contacted with the results of the review.

It was requested by Jack O'Rourke for Doug Olmstead to phone Mr. Snyder first before sending him the results of his review regarding the edus' purchased and paid for by Mr. Snyder.

Doug Olmstead will phone Mr. Snyder regarding the results once Mr. Deetz has had a chance to review the engineer's report.

Chairperson Mickey Roth requested Scott Miller of Riley and Company to the podium to discuss the invoice presented to the Authority Board for the 2008 Audit.

Scott Miller of Riley and Company stated the additional cost of \$9,622.07 was due to questions received from the Authority's accounting consultant, Robyn Pugh. The primary cost for the delay in the audit was because Riley and Company had to justify items prepared in the audit which resulted in additional research on the issues. The additional costs totaled up to about 59 hours dealing with the process.

Gary Summers questioned Scott Miller if the original Letter of Engagement had a clause which refers to additional charges if an audit is delayed. Riley and Company charged the Authority an additional \$2,000 because the audit had been delayed.

Scott Miller responded there is a paragraph in the Letter of Engagement which refers to a possible extra charge for a possible delay in an audit. The delay in the audit was due to the issues and questions brought up by the Authority's Accounting Consultant, Robyn Pugh.

Gary Summers requested a detailed breakdown of the hours and descriptions justifying the \$9,622.07. Scott Miller stated the breakdown of the \$9,622.07 was submitted with the original invoice.

Scott Miller stated the letters received by Riley and Company dated February 16<sup>th</sup> and June 18<sup>th</sup> required further research and had to be responded to in detailed. There was a significant amount of questions more than expected which resulted in the additional charge.

Gary Summers stated if Riley and Company had problems with the requested questions and knew they would charged the Authority for them from the consultant they should have contacted the Chairperson of the Authority Board before proceeding with them.

Oscar Woerlein stated in the future Riley and Company should inform their clients that if you question their findings on an audit, there will be additional charges for it. Scott Miller stated when it takes two to three hours to research a question; there will be a charges for it.

Gary Summers the invoice also stated a charge of \$4,200 for a long term variable budget and was this the first time Riley and Company had ever prepared a variable budget and where is the detail breakdown on the preparation of this variable budget.

Scott Miller stated it was the first time he had prepared a variable budget for the Authority and the breakdown had been emailed to Sandy Black for the Authority Board members to review today.

Township Supervisor Scott Schaller stated the Township accountants are Kirk Summa and Company and their charge for the Township audit was \$4,700 even after having been questioned several times regarding the audit. The Authority Board should not be required to pay additional monies for mistakes made by Riley and Company which was pointed out by the Accounting Consultant. The Authority was already charged \$14,850 for the audit and even though there were numerous questions regarding errors in the audit, the Authority should only be required to pay the \$14,850.

Oscar Woerlein requested Scott Miller resubmit a new invoice at a lesser amount.

Jack O'Rourke requested Executive Session to further discuss the invoice presented by Riley and Company for the 2008 audit in the amount of \$29,772.07.

### **Plant Operator**

Dave Scholtz stated he met with "Scotty" and Peter Stephen, maintenance manager for the Bushkill Group and toured five of the pump stations. There are additional stations which have to be inspected and it will be done either on Tuesday or Wednesday of next week. Traded information with them as far as telephone numbers and emergency phone

numbers in case there are any issues or breakdowns. They were also informed that any purchases must go through Dave before they are made. Already have started making lists of what is needed. Needs maps and Doug Olmstead stated three copies of the maps will be given to Dave Scholtz.

Mickey Roth informed Dave the Authority Board would like a full inventory of everything Fernwood is turning over.

The pump stations have a lot of grease built up and he will be getting together with Allstate to have them cleaned out.

ITT Flygt is on hold regarding pump station 3 as far as doing the rebuilding of the pumps and possibly it will get done sometime next week.

Have one report done from the Odor Log which is mounted on the main sewage treatment plant. It picked up a couple of peaks of odor and then it went down to 0. The Odor Log is still monitoring and a report will be given again at the next meeting.

Winona Lakes is operating well. Sludge will probably be remove possibly one more load before the winter sets in.

A rag got caught in the motor at the main plant and it was repaired.

The DEP is changing their formula but the plant is below the numbers presented by the DEP and there is continuous monitoring to make sure they stay below the numbers.

### **Old Business**

Joseph Albanese, property owner in Winona Lakes, stated the tapping fees which were motioned and approved in April of 2009 by the Authority Board are too high and he would be unable to build a home on the lot because of it. The current tapping fee of \$12,500 is a hardship on property owners. He was informed by Township Supervisor Scott Schaller the fees eventually would be lowered due to the fact the Authority Board had been granted a million dollar grant for Winona Lakes from the government. He suggested the Authority rethink their tapping fees study or spread the fee among the taxpayers.

Richard Deetz stated the Authority owns and operates the plant but has no power to tax the taxpayers regarding either tapping fees or the users' sewage fees. The H2O grant, monies which have not been received as of yet, are to be used to offset the costs which the Authority Board had to pay to build the new plant. DEP mandated the Authority Board to take over the plant once the former owner walked away from it. The DEP made the Board take over the plant but did not offer any monies to help out the Board. The Board has invested more than 2.4 million dollars for the plant.

Scott Schaller stated the Board's original tapping fees study for the Winona Plant had a fee of \$25,000 in order to cover the costs of the plant but the Board compromised and decided on a slide scale of raising the fees on a five year period based on starting the first year at \$12,500 and ending at \$25,000 because it would be a hardship on both the property owners.

Richard Dionysius, owner of twelve lots in Winona Lakes, stated it would not be feasible for him to build on the lots he currently owned because of the tapping fees. He suggested the tapping fees should have been split up among both the homeowners and the lot owners of Winona Lakes as opposed to the lot owners. Due to the new tapping fees, Mr. Dionysius stated he would no longer pay the Authority's quarterly sewage fees and would be "walking away" from his properties in Winona Lakes.

Edith Berenbaum a homeowner in Winona Lakes stated the homeowners had already paid their share of monies to be hooked up to the plant and the new tapping fees should not affect them.

Gary Summers informed Mr. Albanese that there was no difference in the price of a septic system to the tapping fees for Winona Lakes if Mr. Albanese decided to put a septic system on his lot.

Mr. Robert Fenlon also a homeowner in Winona Lakes stated the tapping fees were rather high and a handicap to future homebuyers who wished to build in Winona Lakes. He stated he would appreciate anything the Authority Board could do regarding the tapping fees to help out future property owners in Winona Lakes...

Leonard Glamman informed Mr. Dionysius that Pennsylvania has a law stating that if a property owners "walks away" from their responsibility to their property they would not be able to purchase any more property in the state of Pennsylvania.

Mickey Roth thanked the group representing Winona Lakes and stated the Board would take under consideration their suggestions regarding the tapping fees.

Letters of Engagements were received from Riley and Company and Weseloh Carney and Company for the tapping fee study for the Route 209 extension. Doug Olmstead had been instructed at the previous Authority Board meeting to speak to both firms regarding the work to be done. The bulk of the tapping fees study will be conducted by Doug and then reviewed by either firm if chosen. Weseloh Carney will review the study at \$170 per hour and Riley offered a fee of approximately \$200 per hour.

Jack O'Rourke moved to accept the firm of Weseloh Carney and Company for the tapping fee study for the Route 209 extension. Gary Summers seconded the motion and motion carried 5-0.

**New Business:**

There was a short discussion on researching an alternate electrical source of energy for the plants. The Board will be looking into different resources.

**Citizen's Comments**

Jeff Reichl commented that it was very wrong for Riley and Company to have charged the Board such an exorbitant amount for being asked to make corrections to errors they had committed and for the questioning of the audit. He stated he hoped the Board refused to pay the additional monies requested by Riley and Company.

Oscar Woerlein moved to enter into Executive Session at 7:55 P. M. to discuss the 2008 Audit invoice presented by Riley and Company. Jack O'Rourke seconded the motion and motion carried 5-0.

Gary Summers moved for the Authority Board to reconvene at 8:20 P. M. Scott LaBar seconded the motion and motion carried 5-0.

There being no further business, the meeting adjourned at 8:25 P. M.

Respectfully submitted:

Sandra Black, Recording Secretary  
Middle Smithfield Township Municipal Authority

Mickey Roth \_\_\_\_\_

Jack O'Rourke \_\_\_\_\_

Oscar Woerlein \_\_\_\_\_

Gary Summers \_\_\_\_\_

Scott LaBar \_\_\_\_\_