

The May 22, 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 – Present	Boyarski – Present	Cuozzo – Present
Fayock – Present	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	Robert Dougherty, P.E. – RJD Engineering
Robert Payne – Eastern Insurance Group	

\*In attendance during the Work Session

**PUBLIC COMMENT**

There was no public comment.

**Milot & Fayock** moved to approve the minutes of the April 24, 2017 Regular Monthly Meeting.  
 Passed: Aye-9, Nay-0, Absent-0

Robert Payne gave a review of the Authority’s existing property and liability insurance coverage through Traveler’s Insurance Company. He then presented an insurance proposal from Travelers and summarized the insurance package for the Board. He also recommended the Authority consider adding coverage for underground pipes, cyber liability insurance, and limited special expense coverage for key employees. He noted that the Authority has a deluxe property package. Board Member Ammon asked when the property and liability insurance expires. Mr. Payne responded that the coverage expires July 31, 2017 with the corresponding fiscal year. Mr. Payne exited the meeting following his presentation.

**Pension Committee Report -**

Vice Chairman Grink reported on behalf of the Pension Committee. He stated that the investment advisor reported good returns for the first four months of 2017. He said the pension investments are up 6.5% so far this year, which is a good turn around considering the lack of adequate returns over the past year. He noted that the investment allocation is currently 64.4% in equities, 17.3% in fixed income, 13.8% in alternatives, and 4.5% in cash. He said there was no change to the asset allocation recommended by the investment advisor at this time. He also noted that the new Morgan Stanley representative is doing well so far since he began managing the account.

**Sherrock & Milot** moved to accept the Pension Committee report.

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

**Director of Operations Report - MONTHLY FLOW REPORT**

	<u>April 2017</u>		<u>Year to Date</u>		
			<u>Total</u>		<u>Average</u>
<b>Total Flow</b>	<b>322,505,430</b>	<b>Gallons</b>	<b>1,170,057,929</b>	<b>Gallon</b>	<b>xxxxx</b>
<b>Total Flow Bypassed</b>	<b>19,721,020</b>	<b>Gallons</b>	<b>35,307,705</b>	<b>Gallon</b>	<b>xxxxx</b>

<b>Days Flow Bypassed</b>	<u>6</u>	<b>Days</b>	<u>20</u>	<b>Days</b>	xxxxx
<b>Total Flow Treated</b>	<u>303,433,410</u>	<b>Gallons</b>	<u>1,135,399,224</u>	<b>Gallon</b>	xxxxx
<b>Average Minimum</b>	<u>7.8</u>	<b>MGD</b>	xxxxxx	xxxxxx	<u>7.0</u> MGD
<b>Average Maximum</b>	<u>15.9</u>	<b>MGD</b>	xxxxxx	xxxxxx	<u>14.0</u> MGD
<b>Average Daily Flow</b>	<u>10.1</u>	<b>MGD</b>	xxxxxx	xxxxxx	<u>9.4</u> MGD

Christopher Carsia, the Director of Operations, reported on the wastewater flows for April 2017. He said the total volume of wastewater diverted from all point sources for the month was estimated to be 53.4 million gallons with approximately 19.721 million gallons of treated outflow diverted at the treatment plant. He said approximately 2.631 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 322.5 million gallons with about 303.4 million gallons fully treated. He also stated that the average daily flow to the treatment plant for the month remained high at 10.7 MGD. Christopher stated that electricity bills came in substantially higher due to pumping and treating the increase flows to the treatment plant. He said if the flows remain high into the summer, the electricity line item in the budget may be exceeded by about \$200,000. He said another concern with the high flows is that DEP may put more priority on implementation of the Corrective Action Plans that were previously submitted by the City of Hazleton and West Hazleton Borough, which are now the responsibility of the Authority. Board Member Zola asked how much of the flow was brought in by hauled waste trucks. Christopher responded that the hauled waste trucks accounted for about 4.5 million of the 332 million gallons of flow for the month, which represents about 1% of the total monthly flow.

The Director of Operations then reported that the revenues for April 2017 were \$1,117,101.19 which is an increase of 1.1% from the prior year and the bills for hauled waste received in April totaled \$166,723.81, which was an increase of 22.9% from the prior year. He stated that the Authority should exceed hauled waste revenue projections for this fiscal year by about \$100,000 if this pace continues.

The Director of Operations reported on the polymer contract that is set to expire at the end of the fiscal year. He said the Authority has continued purchasing the same product on a yearly extension for several years. Board Member Grink asked how much polymer is used annually. Christopher responded that the Authority purchases 2,300 gallon totes at a rate of 4 to 5 totes per month. Board Member Zola asked if more polymer is used due to the hauled waste coming in on the trucks. Christopher responded that more cationic polymer is used for dewatering this sludge; however, the amount charged for treating hauled waste sludge covers the extra cost of the polymer. Christopher then noted that the current supplier is SNF Polydyne, Inc., which is a French company who is also the manufacturer of the product. He said the Authority could put it out for bid again, but this product has no other known suppliers other than distributors of this manufacturer's product. He said due to the volume being used, the Authority has been getting good pricing compared to polymer cost in the past because it is purchasing directly from the manufacturer. Board Member Ammon asked how the product was being purchased without an extension clause in the contract when they submitted their original bid. He also asked if there are comparable polymer products on the market that would allow other vendors to submit bids. Christopher responded that he is not currently aware of any other vendors that provide this particular charge product other than resellers from the SNF Polydyne manufacturer. Board

Member Zola then asked what the polymer does in the treatment process. Christopher responded that the polymer is a charged particle that provides surface area for sludge particles to adhere to in the dewatering process, which aids in separating water from solids. He said a RFP would need to be put out to pre-qualify polymer products by jar testing to ensure each potential product is effective in the Authority's dewatering process. After this discussion, the Board agreed that the cationic polymer should be put out for RFP including pre-qualification through jar testing.

The Director of Operations then reported that he was contacted by the DEP representative preparing the Authority's new NPDES Permit. He said an email response was sent to the representative containing the Authority's most recent CSO Report, Industrial Pretreatment Program (IPP) Report, and Long Term Control Plan (LTCP). He said the LTCP is a plan over many years to reduce or remove inflow and infiltration (I/I) in the collection system and reduction of CSOs. He said Authority Management contacted Robert Dougherty of RJD Engineering to stress the importance of completing the Button Bock CSO Separation Project.

Gregory Olander reported that delinquent collections continue with water shutoff notices posted on delinquent properties for Section C customers last week and water shutoffs beginning for Section B customers this week. He said the delinquent notices will be mailed to property owners in Section A, the final section, in about 2 weeks and following a 10-day waiting period, properties that remain delinquent will be posted with a water termination notice to alert any tenants of the impending shut-off. He said collections have been very good so far this collection season. He informed the Board that jar testing has been ongoing for companies interested in bidding on the polyaluminum chloride (PAC) specification this year. He said due to the many different PAC products available on the market, each company must ensure their product falls within the specifications and is able to adequately reduce the phosphorus levels in the treatment plant. Gregory also informed the Board that he and members of the Authority operations and maintenance staff continue to answer questions posed by Gannett Fleming designers to provide the most up to date information for the Incinerator Installation Design.

Andy Nowak reported on several sink holes that were repaired by the Road Crew. He said a repair was made on Wyoming & Holly Streets in Hazleton City where a catch basin connects to a stone arch. He said the joint was loose and the repair was made with concrete and flowable fill. He said the asphalt paving still needs to be completed for the repair. He said another sinkhole was identified on Wyoming and Green Streets, but the repair has not yet been made to that area. He also stated that several manholes were raised lines flushed with the Vac Truck in Hazleton City. He said additional manholes must be uncovered in the heights section to allow for dye testing in that area to verify sanitary laterals illegally connected to the Stormwater lines.

**Boyarski & 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** – During the Work Session, Rachel Govelovich reported that an updated scope and budget was provided to DCED for Phase 1 of the Area 10 Project in Hazle Township. She said the budget provided totaled \$346,500, which includes a \$250,000 LSA grant. She also reported that there has been no response from DEP yet concerning the new NPDES Permit. Rachel then reported that the bid documents for the Primary Pump Station Concrete Repairs is

under review internally and will be available for contractors for the June 26, 2017 bid opening. She then reported that a draft bid specification was provided for chemicals purchase this year due to the changes made to the PAC product being specified. She said jar testing is continuing in order to finalize the specification for the June 26, 2017 bid opening.

Rachel reported that her firm is compiling discipline information for internal QAQC on the Incinerator Installation Project before submitting to Authority staff for review. She stated that the Authority staff already reviewed the Erosion & Sediment Control Permit application and it is being finalized for submission. Rachel then reported that the Part II Permit Application will be sent to Authority staff for their review prior to submission to DEP. She then reported that her firm continues to negotiate a change order with the Incinerator Equipment manufacturer, Suez Technologies, Inc.

Rachel then informed the Board that Suez submitted their next invoice in the payment schedule. She said the invoice is for \$858,881.00 and includes scheduled payment terms on the Incinerator Procurement contract and two small change orders previously discussed with the Board. She said a payment estimate would be prepared for signatures. Board Member Ammon asked Rachel about the terms of the contract and the payment. Rachel stated that this payment is for 25% of the Granulated Activated Carbon (GAC) portion of the contract that was due after equipment was received. She then stated that this equipment was approved by the Board on October 24, 2014 as Change Order #3 to the Incinerator Procurement Contract. Gregory Olander stated that Change Order #3 was for \$3.32 million and after this payment; the Authority would still owe Suez a balance of \$332,000. Board member Ammon asked if the equipment was received by the Authority. Gregory stated that the equipment was delivered and is stored onsite at the treatment plant.

Rachel then requested the Board approve a Special Meeting for June 7, 2017 with Gannett Fleming representatives to discuss issues relative to the Incinerator Project. She said Jeff Raffensperger and Nicholas Sahd from her office would also be in attendance.

**Chairman George** called a Special Meeting for 7:00 PM on June 7, 2017 for discussions with Gannett Fleming.

Rachel also reported that the Incinerator Installation Pre-Qualification Applications are due May 19, 2017. She said four (4) plan rooms and thirteen (13) contractors obtained application documents, of which three (3) contractors indicated they do not meet the qualifications or will bid other contracts. She noted that the pre-qualification requirement is only for the general contract.

Rachel then informed the Board that a planning consultation was set-up with Pennvest on June 1, 2017 concerning potential funding of the Incinerator Installation project. She said the schedule and Pennvest requirements would be discussed. She noted that Pennvest has a tool to compare a Pennvest funding offer to conventional loans. She said for projects in Luzerne County, the Pennvest rates are currently 1% for years 1 to 5 and 1.743% for the remainder of the 20 year loan. She said Pennvest comparison tool results were shown for an example bank loan of 3% for 20 years versus a Pennvest loan at the current county cap rates that were noted. She said interest savings on the loan usually outweigh the extra costs associated with applying for, settling, and administering the Pennvest loan through project closeout. She stated that some of the items not

eligible for funding through Pennvest include but are not limited to all costs associated with the Suez Contract, project change orders that are not approved by DEP, and any items that are sole-sourced. She said the Authority could consider interim financing in the form of a short-term loan or line of credit to pay contractors while waiting for reimbursement from Pennvest. Rachel also reported that the project may not be eligible for Pennvest funding because the procurement of equipment may not have followed provisions in the American Iron and Steel Act and Disadvantaged Business Enterprise (DBE) regulations. She said these items would be discussed with Pennvest and DEP at the planning consultation meeting. Rachel then compared the project schedule and how it would be impacted by different funding sources including Traditional Financing, Pennvest, and Pennvest with a Letter of No Prejudice/Pre-Closing Letter.

Robert Dougherty reported on the roof drain disconnections associated with the Button Bock CSO Separation Project. He referenced a handout that he provided to the Board, which summarizes properties either disconnected or provided notice. He said there were 71 additional properties disconnected and a total of 589 notices have been sent to property owners. He reported that there have been additional requests for dye testing by property owners to determine where the drains are connected. He said so far there have been 38 requests for dye testing. He then reported that he would prepare notices to property owners regarding the vacant properties. He said the notice would be sent to the Solicitor for his review before being sent to the property owners. He said the notices would be sent via US Postage return receipt requested.

**Milot & Fayock** moved to accept the Engineer's report. Passed: Aye-9, Nay-0, Absent-0

**Solicitor's Report** – Attorney Ustynoski reported that a motion was on the agenda for appointing a Privacy Officer for HIPPA regulations and a Security Officer for protecting electronic Protected Health Information (ePHI). He said this is now a requirement because the Authority has a self-funded health insurance policy.

Attorney Ustynoski then reported that he made contact with the Solicitor for the Luzerne County Sheriff's Department concerning the distributions from Sheriff's Sales. He said Authority has an In-Rem municipal lien position as of the date of its billing, however, the Sheriff's Department will only add the amounts due for properties that have liens filed at the courthouse. He said that he would be following up on this issue.

Attorney Ustynoski requested the Board move to executive session to discuss a legal issue.

**Boyarski & Sherrock** moved to enter executive session to discuss a legal issue. Passed: Aye-9, Nay-0, Absent-0

After the Board moved out of executive session, Attorney Ustynoski then asked the Board if they wanted to fast track the property and casualty insurance with the existing carrier. Board Member Ammon stated that he just went through this process with Hazleton City Authority (HCA) and they issued a Request for Proposals (RFP) and received four submissions this year. Attorney Ustynoski noted that it has been several years since the insurance has been put out for RFP, but the underwriter has solicited quotes from other insurance companies over the years. Board Member Zola stated that the Board would not be doing its due diligence if quotes are not received from other companies as long as the coverage is the same as the coverage offered by

Travelers. The Board then agreed to put out an open RFP for property and casualty insurance for the Authority’s fiscal year 2017-2018.

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

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

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

**BILLS AND CREDITS**

**Cuzzo & Ammon** moved to approve payment of Gannett Fleming, Inc. invoices and requisitions from March 4, 2017 through March 31, 2017, totaling \$97,377.23 as listed in the following table:

<u>Requisition #</u>	<u>Invoice #</u>	<u>Description</u>	<u>Amount</u>
Operating Fund	051153.A*33533	Annual Service Work	\$ 6,613.95
Operating Fund	051153.B*33535	Attending Authority Meetings	\$ 619.31
Operating Fund	051153.C*33536	Chapter 94 Report	\$ 2,895.68
Operating Fund	051153.D*33537	Pretreatment Program	\$ 441.95
Operating Fund	051153.E*33538	CSO Work	\$ 2,199.67
Operating Fund	051153.AG*33534	Financing & Grants	\$ 1,625.66
Operating Fund	051153.01*33532	Plant Water Service Upgrade	\$ 2,348.66
Operating Fund	048847.CO*33531	Incinerator Design	\$ 80,632.35
Total			\$ 97,377.23

On the question: Board Member Cuzzo asked how much money was remaining on the Incinerator design. Board Member Ammon stated that if the Board was contractually obligated to make the incinerator portion of the payment. Attorney Ustynoski requested the Board move to executive session to discuss a potential legal issue.

**Grink & Sherrock** moved to enter executive session to discuss a legal issue. Passed: Aye-9, Nay-0, Absent-0

After the Board moved out of executive session **Cuzzo & Ammon** moved to amend the motion to pay all listed Gannett Fleming invoices except Invoice 048847.CO\*33531 in the amount of \$80,632.35.

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

**Fayock & Ammon** moved to authorize payment from the Operating Fund in the amount of \$876,106.71 for Operating and Administrative Expenses (\$637,429.48); Construction in Progress (\$76,172.46); Pennvest Loan #27769 (\$157,604.14); Pennvest Loan #74119 (\$1,473.64); and Pennvest Loan #58103 (\$3,426.99) from the month of April 2017.

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

**Boyarski & Fayock** moved to approve issued credits totaling \$2,083.97 from month of April 2017.

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

**NEW BUSINESS**


**Ammon & Grink** moved to appoint Christopher Carsia as the Privacy Officer for HIPPA compliance and Security Officer for electronic Protected Health Information (ePHI) relative to the self-funded insurance plan through Benecon.

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

**Milot & Zola** moved to adjourn. Passed: Aye-9, Nay-0, Absent-0  
The meeting was adjourned at 8:48 PM

The next regularly scheduled Work Session will be Wednesday, June 21, 2017 at 7:00 PM.  
The next regularly scheduled monthly meeting will be Monday, June 26, 2017 at 7:30 PM.

Respectfully submitted,  
**Greater Hazleton Joint Sewer Authority**

  
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Gregory Olander, Assistant Secretary