

The September 24, 2018 regular monthly meeting of the Greater Hazleton Joint Sewer Authority was called to order by Chairman Sherrock at 6:30 PM. All in attendance gave a pledge of allegiance.

Roll Call:

**Ammon – Absent	Cuozzo – Present	**Fayock – Absent
Gallagher – Present	George – Present	*Grink – Absent
Milot – Present	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

**Board Members Ammon and Fayock entered the meeting following approval of the minutes and prior to the Bid Opening

PUBLIC COMMENT

There was no public comment.

Milot & Gallagher moved to approve the minutes of the August 27, 2018 Regular Monthly Meeting. Passed: Aye-5, Nay-0, Absent-4

Milot & George moved to approve the minutes of the August 22, 2018 Pension Meeting. Passed: Aye-5, Nay-0 Absent-4

***Board Members Ammon and Fayock entered the meeting at this time*

OPENING OF BIDS FOR WEST HAZLETON AREA 2 SEWER SEPARATION PROJECT

BIDDERS NAME	BASE BID (LUMP SUM)
Wexcon, Inc. Mohrsville, PA	\$728,840.00
Doli Construction Chalfont, PA	\$733,013.00
PACT Construction Northampton, PA	\$838,000.00
James T. O'Hara, Inc. Covington, PA	\$847,000.00
Michael F. Ronca, Inc. Bethlehem, PA	\$981,000.00

George & Gallagher moved to table the West Hazleton Area 2 Sewer Separation Project bids for review and recommendation by the Solicitor and Engineer.

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

Director of Operations Report - MONTHLY FLOW REPORT

	<u>August 2018</u>		<u>Year to Date</u>		
			<u>Total</u>	<u>Average</u>	
Total Flow	<u>348,717,145</u>	Gallons	<u>2,623,305,678</u>	Gallon	xxxxx
Total Flow Bypassed	<u>29,657,143</u>	Gallons	<u>211,125,189</u>	Gallon	xxxxx
Days Flow Bypassed	<u>7</u>	Days	<u>53</u>	Days	xxxxx
Total Flow Treated	<u>319,060,002</u>	Gallons	<u>2,412,180,509</u>	Gallon	xxxxx
Average Minimum	<u>7.6</u>	MGD	xxxxx	xxxxx	<u>7.2</u> MGD
Average Maximum	<u>16.7</u>	MGD	xxxxx	xxxxx	<u>16.7</u> MGD
Average Daily Flow	<u>10.3</u>	MGD	xxxxx	xxxxx	<u>10.0</u> MGD

Christopher Carsia, Director of Operations, reported on the wastewater flows for August 2018. He said the total volume of wastewater diverted from all point sources for the month was estimated to be 101.422 million gallons with 29.657 million gallons of treated outflow being diverted at the treatment plant. He said approximately 5.598 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 348.7 million gallons with approximately 319 million gallons being fully treated. He also stated that the average daily flow to the treatment plant for the month was 10.3 MGD and the average daily flow for the year increased slightly to 10.0 MGD. He said the treatment plant continues to operate well within compliance of permit parameters despite the continued heavy rain events.

The Director of Operations reported that the revenues for August 2018 were \$1,148,363.77, which was a 15.6% increase from the prior year. He said the billing for hauled waste received in August totaled \$265,530.29, which is an increase of 56.3% from the prior. Board Member Cuzzo asked why the hauled waste revenue was so much higher. Christopher responded that it is a combination of the heavy rains generating more waste, other treatment plants temporarily closing their hauled waste business due to flooding, and acceptance of more high profit accounts. He said, at this point, some hauled waste business is actually being turned away.

The Director of Operations reported that the Authority's Investment Advisor, Howard Williard of Morgan Stanley, contacted him concerning implementation of an Investment Policy Statement (IPS) document for the Authority's defined benefit pension plan. He said the draft was sent to the Board prior to the meeting and Attorney Ustynoski had a few suggested changes to the document, which were reflected in the final draft. He then asked the Board to approve the IPS as advised by the Investment Advisor.

The Director of Operations then reported that Board Member Cuzzo contacted him concerning a possible cooking oil spill in to the sewer system in the area of Chestnut Street and Wilson Street in Hazleton City. Andy Nowak stated that Road Crew employees opened the nearest sanitary manhole, but there was no evidence of an oil spill. Christopher said Hazleton Code Enforcement Department was contacted concerning the issue since the storm sewer in that area is a separated system owned by the City of Hazleton. He said Scott Novatnak of DEP was also contacted

concerning the possible spill. Gregory Olander commented that he spoke with Mr. Novatnak earlier in the day and informed him that the matter was investigated, but there was no evidence of a spill into the sewer system and that the lines are separated in that area.

Andy Nowak reported on the work performed in the collection system over the past month. He said there were additional cross-connections of sanitary sewer lines removed from the storm sewer pipes in the Button Bock drainage basin area. He said all of the 21 known cross-connections in that drainage basin have been properly separated. Andy reported that a sinkhole was developing at 15th and Lincoln Streets in Hazleton City. He said the problem area was steel plated and the repair will be scheduled shortly. Andy then stated that there were 22 remaining properties in the Button Bock drainage basin that needed to be investigated for removal of roof drains. He said an additional day of dye testing would be scheduled to eliminate any other properties that are not connected to the sanitary sewer system. Gregory Olander stated that he spoke with the DEP Permits Chief concerning the process to close the Mill Street diversion chamber (point source 016). He said that a report needs to be prepared for DEP outlining all components of the project including the sanitary/stormwater separation construction work, removal of roof drains from the sanitary sewer, and removal of sanitary cross-connections from the storm sewer system.

Gregory Olander then reported that the final portion of the financial audit for fiscal year ended July 31, 2018 is underway and the audit seems to be progressing very well. He then reported that he is beginning to compile mandatory notices for health insurance, which the Authority is required to provide its employees annually, now that the Authority is a self-funded insurer through PMHIC. He said the notices would be provided to employees prior to the various deadlines. Gregory also reported on some of the various maintenance and repair projects that occurred since the last meeting. He said the maintenance department staff rebuilt the right side of Schwing sludge cake pump with new hydraulic cylinders, poppets, seals and other parts. He said the parts are kept in inventory to reduce the potential for downtime in the dewatering operation. He said cost of these parts is \$30,519.04 and they will be ordered to maintain inventory onsite. He said the first double disk pump (Sludge Pump #2) placed into service about 2 years ago needed to be rebuilt with new trunions, disks, gaskets, and belts. He said the repair was completed and the replacement parts cost approximately \$3,000, which is a huge savings over rebuilding rotary lobe sludge pumps that were previously in service. He said the cutting blades were changed on the RotaCut in the grease receiving station after about 18 months of service life. He also noted that a new air diffuser grid was fabricated and installed in the grit channel of the Grit Building, a new circuit board was replaced in Bank B of the Ultra Violet (UV) Disinfection system, and a new SpiralTrac split seal was scheduled to be installed in one the of the pumps at the Gashouse Pump Station.

Gregory then asked the Board to consider the purchase of a double wall poly tank for use as a "High Strength Waste Tank" to allow the Authority to continue accepting high strength waste from one current customer and possibly other accounts. He said the cost of the tank is estimated to be about \$35,000 and given the profit margin on this type of waste, it would be a payback of about 14 months. He said the Chief Operator expressed concern about continuing to use one of the gravity thickeners to accept this waste because it was supposed to be a trial period only and has been going on for several months. He said this type of waste should be dosed onto the plant slowly over several days and he said a tank at the head-works dosing into the flocculation tank would be the best point of entry. After some discussion between the Board and management, Gregory was directed to contact the company producing the high strength waste to negotiate the purchase of a tank by their company in lieu of the Authority purchasing the tank.

Gregory also reported that the first PENNVEST reimbursement from the Incinerator Project was received into the Authority's PENNVEST Account. He said the payment was \$349,845.67 and now that there was a draw down from PENNVEST, the interest payments on the loan portion would be deducted automatically by Pennvest via ACH from the Authority's bank account. He said the automatic ACH payments are the required form of payment to Pennvest and he stated that the first payment in the amount of \$22.73 would take place on October 1, 2018. He said subsequent payments would be made on the first of each month via ACH in the amount of \$61.98 until the next reimbursement request is issued by PENNVEST. Christopher Carsia then stated that a letter was received from the Authority's Worker's Compensation carrier providing notice that they have the right to cancel the Authority's coverage at the end of the calendar year and he said because of the high claim rate, it is likely the Authority's rates will increase in calendar year 2019. Andy Nowak also noted that West Hazleton Borough performed a fire safety inspection of the Authority's premises and there were no issue noted by Assistant Chief Robert Ward.

George & Gallagher 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 – Rachel Govelovich reported during the Work Session that there has been no formal response to the Authority's comments on the draft NPDES permit have been received from DEP. She then reported on the Incinerator Project. She said Payment Request #1 was submitted to PENNVEST, which included \$349,845.67 in PENNVEST funds and \$1,951,872.40 in other sources. She said the payment request was approved by PENNVEST on September 4th. She said a final materials inspection report was provided by Suez on August 9th with their recommendations and Payment Estimate #15 in the amount of \$5,000 relating to the inspection report is on the agenda and is recommended for approval. She reported that return of the Fluidized Air Blower (FAB) to the manufacturer for inspection and service was being coordinated by Authority staff.

Rachel then requested that a special meeting be scheduled for executive session discussions with representatives at Gannett Fleming regarding the Suez delay claim. **Chairman Sherrock** called a special meeting for 6:30 PM on Wednesday October 10, 2018 for the executive session discussion. She noted that although Suez has not provided Gannett Fleming with the information that was requested to substantiate the claim, the Suez representative stated that they are expecting an official response from the Authority on the matter.

Rachel reported on the construction phase of the Incinerator Project. She said the General Contractor, Michael F. Ronca, Inc., installed the ash pumps, duct between pieces of equipment, structural beams, and structural roof members. She said concrete was poured for the plant water reservoir and the pad for the incinerator control panel. She said the electrical contractor installed control panels for several pieces of equipment, MCCINC-2, and the duct bank for the electric gate and radiation detection equipment. Rachel also reported that the refractory brick sub-contractor continued installation of the refractory brick inside the reactor while SUEZ assisted the general contractor with the WESP installation.

Rachel then reported that Ronca Payment Estimate #4 in the amount of \$506,676.60 and Hayden Payment Estimate #5 in the amount of \$83,430.00 are on the agenda and recommended for approval. She reported that Change Order #3-1 (Compensating Change Order) of Contract One in

the amount of -\$60,700.00 for removal of dewatering dumpsters from the project is on the agenda and recommended for approval. She also reported that the no cost change order under the electrical contract is on the agenda for approval. She said there was no additional cost to the authority to process this change order because it is included in the construction management and PENNVEST agreements. She said the resident inspector is on-site and prepares the change orders as normal and the submission to DEP is part of the PENNVEST Administration effort, which includes up to 25 change orders for the entire project. She said this is the first of four change order submissions to date. Rachel also reported that a construction job conference was held on September 13, 2018.

Robert Dougherty reported that he would be reviewing the West Hazleton Borough Area 2 Separation Project bid results and making a recommendation to award the contract at the next regular meeting in October. He said over the past month he was working on preparing the specs for tonight's bid opening.

Milot & Cuozzo moved to accept the Engineer's report.

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

Solicitor's Report – Attorney Ustynoski stated that in addition to what was reported in executive session at the Work Session, a check in the amount of \$13,811.50 was received from the Authority's insurance carrier, Argonaut Great Central Insurance Company, for the property loss due to a missing crate of incinerator parts that needed to be replaced. He said the payment represents the loss amount minus the \$5,000.00 deductible.

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

Fayock & Gallagher moved to accept the Investment Consultant's Report as provided.

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

BILLS AND CREDITS

George & Gallagher moved to approve payment of Gannett Fleming, Inc. invoices and requisitions from August 4, 2018 through August 31, 2018, totaling \$3,854.55 as listed in the following table:

<u>Requisition#</u>	<u>Invoice #</u>	<u>Description</u>	<u>Amount</u>
Operating Fund	051153.A*61291	Annual Service Work	\$ 2,055.50
Operating Fund	051153.B*61292	Attending Authority Meetings	\$ 442.86
Operating Fund	051153.D*61293	Pretreatment Program	\$ 194.90
Operating Fund	051153.02*61290	Primary Pump Station Concrete Repair	\$ 1,161.29
		Total	\$ 3,854.55

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

George & Gallagher moved to approve payment of Gannett Fleming, Inc. Invoice 048847.C0*61289, in the amount of \$41,795.74, from August 4, 2018 through August 31, 2018,

for the following Incinerator Project items: PENNVEST Administration (\$1,054.39), Air Permitting during Construction (\$2,096.27), Construction Administration (\$24,005.08), and Resident Observation (\$14,640.00).

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

George & Gallagher moved to authorize payment from the Operating Fund in the amount of \$1,402,073.97 for Operating and Administrative Expenses (\$692,520.35); Construction in Progress (\$80,203.10); Transfers to Other authority Accounts (\$108,249.00); Debt Service Series 2012-A Bond (\$164,500.00); Debt Service Series 2012-B Bond (\$171,500.00); Debt Service Series 2018 Bond (\$8,998.63); Pennvest Loan #27769 (\$172,675.90); and Pennvest Loan #58103 (\$3,426.99) from the month of August 2018.

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

**Board Member Ammon votes no for all payments from the Operating Fund as presented except those for the Hazleton City Authority (HCA), for which he abstains.*

Cuozzo & Fayock moved to approve issued credits totaling \$8,064.46 from month of August 2018.

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

George & Gallagher moved to approve Requisition #D011, payable to Michael F. Ronca & Sons, Inc., totaling \$506,676.60, for Payment Estimate #4 of the Incinerator Installation Project - Contract One (General Construction) as recommended by the engineer. The original contract price was \$10,877,000.00. Add for Change Orders #1 to #2 (\$21,261.78) for a total contract of \$10,898,261.78. The total of payments made to date including this payment is \$2,071,515.60, which leaves a balance of \$8,826,746.18.

On the Question: Board Member Ammon asked what percentage the project was complete so far. Rachel Govelovich responded that 19% of work has been performed (not counting retainage) according to the payment estimate.

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

Fayock & Gallagher moved to approve Requisition #D012, payable to George J Hayden, Inc., totaling \$83,430.00, for Payment Estimate #5 of the Incinerator Installation Project - Contract Three (Electrical) as recommended by the engineer. The original contract price was \$794,400.00. The total of payments made to date including this payment is \$321,353.10, which leaves a balance of \$473,046.90.

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

George & Gallagher moved to approve Requisition #C180 authorizing payment in the amount of \$5,000.00 to Suez Treatment Solutions, Inc. for Payment Estimate #15 of the Fluidized Bed Incinerator Procurement Project as recommended by the engineer. Original Contract price was \$8,133,874.00. Add for Change Orders #1 to #7 (\$3,912,130.00) for a total contract cost of

\$12,046,004.000. Total of payments made to date including this payment is \$12,017,123.00, which leaves a balance of \$28,881.00.

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

OLD BUSINESS

George & Fayock moved to remove approval of Change Order #1 of Contract Three (Electrical) from table.

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

Fayock & George moved to approve Change Order #1 (No Cost Change Order) of the Incinerator Installation Project - Contract Three (Electrical) as recommended by the engineer to document no cost changes to the electrical portion of the project as required by the DEP inspector.

On the Question: Rachel Govelovich stated that this change order does not add additional cost to the project and that the formal documentation of the contract changes was requested by the DEP inspector on the project. She reviewed components of the change order and Board Member Cuozzo asked if the work had already been completed. Rachel acknowledged that the work has been completed by the contractor.

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

NEW BUSINESS

Gallagher & Fayock move to approve Change Order #3-1 (Compensating Change Order) of the Incinerator Installation Project - Contract One (General Construction) as recommended by the engineer, in the amount of (\$60,700.00) due to the removal of two (2) 25-yard dewatering dumpsters from the contract.

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

George & Gallagher move to approve the Investment Policy Statement for the Authority's Defined Benefit Retirement Plan as presented by Authority Management and reviewed and approved by the Solicitor.

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

Gallagher & George move to transfer \$349,845.67 from the Pennvest Account to the Operating Fund following the ACH distribution of Payment Request #1 from Pennvest into the Authority's Pennvest Account.

On the Question: Board Member Cuozzo asked if this transfer had to do with the Incinerator Project. Gregory Olander responded that the payment from PENNVEST and subsequent transfer were related to the Incinerator Project.

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

Milot & Gallagher moved to enter Executive Session to discuss a legal issue.

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

After the Board moved out of Executive Session, Milot & Grink moved to adjourn.

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

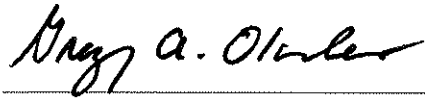
The meeting was adjourned at 7:13 PM

The next scheduled Work Session will be Wednesday, October 17, 2018 at 6:30 PM

The next scheduled Regular Monthly Meeting will be Monday, October 22, 2018 at 6:30 PM

Respectfully submitted,

Greater Hazleton Joint Sewer Authority



Gregory Olander, Assistant Secretary