

The October 24, 2016 regular monthly meeting of the Greater Hazleton Joint Sewer Authority was called to order by Chairman George at 7:30 PM. All in attendance gave a pledge of allegiance.

Roll Call:

Boyarski – 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	*Rachel Govelovich, P.E. – Gannett Fleming

*In attendance during the Work Session

PUBLIC COMMENT

There was no public comment.

Milot & Fayock moved to approve the minutes of the September 19, 2016 Regular Monthly Meeting.

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

Boyarski & Sherrock moved to approve the minutes of the September 21, 2016 Special Meeting.

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

Director of Operations Report - MONTHLY FLOW REPORT

	<u>September 2016</u>		<u>Year to Date</u>		<u>Average</u>
			<u>Total</u>		
Total Flow	<u>157,649,545</u>	Gallons	<u>2,131,122,660</u>	Gallon	xxxxx
Total Flow Bypassed	<u>2,703,664</u>	Gallons	<u>66,887,565</u>	Gallon	xxxxx
Days Flow Bypassed	<u>3</u>	Days	<u>30</u>	Days	xxxxx
Total Flow Treated	<u>154,945,881</u>	Gallons	<u>2,064,235,095</u>	Gallon	xxxxx
Average Minimum	<u>2.9</u>	MGD	xxxxx	xxxxx	<u>5.1</u> MGD
Average Maximum	<u>10.0</u>	MGD	xxxxx	xxxxx	<u>12.6</u> MGD
Average Daily Flow	<u>5.2</u>	MGD	xxxxx	xxxxx	<u>7.5</u> MGD

Christopher Carsia, the Director of Operations, reported on the wastewater flows for September 2016. He said the total volume of wastewater diverted from all point sources for the month was estimated to be 44.542 million gallons with approximately 2.704 million gallons of treated outflow diverted at the treatment plant. He said approximately 3.263 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 157.6 million gallons with 154.9 million gallons fully treated. He also stated that the average daily flow to the treatment plant for the month was 5.2 MGD and the average daily flow for the year decreased again this month to 7.5 MGD. He informed the Board that the 2016 water year, which is from October 1st through September 30th, recently ended and the Authority is well within compliance for Total Nitrogen (TN) and Total Phosphorus (TP). He said approximately 170,000 lbs. of TN and 24,000 lbs. of TP were

discharged for the year, which is well below the Authority's cap loads of 216,739 lbs. and 27,092 respectively. He also reported that the new DEP regulations concerning sale of nutrient credits have made it much more difficult to sell credits and the Authority was ineligible to sell their surplus credits that were generated in compliance year 2016.

The Director of Operations then reported that the revenues for September 2016 were \$870,580.07 which is an increase of 2.8% from the prior year and bills issued for hauled waste received in September totaled \$122,198.99. He then reported that the financial audit for fiscal year ended 2016 began on October 18, 2016 and the Audit presentation is tentatively scheduled for the November board meeting.

The Director of Operations reported on the concrete repairs being made to the old sludge holding tank. He said more extensive repairs were needed on the inside of the tank due to concrete spalling on the upper portion of the tank. He said to make the repairs, that portion of the tank needs to be sand blasted, pressure cleaned, and a more durable protective coating must be applied, but the lower section of the tank that was epoxy coated about 12 years ago has held up well. He said the products being used to rehab the tank is from a company called Aquafin. He said the Authority purchased the products directly from Aquafin, but an Aquafin certified contractor must perform the preparation and application steps to receive their warrantee. He said so far the contractor used about 18 tons of black beauty sand to clean the upper portion of the tank; however, due to humidity problems with the compressed air, an air dryer is needed to complete the sandblasting. He said a dryer has been rented from a company in Virginia and is on its way to the treatment plant. He also reported that cracks between the Secondary Clarifier #2 and its scum pit were injected with an Aquafin product by the contractor to stop the ongoing water leaks. He said the clarifier has been placed back in service and no additional leaks were identified. Christopher also noted that in the event the Aquafin products hold up well, there are other areas in the plant where concrete structures are deteriorating and repairs can be made using Aquafin products.

The Director of Operations also informed the Board that he was contacted by a representative of the Hazleton Area Landlords Organization (HALO), who requested an Authority representative attend one of their monthly meetings as their guest speaker to discuss their operation, sewer rates, and billing practices. He said the meeting was tentatively scheduled for November 9th. He then reported that the PMAA Region II Dinner Meeting was scheduled for October 27, 2016 in Palmerton, PA if any Board Members were interested in attending that evening.

The Field Operations Manager, Andy Nowak, reported that asphalt paving was completed around the Gashouse Pump Station and the new chain link fence and gate installation is underway. He reported that sewer manholes continue to be raised prior to final asphalt paving in various locations throughout the Hazleton and West Hazleton service area. He reported that two sinkholes were repaired on Maple Street between N. Poplar and Cedar Streets in the City of Hazleton. He said concrete mortar was deteriorated between the stones in a stone arch causing the sinkholes. Andy then reported that manholes were located and raised on Landmesser Ave. in Hazle Township to allow for line flushing in that area. He said it was a West Hazleton sewer line that crosses into Hazle Township for a few blocks that may be responsible for sewer backups in that area. Andy also stated that a motion to purchase a new 2016 Caterpillar Backhoe was on the agenda for Board consideration. He said the motion included trading in the Authority's 2009 backhoe for a \$30,000 credit against the purchase price of \$117,500. Chairman George

commented that the Authority staff should look into a product that he saw years ago at the WEFTEC Exhibit. He said it is a hard plastic or rubber spacer that can be placed on top of manhole covers to raise the elevation to the height of the paving. He said it could prevent deep pothole like depressions at manholes when the final paving grade is higher than the manhole cover. Andy then reported that Sheetz, Inc. was contacted for the purchase of gasoline for Authority vehicles and they offered a flat rate discount of \$0.04 per gallon, which is currently slightly better than the \$0.037 average COSTARS discount. He said each vehicle would have a dedicated charge card and the vehicle number and driver numbers would need to be entered for each transaction.

The Operations Manager, Gregory Olander, reported that the DEP final inspection of the 2008 WWTP Upgrade Project was scheduled for November 15th through November 17th. He said the DEP inspector would be onsite with representatives of Pennvest concerning final closeout of that project. He then reported that the double disc sludge pump from Penn Valley Pump Co., Inc. that has been on trial since April 2016 was taken apart for wear part inspection earlier this month. He said there was very little wear inside the pump and he is recommending replacement of the existing rotary lobe sludge pumps with the double disc pumps from Penn Valley. He said the Authority is spending \$25,000 to \$30,000 per year for parts to repair the rotary lobe pumps; however, the cost of wear parts for the double disc pumps is expected to cost only \$2,100 approximately every three (3) years. Gregory then informed the Board that repair parts were being purchased for the Schwing Cake Pump totaling about \$44,000. He said these are parts with long lead times that should be stocked at the plant in the event of a failure. He said if the parts are not on-hand, the Authority would be faced with loss of dewatering production until the parts are received. Gregory then reported that he checked references for Concord Public Finance, Inc. as requested. He said three other Authorities were contacted and all had high regards for the financial advisory service provided by Christopher Gibbons of Concord Public Finance. Gregory then went into detail on each reference that was contacted.

Fayock & 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-0

Engineer's Report – Rachel Govelovich reported that the design work is continuing on the Plant Water System Upgrade. She said a meeting was held on October 3rd between Mark Garlicki, P.E. of Gannett Fleming, Authority Staff, and a pump manufacturer's representatives. She said this project is eligible for a grant through the PA Small Water and Sewer System program and the application is being finalized for submission prior to the October 31, 2016 deadline. She also noted that design would continue because the project must be ready to start construction as a grant requirement.

Rachel then reported that DEP has still not issued a new NPDES Permit for the treatment plant. She said the 2008 WWTP Upgrade Project final inspection by DEP and Pennvest is scheduled for November 15th through November 17th of this year. Rachel also reported that design of the Incinerator Installation is continuing and she responded to a question posed by the Board at the September meeting concerning the modifications to the pre-heat burned fuel train under change order #5. She stated that according to the equipment supplier, the modifications under change order #5 are not expected to increase the fuel consumption of the unit.

Robert Dougherty reported that the construction portion of the Button Bock CSO West Separation Project is expected to be completed in about 2 weeks. He said two borings are in process at the Norfolk Southern rail yard and then the new sewer line will be connected to the existing pipe at State Route 93 (Broad Street). He also reported that his firm continues to work on roof drain removals from the sewer system on the East section of the Button Bock Project. Board Member Cuozzo asked what is being done with properties, such as those on Broad Street, that have no land to discharge the water. Robert responded that the drains would still be cut and modified to discharge onto the surface. Board Member Cuozzo then asked how the roof drains that are contained inside the buildings are being removed. Robert responded that there have not been any internal drains so far in this section of the project.

Fay & Milot moved to accept the Engineer's report. Passed: Aye-8, Nay-0, Absent-0

Solicitor's Report – Attorney Ustynoski reported that in addition to what was reported in executive session during the Work Session, he spoke with Attorney Jennifer Caron and Attorney Pete Carlucci of Eckert Seamans, Bond Counsel for the Authority, concerning Concord Public Finance, Inc. He said they have worked with Christopher Gibbons in the past and they have no issue working with him on the upcoming financing. He then stated that the agreement with Concord Public Finance was reviewed by Bond Counsel and himself and there are no objections to the language in the agreement. He also informed the Board that Attorney Caron drafted the Reimbursement Resolution (Resolution 003 of 2016), which allows the Authority to reimburse funds used from its Operating Accounts for the Incinerator and other capital projects from the proceeds of the borrowing. He then informed the Board that he requested an engagement letter from the attorneys at Eckert Seamans to be the Authority's Bond Counsel for the financing. He also recommended Attorney Caron and Attorney Carlucci attend a Board Meeting since it has been some time since their last presentation. Board Member Grink asked what they are being used for if we are hiring Concord Public Finance. Attorney Ustynoski clarified that Eckert Seamans is Bond Counsel used for creation of closing documents for any bond issue or bank financing in accordance with the existing Trust Indenture that they developed. He said Concord Public Finance is a financial advisor who would be hired to secure the most attractive interest rate and debt service structure for the Authority.

Sherrock & Boyarski moved to accept the Solicitor's report. Passed: Aye-8, Nay-0, Absent-0

Cuozzo & Milot moved to accept the Investment Consultant's Report as presented.

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

BILLS AND CREDITS

Fayock & Boyarski moved to approve payment of Gannett Fleming, Inc. invoices and requisitions from July 23, 2016 through September 2, 2016, totaling \$42,979.34 as listed in the following table:

<u>Requisition #</u>	<u>Invoice #</u>	<u>Description</u>	<u>Amount</u>
Operating Fund	051153.A*22074	Annual Service Work	\$ 1,567.55
Operating Fund	051153.B*22077	Attending Authority Meetings	\$ 752.82
Operating Fund	051153.AG*22075	Financing & Grants	\$ 920.19
Operating Fund	051153.AJ*22076	Wastewater Capacity Issues	\$ 2,333.25
Operating Fund	051153.01*22073	Plant Water Service & SCADA	\$ 1,068.42
Operating Fund	048847.B*22071	PENNVEST Administration	\$ 2,307.94
Operating Fund	048847.CO*22072	Incinerator Design	\$ 34,029.17
Total			\$ 42,979.34

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

Fay & Cuozzo moved to approve Requisition #C173, payable to Michael F. Ronca & Sons, Inc., totaling \$115,236.83, for Payment Estimate #7 of the Button Bock CSO Separation Project – West as recommended by RJD Engineering. The original contract price was \$1,447,000.00, add for change orders 1 through 5 (\$176,579.63) for a total contract price of \$1,623,579.63. The total of payments made to date including this payment is \$1,374,012.74, which leaves a balance of \$249,566.89.

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

Cuozzo & Sherrock moved to authorize payment from the Operating Fund in the amount of \$720,135.57 for Operating and Administrative Expenses (\$542,239.58); Construction in Progress (\$14,328.84); Pennvest Loan #27769 (\$158,666.52); Pennvest Loan #74119 (\$1,473.64); and Pennvest Loan #58103 (\$3,426.99) from the month of September 2016.

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

Fayock & Grink moved to approve issued credits totaling \$6,543.35 from month of September 2016.

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

NEW BUSINESS

Cuozzo & Grink moved to adopt Resolution 003 of 2016, which is a Reimbursement Resolution that allows the Authority to reimburse itself from proceeds of tax-exempt obligations to be issued for the purpose of funding capital expenditures including the incinerator project.

On the Question: Board Member Cuozzo asked for clarification of where the money was coming from that will later be reimbursed. Gregory Olander responded that if payments are due to the contractor before the borrowing is finalized, payment would be made from the Operating Fund and then this resolution would allow the Authority to reimburse itself from the proceeds of the borrowing.

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

Fayock & Boyarski moved to purchase three (3) Model 6DDSX107CNU 6" Double Disc Pumps from the Penn Valley Pump Co., Inc. for the purchase price of \$24,510.00 each including shipping, plus \$2,100.00 for one set of spare parts, through the PA State COSTARS Program Contract #016-052. The pump that has been on trial since April 2016 would be purchased immediately, the second pump would be purchased later in this fiscal year, and the third pump would be purchased when the centrifuge is being installed.

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

Fay & Milot moved to approve purchase of one (1) 2016 Caterpillar Model 430F2 Backhoe Loader and accessories for the purchase price of \$117,500.00, less credit of \$30,000.00 for trade-in value of current 2009 Caterpillar 420 Backhoe Loader, for a net purchase price of \$87,500.00, as listed in quotation dated July 8, 2016 from Cleveland Brothers Equipment Company of Wilkes-Barre, PA, through DGS State Contract #4400011420 (COSTARS), for use in the collection system division.

On the Question: Board Member Grink asked if this was a bigger unit than the current backhoe. Andy Nowak responded that it is the next size larger machine with side dump capabilities. Board Member Cuzzo stated that the quote was from July and asked why it was so old. Andy responded that the purchase is part of the 2016-2017 Collection System Division capital budget, so the unit could not be purchased until this fiscal year. He said there is a price increase in January, which is the reason for the purchase before the end of the year.

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

Fayock & Sherrock moved to retain Concord Public Financial Advisors, Inc., with representation by Christopher Gibbons, to serve as municipal financial advisor on the upcoming borrowing for a flat rate fee of \$22,000.00 plus reasonable out of pocket expenses (estimated at no more than \$750) payable from the proceeds of the borrowing, conditioned on Solicitor and/or Bond Counsel review and approval of the contract.

On the Question: Board Member Grink asked what is included in out of pocket expenses. Attorney Ustynoski responded that it could be travel, meals, copies, postage, or any other expenses associated with his work on the financing. Attorney Ustynoski stated that the dual track financing is a new way of doing things for the Authority and hopefully, the Authority will realize a savings during the process. He reiterated that Bond Counsel has verified that they are in agreement with this type of financing.

Roll Call: Boyarski-yes, Cuzzo-no, Fay-yes, Fayock-yes, George-yes, Grink-yes, Milot-yes, Sherrock-yes

Cuzzo & Grink moved to authorize Authority Management to enter into an agreement with Sheetz, Inc. for purchase of gasoline for use by the Authority at a fixed \$0.04 per gallon discount through the Business Edge Program.


Roll Call: Boyarski-yes, Cuzzo-no, Fay-yes, Fayock-yes, George-yes, Grink-yes, Milot-yes, Sherrock-yes

Milot & Boyarski moved to adjourn. Passed: Aye-8, Nay-0, Absent-0
The meeting was adjourned at 8:00 PM

The next regularly scheduled Work Session will be Wednesday, November 16, 2016 at 7:00 PM.

The next regularly scheduled monthly meeting will be Monday, November 21, 2016 at 7:30 PM.

Respectfully submitted,
Greater Hazleton Joint Sewer Authority



Gregory Olander, Assistant Secretary