

The meeting of the Middle Smithfield Township Municipal Authority Board was called to order on Wednesday, September 16, 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 Scott LaBar.

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

Scott LaBar moved to accept the minutes of the Authority's meeting held on Thursday, September 3, 2009. Oscar Woerlein seconded the motion.

Oscar Woerlein requested the word "misappropriation" found on Page 5, second paragraph be changed. Oscar felt the word should be changed to read "alleged mishandling of funds".

Doug Olmstead stated he did not think Scott Schaller would have used the word "misappropriation" when he made the statement regarding the finances of the Municipal Authority Board.

Oscar Woerlein questioned Pat Cusmano whether he had heard the word "misappropriation" at the previous meeting from Scott Schaller.

Pat Cusmano stated he did not recall hearing the word but did recall hearing the word "fraud" from Mr. Schaller. A couple of the citizens which were also in attendance at the September 3, 2009 meeting agreed with Mr. Cusmano's statement.

Scott LaBar disagreed with Oscar Woerlein regarding the usage of the word "misappropriation" but was willing to agree to change it to read "alleged mishandling of funds".

After a rather lengthy discussion, it was decided the word "misappropriation" would be changed in the September 3, 2009 minutes to read "Schaller stated there was evidence regarding the alleged mishandling of funds and it had been shown to Gary Summers, a member of the Authority Board, who was in total agreement with the reporting of the inconsistencies with Robyn Pugh. Mr. Schaller also accused Jack O'Rourke with also allegedly mishandling the funds of the Municipal Authority."

Jack O'Rourke also requested the minutes of September 3, 2009 reflect that the first paragraph, second sentence is incorrect. Robyn Pugh was not instrumental in acquiring a million dollar grant for the Authority. Fred Courtright of Achterman & Associates prepared the H20 Grant for the Authority. Robyn Pugh was instrumental in introducing Chuck Leonard of the Pocono Mountains Economic Development Corporation to both the Township Supervisors and the Authority Board.

Scott LaBar moved to accept the minutes of the Thursday, September 3, 2009 Municipal Authority Board meeting with the indicated corrections. Oscar Woerlein seconded the motion and motion carried 2-2. Jack O'Rourke abstained and Mickey Roth also abstained from the vote because he was not in attendance at the meeting.

Jack O'Rourke moved to accept the payables for Wednesday, September 16, 2009. Oscar Woerlein seconded the motion.

Scott LaBar questioned Doug Olmstead about the F. X. Browne invoice submitted for payment. He stated Doug had informed the Board that the previously submitted invoice would be the last one received from F. X. Browne.

Doug Olmstead explained the new invoice was received late due to the timing of Paul McNemar's medical leave of absence.

Oscar Woerlein questioned Doug when would the Authority receive the final invoice from F. X. Browne and had the as-builts and manuals been received from the McElwee Group.

Doug answered the as-builts and the majority of the manuals were delivered to F. X. Browne awaiting the return of Paul McNemar for his review.

Scott LaBar moved the payment for F. X. Browne be tabled until the Authority Board has received both the as-builts and manuals but the balance of the payables can be processed for payment. Jack O'Rourke seconded the motion and motion carried 4-0.

Correspondence:

Mickey Roth questioned the Authority Board if they had reviewed the minutes submitted for the Authority's work session which was held on Thursday, September 10, 2009 with Kirk, Summa and Company. A work session was held to interview a possible accountant for the Authority to investigate the allegations of the mishandling of Authority's funds.

Jack O'Rourke moved to accept the minutes of the Authority's work session held on September 10, 2009. Oscar Woerlein seconded the motion and motion was carried 4-0.

Mickey Roth requested a motion from the Authority members to sign off on the letter of termination for Serendipity Accounting and Tax Services. The decision to terminate the outside accounting consultant's services, Robyn Pugh and Serendipity Accounting and Tax Services was made at the meeting held on Thursday, September 3, 2009.

Jack O'Rourke moved for Mickey Roth to sign off on the letter of termination addressed to Serendipity Accounting and Tax Services and the services of their employee Robyn Pugh. Oscar Woerlein seconded the motion and motion carried 4-0.

Solicitor:

Richard Deetz informed the Authority Board members a special Authority meeting will be held on Thursday, September 17, 2009 in conjunction with the Township Supervisors' meeting regarding the Bond issue and the Articles of Incorporations. The amendment to the Articles of Incorporations will extend the existence of the Authority to September 10, 2059 for the Bond issue. Also the Authority will be acting on the Subsidy Amendment agreeing to pay out of their sewer revenues to the Township twice each year an amount sufficient to cover the amortization of the Bond. Mr. Deetz explained to the Board that there are two Bonds being issued, a tax exempt series and a taxable series.

Mickey Roth reminded the members that a motion had been voted on and carried at a previous meeting regarding the Subsidy Amendment.

A Country Club of the Poconos sewer customer requested his connection fee be reimbursed to him because he has decided not to build his home at this time. The Authority Board is not obligated to buy the edu back.

Jack O'Rourke stated the edu is site specific for that particular lot. The edu stays with the property and the homeowner should sell it with the property.

Richard Deetz suggested the request be tabled and discussed at the next Authority meeting. The "Connection Fee" Ordinance will be presented at the Supervisors' meeting and the Authority Board will be better able to respond to the Country Club of the Poconos sewer customer's request.

Oscar Woerlein moved to table the request for the sewer connection refund. Jack O'Rourke seconded the motion and motion carried 4-0.

Received a reply from Attorney Matergia regarding the expiration of Miggy Brothers' Letter of Credit held by PNC Bank. PNC Bank notified the Authority Board that the Letter of Credit was due to expire on October 31, 2009. Attorney Matergia wrote back a request has been submitted to PNC Bank to extend the Letter of Credit for another six months.

Mr. Deetz questioned Doug Olmstead if DEP had issued a fine regarding the encroachment of the wetlands and, if not, is there somebody who can be contacted to see if a fine will be issued.

Doug Olmstead stated he had not received anything from DEP and was unsure if he could contact somebody at DEP regarding the possibility of a fine.

Richard Deetz suggested the Authority table this item and keep it on the Agenda for the October 1, 2009 meeting giving Attorney Matergia time to receive an answer from PNC Bank.

Richard Deetz requested Executive Session for personnel matters.

Engineering:

Doug Olmstead reported the as-builts were already covered and he is awaiting delivery of them from F. X. Browne.

The budget for the main plant is still being worked on and have added one more item on it, a decant tank. Dave Scholtz will report on it later on in the meeting.

Regarding the Route 209 sewer extension, the requested changes have been made and re-submitted to PennDot. Fred Courtright expects to send the plans to DEP for their review soon. Fred is hoping PennDot will grant the permit soon so that it can be submitted with the DEP application.

The dry capped water line has been removed from the Bond issue. Will contact PA American requesting something in writing for the water line.

Regarding the pump station rehabilitation, Aqua Net personnel were in the area with the concrete supplier and they expect to start the work on the pump stations by next week.

A grease trap updated report has been submitted by Damian DeGeorge. Damian has met with the owners/managers, visited and reviewed the traps and set up a schedule for maintenance.

Mickey Roth read from Damian's report, "With the exception of Kessler's gas station, I have met with all of the trap owners/managers. I will now establish maintenance regiment for these based on trap size. Smaller traps will get quarterly inspections and large ones less frequently. Now that we have established parameters with each trap owner, I can better scrutinize maintenance issues which I have seen. As the owners further understand, I believe this will become more streamlined."

Regarding the request from Keystone about their Letter of Credit, Doug requested the matter be tabled in order to review the letter sent by Robyn Pugh to Kevin Jones of Keystone Hollow Corporation. Plan to follow up on the letter and work with Kevin on it.

Pat Cusmano informed the Board Damian should again visit the Taste of Portugal restaurant because they have no outlet for the grease in their basement. He stated this was seen when Jack O'Rourke, Dave Scholtz and himself had originally visited the restaurant in the beginning of the year reviewing grease traps.

Doug stated he would pass the information on to Damian and have him revisit the Taste of Portugal restaurant and submit a report on it.

Mickey Roth informed the Board he had met with Fred Courtright regarding spray irrigation of the golf course at Fernwood. He is requesting further investigation into it

and would like to hire Gilmore and Associates also know as Achterman and Associates and Fred Courtright to look into it. He will request a cap on the dollar amount spent by Fred.

Jack O'Rourke also requested an estimate on the preliminary work.

Oscar Woerlein stated he agreed on an estimate of the preliminary work in addition to a time line.

Al Decker questioned the Board why they were selecting Gilmore and Associates and not requesting bids for the work.

Mickey Roth answered Fred Courtright and Gilmore and Associates had originally submitted a report on spray irrigation in 1997 and since the requested work is for professional services, bids are not required.

Plant Operator

Dave Scholtz reported the DMR report for the main sewage plant had been submitted to the DEP with no exceptions. The treatment plant flow averaged 497,000 gallons for the month which was high for the month and peak flow was 593,000 gallons.

There was no sludge received at the main plant but 56.4 tons of biosolids were disposed of at the Keystone Landfill.

Regarding the odor controls, no complaints have been received. Have not done anything different than what was done the previous year for odor.

Electric usage was up 7.8% over the same period as last year.

As Doug stated in his report regarding the budget for the main plant, the SBR Tank No. 2 decant brackets failed. The unit was taken out of service. The braces are under water at least 100% of the time. The bolt holders are corroded out. The braces needed to be repaired and they are at the welding shop to be picked up this week. The plan is to have them installed before the weekend but the repairs are only temporary. Requested repair quotes on two new braces. The repair should last until next summer. Wants to take down the other basin when the first basin is back on line and evaluate it.

For two days ammonia was higher than normal because of running on one basin instead of two, adjustments have been made and everything is back to normal.

Pump Stations 2, 3, 4, 5, 6, and 7 experienced power outages on August 21, no problems were encountered.

At the Winona Plant flow rates average 20,000 gallons and the peak flow was 24,000 gallons. No sludge has been hauled to the main plant. Pump stations are running properly and the August DMR report was submitted to DEP with no exceptions.

Scott LaBar questioned Dave Scholtz regarding contacting Patrick Calpin of ARI. He suggested Dave phone Mr. Calpin for the needed Winona Plant information.

Al Decker questioned Dave Scholtz as to the possibility of measuring the amount grease which enters the plant.

Dave stated there is a test named “Oil and Grease” but it still will not give an accurate account for the grease entering the plant.

Old Business

Mickey Roth reported to the Authority Board that an email had been received from John Siptroth’s office regarding DMI Manufacturing – Energy Usage at Sewage Plant. DMI is requesting to conduct an energy audit at the plant.

Doug Olmstead stated he would contact Stephen Washington of Mr. Siptroth’s office to request more information on DMI Manufacturing.

Gorman-Rupp Trailer also requested the Municipal Authority members attend a pump station demonstration. Doug stated they are pump station vendors and it is not necessary for the Authority to attend the demonstration.

Richard Deetz reported a Winona Lakes sewer customer had requested her current sewer account be changed to “standby-fee” status due to the loss of her home to a fire. The home was destroyed and is currently scheduled to be demolished. The homeowner does not plan on rebuilding the home.

Mickey Roth stated the sewer connection needs to be capped once the house has been demolished and Doug Olmstead volunteered to look into it.

Mr. Deetz stated a policy needs to be established or a resolution regarding structure removal whether by fire or weather damaged.

Mickey Roth requested Richard Deetz draft a resolution for the Municipal Authority for such occurrences. He stated the request from the Winona Lakes customer will be tabled and placed on the Agenda for the next Authority meeting.

Delinquent account collections during the third quarter cycle is \$177,038.51, actual owed was \$235,422.20. Total collected since the last Authority meeting was \$3,017.22.

Mickey stated he had spoken to Russell Scott from Smithfield Township and they also have a delinquent problem.

New Business:

Mickey Roth reported the Authority had received the two Letters of Engagement from Kirk Summa and Company. Kirk Summa and Company will be conducting auditing services for the Authority. The second Letter of Engagement is to review and report on the allegations made.

Oscar Woerlein moved for Mickey Roth to approve the first Letter of Engagement for Kirk Summa and Company to conduct auditing services for the Authority. Jack O'Rourke seconded the motion and motion carried 4-0.

Oscar Woerlein moved for Mickey Roth to approve the second Letter of Engagement for Kirk Summa and Company to review and report on the allegations made. Jack O'Rourke seconded the motion and motion carried 4-0.

Citizen's Comments

Pat Cusmano stated he wanted to apologize for his statement that he was the only one present at a May meeting.

Jack O'Rourke moved to enter into Executive Session for personnel matters at 7:40 P. M. Scott LaBar seconded the motion and motion carried 4-0.

Oscar Woerlein moved for the Authority Board to reconvene at 8:25 P. M. Jack O'Rourke seconded the motion and motion carried 4-0.

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 _____

Scott LaBar _____