

The July 28, 2014 regular monthly meeting of the Greater Hazleton Joint Sewer Authority was called to order by Chairman Veneroso at 7:30 PM. All in attendance gave a pledge of allegiance. Board Member Milot was absent and all other Board Members were present. Brian Kauffman, P.E. of Gannett Fleming, Inc. and Robert Dougherty, P.E. of RJD Engineering, Inc. were in attendance during the Work Session.

PUBLIC COMMENT

Dee Deakos, a resident of the City of Hazleton, questioned why an aerial flyover of the service area was performed for GIS mapping when Luzerne County has the information available for use. The Director of Operations, Christopher Carsia, stated that John Synoski, P.E. of Schumacher Engineering, Inc. presented the Board with the GIS mapping proposal in 2009 and they should provide a response to that question. Ms. Deakos then asked what software was being used for the GIS system. The Director of Operations stated that he was unaware of the software being used and Schumacher Engineering could also provide that information.

Boyarski & Eyerly moved to approve the minutes of the June 23, 2014 regular monthly meeting. Passed: Aye-8, Nay-0, Absent-1

George & Carsia moved to approve the minutes of the June 17, 2014 Special Meeting. Passed: Aye-8, Nay-0, Absent-1

The Operations Manager, Gregory Olander, presented the final budget for Fiscal Year 2013-2014. He stated that the overall expenses for the fiscal year were within the original budget; however, the treatment plant expenses exceeded budget by \$314,342 and the Collection System Division expenses came in under budget by \$314,477. He said the primary reasons for the treatment plant expenses exceeding budget were additional costs associated with the failed pumps at the Gashouse Pump Station, new pump installations at Locust Street and Stacie Manor Pump Stations, and the Link Seal failure in the Nitrification Pipe Gallery all of which contributed to an Maintenance and Repair line item exceeding the original budget amount by \$143,823. He also noted that the increased hauled waste business contributed to the following line items being over budget: Water (+35,210), Cationic Polymer (+123,221), and Biosolids Removal (+134,837). He also noted that the Minimum Municipal Obligation (MMO) for funding the Pension Plan will be increased by \$15,500 consistent with the increased benefit in the new Collective Bargaining Agreements (CBAs) and the recommendation of the Authority's Actuarial Consultant. He then stated that the overall revenues for the fiscal year should exceed original projections by approximately \$426,121, primarily due to hauled waste revenues of approximately \$1,730,000, which exceed original projections by \$430,000. He stated that the Collection System budget included a line item to repay the Treatment Plant funds in the amount of \$368,000. He then recommended transferring the unused money by the Collection System Division this year (\$332,097) into a "Collection System Reserve" Fund to segregate those monies for use in the Collection System in the future.

George & Eyerly moved to amend the Fiscal Year August 1, 2013 to July 31, 2014 Treatment Plant Operating Budget by increasing operating expenses in the amount of \$314,342.00. Hauled Waste revenues for the fiscal year are expected to exceed original projections by approximately \$430,000.00

Roll Call: Boyarski-yes, Carsia-yes, Cuzzo-yes, Eyerly-yes, Fay-yes, George-yes, Grink-yes, Milot-absent, Veneroso-yes

Gregory then presented the budget for Fiscal Year August 1, 2014 through July 31, 2015. He stated that the overall treatment plant expenses and debt service are projected to exceed the prior year's budget by \$373,800 primarily due to increases in the following line items: Payroll (+72,300), Pension MMO (+\$15,500), Water (+\$36,000), Cationic Polymer (+\$85,000), Biosolids Removal (+\$50,000), and Maintenance /Repairs (+\$45,000). He said the addition of an employee in the Maintenance Department and annual increases in the CBA contribute to the increase to Payroll. He noted that the increases to the Water, Cationic Polymer, and Biosolids Removal line items are all due to the increases in the hauled waste program and use of liquid polymer for sludge dewatering. He said the increase to the Maintenance and Repair line item is due to the expected purchase of spare pumps and other equipment as inventory because the plant upgrade was completed nearly three (3) years ago. He stated that miscellaneous capital purchases from the Operating Fund are projected to increase by \$40,000 to \$90,000 to purchase two (2) new vehicles for treatment plant operations. He said overall treatment plant expenses, debt service, and capital purchases from the operating fund for the fiscal year are projected to be \$9,804,200, with 2014-2015 revenues projected at \$9,821,100, including the \$367,500 repayment from the Collection System Division. He then presented the Collection System Division budget for Fiscal Year 2014-2015. He said operating expenses are expected to increase to \$1,003,000 due to the increased number of employees in the division and splitting the workforce into two (2) crews to increase the number of projects that can be managed. He stated that the capital expenditures increased to \$115,000 to purchase a Mini-Excavator for the division. He also noted that \$600,000 is earmarked for the Authority's matching contribution for the Button Buck CSO Separation Project. He said the Project is being split into phases and the Authority's overall contribution for Phase 1 is expected to be \$1,125,000. He said the overall Collection System Division expense, debt service, and capital expenditures budget is \$2,126,700 for fiscal year 2014-2015. He said the projected funds available are \$2,127,097, which includes the \$332,097 that will be available in the Collection System Reserve Fund.

Eyerly & Boyarski moved to approve the Fiscal Year August 1, 2014 to July 31, 2015 Operating Budget for the Treatment Plant and Collection System Division as presented by Authority Management.

Roll Call: Boyarski-yes, Carsia-yes, Cuozzo-no, Eyerly-yes, Fay-yes, George-yes, Grink-yes, Milot-absent, Veneroso-yes

Gregory also reviewed an updated 5-year projection spreadsheet for both the Treatment Plant and Collection System Division. He explained that the projections are a management tool used to determine the expected cash position at the end of each fiscal year over the next five years. He said the expenses are projected forward using a flat three percent per year except for line items affected by startup of the incinerator, which is anticipated in fiscal year 2016-2017. He said revenues are conservatively projected with no annual percentage increase; however, the revenue projections include a tentative 13% rate increase effective July 31, 2016. He informed the Board that this rate increase was originally scheduled to take effect July 31, 2013. He said due to delays with the Incinerator Installation and strong hauled waste revenues, the rate increase was originally postponed to July 31, 2014 and now it is expected to be delayed for another two years. He said the treatment plant projections include two large capital expenditures relating to the Incinerator Installation and additional air quality equipment needed to achieve more stringent emissions standards. He said the costs of these two major capital projects are still unknown, but the estimates in the projections total \$7,450,000. He said many of the capital projects listed in the 2014-2015 projections are current balances needed to complete the projects that have been

carried over from prior years. He then clarified that the repayment from the Collection System Division that was listed for fiscal year 2015-2016 was found to be incorrect following a review of collection system expenses paid from treatment plant funds prior to acquisition of the sewer lines in Hazleton City and West Hazleton Borough. He said actual legal expenses for special counsel during regionalization replaced an estimated amount from prior projections and the result would be an increase in the repayment amount from \$367,500 to \$386,797 in 2015-2016. Board Member Cuozzo asked if the Authority paid all the legal bills for regionalization. Gregory responded that the Authority paid its Special Counsel for regionalization documents. Attorney Ustynoski then stated that the Authority did not pay the City's or Borough's legal bills relative to the acquisition of the respective sewage collection systems.

Director of Operations Report - MONTHLY FLOW REPORT

	<u>June 2014</u>		<u>Year to Date</u>		
			<u>Total</u>		<u>Average</u>
Total Flow	<u>234,546,557</u>	Gallons	<u>1,802,732,986</u>	Gallon	xxxxx
Total Flow Bypassed	<u>6,607,960</u>	Gallons	<u>77,157,273</u>	Gallon	xxxxx
Days Flow Bypassed	<u>7</u>	Days	<u>37</u>	Days	xxxxx
Total Flow Treated	<u>227,938,597</u>	Gallons	<u>1,725,575,713</u>	Gallon	xxxxx
Average Minimum	<u>5.4</u>	MGD	xxxxx	xxxxx	<u>7.1</u> MGD
Average Maximum	<u>15.4</u>	MGD	xxxxx	xxxxx	<u>14.6</u> MGD
Average Daily Flow	<u>7.6</u>	MGD	xxxxx	xxxxx	<u>9.5</u> MGD

Christopher Carsia, the Director of Operations, reported on the flow for June 2014. He said the total volume of wastewater diverted from all point sources for the month was estimated to be 61.559 million gallons with approximately 6.608 million gallons of treated outflow diverted at the treatment plant. He said approximately 4.286 million gallons of the total diverted flow was treated outflow from the Autumn & Ridge CSO Separator. He said the flow to the treatment plant was recorded at 234.5 million gallons with 228 million gallons treated. He also stated that the average daily flow to the treatment plant for the month was 7.6 MGD and the year to date average daily flow decreased to 9.5 MGD. He also reported that there was a calculation error in the May 2014 flow reports, which is corrected in the June 2014 minutes.

The Director of Operations reported that revenues for June 2014 were \$1,113,384.62 and the bills issued for hauled waste received in June totaled \$146,140.58. He said although the hauled waste revenue projections for fiscal year 2014-2015 were increased by \$100,000 to \$1,400,000, he is concerned that losing waste from Great Wolf Water Park and the possibility of other treatment plants opening a dewatering facility nearby may result in decreased hauled waste revenues from the prior year. The Operations Manager reported that today was the final day of water shut-offs for non-payment of sewer bills for the year. He commended the work by Nick Petrone, Dan Montone, and the entire office staff during this very busy time of year. He stated that their efforts yielded a collection rate above 99% for the year.

The Director of Operations then reported that the maintenance department was working on installation of the new liquid polymer blending system for solids dewatering. He said the system is expected to save on polymer consumption by providing a more consistent and fully activated

product during the sludge dewatering process. He also reported that a contract extension through July 31, 2015 was granted by SNF Polydyne for purchase of liquid polymer at the same price.

The Director of Operations asked that the Board consider hiring for the position of Electromechanical Technician in the near future. He said the job was already posted for bidding with the union and there were no eligible bidders within the union. He said there were applications on file that can be reviewed by the Hiring Committee.

The Director of Operations reported that the Solid Waste Permit and Air Quality Permit were both received from DEP for the Incinerator Project. He said the Authority has 30 days to comment on the Permits and they were forwarded to Brian Kauffman for review. He also noted that Brian sent the Air Quality Permit to the incinerator manufacturer, Infilco Degremont, Inc. (IDI), to determine the size carbon absorption unit needed to achieve air quality levels contained in the Permit. He also stated that a copy of the Permits were given to Assistant Chief Operator, Gene Zynel, for review since he is the most likely employee to implement the measures needed to maintain compliance with regulations when the incinerator is functional. He also said it may be necessary to contract air emissions testing and monitoring to an outside company to achieve compliance.

The Director of Operations informed the Board that the check for the increased Pension contribution in the amount of \$169,000 was being held until the Board approved the amended budget and following the meeting he would mail the check to Morgan Stanley. He also reported that an electrical drive on Rotary Press #1 failed and the Maintenance Department is currently searching for a replacement. He said if they cannot get one in the next 2 days they would use the same drive from Rotary Press #3 then replace it before start-up of the third press.

The Director of Operations reported that a request was received from Michael Carsia for contracted trucking services. The Director of Operations informed the Board that Michael Carsia is a distant relative of his. Board Member Cuozzo asked how often trucks were contracted by the Collection System Division. The Field Operations Manager, Andy Nowak, and the Director of Operations stated that they occasionally need a second tri-axle truck during larger projects, which can range from a few hundred dollars to a few thousand dollars. They said a few companies have been used for contracted trucking including Randy Cunfer Trucking, Northeast Excavation, Wargo Trucking, and Luzerne County Site Contractors. He said they all charge about \$75 to \$80 per hour.

Andy Nowak then reported on the proposed sewer line extension that was being investigated to service properties on Butler Drive in Hazleton City. He said the closest manhole on Powell Drive is 1500 feet away from the properties requesting service. The Director of Operations stated that he had a conversation with Randy Cahalan at Hazleton City Authority (HCA) and he noted that the closest water line was near Quality Beverage on South Poplar Street. He said they would consider extending a water line into the area across the beltway if there was a compelling reason to extend water service. He said a Can Do representative told him they would work with the Authority on granting easements to locate the sewer extension as a gravity line near the corner of the property on Powell and Butler Drive.

The Director of Operations reported that he had additional discussions with representatives of Environmental Recovery Corporation (ERC), a company that desires to open a new facility in

the Greater Hazleton Area. He said they found another suitable site in the Butler Industrial Park adjacent to the former 84 Lumber property. He said the City currently has 111 connection allocations that can be allotted by the Authority. He said ERC is requesting 45,000 to 50,000 gpd but they cannot apply for a waste discharge permit with DEP for construction of a facility until they purchase land. He stated that the allocations should first be approved by the City since no other growth would be available until inflow/infiltration can be removed from the sewer system.

Eyerly & Cuzzo moved to authorize discussions with City of Hazleton officials relative to location of a new Environmental Recovery Corporation (ERC) facility within the City of Hazleton and the remaining sewer connection allocations currently available for development within the City conditioned on ERC's desire to move forward with the project at a location within the City of Hazleton.

Roll Call: Boyarski-yes, Carsia-yes, Cuzzo-yes, Eyerly-yes, Fay-yes, George-yes, Grink-yes, Milot-absent, Veneroso-yes

George & Cuzzo moved to accept the Director of Operations report and to have the written report on diverted flows made a permanent part of the record. Passed: Aye-8, Nay-0, Absent-1

Engineer's Report – Robert Dougherty reported that the camera has been out for repairs the past few weeks. He said design and preparation of bid documents are continuing for the Button Buck CSO Separation Project and during the August meeting, he expects to discuss scheduling a bid opening. He reported that flowmeters need to be installed in Area 10 in the City of Hazleton, but he needs to schedule with Road Crew employees to have manholes opened for the installation.

Brian Kauffman reported that he reviewed the Elevator Modernization bids and recommends awarding the job to the low bidder, Port Elevator, conditioned on review and approval of bonds and insurances by the Solicitor. He then reported that he reviewed the Chemicals bids and recommends awarding to the respective low bidders.

Brian stated that he is evaluating the screening mechanism for installation at the Gashouse Pump Station. He also stated that DEP is holding issuance of NPDES Permits until EPA reviews problems with non-point source nutrient reduction activities.

Brian then reported that structural repairs in the nitrification/denitrification structures were scheduled for August 18, 2014. He also reported that he is reviewing the Solid Waste Permit that was received. Brian then reported that he has been answering questions relative to the Sludge Cake Pump installation with the contractor.

Andy Nowak reported that quarterly reports were sent to DEP for connection allocations and progress on the CAPs. He then reported that final paving was completed on Allen Street in the City of Hazleton and the repair of the CSO line in that area is now complete.

Andy also reported that the Road Crew investigated roadway surface water on Christopher Road in Hazleton City. He said the HCA was originally contacted, but they had no record of a water line in that location. He said after the Road Crew excavated the area, they found a broken water service line. He then reported manholes at Hayes and 13th Streets were found to be 42 inches below the pavement and they were raised to grade. He also reported that a manhole on Conahan Drive in Butler Industrial Park had a frame that was shifted off the cone. He said stone is needed

to stabilize the area due to washout in the area. He said that the City Streets Foreman would be notified of the situation.

Carsia & Fay moved to accept the Engineer’s report.

On the Question: Board Member Cuozzo asked what work was done by the Road Crew since the Work Session on Wednesday. Andy Nowak responded that a manhole was raised on 13th and Hayes Street, a blockage was removed from the wet well of the Autumn & Ridge CSO Separator, manholes were opened on Thirwell and Berner Avenues in the Heights section of the City, sewer line jetting was performed on Green Street in the Borough of West Hazleton so lines can be inspected. He also noted that during smoke testing of sanitary sewers in the heights area smoke was coming from storm sewer inlets in some areas, which indicates cross connections that need to be corrected. Christopher Carsia stated that the Road Crew can disconnect some of the cross connections, which should save money by not including that portion of the overall Button Buck Project in the bid.

Passed: Aye-8, Nay-0, Absent-1

Solicitor’s Report – In addition to what was reported in Executive Session during the Work Session, Attorney Ustynoski stated that he would give his report in Executive Session later in the meeting.

Boyarski & Eyerly moved to accept the Investment Consultant’s Report as presented.

Roll Call: Boyarski-yes, Carsia-yes, Cuozzo-yes, Eyerly-yes, Fay-yes, George-yes, Grink-yes, Milot-absent, Veneroso-yes

BILLS AND CREDITS

Eyerly & Grink moved to approve payment of Gannett Fleming, Inc. invoices and requisitions from May 3, 2014 through May 30, 2014, totaling \$11,254.12as listed in the following table:

<u>Requisition #</u>	<u>Invoice #</u>	<u>Description</u>	<u>Amount</u>
Operating Fund	051153.A*5-8	Annual Services Work	\$ 5,233.04
Operating Fund	051153.B*5-9	Attending Authority Meetings	\$ 1,027.32
A451	048847.C0*5-7	Incinerator Design	\$ 3,816.92
C148	048847.B*5-6	WWTP Upgrade Construction Phase	\$ 1,176.84
Total			\$ 11,254.12

Roll Call: Boyarski-yes, Carsia-yes, Cuozzo-yes, Eyerly-yes, Fay-yes, George-yes, Grink-yes, Milot-absent, Veneroso-yes

Eyerly & Carsia moved to approve Requisition #A452 payable to RJD Engineering, Inc., totaling \$8,749.00, for Project #14-103, invoice dated June 30, 2014, for fieldwork and materials associated with the mapping, investigation, and design for the Button Buck CSO Separation Project from June 1, 2014 to June 30, 2014.

Roll Call: Boyarski-yes, Carsia-yes, Cuozzo-yes, Eyerly-yes, Fay-yes, George-yes, Grink-yes, Milot-absent, Veneroso-yes

Carsia & Fay moved to authorize payment from the Operating Fund in the amount of \$740,781.10, for Operating and Administrative Expenses (\$564,915.64); Construction in Progress (\$1,821.37); Equipment and/or Office Equipment (\$10,776.00); Pennvest Loan #27769 (\$158,666.52); Pennvest Loan #74119 (\$1,473.64); and Pennvest Loan #58103 (\$3,127.93) from the month of June 2014.

On the Question: Board Member George asked if the computers were in the equipment breakdown. Gregory Olander responded that they were not.

Roll Call: Boyarski-yes, Carsia-yes, Cuozzo-yes, Eyerly-yes, Fay-yes, George-yes, Grink-yes, Milot-absent, Veneroso-yes

Cuozzo & Grink moved to approve issued credits totaling \$6,200.59 from month of June 2014.

Roll Call: Boyarski-yes, Carsia-yes, Cuozzo-yes, Eyerly-yes, Fay-yes, George-yes, Grink-yes, Milot-absent, Veneroso-yes

OLD BUSINESS

Grink & George moved to award the August 1, 2014 through July 31, 2015 chemicals contracts as specified in the bid documents to the lowest responsible bidders as recommended by the Authority Management and Engineer:

Sodium Hypochlorite	Main Pool & Chemical of Dupont, PA	\$0.98 per gallon
Polyaluminum Chloride (GC 7502)	Gulbrandsen Technologies of Clinton, NJ	\$0.1365 per wet lb.
Methanol	Coyne Chemical of Croydon, PA	\$0.11 per gallon fixed adder to Methanex Index
Magnesium Hydroxide (Thioguard)	Coburn Chemicals of Cockeyville, MD	\$569.50 per dry ton

All pricing is FOB delivered to the treatment plant in West Hazleton, PA.

NEW BUSINESS

Eyerly & Boyarski moved to approve the transfer of \$135,200.00 from the Operating Fund to the Operating Reserve for fiscal year ended July 31, 2014.

Roll Call: Boyarski-yes, Carsia-yes, Cuozzo-yes, Eyerly-yes, Fay-yes, George-yes, Grink-yes, Milot-absent, Veneroso-yes

Cuozzo & Eyerly moved to approve the transfer of \$332,097.00 from the Operating Fund to the "Collection System Reserve" Account.

On the Question: Board Member Cuozzo asked the reason for the transfer. Gregory Olander stated that since the Collection System Division came in under budget for 2013-2014 by \$332,097, he is recommending that money be reserved for expenses in the collection system since the revenues were derived from Transmission Fees. He said the transfer would segregate this money, which will be spent in the collection system at a later time.

Roll Call: Boyarski-yes, Carsia-yes, Cuozzo-yes, Eyerly-yes, Fay-yes, George-yes, Grink-yes, Milot-absent, Veneroso-yes

George & Boyarski moved to approve the transfer of \$165,000.00 from the Operating Fund to the Money Market Account for Depreciation.

Roll Call: Boyarski-yes, Carsia-yes, Cuozzo-yes, Eyerly-yes, Fay-yes, George-yes, Grink-yes, Milot-absent, Veneroso-yes

George & Everly moved to enter Executive Session to discuss a legal issue.

Passed: Aye-8, Nay-0, Absent-1

After the Board moved out of Executive Session, George & Carsia moved to accept the Solicitor's report. Passed: Aye-8, Nay-0, Absent-1

George & Carsia moved to adjourn. Passed: Aye-8, Nay-0, Absent-1

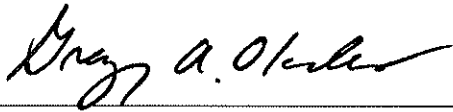
The meeting was adjourned at 8:35 PM.

The next regularly scheduled Work Session will be Wednesday, August 13, 2014 at 7:00 PM.

The next regularly scheduled monthly meeting will be Monday, August 18, 2014 at 7:30 PM.

Respectfully submitted,

Greater Hazleton Joint Sewer Authority



Gregory Olander, Assistant Secretary