

The July 27, 2015 regular monthly meeting of the Greater Hazleton Joint Sewer Authority was called to order by Vice Chairman Grink at 7:00 PM. All in attendance gave a pledge of allegiance. Chairman George was absent and all other Board Members were present. Robert Dougherty, P.E. of RJD 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.

Milot & Fay moved to approve the minutes of the June 22, 2015 Regular Monthly Meeting. Passed: Aye-8, Nay-0, Absent-1

The Operations Manager, Gregory Olander, summarized the final revenues and expenses for Fiscal Year 2014-2015. He stated that the overall expenses for the fiscal year were within the original budget; however, the treatment plant expenses should exceed budget by approximately \$117,000 and the Collection System Division expenses are expected to be under budget by approximately \$120,000. He said the primary reason for the treatment plant expenses exceeding budget was the unexpected major rehabilitation of Rotary Press #2 at a cost of \$129,755, which caused the Maintenance Repairs line item to exceed budget by that amount. He also noted that anticipated hauled waste revenues of \$1,623,000 should exceed projections by about \$223,000, which in turn contributed to the increase in the Biosolids Removal & Disposal (+\$174,699) and Polymer (+\$83,286) line items. He stated that the Electrical Power and Methanol line items came in considerably under budget by \$127,933 and \$65,267 respectively. He also noted that a Group Insurance line item was created for the Collections System Division employees and the amount of their health insurance was shifted to the Collection System Budget. He also stated that Capital Purchases were under budget by \$59,039 because the two vehicles being purchased were not yet received. He also noted that the Authority paid for ongoing Construction in Progress Projects from the Operating Fund during the year, which totaled \$359,881. He said the projects included: Elevator Modernization (\$139,760), FS Upgrades (\$91,990.20), Incinerator (\$18,000), 96-Inch Line Replacement (\$39,000), SCADA Updates (\$44,368), and 2008 WWTP Upgrade (\$25,263). He then explained that following the expenses, capital purchases, debt service, and repayment to the treatment plant, the Collection System Division has a remaining balance of \$425,496 for the fiscal year, which he recommends transferring to the Collection System Reserve to fund the Button Buck CSO Separation Project during construction.

Gregory then presented the budget for Fiscal Year August 1, 2015 through July 31, 2016. He said the Treatment Plant budget in the amount of \$9,797,100 is similar to last year with no expected increase this fiscal year. He said there are differences in the various line items most notably decreases to Electrical Power (-\$73,000), Methanol (-\$60,000), and Group Insurance (-\$87,000) and increases to Cationic Polymer (+\$40,000) and Biosolids Removal & Disposal (+\$150,000) consistent with last year's expenses. He explained that treatment plant revenues are projected to be \$9,797,500, which includes the \$182,000 repayment to the treatment plant funds from the Collection System Division for collection system expenditures between 2009 and 2012. He said the repayment amount was reduced from the remaining balance due (\$386,797) to allow funds to be available for the Button Bock CSO Separation Project, which is expected to be completed in the 2015-2016 fiscal year. He said the overall Collection System Budget includes Expenses & debt Service (\$1,333,200), Capital Purchases (\$225,000), and matching funds to complete the Authority's portion of the Button Bock CSO Project, which is anticipated to be about \$1,023,000.

He said projected customer revenues of \$1,825,000 and a Collection System Reserve balance of \$758,207 are expected to fund the Collection System Division for the fiscal year.

Milot & Boyarski moved approve the Fiscal Year August 1, 2015 to July 31, 2016 Operating Budget for the Treatment Plant and Collection System Division as presented by Authority Management.

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

Director of Operations Report - MONTHLY FLOW REPORT

	<u>June 2015</u>		<u>Year to Date</u>		
			<u>Total</u>	<u>Average</u>	
Total Flow	<u>290,154,653</u>	Gallons	<u>1,548,213,472</u>	Gallon	xxxxx
Total Flow Bypassed	<u>13,241,509</u>	Gallons	<u>33,454,298</u>	Gallon	xxxxx
Days Flow Bypassed	<u>11</u>	Days	<u>26</u>	Days	xxxxx
Total Flow Treated	<u>276,913,144</u>	Gallons	<u>1,514,749,174</u>	Gallon	xxxxx
Average Minimum	<u>6.5</u>	MGD	xxxxx	xxxxx	<u>6.3</u> MGD
Average Maximum	<u>19.3</u>	MGD	xxxxx	xxxxx	<u>13.0</u> MGD
Average Daily Flow	<u>9.2</u>	MGD	xxxxx	xxxxx	<u>8.4</u> MGD

Christopher Carsia, the Director of Operations, reported on the flow for June 2015. He said the total volume of wastewater diverted from all point sources for the month was estimated to be 98.473 million gallons with approximately 13.242 million gallons of treated outflow diverted at the treatment plant. He said approximately 6.648 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 290 million gallons with 277 million gallons treated. He also stated that the average daily flow to the treatment plant for the month increased to 9.2 MGD due to the frequent precipitation events and the average daily flow for the year subsequently increased to 8.4 MGD.

The Director of Operations reported that revenues for June 2015 were \$1,146,767.12, which is a 3.0% increase from the prior year. He said the bills issued for hauled waste received in June totaled \$151,458.73, which is an increase of 3.6% from the prior year. He said the hauled waste revenues are on pace to exceed the projected \$1,400,000 for the fiscal year. He said total revenues should exceed projections by about \$200,000. He also stated that the liquid waste hauler Gotta Go Septics continues to make regular payments twice a week against their past due balance, which continues to decline. He reported that another liquid waste hauler, Liquid Motion, is no longer required to make certified check payments because they continue to be within payment terms.

The Director of Operations reported that replacement of Valve #2 at the Gashouse Pump Station has been delayed because the Vac Truck is at the dealer for maintenance. He said the Maintenance Department is recommending the job move forward as soon as possible, so a vac truck may need to be rented from one of our hauled waste customers to complete the job.

The Director of Operations reported that he received a telephone call from Councilwoman Mope regarding the recent allocation of LSA Grant funds. He said she was disappointed the Authority did not receive funding for their two applications. He said she suggested that letter be sent from

the Authority to the elected state officials that represent our area asking if other grant funds are available. He noted that EPA continues to enforce Combined Sewer Overflow (CSO) regulations on communities so, following completion of the Button Bock CSO Separation Project, the Authority should continue to move forward with other projects to minimize CSO impacts to the environment. Brian Kauffman reported that his office contacted representatives at DCED responsible for reviewing the LSA applications. He said they are not aware of any official ranking coming from the municipal level, but he noted that most municipalities submit only one grant application; however, this year the City of Hazleton submitted several applications. Brian then reported that there is a new federal grant program (WIFIA) being developed to fund water and wastewater infrastructure projects with a minimum cost of \$20 million, but the grant recipient would need to match 50% of the overall cost.

The Director of Operations then reported that he submitted an updated Form 43 application to Waste Management for the 2015-2016 year. He said approval was given to dispose of sludge at their Alliance Landfill until July 31, 2016.

The Director of Operations also reported that he contacted representatives at Karchner Logistics regarding the lease for the storage space at the rear of 50 Jaycee Drive. He said the electrical work and heating system are now complete, but Mr. Karchner is currently out of the country and currently not available to finalize the document. He said Mr. Karchner will contact him when he returns.

The Director of Operations then reported a meeting was held with Attorney Gartley, Attorney Ustynoski and Authority Administrators to discuss the job descriptions modifications for the incinerator. He said Attorney Gartley contacted the Union Sub District Director, Joseph Pozza, to schedule a meeting, which would probably be held sometime next month.

Carsia & Fay 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 – Brian Kauffman reported that SCADA Update shop drawings are being reviewed. He said the Control Building Window Replacement documents are ready to be signed. He then reported that the chemical bids for fiscal year 2015-2016 were reviewed and he recommends awarding to the low bidders for all chemicals except Polyaluminum Chloride. He said the bid from Holland Company was for a product that did not meet the specifications so he recommended awarding to the next lowest bidder, Univar USA. He reported that DEP has still not issued the new NPDES Permit to the Authority. Brian then reported that the final payment for the Sludge Cake Pump Procurement is on the agenda for Board approval. He also reported a notice of default was sent to C.O. Falter concerning outstanding issues with the 2008 WWTP Upgrade Project. Attorney Ustynoski stated that the final step is to send correspondence to the Surety to confirm a breach of contract; however, the surety has the option of denying liability. He said we would also want to inform them that the initial work to repair the cracks in the Nitrification and Denitrification Buildings that was done by the subcontractor, Houck, is acceptable to the Authority.

Robert Dougherty reported that Notice to Proceed letters were sent for all contracts except the West Separation Project because about 5% to 7% of the project is contained on Norfolk Southern Railroad's property. He said a conditional Notice to Proceed will be sent that exempts the portion

of work on Norfolk Southern property until an agreement is received from the contractor. He said once an agreement is in place, it must be sent to the Public Utility Commission (PUC) for approval following a 30 day public comment period. He said the contractor will then be able to get the required insurance and a construction license can be issued.

Robert then reported on the metering of flows in West Hazleton. He said the first meter will be deployed next week in a manhole that had been inspected. He said meters cannot be deployed the other locations because the manholes are filled with water and need to be cleaned out with a vac truck prior to their installation.

The Field Operations Manager, Andy Nowak, reported that a section of old CSO pipe was replaced near the Autumn & Ridge diversion chamber. He said next week the Road Crew will begin replacing the temporary overflow pipe at the separator unit with a permanent underground pipe. He said this should allow DEP to perform their final inspection of the project for final release of Pennvest funds.

Andy then reported on sinkholes that developed in the City of Hazleton at Vine & Chapel Streets and Hemlock Street between Cedar & Poplar Streets. He said on Vine Street, a lateral was found to be defective where it entered the stone arch. He said the connection was corrected and the area was backfilled with flowable fill. He said the depressions on Hemlock Street were found to be 1 foot by 2 foot openings in the stone arch where stones were removed and laterals were inserted. He said the repairs were made and flowable fill was used at those locations. He also stated that he would like to investigate the remainder of the line in that area on Hemlock Street, but there are no access manholes for over 500 feet.

Andy also reported that he was contacted by the West Hazleton Fire Department regarding an illegal drug manufacturing lab that was uncovered in the Borough. He said they were apparently flushing waste down the toilets and the main line on Ridge Avenue may need to be flushed after the police complete their investigation.

Andy then informed the Board of a recent article on CSOs in Pennsylvania. He said there are 1608 CSO points in the state, which is 17% of all CSOs in the country. He stated that EPA estimates \$18 billion is needed for sewer infrastructure with \$9 billion of that amount related to CSO improvements.

Andy reported that the Hazleton Area School District applied for an EDU allocation in the City of Hazleton for construction of a new locker room facility at the Harman Geist Stadium due to Title 9 regulations. He said the allocation is on the agenda for Board consideration.

The Director of Operations reported that the company that fabricated the fiberglass troughs for the Flocculation Tank was willing to replace the troughs at no charge to the Authority, provided the Authority installs the troughs. He said the replacement is on hold because the Operations Staff believes the plant is operating better with the troughs removed. He said they will continue to monitor the situation to determine if the troughs should be replaced.

Fay & Sherrock moved to accept the Engineer's report.

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

Solicitor’s Report – Attorney Ustynoski reported that he and Authority Management met with Attorney Sharkey from the West Hazleton Planning Commission relative to retrieving 39 EDUs for two projects that are now defunct. He said information was given to Attorney Sharkey and he plans to go to DEP for a file review to retrieve information on the two projects. He also reported that he is working on an opinion letter to send to EPA along with the modifications to the Industrial Pretreatment Program (IPP). He then reported that Attorney Pisarcik, C.O. Falter’s Attorney, contacted him and he asked the Board to move to Executive Session relative to a legal issue.

Milot & Fay 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, **Milot & Boyarski** moved to accept the Solicitor’s report. Passed: Aye-8, Nay-0, Absent-1

Cuozzo & Sherrock moved to accept the Investment Consultant’s Report as presented. Roll Call: Boyarski-yes, Carsia-yes, Cuozzo-yes, Eyerly-yes, Fay-yes, George-absent, Grink-yes, Milot-yes, Sherrock-yes

BILLS AND CREDITS

Fay & Sherrock moved to approve payment of Gannett Fleming, Inc. invoices and requisitions from May 2, 2015 through May 29, 2015, totaling \$6,358.01 as listed in the following table:

<u>Requisition #</u>	<u>Invoice #</u>	<u>Description</u>	<u>Amount</u>
Operating Fund	051153.A*515273	Annual Service Work	\$ 993.54
Operating Fund	051153.B*515276	Attending Authority Meetings	\$ 642.50
Operating Fund	051153.E*51580	CSO Work	\$ 984.10
Operating Fund	051153.E*515277	CSO Work	\$ 26.92
Operating Fund	051153.AG*515274	Financing and Grants	\$ 330.41
Operating Fund	048847.B*515270	PENNVEST Administration	\$ 610.53
Operating Fund	051153.01*515272	SCADA Update	\$ 291.58
A477	048847.CO*515271	Incinerator Design	\$ 2,478.43
		Total	\$ 6,358.01

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

Cuozzo & Boyarski moved to approve Requisition No. A475, payable to Infilco Degremont, Inc., totaling \$664,000.00, for Invoice #1114858-409750, Payment Estimate #10, which represents payment for substantial approval of final shop drawings for the Fluidized Bed Incinerator Procurement. The original purchase price was \$8,133,874.00, add for Change orders #1 thru #3 (\$3,770,000.00) for a Total Project Cost of \$11,903,874.00. The total of payments made to date including this payment is \$9,247,874.00, which leaves a balance of \$2,656,000.00.

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

Eyerly & Fay moved to approve Requisition No. A476, payable to Schwing Bioset, Inc., totaling \$45,240.00, for Payment Estimate #4 of the Sludge Cake Pump Procurement Contract. The original contract price was \$452,400.00, adjust for Compensating Change Order #1 (\$3,300.00) for a Total Contract Price of \$449,100.00. The total of payments made to date including this payment is \$449,100.00, which leaves a zero balance.

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

Sherrock & Carsia moved to authorize payment from the Operating Fund in the amount of \$1,084,225.82 for Operating and Administrative Expenses (\$894,064.61); Construction in Progress (\$9,709.06); Equipment and/or Office Equipment (\$16,885.00); Pennvest Loan #27769 (\$158,666.52); Pennvest Loan #74119 (\$1,473.64); and Pennvest Loan #58103 (\$3,426.99) from the month of June 2015.

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

Cuzzo & Sherrock moved to approve issued credits totaling \$15,196.40 from month of June 2015.

On the Question: Board Member Carsia asked why the Countywide accounts were being credited as uncollectible. The Director of Operations responded that the company has not been in business for several years and it was previously reported to the Board that the Authority could not recover these balances that were due and owing. He said the listing on the credit sheet is a bookkeeping correction to clear the accounts receivable.

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

OLD BUSINESS

Milot & Sherrock moved to award the Ultra Low Sulfur Diesel Fuel supply contract for August 1, 2015 through July 31, 2016 to the lowest bidder, Russell Postupack Oil Co., Inc., for the wholesale terminal rack price plus a fixed adder of \$0.18 delivered as recommended by the Authority Management and Engineer.

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

Fay & Eyerly moved to award the August 1, 2015 through July 31, 2016 chemicals contracts as specified in the bid documents to the lowest responsible bidders as recommended by the Engineer:

Sodium Hypochlorite	Main Pool & Chemical of Dupont, PA	\$0.93 per gallon
Polyaluminum Chloride (DELPAC 1525)	Univar USA of Middletown, PA	\$0.185 per wet lb.
Methanol	Coyne Chemical of Croydon, PA	\$0.114 per gallon fixed adder to Methanex Index
Magnesium Hydroxide (Thioguard)	Coburn Chemicals of Cockeysville, MD	\$595.00 per dry ton

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

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

NEW BUSINESS

Cuozzo & Eyerly moved to approve the transfer of \$135,000.00 from the Operating Fund to the Operating Reserve for fiscal year ended July 31, 2015.

On the Question: Board Member Cuozzo asked the balance in the Operating Reserve after the transfer. Gregory Olander responded that he did not have the figure on hand, but believed it would be about \$900,000.

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

Cuozzo & Eyerly moved to approve the transfer of \$425,496.00 from the Operating Fund to the "Collection System Reserve" Account.

On the Question: Board Member Cuozzo asked what the balance would be in the Collection System Reserve after the transfer. Gregory Olander referenced the Fiscal Year 2015-2016 Collection System Budget where it shows the available balance in the account in the amount of \$758,207.

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

Eyerly & Carsia 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-absent, Grink-yes, Milot-yes, Sherrock-yes

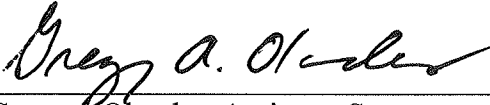
Carsia & Sherrock moved to approve a sewage connection allocation for one (1) EDU in the City of Hazleton, for the Hazleton Area School District for a new locker room facility located at Harman-Geist Stadium in Hazleton. This allocation is contingent upon the applicant paying all fees and charges established 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.

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

Milot & Carsia moved to adjourn. Passed: Aye-8, Nay-0, Absent-1
The meeting was adjourned at 8:08 PM.

The next regularly scheduled Work Session will be Wednesday, August 12, 2015 at 7:00 PM.
The next regularly scheduled monthly meeting will be Monday, August 17, 2015 at 7:30 PM.

Respectfully submitted,
Greater Hazleton Joint Sewer Authority



Gregory Olander, Assistant Secretary