

The January 25, 2016 regular monthly meeting of the Greater Hazleton Joint Sewer Authority was called to order by Chairman George at 7:30 PM.

Roll Call:

Boyarski – Present

Carsia – Present

Cuozzo – Present

Fay – Present

Fayock – Present

George – Present

Grink – Present

Milot - Present

Sherrock – Present

Also in Attendance:

Christopher Carsia – Director of Operations

Gregory Olander – Operations Manager

Andy Nowak – Field Operations Manager

Attorney Joseph D. Ustynoski – Solicitor

*Robert Dougherty, P.E. – RJD Engineering

*Brian Kauffman, P.E. – Gannett Fleming

Nicholaus Sahd, Material Matters

*In attendance during the Work Session

PUBLIC COMMENT

City of Hazleton resident Dee Deakos asked if DEP gave the Authority approval for plans to construct the Incinerator. Christopher Carsia responded that they issued a permit for the Incinerator with a start date by June 2016 with all conditions outlined in the permit. Ms. Deakos wanted to know by what date the Authority would be ready to use the equipment and she referenced a \$1.4 million piece of equipment that would not be used until the incinerator was ready. She stated that the Board should hold off on purchasing that equipment until the incinerator is installed. Christopher clarified that the additional air quality equipment is required by the permit and once the equipment is delivered to the Authority, it triggers a progress payment as outlined in the contract terms. Gregory Olander stated that the Authority has been accepting delivery of the air quality equipment over the past two weeks. Ms. Deakos asked why that piece of equipment was being bought if the incinerator was not ready to be built. Christopher stated that the equipment was already purchased and is mostly onsite and that it just needs to be assembled. Gregory asked Ms. Deakos if she was referencing the \$1.494 million payment, which is a term of the overall equipment purchase contract. Ms. Deakos again asked why the Authority purchasing something if they were not ready to build it yet. Gregory stated that the Authority has a contract with the company from which they are purchasing the equipment. He said that contract has payment terms and conditions including \$664,000 paid upon approval of plan submittals, a payment of \$1,494,000 upon equipment delivery, payment of \$830,000 following startup of the incinerator, and payment of the balance, which is about \$336,000 one year after startup. Ms. Deakos asked why the Authority didn't delay the delivery until the incinerator was ready to be assembled so money didn't need to be borrowed. Gregory responded that money was not being borrowed to make this \$1,494,000 payment. Attorney Ustynoski added that the Authority would be in breach of contract if they delayed the delivery.

REORGANIZATION

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

NOMINATION OF OFFICERS

Carsia & Milot nominated **Frank George** for Chairman. **Milot** 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.

Milot & Fay nominated **Gerald Grink** for Vice-Chairman. 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.

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

Carsia & Fay nominated **John Milot** for Treasurer. Boyarski 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 & Cuozzo nominated **Francis Boyarski** for Assistant Treasurer. 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 & Fay moved that the Ustynoski & Marusak law firm with representation by Attorney Joseph D. Ustynoski be reappointed as Solicitor for the Authority.
Passed: Aye-9, Nay-0, Absent-0

Carsia & Milot moved to appoint Morgan Stanley as the Investment Consultant for the Authority with representation by Howard Willard III and Stephen Kepchar.
Passed: Aye-9, Nay-0, Absent-0

Sherrock & Fay moved that Snyder & Clemente, CPA with representation by John Nonnemacher, CPA be reappointed as Auditor for the Authority.
Passed: Aye-9, Nay-0, Absent-0

Milot & Boyarski moved that Gannett Fleming, Inc. be reappointed as Consulting Engineer for the Authority.
Passed: Aye-9, Nay-0, Absent-0

Grink & Milot moved to approve the minutes of the December 21, 2015 Regular Monthly Meeting. Passed: Aye-9, Nay-0, Absent-0

Director of Operations Report - MONTHLY FLOW REPORT

| | <u>December 2015</u> | | <u>Year to Date</u> | | |
|---------------------|----------------------|---------|----------------------|--------|-----------------|
| | | | <u>Total</u> | | <u>Average</u> |
| Total Flow | <u>259,473,970</u> | Gallons | <u>2,839,256,525</u> | Gallon | xxxxx |
| Total Flow Bypassed | <u>2,070,116</u> | Gallons | <u>56,279,229</u> | Gallon | xxxxx |
| Days Flow Bypassed | <u>4</u> | Days | <u>44</u> | Days | xxxxx |
| Total Flow Treated | <u>257,403,854</u> | Gallons | <u>2,782,967,296</u> | Gallon | xxxxx |
| Average Minimum | <u>5.4</u> | MGD | xxxxx | xxxxx | <u>5.4</u> MGD |
| Average Maximum | <u>12.9</u> | MGD | xxxxx | xxxxx | <u>12.1</u> MGD |
| Average Daily Flow | <u>8.3</u> | MGD | xxxxx | xxxxx | <u>7.7</u> MGD |

Christopher Carsia, the Director of Operations, reported on the flow for December 2015. He said the total volume of wastewater diverted from all point sources for the month was estimated to be 19.955 million gallons with approximately 2.07 million gallons of treated outflow diverted at the treatment plant. He said approximately 1.395 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 259.5 million gallons with 257.4 million gallons treated. He also stated that the average daily flow to the treatment plant for the month was 8.3 MGD and the end of year average daily flow was 7.7 MGD, which is below the Authority's permitted capacity of 8.9 MGD. He then reported that performance of the treatment plant has been very good over the past several months.

The Director of Operations reported that revenues for December 2015 were \$834,380.23, which is an increase of 5.7% from the prior year. He said the bills issued for hauled waste received in December totaled \$118,157.07, which is a decrease of 9.9% from the prior year. He then asked Nicholaus Sahd from Material Matters to report on permitting of a new liquid waste hauler that has been requesting to discharge at the Authority's treatment plant. Nicholaus stated that the Authority has built a robust hauled waste program over the years. He said a centralized waste facility located in Lancaster, PA requested to discharge treated condensation water to the Authority from compressor stations. He said they currently own and operate a facility in Lancaster that discharges pretreated waste streams to the City of Lancaster; however, they are reaching their capacity to accept more waste at that location. He said this compressor condensate has a high BOD due to its methanol content, which may be of beneficial use in the Authority's treatment process. He said the analytical results have been reviewed by his environmental firm and the waste seems to be a good fit for the Authority to accept at a few truckloads per day. He then stated that he contacted the Industrial Pretreatment Coordinator for the City of Lancaster to verify that the direct discharge of this waste has not caused any operational problems. Board Member Cuozzo asked if accepting the waste would cause the Authority to use more chemicals. The Director of Operations responded that it may result in the use of more chemicals, but a higher rate would be charged so it would be profitable to accept the waste. Christopher then stated that the treated compressor condensate contains methanol as a byproduct, which the Authority currently purchases for the treatment plant biological denitrification process. He said the staff is discussing a way to blend this waste stream so the methanol is consumed prior to or during denitrification. Nick then stated that since they would be trucking the waste to the plant, it could be stopped at any time if problems with treatment are detected. Board Member Cuozzo stated that there are other treatment plants closer to their location so why do they want to bring the waste to Hazleton's plant. Christopher responded that Environmental Recovery Corporation (ERC) is still considering locating a pretreatment facility within the Authority's service area due to a growing customer base in the northeast so they want to begin trial loads to ensure the Authority can effectively treat their waste.

The Director of Operations then reported that he submitted the Discharge Monitoring Reports to the State using their new Greenport system. He said the submission took a little more time due to the more detailed information that needs to be reported. He also reported that the IRS 1099s were mailed and if anyone needs an additional copy for their taxes, please contact him.

The Director of Operations stated that he received a call from Bill Schumacher of Schumacher Engineering, Inc. regarding a sewer line problem at a property on the corner of 22nd and Peace Street. He said the problem appears to be at a City of Hazleton manhole where the lateral enters the manhole. He said it was originally thought to be a Hazle Township manhole, but the lateral

goes into an adjacent manhole now owned by the Authority. He said a repair would need to be made along with changing the frame and cover from square to round and asphalt paving when complete.

The Director of Operations also reported that Authority personnel are assisting the City and Borough with snow removal using the Authority's equipment.

The Director of Operations reported that a call was received from the Hazleton City Authority concerning a water line that was accidentally broken by the Authority's contractor, Michael F. Ronca & Sons, during excavation for the Button Bock CSO Separation Project. He said the HCA was onsite throughout the night to make a repair and the contractor is prepared to pay for the repair work, if requested.

The Director of Operations then reported that an audit of the 2015 payroll figures was performed by the Worker's Compensation carrier. He said the Authority would be receiving a refund of a few thousand dollars that will be applied to offset worker's compensation expense due to lower than expected payroll costs.

Christopher stated that he and Mr. Olander met with representatives of Hydro International regarding possible solutions for the overloaded CSO separator at 6th & Ridge in Hazle Township. He said they were optimistic that vortexing valves could be added at in some of the storm sewer inlets to throttle the amount of water entering the combined system during heavy precipitation events. He said this may be a solution to the problem without separating the stormwater and sanitary lines in that area, which is estimated to cost over \$1 million. He said they would be willing to sell the Authority some of the valves at cost as a trial in that drainage basin area. He then stated that they would be willing to attend the April work session to discuss this option with the Board, if they desire.

The Director of Operations then reported that Infilco Degremont, Inc. (IDI) contacted the Authority concerning delivery of the carbon adsorber equipment for the incinerator. He said once that equipment is received, they will invoice for approximately \$1.5 million. He informed the Board that approximately \$310,000 was moved from treasuries (bonds) into cash in the Morgan Stanley accounts in anticipation of making the payment. He asked the Operations Manager to expand on the issue. Gregory Olander stated that the Authority is currently awaiting a \$2.9 million payment from Pennvest when the 2008 WWTP Upgrade Project is closed out. He said final close-out of the Pennvest loan would not happen prior to the delivery and subsequent payment to IDI, so Rachel Govelovich at Gannett Fleming was instructed to prepare an interim payment request to Pennvest, which would provide the majority of funds needed for the \$1.494 million payment. He said if the interim Pennvest payment is not received before the IDI payment is due, transfers from other Authority accounts may be needed to cover the payment until the Pennvest reimbursement is received. Gregory then stated that the addition of air quality equipment needed for the incinerator approached \$4 million not including an estimated \$1 million installation and the 24-inch force main replacement that was completed in 2012, which cost over \$1.3 million. A brief history of the Incinerator Project and new EPA Air Quality Regulations was given for the benefit of new Board Members. He said there are approximately \$6 million of additional capital costs that are currently not funded. He asked that the Board begin discussions for capital funding including a meeting with the Bond Underwriter that was used for the previous two (2) \$10 million bond issues and the refunding of those bonds in 2012. Gregory referenced a handout that outlines the incinerator costs, payments made to date and remaining

estimated costs to complete the incinerator project and other capital improvement projects that were scheduled in the 5-year projections. He showed the capital funding shortfall to be between \$5 million to \$6 million. Board Member Grink asked when the incinerator installation project would be ready for bid so the amount needed would be a firmer number. Brian Kauffman responded that he would have something ready at the end of next month. Gregory then added that he received rates from the Authority's local depository for a loan. He also stated that a financial advisor from Concord Financial Advisors contacted him concerning the upcoming financing and he would be willing to make a presentation to the Board to advise on the best type of vehicle for borrowing. Board Member Cuozzo asked what the fee would be for the advisor. Gregory stated that it would be in the neighborhood of \$20,000 for a \$5 million borrowing. Chairman George asked that a few dates in February be sent to PNC Capital Markets for a Special Meeting to discuss different Bond Issue scenarios for the borrowing.

Andy Nowak reported that a repair was being made to a 12" sanitary sewer main line in the Birch Knoll Estates development in the City of Hazleton that caused a sinkhole near the former Dorr Oliver Building in the west Heights section. He said during excavation, three sewer lines were found at that location. He said the Birch Knoll developer designed the lots such that they do not follow the original plans for the City from the 1920s. He said the result is a home being built on top of a 12" sanitary sewer line owned by the Authority and a 72" stormwater line owned by the City. He said it would need to be investigated to see if the easement was ever recorded. He also noted that three large pine trees, a portion of yard and sidewalk had to be removed to complete the repair.

Andy then informed the Board that quotes were received for two valves and fittings at a cost of approximately \$46,000 needed to install a bypass cleanout in the 24-inch force main outside the Gashouse Pump Station. He said the excavation would be about 20 feet deep and is a large undertaking for the Road Crew employees. Christopher noted that the project would be paid out of this fiscal year's budget, if possible. Andy then informed the Board that purchase of a new sewer camera and truck are on the agenda for the Board's consideration. He said the camera purchase was included in the collection system division capital purchases for this year.

Fay & Grink 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 –Brian Kauffman reported that the Control Building Window Panel Replacement Project was complete and he is recommending approval of the final payment estimate in the amount of \$96,300.00. He then reported that bid specifications were being developed for new plant water pumps and a new control panel needed for additional demand during incineration. He said a request for determination was being filled out for submission to DEP on the generators used for demand response. He also reported that design alternatives were being reviewed for retrofitting a new pump at the Cranberry Pump Station. He stated that the Pennvest closeout paperwork was being prepared by his firm; however, the two remaining cracks in the nitrification structure need to be addressed before final inspection can take place by DEP. He also reported that bid documents were being finalized for the Incinerator Installation Project.

Robert Dougherty reported that he assisted with sewer line mapping to determine location of lines in the Birch Knoll Estates development. He also reported that the Button Bock West Separation Project was about 70% to 75% complete and there have been no change orders on that contract to date. He stated that the Button Bock East Separation Project is now 98%

complete with only the installation of a 50 foot length of pipe and trench paving remaining. He said the Change Order #3 for the project was negotiated with the contractor. He said the contractor asked for \$401,000 in additional costs, but it was negotiated to \$242,000. He said the final net amount of all change orders for the project is \$65,000. He also reported that the overall project including all contracts remains under budget. Board Members Grink and Cuozzo commented that so far this has been one of the best projects they have seen completed with minimal problems. Robert also reported that a 150 foot sanitary sewer extension is needed on Cranberry Street between Mill Street and the Hospital’s property because their sewers were found to be combined somewhere in their parking lot. He said the Hospital would be responsible for separating their lines, but the Authority needs to provide a new sanitary manhole to their property line so they are able to connect their sanitary lateral after it is separated.

Fay & Grink 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 stated that with the approval of his report would be the authorization to move forward with the proposal to relocate the Authority’s sewer extension on the Kaur property as discussed in executive session during the Work Session.

Grink & Milot moved to enter Executive Session to discuss a potential legal issue.
Passed: Aye-9, Nay-0, Absent-0

After the Board moved out of Executive Session, **Carsia & Grink** moved to accept the Solicitor’s report. Passed: Aye-9, Nay-0, Absent-0

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

BILLS AND CREDITS

Cuozzo & Fay moved to approve payment of Gannett Fleming, Inc. invoices and requisitions from October 30, 2015 through November 27, 2015, totaling \$9,579.29 as listed in the following table:

| <u>Requisition #</u> | <u>Invoice #</u> | <u>Description</u> | <u>Amount</u> |
|----------------------|------------------|---------------------------------|---------------|
| Operating Fund | 051153.A*8809 | Annual Service Work | \$ 3,582.53 |
| Operating Fund | 051153.B*8811 | Attending Authority Meetings | \$ 1,083.96 |
| Operating Fund | 051153.AG*8810 | Financing & Grants | \$ 190.78 |
| Operating Fund | 051153.01*8808 | SCADA Update | \$ 72.90 |
| Operating Fund | 048847.B*8806 | WWTP Upgrade Construction Phase | \$ 3,146.08 |
| Operating Fund | 048847.CO*8807 | Incinerator Design | \$ 1,503.04 |
| Total | | | \$ 9,579.29 |

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

Grink & Milot moved to approve Requisition #C162, payable to Michael F. Ronca & Sons, Inc., totaling \$279,091.57, for Payment Estimate #2 of the Button Bock CSO Separation Project – West as recommended by the engineer. The original contract price was \$1,447,000.00. The total of payments made to date including this payment is \$500,788.01, which leaves a balance of \$946,211.99

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

Cuzzo & Grink moved to approve Change Order #3 of the Button Buck CSO Separation Project (East Separation), in the amount of \$151,395.50, as recommended by RJD Engineering, Inc. for project additions to date based on itemized costs provided in the original contract and hourly and material costs provided by the contractor.

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

Carsia & Fay moved to approve Requisition #C163, payable to PACT Construction, Inc., totaling \$203,755.95, for Payment Estimate #4 of the Button Bock CSO Separation Project - East. The original contract price was \$730,000.00. Adjust for Change Orders 1, 2 & 3 (\$65,000.00) for a Total Project Cost of \$795,000.00. The total of payments made to date including this payment is \$783,000.00, which leaves a balance of \$12,000.00.

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

Milot & Fayock moved to authorize payment from the Operating Fund in the amount of \$975,639.26 for Operating and Administrative Expenses (\$769,554.52); Construction in Progress (\$42,517.59); Pennvest Loan #27769 (\$158,666.52); Pennvest Loan #74119 (\$1,473.64); and Pennvest Loan #58103 (\$3,426.99) from the month of December 2015.

On the Question: Board Member Cuzzo asked about payments to HBO Carports and Schumacher Engineering, Inc. Andy Nowak responded that the HBO Carport payment was for a shelter to store salt for spreading in the winter and the payment to Schumacher Engineering was for work on the LSA Grant Application.

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

Fay & Boyarski moved to approve issued credits totaling \$2,189.67 from month of December 2015.

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

NEW BUSINESS

Fayock & Grink moved to approve purchase of one (1) Envirosight Rover Camera System and inspection vehicle, including a 2016 Freightliner Sprinter chassis, camera system, accessories, WinCan software and training, for the purchase price of \$174,972.00 from A & H Equipment Company of Harrisburg, PA, through DGS State Contract #025-044 (COSTARS), for use in the collection system division..

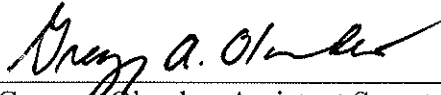
Roll Call: Boyarski-yes, Carsia-yes, Cuzzo-yes, Fay-yes, Fayock-yes, George-yes, Grink-yes, Milot-yes, Sherrock-yes

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

The meeting was adjourned at 8:44 PM.

The next regularly scheduled Work Session will be Wednesday, February 17, 2016 at 7:00 PM.
The next regularly scheduled monthly meeting will be Monday, February 22, 2016 at 7:30 PM.

Respectfully submitted,
Greater Hazleton Joint Sewer Authority



Gregory Olander, Assistant Secretary