

responded that the bidders are purchasing the fuel directly from one of three wholesale depots in Northeast Pennsylvania, which provide daily rack pricing. He stated that the bid is for their mark-up to deliver the fuel to the jobsites. Andy Nowak then responded that when a delivery is received, he checks the daily rack price on the delivery date for verification prior to approving the invoice.

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

**OPENING OF BIDS FOR EMULSION POLYMER**

BIDDERS NAME	TOTAL
Kemira Water Solutions, Inc. Lawrence, KS	NO BID
SNF Polydyne, Inc. Riceboro, GA	\$1.01 per lb at 8.5 lbs/gallon

**Sherrock & Fayock** moved to award the bid for Cationic Emulsion Polymer for Fiscal Year 2017-2018 to the apparent low bidder, SNF Polydyne, Inc. for the bid price of \$1.01 per pound pending review of the bid package by the Solicitor and Engineer.

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

**OPENING OF BIDS FOR WASTEWATER CHEMICALS**

BIDDERS NAME	SODIUM HYPOCHLORITE	MAGNESIUM HYDROXIDE	POLYALUMINUM CHLORIDE	METHANOL	METHANOL ALTERNATIVE
Brenntag Northeast Reading, PA	NO BID	NO BID	NO BID	Fixed Adder +\$0.10/gal	NO BID
Buckman's, Inc. Pottstown, PA	\$1.40/gal	NO BID	NO BID	NO BID	NO BID
Coyne Chemical Croydon, PA	NO BID	NO BID	NO BID	\$1.46/gal	Fixed Adder +\$0.1289/gal \$1.4289 ceiling
Holland Company, Inc. Adams, MA	NO BID	NO BID	\$1.365/gal \$1.226/lb Al2O3 Epic 58	NO BID	NO BID
Gulbrandsen Technologies Clinton, NJ	NO BID	NO BID	\$0.9644/gal \$0.895/lb Al2O3 GC 2070	NO BID	NO BID
Kemira Water Solutions Lawrence, KS	NO BID	NO BID	\$1.3278/gal \$1.299/lb Al2O3 PAX-XL6	NO BID	NO BID

Kuehne Chemical Co. Kearney, NY	\$1.65/gal	NO BID	NO BID	NO BID	NO BID
Main Pool & Chemical Dupont, PA	\$1.04/gal	NO BID	NO BID	NO BID	NO BID
Martin Marietta Magnesia Specialties Baltimore, MD	NO BID	\$585.00/Dry Ton	NO BID	NO BID	NO BID
Univar USA, Inc. Middletown, PA	\$1.69/gal	NO BID	NO BID	Fixed Adder +\$0.093/gal	NO BID
USALCO Baltimore, MD	NO BID	NO BID	\$1.381/gal \$0.91/lb Al2O3 DELPAC 1525	NO BID	NO BID

**Sherrock & Grink** moved to table the Wastewater Chemicals bids for Fiscal Year 2017-2018 pending review by Management, Solicitor, and Engineer.

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

**OPENING OF BIDS FOR PRIMARY PUMP STATION CONCRETE REPAIRS**

BIDDERS NAME	BASE BID AMOUNT	ALTERNATE A (5-YEAR WARRANTY)
Bill Anskis Company Elysburg, PA	\$78,280.00	\$13,600.00
FABCOR, Inc. Jessup, PA	\$41,057.00	\$4,200.00
Jones Masonry Restoration, Corp Harrisburg, PA	\$58,500.00	\$5,000.00
Mar-Allen Concrete Ephrata, PA	\$23,110.00	\$10,317.00
Multi Scape, Inc. Pittston, PA	\$34,550.00	\$8,637.00

**Boyarski & Sherrock** moved to table the Primary Pump Station Concrete Repair Project bid for review by Management, Solicitor, and Engineer.

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

## Director of Operations Report - MONTHLY FLOW REPORT

	<u>May 2017</u>		<u>Year to Date</u>		
			<u>Total</u>		<u>Average</u>
Total Flow	<u>275,546,438</u>	Gallons	<u>1,445,604,367</u>	Gallon	xxxxx
Total Flow Bypassed	<u>7,879,157</u>	Gallons	<u>43,186,862</u>	Gallon	xxxxx
Days Flow Bypassed	<u>4</u>	Days	<u>24</u>	Days	xxxxx
Total Flow Treated	<u>267,667,281</u>	Gallons	<u>1,403,066,505</u>	Gallon	xxxxx
Average Minimum	<u>6.1</u>	MGD	xxxxx	xxxxx	<u>6.8</u> MGD
Average Maximum	<u>14.7</u>	MGD	xxxxx	xxxxx	<u>14.1</u> MGD
Average Daily Flow	<u>8.6</u>	MGD	xxxxx	xxxxx	<u>9.3</u> MGD

Christopher Carsia, the Director of Operations, reported on the wastewater flows for May 2017. He said the total volume of wastewater diverted from all point sources for the month was estimated to be 61.868 million gallons with approximately 7.879 million gallons of treated outflow diverted at the treatment plant. He said approximately 4.211 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 275.5 million gallons with about 267.7 million gallons fully treated. He also stated that the average daily flow to the treatment plant for the month decreased from the prior month to 8.6 MGD. Board Member Cuozzo asked if there was an outlet for stormwater on Green Street in West Hazleton because she was at the intersection of Autumn and Winters Avenue during a heavy rainstorm and there was several inches of water in the street. Andy Nowak responded that there are no storm drains in that area, but he would mention it to Hazle Township to see if anything can be done to alleviate the water accumulation. Christopher then reported that the treatment at the plant is very good and is well within compliance for conventional pollutants and nutrients. He then noted that the heavy rains did not adversely affect the level of treatment at the plant.

The Director of Operations then reported that the revenues for May 2017 were \$1,260,968.34 which is an increase of 11.8% from the prior year and the bills for hauled waste received in May totaled \$166,050.22, which was an increase of 36.6% from the prior year. He noted that the revenue generated from the new FOG receiving station was over \$20,000 for the month. Board Member Ammon asked if the operating revenues listed include the hauled waste revenue amounts. Christopher confirmed that the hauled waste revenue is contained in the overall operating revenues. He then stated that the surcharge revenues and strong delinquent collections are helping to boost the overall operating revenues for the fiscal year.

The Director of Operations reported that a planning consultation meeting was held with PENNVEST and DEP to discuss the potential for funding the Incinerator Installation Project through PENNVEST. He said one of the stipulations needed to move forward with a PENNVEST application is to either close out the 6<sup>th</sup> & Ridge CSO Separation Project or pay off the remaining balance of the PENNVEST loan from that project. Gregory Olander noted that the remaining balance due on the loan at July 1, 2017 is \$126,085.41, which is on the agenda for the Board's consideration. Board Member Ammon asked why the project cannot just be closed out. Christopher responded that the system is hydraulically overloaded during very heavy storms and some separation work needs to be done in West Hazleton Borough to remove stormwater flow

upstream of the system. He said there is no quick fix to the problem, but it will be addressed as part of the Corrective Action Plan (CAP). Christopher then noted that the money to pay off the loan is available due to the surplus hauled waste revenues this fiscal year. Christopher Carsia and Gregory Olander recommended paying off the PENNVEST loan balance due to the surplus revenues generated by the hauled waste program.

The Director of Operations reminded the Board that a Special Meeting was called for 7:00 PM on July 12, 2017 by Chairman George. He said the purpose of the meeting is for the Authority's Chief Operator, Gene Zynel, and Consulting Engineer, Ron Jager, to brief the Board on the information that was gathered at the Incinerator Networking Event they recently attended in Cleveland, Ohio. He said Gene Zynel made contact with operators of the incinerator at Mattabassett Sewer District in Connecticut and there is an open invitation to any Board Members who may be interested in seeing a SUEZ fluidized incinerator firsthand. He also noted that the quotes for property and casualty insurance will also be opened at the July 12<sup>th</sup> Special Meeting.

The Director of Operations then reported that draft versions of the union contracts were received from Attorney Gartley's office. He said the contracts were reviewed by Mr. Olander and himself and they were returned to Attorney Gartley's office. He noted that the union representatives still need to review the contracts prior to the final version being available for release.

The Director of Operations notified the Board that there has been an employee on Short Term Disability (STD) for several months and another on Worker's Compensation for several weeks. He said the staffing in operations has become strained during this vacation season and a few of the employees no longer want to take additional overtime to fill in the vacant shifts. He said there may be a need to bring in a temporary employee to fill shifts. Board Member Ammon asked if the plant will have adequate staffing when the incinerator goes online. Christopher responded that the staffing for the incinerator was already negotiated with the union when a second employee was added to cover swing shifts during the departmental restructuring following the 2008 WWTP Upgrade with the understanding that the two operators on shift would be able to cover all aspects of the plant, including incineration. He said the centrifuge will replace the rotary presses for dewatering and the dumpsters will no longer need to be moved regularly, which should allow the operator on that side of the plant the additional time needed to monitor the incinerator. Gregory Olander informed the Board that he was approached by representatives of Cape May County in New Jersey concerning purchase of the Authority's six channel rotary press that will be removed and replaced by the centrifuge. He said the press is about 10 years old and will require approximately \$150,000 or more in repairs to fully rehab the unit. He said the representatives will be coming to see the unit on June 29, 2017 and he will keep the Board informed of any additional discussions.

The Director of Operation then reported that a sinkhole developed on the west side of the intersection at Berner Avenue and Poplar Street in Hazleton City. He said it is an emergency situation due to a sanitary sewer line break that the Road Crew is currently repairing.

Gregory Olander stated that he checked with Christopher Gibbons of Concord Financial, the financial advisor that has been working with the Authority on the upcoming borrowing, to get an update of interest rates since the last discussions earlier in the year. He said Mr. Gibbons noted a bank loan he recently completed with an interest rate of 2.49% fixed for 11 years. He also said

there was a recent bond issue for another Authority with a 3.29% interest rate for a 30 year term. Gregory stated that he inquired as to the estimated debt service the Authority could expect on a \$7 million borrowing at the expected rate and the blended debt service amount was approximately \$474,000 per year. Gregory noted that the debt service through Pennvest given a 1% interest rate is about \$83,000 less per year. Board Member Ammon asked if Bond Counsel was notified of the upcoming borrowing. Attorney Ustynoski responded that the Authority's Bond Counsel, Eckert Seamans, is aware of the borrowing and continues to receive periodic updates. Board Member Ammon then asked who performed the second engineering review of design specifications for the 2008 WWTP Upgrade Project and how much they charged the Authority. Christopher responded that the second review was done by Alfred Benesch and Company for a total cost of \$30,000.

Gregory Olander then reported that delinquent collections continue with water shutoff notices posted on delinquent properties for Section A customers, which completes the posting for the three sections for this year. He said water shutoffs for Section C are taking place now and overall collections have been good for the year with collections at over 99% through the end of May 2017. He said with continued strong collections in June and July, he expects greater than 100% collections for this fiscal year. He attributed the increased collections percentage to the work by the office staff and shutoff crew and the decision by the Hazleton City Authority (HCA) to install remote shutoff meters on properties with shared water service lines.

The Director of Operations then reported on a plant water line break that was repaired at the treatment plant. He said it was a high volume leak that was located using dye and it eventually made its way to two underground chambers through old excavation trenches along an electrical duct bank and a 24-inch sewer line. He said DEP was notified of the situation and corresponding repair and he followed up with an email to DEP representatives, which met the 5-day written notice requirement.

The Director of Operations also informed the Board that he received an email from the DEP representative writing the Authority's new NPDES Permit. He noted that the email contained several CSO and nutrient removal questions. He said responses to his questions will be formulated with the assistance of Gannett Fleming and they will be sent to DEP.

**Fayock & 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-6, Nay-0, Absent-3

**Engineer's Report** – During the Work Session, 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 to disconnect. He said there were 64 additional properties disconnected and a total of 649 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 after the disconnection is completed, expanding foam is injected into the pipe in the ground to prevent reconnection or water from entering the pipe. Board Member Cuozzo asked when the project will be completed. Robert responded that the roof drain removal is expected to be completed by the end of the summer. Board Member Fayock asked what progress

was being made on the sanitary cross connection removal from stormwater lines in the Heights section of Hazleton. Robert responded that the questionable connections are currently being tested for fecal coliform and then dye tested to confirm the connection points. Andy Nowak stated that removal of these cross connections will not be easy to correct because the storm line will need to be excavated for removal of the lateral and then the sanitary will also need to be excavated to allow for proper reconnection. Board Member Ammon stated that there is insurance available to the homeowner that would protect the homeowner in case of a problem with their lateral. He said these companies are looking for endorsement from municipalities to sign people up for their service, which can also be an additional revenue source for the Authority.

Andy Nowak reported that flow monitoring has begun in the Greenridge Area to better identify flows to the Autumn and Ridge CSO Separator. Robert Dougherty also noted that pipes in the drainage basin flowing to the separator are being mapped. Andy said the Road Crew continues to concentrate on raising manholes, flushing lines, and televising in areas that are slated for paving in Hazleton City. He said 14 manholes were identified on Alter Street that should be addressed before the paving along with 4 to 5 spot repairs in that area. He said a manhole needs to be installed on Laurel Street between Fern and Spring Streets to allow an access point for flushing and televising on a long pipe run. Andy also noted that a smaller section of Area 10 was identified for a phase of the project under the LSA Grant that was recently awarded. He said this phase of the project is located on the west side of Church Street from 17<sup>th</sup> Street to 22<sup>nd</sup> Street.

Rachel Govelovich reported that an updated scope and budget was provided to DCED for Phase 1 of the Area 10 Project in Hazle Township; however, the Grant Agreement has not yet been received from DCED. She said the budget provided totaled \$346,500, which includes a \$250,000 LSA grant. She also reported that DEP sent a list of questions pertaining to the new NPDES Permit, which will be answered with the input from the Authority staff. Rachel then reported that 90% completion bid specifications for the Incinerator Installation Project have been given to staff for review and comment. She said the Erosion and Sedimentation Application was submitted to the Luzerne County Conservation District on June 12, 2017 and the Water Quality Management Part II Permit was submitted to DEP on June 21, 2017. Rachel reported that the SUEZ open change order continues to be negotiated by Gannett Fleming. She then reported that Payment Estimate #12 of the Incinerator Procurement Contract in the amount of \$830,000 is on the agenda for the Board's consideration. She said the documents have been signed by SUEZ and Gannett Fleming and are ready for Board approval.

Rachel reported that the second round of Pre-Qualification bid packages for the Incinerator Installation Project were due today and three additional companies have submitted qualification for review. She said the packages contain organizational structure, safety plans, management plans, and examples of programs in place to ensure the company's ability to perform the installation satisfactorily. Board Member Ammon asked how many incinerators were recently installed by SUEZ and when the last incinerator installation was designed by Gannett Fleming. Rachel noted that there are not many incinerator installations in Pennsylvania, but she would look into getting the information. Rachel stated that incineration is a unique fit for facilities that generate a lot of sludge, like GHJSA, but don't have adequate area for sludge storage or drying. She said the new air quality regulations also prevented facilities from incinerating as a viable option. Christopher Carsia stated that Wyoming Valley Sanitary Authority (WVSA) is looking into extending the life of their incinerator. He said they had a multiple hearth furnace, but now

they have a fluidized bed incinerator and they were also required to upgrade their air quality equipment to meet the new regulations, including a GAC for mercury removal. Rachel then stated that Scott Novatnak of DEP has requested a cost effectiveness analysis to be provided before the Part II Permit will be approved by DEP for the installation and PENNVEST funding to proceed. She stated that it is not possible to meet the state regulations continuing to send un-stabilized sludge to landfill so the choices in the original cost effectiveness analysis were post lime stabilization, digestion, or incineration as presented during the June 7, 2017 Special Meeting. She said the goal is to get the get the incinerator running to realize the operational benefits and to move away from producing un-stabilized sludge.

Rachel said a planning consultation was held on June 7, 2017 at the DEP offices in Wilkes-Barre to discuss the possibility of PENNVEST financing to fund the Incinerator Installation Project. She stated that an email was received from DEP on June 23, 2017 to notify the Authority that the project does not meet the American Iron and Steel requirements and; therefore, is not eligible for federal funds through PENNVEST. She said this determination came directly from EPA Central Office in Washington, DC. She said the only PENNVEST option is state funds now, which will not require a few components that would have been required if applying for federal funds. She said the DBE requirements, AIS requirements, and UER requirements are no longer needed, but the Authority will now be competing against other projects for the more competitive use of state funds. Rachel said the earliest PENNVEST application date that can be met is the November 2017 meeting due to DEP review of the project. She said there is also a chance the project will be pushed to the February 2018 meeting if DEP cannot complete their review in time for the November meeting. She said that she wants the Board to understand that the project is ready to bid for conventional financing at the end of this month, but applying for funding through PENNVEST will delay the bid opening. Board Member Ammon asked the members of the Board if anyone was opposed to applying to PENNVEST for this project. There was no response. Board Member Ammon then stated that if the Board is not ready to vote on this now, one month won't delay the project since we can't bid now assuming the Authority is applying for PENNVEST funding. Rachel stated that she would assume the Board will be moving forward with PENNVEST funding for the time being and advertising the bid opening will be put on hold for now. Rachel then noted that the early planning for PENNVEST financing has been absorbed as a budget item, but going forward the Board would need to authorize Gannett Fleming to do the PENNVEST work. Rachel said the budget amounts used in the presentation were conservatively high to allow for contingencies since the Authority would not be able to return to PENNVEST to ask for additional money. Board Member Sherrock stated that Gannett Fleming management should know that this project has taken such a long time to get moving. Rachel responded that the Gannett Fleming management is aware of the status. Rachel stated again for the record that bidding of the project will be delayed due to the pursuit of PENNVEST financing. She said that Gannett Fleming would keep moving on the cost effectiveness analysis needed for the Part II Permit Application approval.

**Sherrock & Boyarski** moved to accept the Engineer's report. Passed: Aye-6, Nay-0, Absent-3

**Solicitor's Report** – Attorney Ustynoski stated that other than the information that was reported in executive session during the Work Session, he had nothing additional to report.

**Sherrock & Boyarski** moved to accept the Solicitor's report. Passed: Aye-6, Nay-0, Absent-3

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

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

### **BILLS AND CREDITS**

**Fayock & Sherrock** moved to approve payment of Gannett Fleming, Inc. invoices and requisitions from April 1, 2017 through April 28, 2017, totaling \$121,786.60 as listed in the following table:

<u>Requisition #</u>	<u>Invoice #</u>	<u>Description</u>	<u>Amount</u>
Operating Fund	051153.A*36165	Annual Service Work	\$ 3,184.68
Operating Fund	051153.B*36167	Attending Authority Meetings	\$ 582.01
Operating Fund	051153.C*36168	Chapter 94 Report	\$ 142.03
Operating Fund	051153.D*36169	Pretreatment Program	\$ 1,236.91
Operating Fund	051153.E*36170	CSO Work	\$ 106.28
Operating Fund	051153.AG*36166	Financing & Grants	\$ 2,650.24
Operating Fund	051153.01*36164	Plant Water Service Upgrade	\$ 2,660.67
Operating Fund	048847.CO*36163	Incinerator Design	\$ 111,223.78
Total			\$ 121,786.60

Roll Call: Ammon-yes to all except Incinerator Design, Boyarski-yes, Cuozzo-yes to all except Incinerator Design, Fayock-yes, George-absent, Grink-yes, Milot-absent, Sherrock-yes, Zola-absent

**Fayock & Grink** moved to pay Requisition #C175 payable to Suez Treatment Solutions, Inc., totaling \$830,000.00, for Invoice #900055274, Payment Estimate #12 for the Fluidized Bed Incinerator Procurement as recommended by the engineer. The original purchase price was \$8,133,874.00, add for Change Orders #1 thru #5 (\$3,798,881.00) for a Total Project Cost of \$11,932,755.00. The total of payments made to date including this payment is \$11,571,874.00, which leaves a balance of \$360,881.00.

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

**Fayock & Ammon** moved to authorize payment from the Operating Fund in the amount of \$1,059,031.84 for Operating and Administrative Expenses (\$533,471.31); Construction in Progress (\$10,234.00); Debt Service - Series 2012-A Bond (\$165,250.00); Debt Service - Series 2012-B Bond (\$172,500.00); Pennvest Loan #27769 (\$172,675.90); Pennvest Loan #74119 (\$1,473.64); and Pennvest Loan #58103 (\$3,426.99) from the month of May 2017.

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

**Ammon & Fayock** moved to approve issued credits totaling \$2,647.69 from month of May 2017.

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



**NEW BUSINESS**

**Boyarski & Fayock** moved to pay the remaining balance on Pennvest Loan #74119 as requested by Pennvest and reported by Rachel Govelovich and Authority Management during the June 7, 2017 Special Meeting. The remaining loan balance on July 1, 2017 will be \$126,085.41.

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

**Sherrock & Ammon** moved to adopt Resolution 005 of 2017 amending the existing 457(b) Pension Plan (Plan), retaining the Trustee for the Plan, and Authorizing the Board of Directors to execute documents relative to the Plan.

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

Board Member Fayock asked that the Board consider changing the meeting times to something earlier than 7:00 for Work Sessions and 7:30 for regular meetings. After some discussion by the Board Members who were present, the Director of Operations was asked to poll the Board so the issue could be brought up at the next meeting for the Board to consider changing its By-Laws by motion of the Board to allow for Work Sessions, Regular Meetings, and Special Meetings to begin at 6:30 PM.

**Boyarski & Ammon** moved to adjourn. Passed: Aye-6, Nay-0, Absent-3

The meeting was adjourned at 9:48 PM

The next regularly scheduled Work Session will be Wednesday, July 19, 2017 at 7:00 PM.

The next regularly scheduled monthly meeting will be Monday, July 24, 2017 at 7:30 PM.

Respectfully submitted,

**Greater Hazleton Joint Sewer Authority**



Gregory Olander, Assistant Secretary