

The February 25, 2019 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 – Present*	Fayock – Present	Gallagher – Present
George – Present	Grink – Absent**	Milot – Present
Sherrock – Present	Sullivan – Present	Zola – Present

Also in Attendance:

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

* via Telephone

**Board Member Grink entered the meeting at 6:35 PM during the Engineer's Report.

PUBLIC COMMENT

There was no public comment.

George & Sullivan moved to appoint William Gallagher as Secretary.

Roll Call: Ammon-yes, Fayock-yes, Gallagher-abstain, George-yes, Grink-absent, Milot-yes, Sherrock-yes, Sullivan-yes, Zola-yes (Passed 7-1-1)

George & Milot moved to accept the resignation of William Gallagher as Assistant Treasurer.

Roll Call: Ammon-yes, Fayock-yes, Gallagher-abstain, George-yes, Grink-absent, Milot-yes, Sherrock-yes, Sullivan-yes, Zola-yes (Passed 7-1-1)

George & Gallagher moved to appoint John Sullivan as Assistant Treasurer.

Roll Call: Ammon-yes, Fayock-yes, Gallagher-yes, George-yes, Grink-absent, Milot-yes, Sherrock-yes, Sullivan-abstain, Zola-yes (Passed 7-1-1)

Milot & Gallagher moved to approve the minutes of the January 14, 2019 Special Meeting.

Passed: Aye-8, Nay-0, Absent-1

Milot & Gallagher moved to approve the minutes of the January 28, 2019 Regular Monthly Meeting. Passed: Aye-8, Nay-0, Absent-1

Pension Committee Report -

During the Work Session, Board Member Grink reported that the Actuarial Consultant, Peter Karapalou, said the pension valuation report for January 1, 2019 will be completed for the next scheduled quarterly meeting in May. He said the Minimum Municipal Obligation (MMO) for the 2020 and 2021 calendar years will be calculated in that report. He said the stock market had its worst December since 1931, and unfortunately, since the valuation report is as of January 1, 2019, the report will not take into account the gains made during the month of January 2019, which offset most of the December losses. He then reported that the Investment Advisor Howard Williard III of Morgan Stanley recommended closing one bond fund and transferring the money into the other bond fund account that has been producing higher returns. He said there were closures of other asset managed accounts recommended, which will be outlined in the Pension Committee minutes. Christopher Carsia then reported that there has been a contract in place with Morgan Stanley from February 17, 2010. He said the contract can be broken at any time by either party upon written notice to the other party. He said the fees of approximately 1.5% to 1.75% that he reported during

the last meeting were incorrect. He then reviewed the fees listed in a Pension Fee Schedule handout from Morgan Stanley that he gave to the Board Members along with the Morgan Stanley contract during the meeting. He said a \$2 million account balance is the break-point for a reduction in fees and the Authority’s current balance is close to that \$2 million tier. Board Member Ammon asked what the MMO is for the Authority. Christopher responded that the MMO payment in 2018 was \$223,000; however, the Board also approved an additional \$250,000 payment to the pension plan to help reduce the Authority’s unfunded liability. Board Member Ammon then asked how the \$5.00 per month per year of service increase from the last union negotiation affected the MMO. Gregory Olander responded that the \$5.00 increase changed the MMO from approximately \$173,000 to about \$193,000, but the actuarial valuation from January 1, 2017 was not completed during negotiations with the union so the actual MMO increase was not known until after that time. Gregory said that he would provide Mr. Ammon with the actual change to the MMO amount due to the increase.

Gallagher & George moved to accept the Pension Committee Report.

Roll Call: Ammon-yes, Fayock-yes, Gallagher-yes, George-yes, Grink-absent, Milot-yes, Sherrock-yes, Sullivan-yes, Zola-yes (Passed 8-0-1)

Director of Operations Report - MONTHLY FLOW REPORT

	<u>January 2019</u>		<u>Year to Date</u>		
			<u>Total</u>		<u>Average</u>
Total Flow	<u>289,047,995</u>	Gallons	<u>289,047,815</u>	Gallon	xxxxx
Total Flow Bypassed	<u>12,896,515</u>	Gallons	<u>12,896,515</u>	Gallon	xxxxx
Days Flow Bypassed	<u>5</u>	Days	<u>5</u>	Days	xxxxx
Total Flow Treated	<u>276,151,480</u>	Gallons	<u>276,151,480</u>	Gallon	xxxxx
Average Minimum	<u>6.4</u>	MGD	xxxxx	xxxxx	<u>6.4</u> MGD
Average Maximum	<u>14.0</u>	MGD	xxxxx	xxxxx	<u>14.0</u> MGD
Average Daily Flow	<u>8.9</u>	MGD	xxxxx	xxxxx	<u>8.9</u> MGD

During the Work Session, the Director of Operations, Christopher Carsia, reported on the wastewater flows for January 2019. He said the total volume of wastewater diverted from all point sources for the month was estimated to be 26.549 million gallons with 12.897 million gallons of treated outflow being diverted at the treatment plant. He said approximately 1.217 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 289 million gallons with approximately 276.1 million gallons being fully treated. He also stated that the average daily flow to the treatment plant for the month was equal to the plant’s permitted flow of 8.9 MGD. He said looking at the flows to the plant and preliminary flow numbers; it appears about 600,000 gallons of flow per day were removed from the system from the Button Bock CSO Separation Project. He said the Monthly CSO Flow report was modified to stop calculating flow at the Mill Street diversion chamber due to its closure following the Button Bock CSO Project. Gregory Olander stated that a DEP representative was asked how to officially close the diversion chamber and she said to contact the Department following the chamber’s permanent closure using bricks, concrete, or another permanent structure so it cannot be re-opened.

Christopher reported that the revenues for January 2019 were \$1,252,406.06, which was a 23.6% increase from the prior year. He said the billing for hauled waste received in January totaled

\$217,973.59, which is an increase of 70.5% from the same month in the prior year. He said the hauled waste revenues continue to drive the increase to overall revenue. He then reported that the collections rate for hauled waste is about 104% so far this fiscal year and customer collections are approximately 92%, which is normal prior to the delinquent collections season.

Christopher then reported that UGI engineers and a marketing representative were on-site at the treatment plant to determine the volume and pressures needed to supply the incinerator with natural gas. He said they looked at the gas piping inside the incinerator reactor room, behind the Control Building, and at the existing meter near Jaycee Drive, which will need to be upgraded to a larger meter. He noted that a new concrete meter base would need to be installed along with bollards to protect the meter and above ground piping. He said the meter base would be the Authority's responsibility and UGI's upgrade to a larger meter is estimated to cost the Authority about \$15,000. Board Member Sullivan asked if the gas consumption can be remotely monitored. Gregory Olander responded that the incinerator will be connected to a SCADA system and gas consumption is a parameter that will be tracked. Board Member Sullivan then asked how old the gas line was from the meter to the Control Building. Christopher responded that the existing gas line was installed in the 1990s. He also noted that the UGI representatives recommended installing a manual shut-off valve after the outside regulator behind the Control Building to stop flow to the reactor in case of an internal problem.

Gregory Olander reported the payment was received for Reimbursement Request #2 from PENNVEST. He said \$990,772.69 was received as a grant and \$267,497.69 was received as a loan. He said the interest payment to PENNVEST will increase due to the additional loan balance, but he will not know the monthly payment amount until the new amortization schedule is received from PENNVEST. He said the interest payment would be transferred to the PENNVEST account from the Operating Fund once the amount is known so the correct monthly payment to PENNVEST can be withdrawn. He also informed the Board that the reimbursement payment from PENNVEST was made to the non-interest bearing PENNVEST checking account, so he would move the money into the Operating Fund since interest is paid on money in that account. Gregory then reported that Reimbursement #7 of the H2O Grant for the Button Bock CSO Project in the amount of \$227,841.00 was received from the State. He said this was the final grant reimbursement submission since the project has been completed. He stated that copies of cancelled checks for all payments associated with the project will be sent to the State because they now accept cancelled checks in lieu of an audit, which was previously required.

Gregory then reported on several maintenance issues being worked on during the month. He said the maintenance department is troubleshooting the sludge cake pumps due to issues with the hydraulics. He said the staff was able to work out several problems, but the manufacturer's technician had to be called for assistance. He also noted that Martz Technologies was called in for programming changes needed for the equipment to work properly. He said the #1 Primary Sewage Pump was removed to have the seal replaced due to excessive wear. He said a split seal was being installed, which is an upgrade so the pump does not need to be removed for a seal change in the future. He informed the Board that a project was being scheduled for mid-March to re-lead the pipe penetrations from the Locust Street Pump Station dry well into the wet well. He said this re-leading work needs to be done periodically to stop wastewater from leaking into the dry side of the station where the pumps and motors are operating. He said it involves setting up the Authority's bypass pump and having a mechanical contractor change the oakum and lead joints around the circumference of the pipes. He said after Locust Street Pump Station is complete, the same work needs to be scheduled at Gashouse Pump Station. Gregory then reported that an outside compressed

air line running from the De-Nitrification Building to the Nitrification Pipe Gallery has frozen several times due to condensation forming on the inside of the pipe. He said the maintenance department would be scheduling to have the air-line heat traced and insulated because it is causing problems with the pneumatic valves that operate the Nitrification process. Gregory then reviewed a quotation for a rock trap to be installed before one of the Lakeside Raptor hauled waste receiving units to keep rocks from entering the unit and to reduce the amount of grit coming into the system from hauled waste loads. He said the Lakeside Raptors lasted about 7 years before needing to be completely rebuilt due to excessive wear. He said the units should last much longer if more grit and debris is removed before it gets to the Raptors. He recommended the purchase as outlined in the motion on the agenda. Gregory noted that he had an additional report for executive session as personnel issues and legal issues.

Andy Nowak reported that hauling of the contaminated spoil material from the removal of the underground storage tank has been completed. He said there was a total of 164 tons of material transported to the Alliance Landfill for disposal. He said a final report was sent to DEP concerning completion of the clean-up efforts. Andy then reported that Robert Dougherty would be reporting on relocation of the sewer line on Jaycee Drive due to the continued movement of the bridge abutment above the Authority's entrance road.

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-8, Nay-0, Absent-1

Engineer's Report – Robert Dougherty reported that the contractor for the West Hazleton Area #2 Stormwater Separation Project is scheduled to begin the project in late March due to the continued cold temperatures contributing to a frost layer estimated to be 18" deep. He said the roof drain removal placards are now being placed on properties in the drainage area, but so far there have not been many responses.

***Board Member Grink entered the meeting at this time.*

Robert then reported on the relocation of the Authority's sewer line on Jaycee Drive to remove it from the bridge abutment near the entrance to the treatment plant. He said in lieu of an easement in the thin strip of land along the south side of Black Creek, Can Do is receptive to giving the Authority that parcel because it is not suitable for development. He said an easement would be needed for about a 200 foot section of pipe near the connection to the South Industrial Line, which can be granted during the property transfer from Can Do to the Karchner Logistics Company. Robert then noted that he sent a formal proposal to the Authority for engineering services in the collection system with a list of projects he is currently working on for the Board's consideration. Board Member Ammon requested a copy of the plans for the Jaycee Drive sewer line relocation and asked if the project would be done in-house, who did the design work, and how much it would cost. Andy Nowak responded that the intention is to do the work in-house depending on the Road Crew's workload. Robert responded that he is designing the project, which he estimates to cost between \$150,000 and \$180,000 if the work were to be performed by an outside contractor. Board Member Sullivan asked how long it would be until construction can begin on the project. Robert responded that it would be about four (4) months to complete design, obtain permits, and receive approvals from various governmental agencies before the project could begin. Robert noted that the Can Do parcel that would be transferred to the Authority is about 1200 feet long and 200 to 300 feet wide in some locations.

Rachel Govelovich reported that there has been no formal response to the Authority’s comments on the draft NPDES permit from DEP. She then reported on the Incinerator Project. She said PENNVEST Payment Request #2 was submitted in the amount of \$1,258,270.38 on February 1, 2019 and payment was received on February 20, 2019 as reported during the Director of Operations report. She stated that the mid-level platform change order request was sent to DEP on January 10, 2019 as per the prior approval procedures and approval was received from the State for the engineering portion of the change order. She said the layout plan is subject to her firm’s approval and final design of the platform will be reviewed as soon as it is submitted. She then stated that the Fluidized Air Blower (FAB) was returned to the Authority on December 28, 2018 and has been installed. Rachel stated that shop drawing submissions and review by her firm is ongoing. Rachel gave a brief progress report on work performed under the three construction contracts of the Incinerator Project as listed in her Engineer’s Report. She then reported that Ronca Payment Estimate #9 in the amount of \$199,260.00 and Hayden Payment Estimate #10 in the amount of \$30,600.00 are on the agenda and recommended for Board approval. Rachel then requested the Board move to executive session to discuss a legal issue relative to the Suez delay claim.

George & Milot 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, **George & Gallagher** moved to accept the RJD Engineer’s report. Passed: Aye-9, Nay-0, Absent-0

Gallagher & Fayock then moved to accept the Gannett Fleming Engineer’s report.
 Passed: Aye-9, Nay-0, Absent-0

Solicitor’s Report – In addition to what was reported in executive session, Attorney Ustynoski reported that he reviewed and made changes to the JWC Environmental contract for purchase of the RTP-30C Rock Trap. He said the contract was reviewed with Mr. Olander, amended, and sent to JWC for their comments on the amendments. He said they had no issues with the changes and the revised contract can be submitted with the purchase order.

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

BILLS AND CREDITS

Gallagher & Fayock moved to approve payment of Gannett Fleming, Inc. invoices and requisitions from December 29, 2018 through February 1, 2019, totaling \$5,553.40 as listed in the following table:

<u>Requisition#</u>	<u>Invoice #</u>	<u>Description</u>	<u>Amount</u>
Operating Fund	051153.A*69409	Annual Service Work	\$ 2,325.02
Operating Fund	051153.B*69410	Attending Authority Meetings	\$ 757.57
Operating Fund	051153.C*69411	Chapter 94 Report	\$ 1,113.56
Operating Fund	051153.D*69412	Industrial Pretreatment Program	\$ 1,085.80
Operating Fund	051153.E*69413	CSO Work	\$ 271.45
		Total	\$ 5,553.40

Roll Call: Ammon-yes, Fayock-yes, Gallagher-yes, George-yes, Grink-yes, Milot-yes, Sherrock-yes, Sullivan-yes, Zola-yes (Passed 9-0)

Gallagher & George moved to approve payment of Gannett Fleming, Inc. Invoice #048847.C0*69415, in the amount of \$37,719.29, from December 29, 2018, through February 1, 2019 for the following Incinerator Project items: PENNVEST Administration (\$3,752.06), Air Permitting during Construction (\$3,930.00), Construction Administration (\$13,152.21), and Resident Observation (\$16,885.02).

Roll Call: Ammon-yes, Fayock-yes, Gallagher-yes, George-yes, Grink-yes, Milot-yes, Sherrock-yes, Sullivan-yes, Zola-no (Passed 8-1)

Gallagher & Grink moved to approve Requisition #C189, payment to Michael F Ronca & Sons, Inc., totaling \$199,260.00 for Payment Estimate #9 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 #6 (-\$19,427.99) for a total contract of \$10,857,572.01. The total of payments made to date including this payment is \$3,620,205.25, which leaves a balance of \$7,237,366.76.

Roll Call: Ammon-yes, Fayock-yes, Gallagher-yes, George-yes, Grink-yes, Milot-no, Sherrock-yes, Sullivan-yes, Zola-no (Passed 7-2)

Gallagher & Grink moved to approve Requisition #C190, payment to George J. Hayden, Inc., totaling \$30,600.00, for Payment Estimate #10 of the Incinerator Installation Project - Contract Three (Electrical) as recommended by the Engineer. The original contract price was \$794,400.00. Add for Change Orders #1 to #2 (\$2,810.00) for a total contract of \$797,210.00. The total of payments made to date including this payment is \$626,625.00, which leaves a balance of \$170,585.00.

Roll Call: Ammon-yes, Fayock-yes, Gallagher-yes, George-yes, Grink-yes, Milot-yes, Sherrock-yes, Sullivan-yes, Zola-no (Passed 8-1)

George & Gallagher moved to approve payment from the Operating Fund in the amount of \$886,029.62 for Operating and Administrative Expenses (\$653,737.80); Construction in Progress (\$47,128.32); Debt Service Series 2018 Bond (\$8,998.63); Interest Expense Pennvest Loan #27906 (\$61.98); Debt Service Pennvest Loan #27769 (\$172,675.90); and Debt Service Pennvest Loan #58103 (\$3,426.99) from the month of January 2019.

Roll Call: Ammon-no*, Fayock-yes, Gallagher-yes, George-yes, Grink-yes, Milot-yes, Sherrock-yes, Sullivan-yes, Zola-yes (Passed 8-1)

**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.*

Gallagher & Sullivan moved to approve issued credits totaling \$30,265.81 from the month of January 2019.

Roll Call: Ammon-yes, Fayock-yes, Gallagher-yes, George-yes, Grink-yes, Milot-yes, Sherrock-yes, Sullivan-yes, Zola-yes (Passed 9-0)

NEW BUSINESS

Gallagher & Grink moved to approve the purchase of one (1) Model RTP 30C Enclosed Rock Trap from JWC Environmental as listed in Proposal #20190106-R1, including 304 stainless steel rock tray, inspection, start-up, and training, for the purchase price of \$35,980.00 plus \$1,300.00 shipping and handling through PA COSTARS Program Contract 016-139, for installation before the existing hauled waste receiving station, as recommended by the Authority Management and

Maintenance Department. This motion is conditioned upon Solicitor review and approval of the contract.

On the Question: Board Member Zola asked who engineered the rock trap. Gregory Olander responded that it was not engineered; it is a trap that is piped in-line before the Raptor hauled waste receiving units. Board Member Zola said it has to accept a certain amount of flow so it must be engineered. Gregory responded that the unit recommended for purchase was sized to accept the amount of flow that can be accepted by the Raptors. Board Member Zola asked if the flow into the Raptors ever exceeds that amount. Gregory responded that in order to regulate the flow to the Raptors, a few years ago the Authority programmed the solenoid intake valves to actuate so they do not accept more than 400 gallons per minute (gpm) of flow from the trucks. He said drivers routinely try to discharge at a faster rate (600 gpm) using onboard pumps, but to protect the Raptors, only 400 gpm is allowed into the system. He said the rock trap is capable of accepting more than the 400 gpm limit. Board Member Zola then asked if this was the only manufacturer looked at for the equipment. Gregory responded that he asked the maintenance department to research other manufacturers; however, they were either non-responsive or the footprint of their equipment would not fit in the space available inside the hauled waste receiving station. He said of the units researched, the JWC Environmental rock trap would fit in the available space with little to no piping modifications required and the unit also has no moving parts that would wear from the grit. He said operators would need to shovel the grit out of the unit periodically depending on the amount of loads received. Board Member Zola asked if there was an automatic unit available so the operators would not need to manually remove the grit. Gregory responded that an automated unit would cost more to purchase, require ongoing maintenance of wear parts, and also would not fit in the limited space available inside the station.

Roll Call: Ammon-yes, Fayock-yes, Gallagher-yes, George-yes, Grink-yes, Milot-yes, Sherrock-yes, Sullivan-yes, Zola-yes (Passed 9-0)

Gallagher & Sullivan moved to appoint RJD Engineering, Inc. with representation from Robert Dougherty, P.E. as “Special Projects Engineer” for the Authority’s Collection System Division for calendar year 2019 as outlined in the proposal dated February 15, 2019.

Roll Call: Ammon-yes, Fayock-yes, Gallagher-yes, George-yes, Grink-yes, Milot-yes, Sherrock-yes, Sullivan-yes, Zola-yes (Passed 9-0)

Chairman Sherrock appointed Board Members to the following committees:

Pension Committee: Grink, Milot, Sullivan

Building & Grounds Committee: Grink, George, Milot, Gallagher (alternate)

Hiring Committee: Grink, Milot, Zola, George (alternate)

Grievance/Negotiating Committee: Grink, George, Milot, Sullivan (alternate)

Restructuring Committee: Gallagher, George, Sullivan, Grink (alternate)

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

Grink & Milot 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, Board Member Fayock requested that the Director of Operations investigate the allowance (per diem amount) paid to Board Members for attending wastewater conferences. Christopher Carsia responded that he would contact the Hazleton City Authority and Municipal Authority of Hazle Township to inquire about the amounts they are paid for attending conferences.

Milot & Gallagher moved to adjourn.

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

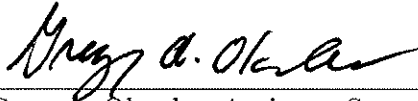
The meeting was adjourned at 7:27 PM

The next scheduled Work Session will be Wednesday, March 20, 2019 at 6:30 PM

The next scheduled Regular Monthly Meeting will be Monday, March 25, 2019 at 6:30 PM

Respectfully submitted,

Greater Hazleton Joint Sewer Authority



Gregory Olander, Assistant Secretary