

The meeting of the Middle Smithfield Township Municipal Authority was called to order on Wednesday, November 18, 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, and Gary Summers.

Also present Richard Deetz, Doug Olmstead, Dave Scholtz, Sandra Black, and other interested parties.

Oscar Woerlein moved to accept the minutes of the Authority's meeting held on Thursday, November 5, 2009. Jack O'Rourke seconded the motion and motion carried 4-0.

Gary Summers moved to accept the payables for Wednesday, November 18, 2009.

Jack O'Rourke questioned Doug Olmstead about the F. X. Browne invoice and what were the charges for.

Doug Olmstead stated Paul McNamara and an assistant charged for several hours of working on the Winona Plant. The invoice also billed the Authority for the copying of the as-builts and manuals received from the McElwee Group. Doug stated there would probably be at least one more invoice from F X. Browne once they have received and processed the items which the Barry Hoffman group has yet to submit on the plant.

Jack O'Rourke requested the check for F. X. Browne be held up until the final invoice and items which still have to be received from Barry Hoffman have been completed.

Gary Summers withdrew his original motion to accept the payables of Wednesday, November 18, 2009.

Jack O'Rourke moved to approve the payables of Wednesday, November 18, 2009 with the exception of the check for F. X. Browne. Oscar Woerlein seconded the motion and motion carried 4-0.

	<u>Winona</u>	<u>MSTMA</u>	<u>Total</u>	<u>Check Nos.</u>
Achterman Associates	0.00	14,038.76	14,038.76	1307
Alternative Resources	3,625.37	0.00	3,625.37	1308
Nandita Dasgupta	0.00	1,955.00	1,955.00	1309
Richard Deetz	1,044.00	18,882.50	19,926.50	1310
Scott LaBar	50.00	50.00	100.00	1312
M & T Bank	0.00	1,040.00	1,040.00	1313
				1314 &
Met-Ed	1,300.17	8,084.62	9,384.79	1315
Middle Smithfield Township	141.35	455.16	596.51	1316
John J. O'Rourke	50.00	50.00	100.00	1317

Oscar Woerlein	50.00	50.00	100.00	1318
Prosser Laboratories	3,437.31	10,362.20	13,799.51	1319
Mickey Roth	50.00	50.00	100.00	1320
Stroudsburg Electric	0.00	3,577.63	3,577.63	1321
Strand Pool Supply, Inc.	2,405.85	0.00	2,405.85	1322
Gary Summers	50.00	50.00	100.00	1323
Verizon	35.12	35.64	70.76	1324
Waste Management	0.00	1,288.04	1,288.04	1325
<b><u>TOTAL BILLS:</u></b>	12,239.17	59,969.55	72,208.72	

**Correspondence:**

Mickey Roth informed the Authority Board additional paperwork for the million dollar H20 grant had been received from the Pennsylvania Department of Community and Economic Development. The Department of Community and Economic Development is requesting copies of all the contractors' invoices which were used in the building of Winona Lakes and any other costs incurred by the Municipal Authority in the construction of the plant.

John Ferre questioned the Board if once received could the grant money be utilized for anything other than for Winona Lakes and could it be borrowed on other things than the plant and the rehab of the pump stations.

Mickey Roth stated the grant was acquired specifically for the recovery of the costs which the Board had taken on when building the Winona Lakes Plant and for the rehabilitation of the pump stations. If the grant was utilized for anything else, it would be illegal.

Jack O'Rourke moved to table the approval of both the paperwork and the submission of the requested information for the H20 grant. Oscar Woerlein seconded the motion and motion carried 4-0.

Mickey Roth then proceeded to read a letter submitted to the Authority Board by Robyn Pugh of Serendipity Accounting and Tax Services dated September 4, 2009 where she raised issues regarding inconsistencies in the accounting procedures of the Authority and charged Sandra Black, the Recording Secretary of the Authority, with the mishandling of funds. In the letter Ms. Pugh referred to Ms. Black as the Authority "giving the fox the keys to the henhouse" in allowing her to continue processing the Authority's sewage accounts. Ms. Black was also accused of the mishandling of the Authority's funds by a Township Supervisor at the September 3, 2009 Municipal Authority meeting.

Because of the accusations made in the letter, Kirk, Summa and Company, LLP were hired by the Authority to investigate the written allegations made by Ms. Pugh. Kirk Summa and Company has now completed their investigation and has presented the Authority Board with their final results.

The results of the investigation were that there was no proof found regarding the mishandling of either funds or inconsistencies in the accounting procedures of the Authority or in the accounting processing done by Sandra Black. Mickey Roth requested a motion from the Board to make both letters a part of the Authority's records. Apologies should be made publicly to Sandra Black who has endured harassment with regard to the accusations.

Jack O'Rourke moved to make both the letter from Serendipity Accounting and Tax Services and the final results of the investigation from Kirk Summa and Company, LLP a part of the Authority's record and opened to the public. Gary Summers seconded the motion and motion carried 4-0.

Mickey Roth then informed the board that an email notification was sent by the Township solicitor, Jennifer Wise, to the Authority's solicitor, Richard Deetz of a resolution to be presented at the December 9<sup>th</sup> meeting of the Township Supervisors intending to dissolve the Middle Smithfield Municipal Authority Board.

Township Supervisor, Ron Clewell, stated he was attending the Authority's meeting as a taxpayer and a citizen, not collecting any information for the Supervisors. He stated he was embarrassed by the situation the Authority had been placed in by the Township Supervisors. The present Authority and past Authority Boards have done an excellent job for Middle Smithfield Township and his sympathies were with the Municipal Authority Board.

Mickey Roth stated three members of the Authority Board attended a budget workshop conducted by the Township Supervisors earlier in the day. The new budget has not been approved or released but they did have a budget for the operation of the Municipal Authority under the Township's directorship.

Gary Summers then stated the Supervisors, one in particular had quoted to the newspapers that the dissolution of the Authority would save the taxpayers over \$500,000. As mentioned by Mickey, three Authority members attended the budget workshop held in the morning. They did share some of the budgetary assumptions for the next year. The budget still has not been approved and it is still in a planning stage and he, Gary Summers, planned to make reference to some of the numbers reflected in the budget. The savings is not \$500,000 – the number is approximately \$375,000. Approximately \$120,000 is really expenses already incurred by the Municipal Authority for engineering and legal services. The Township has approximately added this \$120,000 into their budget and will then slide it over to the Municipal Authority. That will leave approximately about \$250,000 plus the minus which the Township thinks they should charge the Authority for expenses.

The Municipal Authority pays the expenses of the grease trap inspector, Damian DeGeorge, inspections of sewer connections conducted by Dave Manter and a salary for the engineer, Doug Olmstead. Up unto September, the Authority also paid the salary for their recording secretary, Sandra Black to the Township. The Authority also pays to the

Township for the road crew when they are called upon to pull a pump from a pump station, supply diesel fuel for the generators or cut the grass.

With creative accounting the Township figures the Authority should be responsible for 35% of the Township expenses such as the electrical and heating of the township building, the road equipment, snow removal and 50% of the receptionist' salary which comes to approximately \$250,000. So as per their creative budget they can justify saying they are saving the taxpayers monies plus the fact that they plan to charge the Authority 35% of the bond which they took out to build the new building.

So the question is why not just charge the Authority the \$250,000 and continue with the present Board. When you eliminate the Authority, you eliminate the Board but you continue having to use the engineer and add more responsibilities to the Township solicitor. There is a line item shown in the budget for a Director of the Authority at a salary of \$60,000. Another reason for the dissolution of the Authority is the elimination of the Authority's secretary which was the reason for the accusations made against her and the reason for Kirk Summa and Company being hired to investigate the accusations. As stated by Mickey, she has been exonerated. The Board had been told to terminate her services but they refused to because the Authority Board was quite happy with her work.

Also in September, 2009 the Authority Board terminated the services of their outside accounting consultant, Robyn Pugh of Serendipity Accounting and Tax Services which basically angered one of the members of the Board of Supervisors.

The Authority Board was also requested to put in a water line along with the sewer line for Route 209. The Authority Board is only in the sewage business not the water business. The Authority Board can only use sewage revenues for sewers and nothing else. This refusal also did not set well with the Board of Supervisors, one in particular. Again I am not sure what the reasoning behind the Authority Board being dissolved is but then again this is Middle Smithfield Township.

For the current sewer customers, it has been stated by the Township Supervisors their rates will not be raised. In 2008 according to the most recent audit, the Authority ran an operating surplus of approximately \$90,000. The Authority Board is not in the business of making money but once in a while a surplus does occur and it is used to defray the costs of ongoing improvements to the system and repairs. What will happen to the \$90,000 operating surplus when you drop another \$250,000 of extra expenses and a \$60,000 salary for a Director of the Authority on top of the sewer expenses. This was Gary Summers' personal perspective regarding the dissolution of the Authority and he encourages the citizens of Middle Smithfield to attend the December 9<sup>th</sup> meeting and question the Township Supervisors as to their reasoning for the dissolution of the Municipal Authority Board.

Oscar Woerlein then proceeded to state that the "dictators" want to take over the Authority Board by controlling the future of sewage for Middle Smithfield. The creative bookkeeping in the budget presented is a pie in a sky. The creator of this budget proposal

in his opinion is seeking a position with the Township. The Township personnel were told that they were not to give any kind of guidance or answer any questions presented to them by the recording secretary of the Authority Board. Will this policy continue once the new Director for the Authority is in control. The salary awarded for the new Director of the Authority is five times more than the stipend which is given to the present Authority members. The members receive \$100 per meeting and again the Director will be receiving five times more than the \$100 stipend received by the current members of the Board. This stipend was moved on and approved by the Supervisors about ten months ago for the good job the Board was doing at the recommendation of the former outside accounting consultant. How fast the Authority Board fell from grace.

I leave you all with this thought, why did the dictatorship initiate the dissolution of the Authority Board now. Other Townships have created management authorities because they serve a purpose and pay them more than double what the present Authority Board was receiving as a stipend. We all know how this dictatorship likes to govern, without the citizens of Middle Smithfield's input or committees' input and of course the Authority's input. The problem here is that the democratic input is also being bypassed. This so called savings which creative bookkeeping has presented for the demise of the Board will not affect the taxpayers at all. It will increase the workload for the Township employees; it will increase salaries for some and provide employment for preferred friends. The proof will be seen when the new Authority Board takes place. The citizens of Middle Smithfield Township need to remember all this when they go to vote for a new supervisor.

Jack O'Rourke stated he wanted both the letter of accusation and the report from Kirk, Summa and Company to be distributed to the public present at the Authority meeting. Also handed out was a written statement from the Chairperson of the Authority Board, Mickey Roth regarding the dissolution of the Municipal Authority Board. Mr. O'Rourke also requested the spreadsheets prepared reflecting payments made by the Authority Board to the Township be distributed.

Perry Henley, former Chairperson of the Authority Board, stated he had resigned from the Board because he could not tolerate everything that was going on with the Township with the exception of Ron Clewell who he thanked for always supporting the sewer Authority Board. Every invoice presented by the Township for payment to the Authority Board has always been paid without any questions. What is going on right now with the present Authority Board is terrible and he asked the citizens to support the Board at the December 9<sup>th</sup> Township meeting.

A citizen questioned the Board as to what can the citizens do to try to stop the dissolution of the Board.

Mickey Roth replied the citizens of Middle Smithfield Township need to be present at the December 9<sup>th</sup> meeting and voice their protests.

Gary Summers mentioned the Township also needs to cover what they have budgeted as their operating costs for the golf course for next year at about \$140,000 loss. They have to come up with some monies to cover it and dissolving the Authority Board will take care of that for them.

Mickey Roth stated the Municipal Authority Board runs only on sewage and tapping fees not on taxpayers' monies. This will change once the Authority Board is taken over by the Township.

Pat Cusmano questioned the Board as to whether the Director of the Authority should have specific qualifications necessary to run the sewage plants.

Mickey Roth replied he did not know who the Director of the Authority would be at this time but yes they should have both the experience and qualifications in order to run the sewage plants.

Larry Dymond then expressed his opinion as to the problems of Middle Smithfield Township. He also encouraged the public to be present at the meeting and to band together and put a stop to the destruction of the township. If you do not stand up and fight, you can expect your taxes to go up and also your sewer charges.

Jack O'Rourke stated the Authority Board does not usually have an operating surplus but the Board had decided it would take care of the customers once the new sewer lines along Route 209 were completed.

**Solicitor:**

Richard Deetz stated no response has been received as of yet from Kevin James of Keystone Hollow regarding the requested paperwork for their Letter of Credit.

The release for the requested refund of connection fees has been signed and the check has been given to the customer.

The tax exempt application has been filed to the Board of Monroe County Assessment of Appeals for the 1.91 acres of land and a date for the hearing has not been set up as of yet.

**Engineering:**

Regarding the Winona Plant, still waiting on Barry Hoffman to finish up a couple of things and then the Authority Board will receive a final invoice from them.

Mickey Roth reported to the Board that there are four interested parties in the purchase of the Winona Plant. There is a pre-bid meeting being held on Friday with ARI and the interested parties.

On the main plant, received copies of the plans and was able to have them copied and scanned and forwarded to the contractor. Once he has reviewed them, he will be able to present a budget to the Board.

Still waiting for the comments from DEP on the sewer line extension. The plans are now under a technical review. The permits should be received by the end of January, 2009. The request for bids can then be put out to the public and construction should start by the beginning of spring.

On the pump station rehab, they have basically finished the project. The pumps for Pump Station 3 will be installed tomorrow and the generators should be in by Christmas.

Will be having a meeting with John Briggs next Monday regarding the grease traps at Fernwood. A grease trap program will be set up to track the grease going into the system.

Fred Courtright has submitted an estimate of \$8,000 for the upgrading of the one pump station at Fernwood. His estimate covers the electrical design of the service, control panel, generator and the transfer switch. Doug would like a motion to approve the estimate received from Achterman Associates.

Mickey Roth requested a formal letter of engagement be presented to the Board at their next meeting before approving the work.

Jack O'Rourke stated he wanted it noted in the Authority's record that Fred Courtright and Achterman Associates were instrumental in the Municipal Authority receiving the million dollar H2O grant. Fred handled the gathering of the needed information and then put the package together for the grant.

Since Richard Deetz has completed the review of the analysis of the edu count for Mr. Snyder, Doug will be calling Mr. Snyder on Friday to discuss the situation before mailing the final report to him.

Pat Cusmano questioned the Board whether the water line will still be placed along with the sewer lines down Route 209 and can the Township forced the water line on the Authority and will the grant money be used for it.

Mickey Roth stated the Authority Board is only in the sewage business and not the water business. The Authority is not authorized by law for the installation of a water line. The by-laws and the charter for the Authority would have to be changed in Harrisburg in order for the Authority to install a water line with the sewer line. What the Township does with the water line is their business not the Authority's.

John Ferre informed the Authority Board that at a work session of the Township Supervisors it was discussed borrowing the monies for the water line from the Authority and paying it back with interest.

## **Plant Operator**

The October DMR was submitted to the DEP with no exceptions for the main plant. The treatment plant flow averaged 338,000 and the peak flow was 432,000. The main plant experienced one power outage on October 7<sup>th</sup> and all systems functioned normally.

Hineline Welding submitted a verbal price quote of \$1,020 to construct a new front brace for the SBR decant arm. This brace would be a spare part for the plant. A new set of ultraviolet disinfection bulbs, sealing o-rings and quartz sleeves were ordered.

The Winona Plant shipped 5,000 gallons of sludge to the main plant. Pressed out 40.3 biosolids which were disposed of at the Keystone Landfill.

Existing control measures continue to be implemented. Odor monitoring also continues at the main plant. The Odalog instrument is continuing to monitor the sulfide odors at the plant.

The plant's electrical usage decreased 22% over the same period from last year.

Pump Station 7 experienced a power outage on October 7<sup>th</sup> and all systems functioned normally. The engine block heaters on the generators of Pump Stations 4 and 5 were replaced. The pumps were removed from Pump Station 3 and delivered to ITT Flygt for service. The pumps are scheduled to be returned on November 23<sup>rd</sup>. ITT Flygt also provided estimates of \$2,967 and \$3,283 to repair the pumps. Dave Scholtz approved the repairs due to the necessity of having the pumps returned before the contractor, Aqua Net, finishes the rehabilitation project.

Have inspected six of the major Fernwood pump stations and have scheduled the cleaning of the stations for November 16<sup>th</sup>. All of the wet wells have been cleaned. Also met with Scott Williams to go over the pump station inspection procedures. Inspection forms were provided to him to be completed on a weekly basis and submitted every Monday. Also given to Mr. Williams were emergency phone numbers and the instructions to call if any problems occur. I also instructed him that any purchases of supplies have to be pre-approved by me, Dave Scholtz.

The DMR report for the Winona Plant for the month of October was also submitted to the DEP with no exceptions. The plant flow rate was 16,500 with a peak flow of 21,000. A load of sludge was processed and sent to the main plant.

## **Old Business**

Mickey Roth stated he is negotiating with Scott Miller regarding the submitted invoice for the 2008 audit.

**New Business:**

Jack O'Rourke made the statement that the Authority Board deals with a tremendous amount of money and he suggested a background check be done on all future Board members and employees of the Municipal Authority. A short discussion was held among the Board members regarding this.

Jack O'Rourke moved a background check be conducted on all future Board members and employees of the Middle Smithfield Township Municipal Authority. Mickey Roth seconded the motion and motion carried 4-0.

John Ferre stated the background check should also be conducted on a federal level.

Jack O'Rourke moved anybody associated with the Authority should be bondable and also federally investigated. This motion also includes anybody providing their professional services to the Authority. Mickey Roth seconded the motion and motion carried 4-0.

**Citizen's Comments**

Jack O'Rourke moved to enter into Executives session 7:30 P. M. for personnel matters. Oscar Woerlein seconded the motion and motion carried 4-0.

Oscar Woerlein moved for the Authority Board to reconvene at 7:54 P. M. Jack O'Rourke seconded the motion and motion carried 4-0.

There being no further business, the meeting adjourned at 8:20 P. M.

Respectfully submitted:

Sandra Black, Recording Secretary  
Middle Smithfield Township Municipal Authority

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

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

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

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