

The July 24, 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 – Absent	Sherrock – Present	Zola - Absent

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

\*In attendance during the Work Session

## **PUBLIC COMMENT**

There was no public comment.

**Ammon & Grink** moved to approve the minutes of the June 7, 2017 Special Meeting.

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

**Grink & Ammon** moved to approve the minutes of the June 26, 2017 Regular Monthly Meeting.

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

The Operations Manager, Gregory Olander, presented the final revenues and expenses in a summary document for Fiscal Year 2016-2017. He reported that the overall expenses for the fiscal year were under the budgeted amount for both the Treatment Plant and the Collection System Division by a total of approximately \$91,500. He then reported that revenues are expected to exceed projections by about \$667,500 due to increased flows from industrial and commercial metered customers, increased revenue from the new high strength wastewater surcharge program, better than expected hauled waste revenues, and good customer collections again this year. He also noted that \$1,090,054 in construction in progress for capital projects was paid from the Operating Fund this fiscal year. He informed the Board that PENNVEST Loan #74119 was paid off in July 2017, which accounts for the increased debt service payments for the year in the amount of \$121,085. Gregory then summarized the revenues and expenses of the Collection System Division. He said \$1,886,414 was billed to be collected this fiscal year. He reported that following the expenses, capital purchases, debt service, repayment to the treatment plant, and payment toward capital projects, the Collection System Division realized a gain of \$109,219 for the fiscal year. He then recommended transferring that amount from the Operating Fund to the Collection System Reserve. He also noted that the Collection System Division's share of Administrative Expenses was \$211,886 for fiscal year 2016-2017, which was reflected in the Collection System Budget summary sheet. Board Member Ammon asked why this cost sharing of Administrative Expenses was necessary since all expenses are for this Authority. Christopher Carsia responded that the residents of Hazle Township already pay a separate transmission fee to the Municipal Authority of Hazle Township, so they only pay treatment fees to this Authority. Gregory noted that the Collection System Division revenues and the workforce are 25% of the Authority's total. He said if the Administrative Expenses are not shared proportionally, Hazle Township residents would be paying toward costs to maintain the collection systems in Hazleton City and West Hazleton Borough.

Gregory then presented the budget for Fiscal Year August 1, 2017 through July 31, 2018. He said the overall Treatment Plant budget in the amount of \$10,005,100 is an increase of \$167,400 from last year. He said there are differences in various line items, most notably decreases to Cationic Polymer (-\$50,000) and increases to Payroll (+86,500), Maintenance and Repairs (+\$65,000), Biosolids Removal & Disposal (+\$40,000), Group Insurance (+\$84,000), and increased debt service payments for PENNVEST Loan #27769 (+\$122,200). He noted that treatment plant revenues are projected to be \$9,850,000 for the fiscal year. Board Member Ammon asked if the \$223,000 pension line item contains the increases from the recently approved Collective Bargaining Agreement (CBA). Gregory responded that the \$223,000 does contain those increases as provided by the Authority’s Actuarial Consultant. Board Member Ammon also asked about the Legal Expense line item for the fiscal year. Gregory noted that the Legal Expense was decreased by \$10,000 because the costs associated with special counsel are expected to decrease because the Authority will not be negotiating a contract with the unions this year. He said the Solicitor and lien fee portions of that line item are expected to remain unchanged. Board Member Cuozzo asked what the interest rate increased to for PENNVEST Loan #27769. Gregory responded that in May 2017, the interest rate increased from 1.274% to about 2.5% for the remainder of the term of the loan.

Gregory then reported that the overall Collection System Budget in the amount of \$1,848,200 includes Expenses & Debt Service (\$1,413,200), Capital Purchases (\$60,000), and Capital Projects (\$375,000). He said projected customer revenues of \$1,850,000 are expected to fund the Collection System Division for the fiscal year. Board Member Grink asked for clarification of the \$60,000 capital purchase. Gregory responded that the capital purchase was for a new Bobcat loader to be purchased this fiscal year. Board Member Grink asked if the old loader would be traded in or sold. Andy Nowak responded that the trade-in value would be checked and if it was not satisfactory, the loader can be put up for sale at an auction.

Gregory also reviewed 5-year financial projections with the Board, which include estimates for capital projects over that timeframe. He said once the bids are received for the incinerator installation, the projections can be updated to more accurately reflect the expected financial position of the Authority five (5) years into the future. He noted that the projections were merely a tool for Board Member’s use going forward.

**Cuozzo & Grink** moved approve the Fiscal Year August 1, 2017 to July 31, 2018 Operating Budget for the Treatment Plant and Collection System Division as presented by Authority Management.

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

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

	<u>June 2017</u>		<u>Year to Date</u>		
			<u>Total</u>	<u>Average</u>	
Total Flow	244,745,262	Gallons	1,690,349,629	Gallon	xxxxx
Total Flow Bypassed	4,417,986	Gallons	47,604,848	Gallon	xxxxx
Days Flow Bypassed	4	Days	28	Days	xxxxx

<b>Total Flow Treated</b>	<b>240,327,276</b>	<b>Gallons</b>	<b>1,643,393,781</b>	<b>Gallon</b>	<b>xxxxx</b>
<b>Average Minimum</b>	<b>5.7</b>	<b>MGD</b>	<b>xxxxxx</b>	<b>xxxxxx</b>	<b>6.6 MGD</b>
<b>Average Maximum</b>	<b>14.2</b>	<b>MGD</b>	<b>xxxxxx</b>	<b>xxxxxx</b>	<b>14.1 MGD</b>
<b>Average Daily Flow</b>	<b>8.6</b>	<b>MGD</b>	<b>xxxxxx</b>	<b>xxxxxx</b>	<b>9.1 MGD</b>

Christopher Carsia, the Director of Operations, reported on the wastewater flows for June 2017. He said the total volume of wastewater diverted from all point sources for the month was estimated to be 38.792 million gallons with approximately 4.418 million gallons of treated outflow diverted at the treatment plant. He said approximately 2.681 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 244.7 million gallons with about 240.3 million gallons fully treated. He also stated that the average daily flow to the treatment plant for the month remained constant at 8.6 MGD. Christopher then reported that the treatment plant continues to operate very well and is within compliance for conventional and nutrient pollutants. He stated that the DEP representative working on the new NPDES Permit contacted him with additional questions primarily regarding the Authority's Long Term Control Plan (LTCP) and Combined Sewer Overflows (CSOs). He said responses were developed by Authority Management and the Consulting Engineer. He said additional requirements for CSO reduction and development of an updated LTCP are expected in the next permit, which is anticipated to be received in the next few months. Christopher then reported that a meeting has been set on September 14, 2017 with DEP, Authority Management, and Gannett Fleming concerning the 6<sup>th</sup> & Ridge CSO Separation Project.

The Director of Operations then reported that the revenues for June 2017 were \$1,146,339.55 which is an increase of 6.3% from the prior year and the billings for hauled waste received in June totaled \$166,050.22, which was a decrease of 10.9% from the prior year. He then stated that the hauled waste projection for the fiscal year has already been met with one month of revenues yet to be collected.

The Director of Operations then reported that a policy decision was needed to determine the length of time an employee can be on a leave of absence and remain on the Authority's health insurance. The Board discussed this issue in executive session during the Work Session. When the Board moved out of Executive Session, they authorized Authority Management, with the approval of the Director of Operations Report, to complete the paperwork for Benecon, which sets an extension of health insurance coverage to an employee that has taken a leave of absence for up to 18 months with the stipulation that any request for a time extension beyond the 18 month period would need additional approval by the Board of Directors.

**Grink & Sherrock** 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 Grant Agreement was received by Hazle Township from DCED for the Phase 1 of the Area 10 Project and a copy was provided to the Authority. She also reported that a response was submitted to DEP to answer additional questions posed by the DEP representative drafting the Authority's new NPDES Permit.

Rachel reported that a response was sent to the Luzerne County Conservation District to provide additional information they requested for the Erosion and Sedimentation Application. She stated that the Water Quality Management Part II Permit was received by DEP and is under review. Rachel also reported that Solids Permit Minor Amendment Application was prepared and is being finalized for submission to DEP. She stated that the Suez Incinerator Procurement change order is still being negotiated by her firm. She then reported that seven (7) Pre-Qualification Bid Packages were received from contractors for the Incinerator Installation Project and they are currently under review. She then requested authorization from the Board to provide limited services to obtain and administer a PENNVEST Funding for the Incinerator installation Project. She stated that the presentation from June 1, 2017 contained estimated costs in the amount of \$170,000 for Full Service administration of the PENNVEST funding over the life of the project, estimated to be a three (3) year period, and including all tasks needed to receive Federal Funds through PENNVEST. Rachel stated that since the Authority is no longer eligible to receive federal funding, some of the tasks have been eliminated to reduce the cost to the Authority. She also noted that the revised quote of \$104,400 is for Limited Services, which shifts a portion of the PENNVEST work to the Authority staff and Special Counsel. Rachel noted that she has over 17 years of experience working with PENNVEST and under a Full Service Agreement, the Authority would benefit from her knowledge and experience of the functions of the PENNVEST system; however, under the Limited Service Agreement, she would be checking the Authority's work completing the application. She said invoice tracking would also be performed by the Authority staff under the Limited Service Agreement. She stated that DEP asked for special documents including a Cost Effectiveness Study and information relative to sole-sourcing of certain equipment, which needs to be provided prior to their review of the Part II Permit. She said this work, estimated to be \$15,000, was included in the original full services quote; however, it will be absorbed under the design and bid phase scope. Rachel stated that she spoke with Attorney Jennifer Carron and she is agreeable to handling the settlement of the loan. Rachel stated that the limited services PENNVEST Agreement is on the agenda as Amendment #3 to the original engineering agreement dated April 9, 2007. Board Member Ammon asked for an hourly breakdown of the people expected to perform the PENNVEST work and how much the hourly rate is for each person.

Rachel then reported that the bids for the Primary Pump Station Concrete Repair Project were reviewed and she is recommending the contract be awarded to the apparent low bidder, Mar-Allen Concrete of Ephrata, PA for the base bid price of \$23,110. She said a bid review was performed and Mar-Allen is a qualified contractor for this type of repair work. She asked the Board if they wanted to include the optional 5-year warranty for an additional \$10,317 instead of the 1-year warranty that is included with the base bid. The Board agreed that approval to award the base bid with a 1-year warranty should be put on the agenda.

Rachel also reported that the chemicals bids were reviewed due to the specification change for Polyaluminum Chloride and a bid review summary letter was provided to the Authority. She noted that only one bid was received for Emulsion Polymer from the Authority's current supplier.

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 since the

last meeting, there were 74 additional properties inspected and 44 disconnected. He reported that dye testing of the storm system in the area has yielded 12 sanitary connections to the storm lines so far, which need to be moved to the sanitary lines. Board Member Cuozzo asked how the Authority will legally go about forcing the homeowners to correct their illegal connection. Attorney Ustynoski responded that the issue would need to be researched legally, but ultimately it is a Board decision on how to proceed with disconnection. Andy Nowak stated that sewer camera work to identify these illegal connections was performed on Kiefer, Deitrich, Thirwell, and Berner Avenues in the east side of the Heights Section of Hazleton City between Poplar and Mill Streets; however, inspections still need to be performed on Samuel, Carleton, Muir, and Lahm Avenues. Board Member Ammon asked where the lines were located in the street. Andy responded that the stormwater and sanitary sewer lines are side by side about 2' apart in the street with the stormwater pipe at a depth of 3' to 4' and the sanitary sewer at a depth of 7' to 8'. Robert Dougherty noted that before the separation project was completed, it did not matter that laterals were connected to the stormwater pipe because they ultimately shared a common pipe; however, in order to remove the CSO, the sanitary connections need to be removed from the separated stormwater lines. Robert then reported that flow meters have been installed in West Hazleton upstream of the 6<sup>th</sup> & Ridge CSO Separator and data will be downloaded to generate reports of flows going into the system. He said the monthly reports will be made available to DEP.

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

**Solicitor's Report** – Attorney Ustynoski stated that other than the information that was reported in executive session during the Work Session, he reviewed the property and casualty insurance proposals and recommends awarding to the lowest bidder, Brown and Brown Insurance Co. for a total cost of \$82,237, which includes the recommended cyber insurance. He then informed the Board that he spoke with Attorney Jennifer Carron and Attorney Peter Carlucci of Eckert Seamans and they are prepared to do the PENNVEST settlement work that would be shifted from Gannett Fleming to their firm under the Limited Services Agreement.

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

**Ammon & Grink** moved to accept the Investment Consultant's Report as presented.  
 Roll Call: Ammon-yes, Boyarski-yes, Cuozzo-yes, Fayock-yes, George-yes, Grink-yes, Milot-absent, Sherrock-yes, Zola-absent

**BILLS AND CREDITS**

**Ammon & Grink** moved to approve payment of Gannett Fleming, Inc. invoices and requisitions from April 29, 2017 through May 26, 2017, totaling \$117,468.47 as listed in the following table:

<u>Requisition #</u>	<u>Invoice #</u>	<u>Description</u>	<u>Amount</u>
Operating Fund	051153.A*37211	Annual Service Work	\$ 6,806.96
Operating Fund	051153.B*37213	Attending Authority Meetings	\$ 528.93
Operating Fund	051153.AG*37212	Financing & Grants	\$ 956.78
Operating Fund	051153.01*37210	Plant Water Service Upgrade	\$ 2,927.09
Operating Fund	048847.CO*37209	Incinerator Design	\$ 106,248.71
Total			\$ 117,468.47

On the Question: Board Member Ammon asked during what period of time this work was completed. Gregory Olander responded that the work was done between April 29, 2017 and May 26, 2017.

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

**Boyarski & Cuozzo** moved to authorize payment from the Operating Fund in the amount of \$1,175,316.18 for Operating and Administrative Expenses (\$905,778.91); Construction in Progress (\$91,960.74); Pennvest Loan #27769 (\$172,675.90); Pennvest Loan #74119 (\$1,473.64); and Pennvest Loan #58103 (\$3,426.99) from the month of June 2017.

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

**Ammon & Grink** moved to approve issued credits totaling \$6,011.02 from month of June 2017.

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

**Boyarski & Fayock** moved to approve the transfer of \$109,219 from the Operating Fund to the "Collection System Reserve" for Fiscal Year Ended July 31, 2017 as presented by Authority Management.

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

**Ammon & Boyarski** moved to approve the transfer of \$135,200.00 from the Operating Fund to the Operating Reserve for Fiscal Year Ended July 31, 2017 as presented by Authority Management.

On the Question: Board Member Cuozzo asked what this transfer was for. Gregory Olander responded that the amount is 10% of the Bond Debt Service, which has historically been transferred into a reserve account annually.

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

**Fayock & Ammon** moved to approve the transfer of \$165,000.00 from the Operating Fund to the Money Market Account for Depreciation Expense for Fiscal Year Ended July 31, 2017 as presented by Authority Management.

On the Question: Board Member Cuozzo asked what this transfer was for. Gregory Olander responded that the amount is a portion of Depreciation Expense, which is now more than \$2 million per year. He said the money is being put aside for future use as equipment ages to help offset future borrowing as equipment reaches the end of its useful life.

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

## **OLD BUSINESS**

**Sherrock & Ammon** moved to award the Ultra-Low Sulfur Diesel Fuel supply contract for August 1, 2017 through July 31, 2018 to the lowest bidder, Russell Postupack Oil Co., Inc., for the wholesale terminal rack price plus a fixed adder of \$0.16 delivered as recommended by the Authority Management and Solicitor.

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

**Cuozzo & Grink** moved to award the August 1, 2017 through July 31, 2018 wastewater chemical contracts as specified in the bid documents to the lowest responsible bidders as recommended by the Authority Management, Solicitor, and Engineer:

Sodium Hypochlorite	Main Pool & Chemical of Dupont, PA	\$1.04 per gallon
Polyaluminum Chloride (GC 2070)	Gulbrandsen Technologies of Clinton, NJ	\$0.9644 per gallon \$0.895 per lb AL2O3
Methanol	Univar USA of Middletown, PA	\$0.093 per gallon fixed adder to Methanex Index
Methanol Alternative (EOSi - MicroC 3000)	Coyne Chemical of Croydon, PA	\$0.1289 per gallon fixed adder to Methanex Index with a \$1.4289 ceiling
Magnesium Hydroxide Synthetic (FloMag H)	Martin Marietta Magnesia Specialties of Baltimore, MD	\$585.00 per Dry Ton

All pricing includes FOB delivery to the treatment plant in West Hazleton, PA.

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

**Fayock & Ammon** moved to authorize “Notice to Award” to Mar-Allen Concrete of Ephrata, PA for the Primary Pump Station Concrete Repair Contract, for the base bid price of \$23,110.00, which includes a 1-year warranty on materials and workmanship, as recommended by the Engineer. The motion is conditioned on receipt of satisfactory bonds and insurances from Mar-Allen Concrete.

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

**Ammon & Grink** moved to award the property and casualty insurance coverage for Fiscal Year 2017-2018 to Brown and Brown Insurance Co. of Bethlehem, PA for an annual premium of \$82,237.00, which includes \$1 million of cyber insurance coverage, as recommended by Authority Management and the Solicitor.

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

**NEW BUSINESS**

**Sherrock & Boyarski** moved to approve Engineering Agreement Amendment #3 with Gannett Fleming, Inc., in the amount of \$104,400.00, to add additional services related to Limited PENNVEST Administration Service for the Incinerator Installation, New Ash Handling System, and Sludge Dewatering System Improvements Project as listed in the Scope of Services Outline dated July 2017.

On the Question: Board Member Ammon asked what the original amount was for the Full Service Pennvest Administration. Gregory Olander responded that the amount was \$170,000. Board Member Ammon stated for the record that Gannett Fleming worked with the Authority on reducing the cost for their services.

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

**Ammon & Fayock** moved to amend the Greater Hazleton Joint Sewer Authority By-Laws to change the meeting start times for Work Sessions, Regular Monthly Meetings, and Special Meetings to 6:30 pm. The administrative staff will advertise accordingly.

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

**Chairman George** reinstated the Building & Grounds Committee and appointed Board Members Fayock, Grink, and Sherrock to the committee. All members accepted their appointments.

Board Member Sherrock commended Board Member Ammon for helping the Authority save money through the engineering services and insurance proposals. Board Member Ammon stated that the whole Board is responsible for the savings because they supported it.

**Chairman George** called for an Executive Session for a personnel issue and asked the Administrative Staff to leave the room.

**Fayock & Sherrock** moved to enter Executive Session to discuss a personnel issue.

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

After the Board moved out of Executive Session, **Sherrock & Grink** moved to issue a one-time \$1,000 bonus to each of the Authority Management Staff of Carsia, Olander, Nowak, and Motel to be broken up as each employee sees fit.

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

**Sherrock & Boyarski** moved to adjourn. Passed: Aye-7, Nay-0, Absent-2

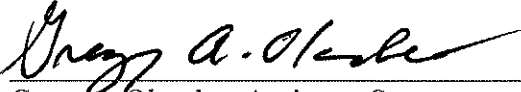
The meeting was adjourned at 8:46 PM

The next scheduled Work Session will be Wednesday, August 23, 2017 at 6:30 PM.

The next scheduled Regular Monthly Meeting will be Monday, August 28, 2017 at 6:30 PM.

Respectfully submitted,

**Greater Hazleton Joint Sewer Authority**

  
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Gregory Olander, Assistant Secretary