

The February 23, 2017 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:

*Ammon - Absent	Boyarski – Present	Cuozzo – Present
*Fayock – Absent	George – Present	Grink – Present
Milot – Present	Sherrock – Present	Zola - Present

Also in Attendance:

Christopher Carsia – Director of Operations	Gregory Olander – Operations Manager
Andy Nowak – Field Operations Manager	Attorney Joseph D. Ustynoski – Solicitor
*Rachel Govelovich, P.E. – Gannett Fleming	

*In attendance during the Work Session

PUBLIC COMMENT

There was no public comment.

Milot & Sherrock moved to approve the minutes of the January 23, 2017 Regular Monthly Meeting.

Passed: Aye-7, Nay-0, Absent-2

Grink & Boyarski moved to approve the minutes of the January 31, 2017 Special Meeting.

Passed: Aye-7, Nay-0, Absent-2

Pension Committee Report -

Vice Chairman Grink reported on behalf of the Pension Committee. He stated that Peter Karapelou, the Authority’s Actuarial Consultant, was working on the report to determine the Minimum Municipal Obligation (MMO) for calendar years 2018 and 2019. He said the report is prepared every two years and it is due to be completed in 2017 to set the MMO for the upcoming two years. He said the actuary has been using an assumed 7 ½% rate of return since the inception of the plan and he is recommending lowering the assumption rate to 7% due to the lack of returns over the past several years and low interest rates in the current investment environment. He said the result could be a 10% to 15% increase to the MMO amount. Christopher Carsia noted that the actuary must be comfortable with achieving the assumed rate of return and it is the actuary’s decision to set a realistic benchmark. Gregory Olander stated that the pension contribution for this fiscal year was budgeted at \$220,000 instead of the \$179,500 MMO that was set two years ago because increases to the MMO were expected. Christopher stated that the Morgan Stanley Investment Advisor did not recommend an allocation change at this time with equities remaining at about 65% of the investment portfolio.

Director of Operations Report - MONTHLY FLOW REPORT

	<u>January 2017</u>		<u>Year to Date</u>		
			<u>Total</u>		<u>Average</u>
Total Flow	270,316,796	Gallons	270,319,796	Gallon	xxxxx
Total Flow Bypassed	1,337,742	Gallons	1,337,742	Gallon	xxxxx
Days Flow Bypassed	5	Days	5	Days	xxxxx
Total Flow Treated	268,979,054	Gallons	268,979,054	Gallon	xxxxx

Average Minimum	<u>6.0</u> MGD	xxxxx	xxxxx	<u>6.0</u> MGD
Average Maximum	<u>12.7</u> MGD	xxxxx	xxxxx	<u>12.7</u> MGD
Average Daily Flow	<u>8.7</u> MGD	xxxxx	xxxxx	<u>8.7</u> MGD

Christopher Carsia, the Director of Operations, reported on the wastewater flows for January 2017. He said the total volume of wastewater diverted from all point sources for the month was estimated to be 16.799 million gallons with approximately 1.338 million gallons of treated outflow diverted at the treatment plant. He said approximately 1.206 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 270.3 million gallons with about 269 million gallons fully treated. He also stated that the average daily flow to the treatment plant for the month was 8.7 MGD.

The Director of Operations then reported that the revenues for January 2017 were \$1,024,915.72 which is an increase of 11.2% from the prior year and bills issued for hauled waste received in January totaled \$120,055.70. He said Koch’s Turkey Farm began hauling loads to the plant for treatment again this month. He also stated that Entenmann’s Bakery waste will continue to be hauled to the plant, but at a reduced volume. He then reported that the Fats, Oils, and Grease (FOG) system was started-up last month and the first month of operation should yield about \$10,000 to \$15,000 in revenue. He said at this pace the payback for installing the system is less than 3 years. He also reported that waste hauler, Gotta Go Septics continues to make payments toward their past due balance, but recently the payments are lagging due to a truck accident they encountered last month. He reported that Liquid Motion is also making payments and they have a declining balance that is under 60 days past due. Beaver Valley Farms and a few other smaller customers have also been contacted concerning their balance.

The Director of Operations reported that a refund check of approximately \$4,000 was received from the Worker’s Compensation carrier following the recent payroll audit for calendar year 2016. He said the worker’s compensation insurance line item is now within budget for the current fiscal year. He also reported that the liquid fuels refund forms were filed with the state and federal government for the past year. He then reported that the annual Biosolids Report was filed electronically with the EPA using their new electronic reporting platform. Christopher also reported that Nick Sahd, an Environmental Scientist with Gannett Fleming, is working on the annual submissions of the Authority’s Chapter 94 Report, Industrial Pretreatment Report, and CSO Report. He said draft copies will be forwarded to the Authority for review prior to submission before the March 31, 2017 deadline. He then informed the Board that the Authority’s NPDES Permit is expected to be released from DEP in the next few months. He said the new permit will most likely contain specific requirements for the Authority to address CSO related issues in the collection and conveyance system.

The Director of Operations informed the Board that the first negotiations with the union were set for March 10, 2017. He asked the Negotiating Committee members to arrive about 9:30 to meet with Attorney Gartley before the 10:00 meeting with the union.

Andy Nowak reported that the Road Crew has been working on 5 CSO Outfalls in the vicinity of Gashouse Pump Station. He said two outfalls are behind the Animal Shelter, two are behind the Gashouse Pump Station and one is near the Norfolk Southern railyard. He said discharge from

the 5 outfalls eventually flows to coal lands toward Stockton where they seep into the ground. He said there has been debris buildup for several decades in these channels so in order to get the flows to continue in the channel, several feet of sediment needed to be removed. He said in addition to the work on the channels, about 120 feet of concrete pipe was replaced with plastic pipe and raised to grade. He noted that there is a few more weeks of work in that area to complete the project.

Andy then reported on investigative work being performed in the Button Bock drainage basin to locate sanitary laterals cross connected into the separate storm sewer system. He said fecal coliform tests were conducted in various areas of the storm sewer system and some of the results tested positive for fecal coliform bacteria. He said the storm sewers in the Heights would need to be televised to locate sanitary laterals that may be illegally connected. He said dye testing may also need to be performed.

Christopher Carsia then reported on the CSO Vortex Separator at the treatment plant. He said the system is not consistently meeting its performance standards after it has operated a few times. He said the reason is a large amount of grit that is being sent into the separator when the CSO gate opens during the high flow events. He said the Authority maintenance department staff fabricated a baffle and installed it in the first control chamber to direct grit into the grit removal system and prevent it from entering the CSO separator. He said following this modification, it should reduce most of the grit and debris from entering the separator.

Gregory Olander reported that the Authority received the final payment from Pennvest in the amount of \$1,680,000 for the 2008 WWTP Upgrade Project. He said money would be transferred out of the Authority's PNC Bank account in order to close that account. He said it would be transferred to one of the Authority's interest bearing accounts until it is needed to partially fund the Incinerator Project.

Sherrock & Boyarski 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-7, Nay-0, Absent-2

Engineer's Report – During the Work Session, Rachel Govelovich reported that the design work is continuing on the Plant Water System Upgrade, which replaces existing pumps with higher capacity pumps, adds automated control of the pumps through the SCADA system, and relocates the suction line to a location after the UV Disinfection system. She said a PA Small Water and Sewer System Program grant application was submitted for this project. She then informed the Board that the two LSA Grant applications were also submitted to DCED and they are currently under review. Rachel then reported that a response was provided to DEP concerning the NPDES Permit renewal.

Rachel reported that design work continues on the Incinerator Installation Project. She said the site layout and basement floor plan was being coordinated with Authority staff. She said detailed shop drawings were received from Suez and her firm spoke with contractors that have installed Suez equipment in the past to ensure the level of detail being provided by Suez is sufficient. Board Member Ammon asked how the specifications were discussed with contractors. Rachel responded that contractors were contacted who installed Suez incinerators in the past. She noted

that due to the specialized nature of the installation, the Authority will be pre-qualifying contractors to ensure they have the required experience installing incinerators.

Rachel then reported on the specifications for repairs to the Primary Pump Station expansion joint water leaks. She said after the failure of one of the primary sewage pumps, the level in the wet well was higher than normal and water from the wet well began leaking into the Primary Pump Station. She said temporary repairs were made by injecting the joint with an Aquafin product, but a more permanent repair should be made. The following repairs were considered in a presentation to the Board:

Repair 1 – Inject expansion joint and any large cracks

Repair 2 – Clean out the expansion joint to a depth of 5” to 6” and install a water-stop product into the gap that expands when wet. Insert backer rods and apply a sealant to the surface

Repair 3 – Address specific areas of the wall between the wet well and the pump station that are identified by sounding the wall for damage.

Repair 4 – Address specific areas of the clarifier walls inside the pump station that are identified by sounding the wall for damage

Repair 5 – Repair to pump station ceiling and hatch where rebar is exposed

Repair 6 – Coat entire wall between the wet well and the pump station with a thick coat of a waterproof mortar product.

Rachel stated that these repairs were discussed with staff and her structural people to determine the best course of action. She said Repairs 1 through 5 address actual concrete damage, but the more costly Repair 6 does not fix an actual leak or repair damage now. Board Member Ammon asked what the engineer’s estimate was for the repairs. Rachel responded that there was no engineer’s estimate provided, but budgetary quotes were received showing the repair between \$15,000 and \$60,000 depending on the options. She said the bid can be for application of Aquafin and Sika products or their equal. Attorney Ustynoski stated that the bid can be developed with the different level of repairs as options. Rachel said provided her firm is authorized by the Board, bid specifications would be prepared using estimated product quantities and warranties on the products and labor. She said the Authority should be able to advertise for a bid opening at their April Board Meeting.

Rachel then reported on the new GAC building needed to house incinerator air quality and ash handling equipment. She said the Board requested options for the construction of the building. She said the Structural Engineering division does not recommend constructing a metal building adjacent to the existing masonry control building because the two materials expand and contract at different rates. She also noted that a metal building of the size needed is not economical and the sides with large overhead doors would require special bracing, which would add to the cost of a metal building. Rachel then reviewed two different masonry options: single wythe and double wythe construction. She stated that moisture buildup on the inside of the building is a concern with the single wythe construction so the Architectural Engineering division is recommending the double wythe, which is the same construction as the existing control building. She said the costs of both options were broken down on a cost sheet that was presented to the Board and the difference between the two masonry options is about \$20,000.

Board Member Ammon asked why Pennvest was not looked at as an option to fund the Incinerator Project. He noted that the Hazleton City Authority (HCA) was recently awarded a

loan with a 1% interest rate over the 20 year term. Gregory Olander asked if the rate increased in years 6 through 20 and Mr. Ammon stated that the 1% rate remained constant over the entire 20 year term. Rachel stated that the project was started using grant funds that were received back in 2009 and Pennvest would need to be contacted to determine if the project would be eligible for funding since the project was already started and the Disadvantaged Business Enterprise (DBE) requirements were not met because they were not needed at that time. Board Member Ammon then asked how much was in savings accounts that will be applied to the project. Christopher Carsia responded that in addition to the money the Authority just received from Pennvest for the final payment, there is about another \$1 million for the project. Board Member Ammon then asked how much money the incinerator is expected to save the Authority. Christopher responded that the current landfill costs range from \$100,000 to \$120,000 per month and the incinerator is expected to reduce the disposal amount to about 10% of the current levels, or a reduction of 90%; however, there are additional costs to operate the incinerator, primarily fuel. Christopher then noted that the Authority incinerated its sludge from the plant's inception in the 1960's to about 1987. He said the recommendation to go back to incineration was made by the engineer who was the predecessor to Rachel and Brian Kauffman because it was the most cost effective alternative at that time. Board Member Ammon then asked Rachel if Gannett Fleming does many incinerators. She responded that they have done incinerator projects in other offices and the Baltimore office is heading the design for the Authority's incinerator installation. Board Member Ammon then asked what the total cost is expected to be to complete the entire project. Christopher stated that the total cost would be over \$15 million depending on the bid results for installation. Rachel stated that she would contact Pennvest to see if the installation project would meet the requirements for funding.

Andy Nowak reported on behalf of Robert Dougherty of RJD Engineering, Inc. who was unable to attend the meeting. He stated that 24 additional properties were inspected for roof drain removal and 24 of those inspected were disconnected during the month. He said the total number of properties inspected to date is 269 with 173 of those removed. He said 6 properties are vacant with no response and the Authority's crew will perform the removal. He said the roof drain removal project is nearly half completed.

Milot & Grink moved to accept the Engineer's report. Passed: Aye-7, Nay-0, Absent-2

Solicitor's Report – Attorney Ustynoski stated that that in addition to what was reported in executive session at the Work Session he had nothing additional to report.

Sherrock & Milot moved to accept the Solicitor's report. Passed: Aye-7, Nay-0, Absent-2

Christopher Carsia reported that the Morgan Stanley Investment Advisors recommended moving \$300,000 from cash to the Morgan Stanley Bond Managers and other cash equivalent accounts.

Boyarski & Sherrock moved to accept the Investment Consultant's Report as presented.

Roll Call: Ammon-absent, Boyarski-yes, Cuzzo-yes, Fayock-absent, George-yes, Grink-yes, Milot-yes, Sherrock-yes, Zola-yes

BILLS AND CREDITS

Cuozzo & Grink moved to approve payment of Gannett Fleming, Inc. invoices and requisitions from November 26, 2016 through December 30, 2016, totaling \$38,034.35 as listed in the following table:

<u>Requisition #</u>	<u>Invoice #</u>	<u>Description</u>	<u>Amount</u>
Operating Fund	051153.A*29481	Annual Service Work	\$ 772.87
Operating Fund	051153.B*29484	Attending Authority Meetings	\$ 577.66
Operating Fund	051153.D*29485	Pretreatment Program	\$ 2,904.21
Operating Fund	051153.T*29486	NPDES Permit Application	\$ 820.76
Operating Fund	051153.AG*29482	Financing & Grants	\$ 3,546.63
Operating Fund	051153.AI*29483	ODMS Program Update	\$ 522.92
Operating Fund	051153.O1*29480	Plant Water Service & SCADA	\$ 2,536.99
Operating Fund	048847.B*29478	PENNVEST Administration	\$ 920.19
Operating Fund	048847.CO*29479	Incinerator Design	\$ 25,432.12
Total			\$ 38,034.35

Roll Call: Ammon-absent, Boyarski-yes, Cuozzo-yes, Fayock-absent, George-yes, Grink-yes, Milot-yes, Sherrock-yes, Zola-yes

Sherrock & Boyarski moved to authorize payment from the Operating Fund in the amount of \$976,743.08 for Operating and Administrative Expenses (\$654,763.92); Construction in Progress (\$70,562.01); Equipment and/or Office Equipment (\$87,850.00); Pennvest Loan #27769 (\$158,666.52); Pennvest Loan #74119 (\$1,473.64); and Pennvest Loan #58103 (\$3,426.99) from the month of January 2017.

Roll Call: Ammon-absent, Boyarski-yes, Cuozzo-yes, Fayock-absent, George-yes, Grink-yes, Milot-yes, Sherrock-yes, Zola-yes

Cuozzo & Grink moved to approve issued credits totaling \$6,301.43 from month of January 2017.

Roll Call: Ammon-absent, Boyarski-yes, Cuozzo-yes, Fayock-absent, George-yes, Grink-yes, Milot-yes, Sherrock-yes, Zola-yes

NEW BUSINESS

Milot & Grink moved to close the PNC Bank - 2009 Construction Account following the transfer of \$1,777,793.38 from that account to the Authority’s INVEST General Fund. Following the closure of the PNC Bank – 2009 Construction Account, future automated PENNVEST payments for Loan #27769 shall be made from the FNB Pennvest Account.

On the Question: Board Member Cuozzo asked why this account was the “2009 Construction Account” when the project was the “2008 WWTP Upgrade Project”. Gregory Olander responded that the design for the project was completed in 2008, but the actual construction did not commence until November of 2009. He said a “bridge” load was needed to pay contractors until the reimbursement money was received from Pennvest, which could take 60 to 90 days. He said the loan closing took place in 2009 and the account was named accordingly by PNC Bank.

Roll Call: Ammon-absent, Boyarski-yes, Cuozzo-yes, Fayock-absent, George-yes, Grink-yes, Milot-yes, Sherrock-yes, Zola-yes

Zola & Cuozzo moved to authorize Gannett Fleming to prepare bid specifications for repairs to the Primary Pump Station as presented by Rachel Govelovich, P.E.

Roll Call: Ammon-absent, Boyarski-yes, Cuozzo-yes, Fayock-absent, George-yes, Grink-yes, Milot-yes, Sherrock-yes, Zola-yes

Sherrock & Zola moved to appoint Grace Cuozzo as Secretary to fill the vacancy formerly held by Patrick Fay.

Roll Call: Ammon-absent, Boyarski-yes, Cuozzo-yes, Fayock-absent, George-yes, Grink-yes, Milot-yes, Sherrock-yes, Zola-yes

APPOINTMENTS BY THE CHAIRMAN

Chairman George appointed Board Member Milot to the Building & Grounds Committee to fill the vacant seat formerly held by Patrick Fay.

Chairman George appointed Board Member Boyarski to the Hiring Committee to fill the vacant seat formerly held by Patrick Fay.

Chairman George appointed Board Member Sherrock to the Negotiations Committee as an alternate.

Milot & Grink moved to adjourn. Passed: Aye-7, Nay-0, Absent-2

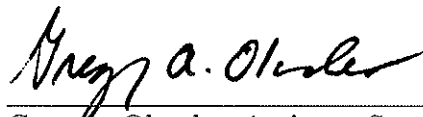
The meeting was adjourned at 7:55 PM

The next regularly scheduled Work Session will be Wednesday, March 22, 2017 at 7:00 PM.

The next regularly scheduled monthly meeting will be Monday, March 27, 2017 at 7:30 PM.

Respectfully submitted,

Greater Hazleton Joint Sewer Authority



Gregory Olander, Assistant Secretary