

The January 26, 2015 regular monthly meeting of the Greater Hazleton Joint Sewer Authority was called to order by Vice Chairman George at 7:30 PM. All in attendance gave a pledge of allegiance. All Board Members were present. Robert Dougherty, P.E. of RJD Engineering, Inc. was also in attendance. Joe Smith of Schumacher Engineering, Inc. and Brian Kauffman, P.E. of Gannett Fleming, Inc. were in attendance during the Work Session.

PUBLIC COMMENT

There was no public comment.

REORGANIZATION

Fay & Grink moved to name Christopher Carsia Temporary Chairman for reorganization. Passed: Aye-9, Nay-0, Absent-0.

NOMINATION OF OFFICERS

Fay nominated **Frank George** for Chairman. **Milot & Boyarski** moved to close the nominations. Passed: Aye-9, Nay-0, Absent-0. The Assistant Secretary was authorized to cast a unanimous ballot for **Frank George** for Chairman.

George nominated **Gerald Grink** for Vice-Chairman. **Boyarski & Milot** moved to close the nominations. Passed: Aye-9, Nay-0, Absent-0. The Assistant Secretary was authorized to cast a unanimous ballot for **Gerald Grink** for Vice-Chairman.

Grink nominated **Terrance Eyerly** for Secretary. **Milot & Boyarski** moved to close the nominations. Passed: Aye-9, Nay-0, Absent-0. The Assistant Secretary was authorized to cast a unanimous ballot for **Terrance Eyerly** for Secretary.

Boyarski nominated **John Milot** for Treasurer. **Cuozzo & Fay** moved to close the nominations. Passed: Aye-9, Nay-0, Absent-0. The Assistant Secretary was authorized to cast a unanimous ballot for **John Milot** for Treasurer.

Milot nominated **Francis Boyarski** for Assistant Treasurer. **Fay & Milot** moved to close the nominations. Passed: Aye-9, Nay-0, Absent-0. The Assistant Secretary was authorized to cast a unanimous ballot for **Francis Boyarski** for Assistant Treasurer.

APPOINTMENTS BY THE BOARD

Milot & Carsia moved that the Ustynoski & Marusak law firm with representation by Attorney Joseph D. Ustynoski be reappointed as Solicitor for the Authority.

On the Question: Board Member Cuozzo asked if the Authority seeks Requests for Proposals (RFP) for professional services. Chairman George stated that there have not been RPFs issued for professional services because the Authority has been represented well by the Ustynoski & Marusak Law Firm. Board Member Cuozzo said she was talking about all professional services, not just the solicitor. Chairman George said there was never any interest in these positions and the Board has continued to reappoint the firms that have provided good service over the years.

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

Grink & Milot moved to appoint Morgan Stanley as the Investment Consultant for the Authority with representation by Wilson and Donna Yale.

Roll Call: Boyarski-yes, Carsia-yes, Cuzzo-no, Cusat-yes, Eyerly-yes, Fay-yes, George-yes, Grink-yes, Milot-yes

Carsia & Boyarski moved that Snyder & Clemente, CPA with representation by John Nonnemacher, CPA be reappointed as Auditor for the Authority.

Roll Call: Boyarski-yes, Carsia-yes, Cuzzo-no, Cusat-yes, Eyerly-yes, Fay-yes, George-yes, Grink-yes, Milot-yes

Eyerly & Grink moved that Gannett Fleming, Inc. be reappointed as Consulting Engineer for the Authority.

Roll Call: Boyarski-yes, Carsia-yes, Cuzzo-no, Cusat-yes, Eyerly-yes, Fay-yes, George-yes, Grink-yes, Milot-yes

Chairman George asked Board Member Cuzzo what happened over the past year that caused her to vote against reappointment of the Solicitor. Board Member Cuzzo said she thinks professional services should be put out for RFPs. Chairman George told Board Member Cuzzo that she asked the same question about RFPs last year and then moved to reappoint Attorney Ustynoski and he wondered why she changed her position since last year.

Eyerly & Fay moved to approve the minutes of the December 22, 2014 Regular Monthly Meeting. Passed: Aye-9, Nay-0, Absent-0

Director of Operations Report - MONTHLY FLOW REPORT

	<u>December 2014</u>		<u>Year to Date</u>		
			<u>Total</u>		<u>Average</u>
Total Flow	<u>273,872,580</u>	Gallons	<u>3,087,420,259</u>	Gallon	xxxxx
Total Flow Bypassed	<u>1,743,639</u>	Gallons	<u>105,366,168</u>	Gallon	xxxxx
Days Flow Bypassed	<u>4</u>	Days	<u>60</u>	Days	xxxxx
Total Flow Treated	<u>272,128,941</u>	Gallons	<u>2,982,054,091</u>	Gallon	xxxxx
Average Minimum	<u>7.3</u>	MGD	xxxxx	xxxxx	<u>6.0</u> MGD
Average Maximum	<u>12.4</u>	MGD	xxxxx	xxxxx	<u>12.9</u> MGD
Average Daily Flow	<u>9.1</u>	MGD	xxxxx	xxxxx	<u>8.2</u> MGD

Christopher Carsia, the Director of Operations, reported on the flow for December 2014. He said the total volume of wastewater diverted from all point sources for the month was estimated to be 224.559 million gallons with approximately 1.744 million gallons of treated outflow diverted at the treatment plant. He said approximately 1.78 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 273.8 million gallons with 272.1 million gallons treated. He also stated that the average daily flow to the treatment plant for the month was 9.1 MGD and the end of year average daily flow was 8.2 MGD, which is below the Authority's permitted capacity of 8.9 MGD. He then reported that plant performance has decreased dramatically since last meeting. He said a power outage before the Christmas holiday along with placing Nitrification Cell #4 in service in the cold weather caused the ammonia and total nitrogen levels to rise in the effluent. He said since 1 of the 4 cells in service is not treating the wastewater, 25% of the effluent has high levels of Total Nitrogen (TN). He reported that Nitrification Cell #5 would not be placed in service until the warmer weather in the spring so the TN effluent levels do not increase further.

The Director of Operations reported that revenues for December 2014 were \$789,673.34, which is a decrease of 1.1% from the prior year. He said the bills issued for hauled waste received in December totaled \$131,158.01, which is a decrease of 2.2% from the prior year. He then reported that liquid waste hauler, Liquid Motion continues to pay toward the balance on the accounts and is currently about \$6,000 past due. He said another waste hauler, Gotta Go Septics, has been unable to meet the payment arrangements. He said their balance is currently about \$32,500. He said verbal communications would continue with their Controller to pay down the balance. Board Member Grink asked how much revenue is received from this waste hauler annually. Christopher responded that they are now about a \$120,000 per year account.

The Director of Operations then reported that replacement of a 200 foot section of 96-inch pipe near Black Creek behind the HASD Track is nearly complete. He said the pipe was installed and the Road Crew was backfilling and grading the terrain. He said a road was needed to access the site with equipment, so the HASD requested a gate be installed to limit access by unauthorized personnel. He said the gate will be fabricated in-house and will be installed when completed. He said the cost to replace pipe that large is about \$500.00 per linear foot. The Field Operations Manager, Andy Nowak, reported that the work was performed by Road Crew employees using both Authority equipment and rental equipment.

The Operations Manager, Gregory Olander, reported that there are operational problems with Rotary Press #1. He said the equipment manufacturer, Fournier Industries, was contacted and it appears that the press is in need of a major overhaul that occurs at about 70,000 hours of operation. He said the press is running at only 60% efficiency and if sludge production is not increased, the Authority will be facing another centrifuge rental in the spring or sooner. He said start-up of Rotary Press #3 is now crucial to maintain the necessary levels of sludge processing; therefore, portions of the SCADA Upgrade need to be completed prior to the RFPs being sent to integrators. He said a not to exceed price of \$8,000 was received from Black Birch Engineering to perform the necessary work on a time and materials basis in order to get the press and cake pumps operational. He said if there were no objections, the programming work will be approved with the Director of Operation's Report. He stated that that portion of work will be carved out of the overall SCADA Upgrade, which is expected to take place in a few months. Board Member Grink asked how much it would cost to fix the press and how long it would take. Gregory responded that he will not have answers to those questions until the inside of the press could be investigated by Fournier.

The Director of Operations then reported that the Hazleton City Authority water bill decreased by about 26% from the prior month due to the change from potable water to plant water for blending polymer. He said the Authority staff would continue to investigate ways to reduce the potable water usage especially by converting seal flush water on the main sewage pumps from potable water to plant water.

The Director of Operations reported on the electric power generation costs for upcoming years. He said a representative from PPL Energy Plus, the Authority's current supplier, contacted him concerning attractive rates for calendar years 2016 and 2017. He said subsequent to that conversation, Board Member Cusat contacted him with the name of an electricity broker used by the City of Hazleton to lower their overall electrical costs. Christopher stated that he had a meeting with the broker and asked him to provide fixed prices from any of his suppliers except PPL Energy Plus because they would be providing pricing directly to the Authority. He said last

year the Finance Committee locked in a rate for 2014 and 2015 at about \$.064/kwh, but the rates today are more attractive at about \$.060/kwh. Since pricing is only good for one day, he asked that the Finance Committee be given the latitude to lock in the rate as they were last year. There were no objections from the Board.

Andy Nowak reported that the Quarterly CAP Activities Reports for Hazleton and West Hazleton were submitted to the DEP as required along with the summary of work performed in 2014. He said the 2014 work was updated on the website and is available for review. He then reported that along with the Tapping Fee Study, work was done to develop a Sewer Permit and procedures for applying to connect to the Authority's collection system. He said everything was condensed into one packet that would be available for developers to download on the website. He said procedures and requirements for connection including standard construction details and specifications were also developed and made available. Attorney Ustynoski stated that a procedure must be put in place at each municipality so a Building Permit is not issued unless the Authority issues a Sewer Permit.

The Director of Operations requested the Board move to Executive Session to discuss personnel issues.

Grink & Milot moved to enter executive session to discuss personnel issues. Passed: Aye-9, Nay-0, Absent-0

After the Board moved out of Executive Session, **Fay & 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-9, Nay-0, Absent-0

Engineer's Report – Joseph Smith of Schumacher Engineering presented the Capital Charges and Tapping Fee Study to the Board. He said the study sets maximum amounts that can be charged by the Authority to new customers connecting to the sewer system. He said the figures are based on a standard formula using hard costs pertaining to the infrastructure of the Authority. He noted that there are three (3) fees that are authorized by the state to be collected: the Connection Fee, Customer Facilities Fee, and Tapping Fee, which has four parts. He said the Connection Fee is applicable to new customers connecting to a new Authority sewer extension when the Authority constructs the sewer lateral line to the property line. He said the maximum allowable Connection Fee based on the study is \$1,250.00. He stated that the Customer Facilities Fee pertains to installation of the lateral from the property line to the customers building. He said this fee is not applicable since the Authority would not be providing this construction. He then stated that the Tapping Fee has four parts, but only two (2) are applicable to the Authority: the Capacity Part and the Collection Part. He said the Capacity Part pertains to the capital costs to build and upgrade the treatment plant, pump stations, and transmission mains trended over time to current valuation. He said the debt service is then subtracted and that amount (\$67 million) is divided by the plant capacity of 8.9 million gallons to arrive at a per gallon capacity figure of \$7.54 per gallon. He said this amount is used for commercial and industrial customers based on their flows; however, residential equivalent dwelling units (EDU) are calculated to \$1,666.34 per EDU using 221 gallons as the household flow. He stated that the Collection Part is calculated in the same manner using estimated total replacement costs for the collection system in Hazleton City and West Hazleton Borough, which is \$165,528,000. He said the maximum allowable fee for this part is \$25.16 per gallon commercial/industrial or \$5,560.36 per household EDU. He then stated that the fees were discussed with the Solicitor and Authority Management to decide on a reasonable fee structure that is similar to the other fees in the area. He said a \$250.00

Capacity Part and \$1,500.00 Collection Part are being recommended to the Board for adoption by resolution.

Brian Kauffman reported that the Elevator Modernization contractor began work and is expected to complete the job in mid-February. He said Duperon Corporation reviewed the options provided by his firm for installation of a screening mechanism at Gashouse Pump Station and they stated that they would hold the same price for the screen and compactor as modified. He said the SCADA Requests for Proposal (RFP) have been sent to approved vendors and the proposals are due by February 18, 2015. He said since the work is only for programming and integration, it is considered a professional service and does not fall under the bidding statutes. He said the Control Building Window Replacement bids were reviewed and he is recommending awarding to the lowest bidder, Mesko Glass, contingent on receiving Power of Attorney documentation. He also recommended accepting a deduction of \$18,700 from the \$115,000 bid price for substituting 2 ¾ inch panels for the specified 4 inch panels. He then reported that two LSA grant applications were submitted to CFA prior to the deadline. He said the schedule for awarding the Button Buck CSO Separation Project would be discussed by RJD Engineering. He also reported that he released the four (4) remaining custom link seals into production and they are expected to be delivered in 4 to 6 weeks. He said Dan Falter was asked to erect scaffolding in the pipe galleries to allow their sub-contractor to return and complete the grout injection. He stated that one motor from a failed Gashouse pump was shipped to Grundfos as requested. He also reported that shop drawings were received from Infilco Degremont, Inc. (IDI) and are being reviewed. He then reported that the sludge cake pump was inspected by the manufacturer and a few revisions needed to be made prior to start-up. He said the SCADA upgrades still needed to be performed to make the Rotary Press #3 and Sludge Cake Pump operational. He also reported that the annual average salary adjustment for Gannett Fleming employees is 2.5% for 2015; however, the payroll costs, which are an allowance added to direct salary charges, remain the same for 2015.

Robert Dougherty presented the Board with a schedule for issuing award of contracts for the Button Buck CSO Project. He said the contract documents require the owner to award the contract within 60 days of bid opening; however, since the Authority is waiting for award of an LSA Grant scheduled for March 11, 2015, the Authority may take up to 120 days to issue award to the contractors. He said following issue of award, the Authority must issue notice to proceed to the contractors within 30 days. He said taking the maximum timeframe to issue notice to proceed would put the date at May 21, 2015, which is 5 days after the second scheduled CFA meeting. He said in order to qualify for LSA Grant funds, Notice to Proceed cannot be issued prior to the grant award date. He recommended using the option to extend the bid award to 120 days from the date of bid opening due to the possibility of grant funding. Robert then informed the Board that his firm is interested in providing inspection services for the project. He said by performing the investigative work and project design, his firm is most familiar with problems that may arise during construction. He said since there will be two (2) separation projects occurring simultaneously, he recommends having an inspector on each project. He stated that Nick Pane and Ransom Young are both experienced inspectors who would work under RJD Engineering, Inc. for the inspection services. He stated that both inspectors are experienced in this type of project and he could arrange for the Board to interview them. Attorney Ustynoski recommended the Board interview the inspectors to reinforce the need to minimize potential change orders and to strictly adhere to the contract documents for this project.

Chairman George called a Special Meeting at 7:00 PM on Wednesday, February 11, 2015 to interview the RJD Engineering, Inc. inspectors.

Grink & Milot moved to accept the Engineer’s report.

Passed: Aye-9, Nay-0, Absent-0

Solicitor’s Report – Attorney Ustynoski thanked the Board for reappointing his firm. In addition to what was reported in Executive Session, he reported that mediation for the HASD Litigation will be held on Friday, January 30, 2015. He said Mr. Carsia and Mr. Olander will be in attendance. He also noted that the allocation approval for the Gennaro Gardens Senior Housing Project was on the agenda as a separate motion from the study. Board Member Cuozzo asked why there was an EDU approval on the agenda for a Hazleton Redevelopment Property. Andy Nowak responded that the old structure was a 2 bedroom home and it was being replaced with a 3 bedroom home. He said water records could not be obtained by the Redevelopment Authority so DEP required the Authority to issue one (1) EDU allocation for the project to move forward.

Fay & Grink moved to accept the Solicitor’s report. Passed: Aye-9, Nay-0, Absent-0

Grink & Carsia moved to accept the Investment Consultant’s Report as presented.

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

BILLS AND CREDITS

Cuozzo & Fay moved to approve payment of Gannett Fleming, Inc. invoices and requisitions from November 1, 2014 through November 28, 2014, totaling \$24,614.83 as listed in the following table:

<u>Requisition #</u>	<u>Invoice #</u>	<u>Description</u>	<u>Amount</u>
Operating Fund	051153.A*12456	Annual Service Work	\$ 10,978.63
Operating Fund	051153.B*12458	Attending Authority Meetings	\$ 954.14
Operating Fund	051153.01*12455	SCADA Update	\$ 8,412.51
A467	048847.C0*12454	Incinerator Design	\$ 1,705.56
C155	051153.AG*12457	PENNVEST Financing	\$ 1,525.31
C156	048847.B*12453	WWTP Upgrade Construction Phase	\$ 1,038.68
Total			\$ 24,614.83

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

Eyerly & Grink moved to authorize payment from the Operating Fund in the amount of \$880,072.09 for Operating and Administrative Expenses (\$684,069.96); Construction in Progress (\$29,969.66); Transfers to Other Authority Accounts (\$2,465.32); Pennvest Loan #27769 (\$158,666.52); Pennvest Loan #74119 (\$1,473.64); and Pennvest Loan #58103 (\$3,426.99) from the month of December 2014.

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

Milot & Eyerly moved to approve issued credits totaling \$3,700.12 from month of December 2014.

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

NEW BUSINESS

Cuzzo & Grink moved to approve a sewage connection allocation of nine (9) EDUs for the Gennaro Gardens Senior Housing Facility located at N. Church and West 1st Streets in the City of Hazleton. This allocation is contingent upon the applicant paying all fees and charges established by the Authority and satisfying all conditions for proper connection, including inspections, to the sewer system as set forth by the Authority and/or its Engineer.

On the Question: Board Member Cuzzo asked why the fees were not waived for the Housing Authority. Attorney Ustynoski stated that the developer for project contacted the Authority directly to make application for connection; however, the Tapping Fee Study was not completed at that time. He said they were given a price for connection at that time and it appears they will honor that cost. Gregory Olander stated that all correspondence for this project were with the developer, Monarch Development of Camp Hill, PA.

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

Cuzzo & Grink moved to approve a sewage connection allocation of one (1) EDU in the City of Hazleton, for the Redevelopment Authority of the City of Hazleton, for a residential property located at 501 East Cranberry Avenue. The applicant has requested a waiver of the Authority's connection and tapping fees; however, the applicant shall satisfy all conditions for proper connection, including inspections, to the sewer system as set forth by the Authority and/or its Engineer.

On the Question: Board Member Cuzzo asked what the City's allocation balance was after approval of these motions. Andy Nowak stated that the City's allocation balance would be 109 EDUs after this approval. Board Member Eyerly asked what the circumstances were for waiving the fee. Attorney Ustynoski stated that the Redevelopment Authority requested a waiver in writing due to the fact that a home existed at the site previously, but water records could not be provided to DEP. He said DEP is requiring the issuance of an EDU allocation because the water records could not be provided. Board Member Eyerly thanked Attorney Ustynoski for clarifying that there were extenuating circumstances for issuing the fee waiver on this property.

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

Carsia & Eyerly moved to approve Resolution 001 of 2015 establishing Connection Fees, Tapping Fees (Capacity and Collection Parts), and Inspection Fees pursuant to Act 57 of 2003 and the Municipal Authorities Act at the following amounts as recommended in the Study performed by Schumacher Engineering: Connection Fee in the amount of \$1,250.00 for up to 25 linear feet of 4" PVC Sewer pipe installed; and a Tapping Fee in the amount of \$250.00 (Capacity Part) and \$1,500.00 (Collection Part) per Equivalent Dwelling Unit (EDU), in which one (1) EDU is equal to 221 gallons per day (gpd), or \$1.13 per gallon (Capacity Part) and \$6.79 per gallon (Collection Part) based on a Commercial or Industrial customer's sewage usage requirements, whichever is greater; and Inspection Fees in the amount of \$100.00 per connection.

Roll Call: Boyarski-yes, Carsia-yes, Cuzzo-no, Cusat-no, Eyerly-yes, Fay-yes, George-yes, Grink-yes, Milot-yes

Fay & Cuzzo moved to award the Window Panel Replacement Project to the low bidder, Mesko Glass, for the bid price of \$96,300.00 (Original bid price of \$115,000.00 and a deduction of \$18,700.00 for substituting 2.75" panels for the originally specified 4" panels) as recommended by the Engineer, conditioned upon review and approval of bonds and insurance documents by the Solicitor.

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

Milot & Carsia moved to adjourn. Passed: Aye-9, Nay-0, Absent-0

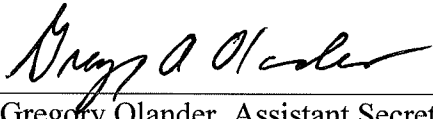
The meeting was adjourned at 8:34 PM.

The next regularly scheduled Work Session will be Wednesday, February 18, 2015 at 7:00 PM.

The next regularly scheduled monthly meeting will be Monday, February 23, 2015 at 7:30 PM.

Respectfully submitted,

Greater Hazleton Joint Sewer Authority



Gregory Olander, Assistant Secretary