

The May 20, 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.

May 15, 2019 Work Session Roll Call:

Ammon – Present	Fayock – Present*	Gallagher – Present
George – Present	Grink – Present	Milot – Present
Sherrock – Present	Sullivan – Present	Zola – Present

Also in Attendance during Work Session:

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	

May 20, 2019 Regular Meeting Roll Call:

Ammon – Present	Fayock – Present	Gallagher – Present
George – Present	Grink – Present	Milot – Present
Sherrock – Present	Sullivan – Present	Zola – Absent**

Also in Attendance during Regular Meeting:

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 Zola entered the meeting at 6:37 during the Engineer's report

PUBLIC COMMENT

There was no public comment.

Milot & Gallagher moved to approve the minutes of the April 29, 2019 Regular Monthly Meeting.
 Passed: Aye-8, Nay-0, Absent-1

Pension Committee Report -

Christopher Carsia reported that there was a clarification of the language in the plan documents concerning worker's compensation. He said an employee on worker's compensation that is paid directly or indirectly, should not be credited more than 500 hours toward the pension plan while they remain out of work. He then reported that the plan's assumed rate of return has been 7.5%; however, the Actuarial Consultant, Peter Karapalou, reported that several other clients are lowering their assumed rate of return to 7.0% or 6.5%, which is a more realistic benchmark in the low interest rate environment. Christopher stated that the committee authorized Mr. Karapalou to perform a study to determine the effects to the Minimum Municipal Obligation (MMO) if the plan's assumed rate of return is lowered to 7.0% or 6.5%. He said the cost of the study is not to exceed \$1,500.00 with payment being made from proceeds of the pension plan account. He then noted that original beneficiary forms held by the Beyer Barber Company were relinquished back to the Authority; however, copies are also filed at the Beyer Barber office. He said the State's Act 205 form is now required to be completed and filed electronically, which will be done by the Beyer Barber Company on the Authority's behalf. He also reported that there was a discussion of additional funding to the pension plan above the MMO amount again this year to continue reducing the plan's unfunded liability. He said the Committee is recommending an additional payment of \$250,000, which should raise the Authority's funding ratio to over 80% depending on investment returns this year. Board

Member Grink stated that so far this year, the rate of return for the plan is about 13%; however, the Investment Consultant is recommending a rebalance of the portfolio to reduce equities to the lower end of the allocation range and to increase fixed income balances to offset the reduction.

George & Sullivan moved to accept the Pension Committee Report.

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

Restructuring Committee Report –

The Restructuring Committee Report was given by Committee Chairman Sullivan in Executive Session during the Work Session.

Gallagher & Sullivan moved to accept the Restructuring Committee Report as presented with their recommendations.

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

Director of Operations Report - MONTHLY FLOW REPORT

	<u>April 2019</u>		<u>Year to Date</u>		
			<u>Total</u>		<u>Average</u>
Total Flow	<u>328,442,963</u>	Gallons	<u>1,137,758,887</u>	Gallon	xxxxx
Total Flow Bypassed	<u>29,887,586</u>	Gallons	<u>65,797,051</u>	Gallon	xxxxx
Days Flow Bypassed	<u>8</u>	Days	<u>17</u>	Days	xxxxx
Total Flow Treated	<u>298,555,377</u>	Gallons	<u>1,071,961,836</u>	Gallon	xxxxx
Average Minimum	<u>7.2</u>	MGD	xxxxx	xxxxx	<u>6.3</u> MGD
Average Maximum	<u>17.8</u>	MGD	xxxxx	xxxxx	<u>14.0</u> MGD
Average Daily Flow	<u>10.0</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 April 2019. He said the total volume of wastewater diverted from all point sources for the month was estimated to be 71.088 million gallons with 29.888 million gallons of treated outflow diverted at the treatment plant. He said approximately 3.673 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 328.4 million gallons with approximately 298.5 million gallons being treated. He also stated that the average daily flow to the treatment plant for the month was 10.0 MGD, which increased the year-to-date flow to 8.9 MGD. He said most of the diverted flow occurred on April 14th and 25th due to the heavy rains on those days.

Christopher reported that the revenues for April 2019 were \$1,332,783.38, which was an 8.6% increase from the prior year. He said the billing for hauled waste received in April totaled \$185,819.45, which is an increase of 0.9% from the same month in the prior year. He said the hauled waste revenues are on pace to exceed projections for the fiscal year by approximately \$1 million and Gregory Olander would elaborate on the hauled waste revenue, expenses, and income later in the report.

Christopher then reported that the bid for wastewater chemicals was advertised along with the bid for ultra-low sulfur diesel fuel. He said both bid openings are scheduled for June 24, 2019. He said that he was able to successfully obtain an extension to the cationic polymer contract with the current supplier with no price increase for the next year as allowed in the bid documents.

Christopher also informed the Board that two Authority employees were being honored at the Pennsylvania Water Environment Association (PWEA) annual PENNTEC conference this year. He said Gene Zynel is receiving the Operator Innovation Award for his work designing and operating the Fats, Oils, & Grease (FOG) receiving station and digester. He said Ronald Lashock is also receiving the Hi-Hat Award for his continued involvement with the PWEA organization.

Andy Nowak then reported that the repairs were completed to the sewer main in front of the old Red Cross building on State Route 93. He said three sections of sewer line were damaged at that location due to the pipe being laid on top of rock with shallow cover and only two to three inches of asphalt. He said after the repairs were made, flowable fill was used as backfill for increased pipe protection and support. Board Member Zola asked if the pipe was cracked or crushed. Andy responded that the pipe was cracked apart or fracturing; however, the lateral coming from the building appeared to be in good condition. He said the line was inspected for about 1,000 feet and the rest of the line was also in good condition. Andy also reported that an additional five (5) manholes were repaired and raised to grade on city streets in Hazleton City over the past month.

Gregory Olander then reported on a Hauled Waste Income Analysis for Calendar Years 2017 and 2018 that he prepared at the request of a Board Member during the April 2019 Board Meeting, which he distributed to the Board Members. He explained the contents of the report in detail and noted that the revenue figures were hard numbers that are reported to the Board on a monthly basis. He said since the hauled waste and waste from the collection system are co-mingled before treatment begins it is difficult to determine exact expenses for only the hauled waste portion of the waste. He said formulas that he developed were used to compute hauled waste expenses based on actual sample results, flow metering, and industry standards. He said in addition to the direct treatment expenses, he also included capital costs for hauled waste equipment amortized over 20 years, maintenance and repairs made to the hauled waste equipment, and insurance amounts to give a complete picture of money needed to run the hauled waste program. He said that the result is a net income from hauled waste in the amount of \$522,047 for 2017 and \$1,229,740 for 2018. He then asked the Board if they had any questions on his presentation and stated that he is available to review the report in greater detail at any time.

Gregory then reported that delinquent customer collections continue and he noted that the number of postings and shut-offs are slightly lower than last year, which is a favorable trend. He said through April 2019, the collections for the fiscal year are 95.08% for connected customers and 103.14% for hauled waste customers.

Gregory then reported on several maintenance issues being worked on during the past month. He said the re-leading of pipe penetrations from the wet well to the dry-well were successfully completed at the Gashouse Pump Station. He said two of the four penetrations were completed and it was not necessary to work on the other two pipes because they were not leaking. He noted that while the contractor was doing the re-leading, the maintenance department staff installed a rebuilt pump with a new spiraltrac seal and removed another pump for seal replacement. He said the Road Crew also cleaned the wet well of grit and grease, which is becoming more of a problem at the station. He then reported that a new dry-pit submersible pump was installed to pump Waste Activated Sludge (WAS) for Secondary Clarifier #4 as a replacement for an older pump that recently failed. He said it was a complete rebuild of the pumping system and piping.

Gallagher & Grink moved to accept the Director of Operations report and to have the written report on diverted flows made a permanent part of the record.

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

Engineer's Report – During the Work Session, Rachel Govelovich reported that there has still 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 #3 totaling \$1,839,790.61 was submitted on May 13, 2019 and approved by PENNVEST on May 15, 2019. Board Member Ammon asked how the contractors were being paid in the meantime. Gregory Olander stated that it has not been necessary to draw on the Line of Credit and the contractors are being paid with funds from the Operating Accounts and the funds are then replenished when PENNVEST makes their reimbursement payment. Rachel then stated that there were no change order actions or PENNVEST/PA DEP submissions this month. Rachel summarized the construction progress for the month as listed in the written Engineer's Report. She then reported that Ronca Payment Estimate #12 in the amount of \$901,254.36 is on the agenda and recommended for Board approval. Rachel presented a compensating change order under the Incinerator General Construction Contract for a monetary credit of \$9,355.50 and a spare pump and motor because the pump manufacturer did not meet project specifications relative to testing and efficiency. She said the specifications were written with higher standards and tighter tolerances and the pump manufacturer was unable to perform some of the required testing at their manufacturing facility. She also stated that although the pump appears to produce the flow and head required, there is expected to be some loss in electrical efficiency, which is also a component in the proposed credit. She said the specification called for 65% efficiency, but the pumps rate at only 57%. She also noted that the manufacturer extended the warrantee from one (1) year to three (3) years as a concession. Board Member Ammon asked how many pumps were installed. Rachel responded that there were two (2) larger pumps and one (1) smaller jockey pump installed. *After some discussion, the Board moved in to Executive Session during the Work Session to discuss legal issues relative to the Suez delay claim and personnel issues.*

During the regular meeting, Rachel reported that the new plant water pumps were successfully started on May 20, 2019. She said the pumps would be tested and results will be reported to the Board at a later date.

***Board Member Zola entered the meeting at this time during the Engineer's Report*

Robert Dougherty reported that the West Hazleton Area #2 Stormwater Separation Project had been delayed due to a pending excavation permit. He handed out his engineer's report and a summary sheet for roof drain removals needed in the project area. He said there are 189 units that need to be removed in the project area and letters were sent to those properties. Board Member Ammon requested a copy of the notice that was sent to property owners. Robert said so far 34 properties have disconnected their roof drains. Robert then reported on the relocation of the Authority's 10-inch sewer line adjacent to Jaycee Drive to remove it from the bridge abutment near the entrance to the treatment plant. He said that he is still waiting for survey information from the JTB Engineering firm so the profile and plan view can be completed. Robert then stated that flow monitoring continues at the three (3) locations for the Mill Street Diversion Chamber closure, two (2) locations near 22nd Street and Vine Street as part of the investigative work for the Area 10 Project in the City of Hazleton, and one (1) location conveying flow to the Locust Street Pump Station from Areas 2A and 2B in the City of Hazleton.

Milot & Gallagher moved to enter executive session to discuss a potential legal issue.

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

After the Board moved out of Executive Session, Gallagher & Milot moved to accept the Engineer's report. Passed: Aye-9, Nay-0, Absent-0

Solicitor's Report – In addition to what was reported in executive session during the Work Session and regular meeting, Attorney Ustynoski reported that he had nothing additional to report.

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

BILLS AND CREDITS

Gallagher & George moved to approve payment of Gannett Fleming, Inc. invoices and requisitions from March 30, 2019 through April 26, 2019, totaling \$2,137.39 as listed in the following table:

<u>Requisition#</u>	<u>Invoice #</u>	<u>Description</u>	<u>Amount</u>
Operating Fund	051153.A*73921	Annual Service Work	\$ 1,541.84
Operating Fund	051153.B*73922	Attending Authority Meetings	\$ 457.50
Operating Fund	051153.D*73923	Industrial Pretreatment Program	\$ 138.05
Total			\$ 2,137.39

Roll Call: Ammon-yes, Fayock-yes, Gallagher-yes, George-yes, Grink-yes, Milot-yes, Sherrock-yes, Sullivan-yes, Zola-no (Passed 8-1-0)

Gallagher & George moved to approve payment of Gannett Fleming, Inc. Invoice #048847.C0*73920, in the amount of \$50,764.35, from professional services rendered through April 26, 2019 relative to the following Incinerator Project items: PENNVEST Administration (\$421.06), Air Permitting during Construction (\$4,476.27), Construction Administration (\$31,163.72), and Resident Observation (\$14,703.30).

Roll Call: Ammon-yes, Fayock-yes, Gallagher-yes, George-yes, Grink-yes, Milot-yes, Sherrock-yes, Sullivan-yes, Zola-no (Passed 8-1-0)

Gallagher & Milot moved to approve Requisition #C195, payment to Michael F Ronca & Sons, Inc., totaling \$901,254.36 for Payment Estimate #12 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 #7 (\$154,347.01) for a total contract of \$11,031,347.01. The total of payments made to date including this payment is \$5,820,732.67, which leaves a balance of \$5,210,614.34.

Roll Call: Ammon-yes, Fayock-yes, Gallagher-yes, George-yes, Grink-yes, Milot-yes, Sherrock-yes, Sullivan-yes, Zola-no (Passed 8-1-0)

Gallagher & George moved to approve payment from the Operating Fund in the amount of \$893,223.15 for Operating and Administrative Expenses (\$647,917.78); Construction in Progress (\$59,918.95); Debt Service Series 2018 Bond (\$8,998.63); Interest Expense Pennvest Loan #27906 (\$284.90); Debt Service Pennvest Loan #27769 (\$172,675.90); and Debt Service Pennvest Loan #58103 (\$3,426.99) from the month of April 2019.

Roll Call: Ammon-no*, Fayock-yes, Gallagher-yes, George-yes, Grink-yes, Milot-yes, Sherrock-yes, Sullivan-yes, Zola-no (Passed 7-2-0)

**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 & George moved to approve issued credits totaling \$3,358.24 from the month of April 2019.

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

NEW BUSINESS

Milot & George moved to approve an additional payment to the Pension Fund in the amount of \$250,000.00 as recommended by the Pension Committee and Actuarial Consultant to increase the funding ratio of the Authority's Pension Plan, which is currently Level 1 - Minimally Distressed.

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

George & Grink moved to approve the management job descriptions dated April 2019 for the Director of Operations, Director of Administration, Field Operations Manager, Plant Operations Manager, and Environmental Manager as recommended by the Restructuring Committee.

On the question: Board Member Ammon stated that he would be voting no because of the Board Member Committee process and not because of any of the employees involved.

Roll Call: Ammon-no, Fayock-yes, Gallagher-yes, George-yes, Grink-yes, Milot-yes, Sherrock-yes, Sullivan-yes, Zola-yes (Passed 8-1-0)

Gallagher & George moved to approve the revised Organizational Chart that was proposed by the Restructuring Committee on May 15, 2019.

Roll Call: Ammon-no, Fayock-yes, Gallagher-yes, George-yes, Grink-yes, Milot-yes, Sherrock-yes, Sullivan-yes, Zola-yes (Passed 8-1-0)

Gallagher & George moved to create a management position titled "Director of Administration" and name Gregory Olander as "Director of Administration" at an annual salary of \$115,000.00 effective June 1, 2019 as recommended by the Restructuring Committee.

Roll Call: Ammon-no, Fayock-yes, Gallagher-yes, George-yes, Grink-yes, Milot-yes, Sherrock-yes, Sullivan-yes, Zola-yes (Passed 8-1-0)

Gallagher & George moved to abolish the "Operations Manager" position, create a management position titled "Plant Operations Manager" and name Eugene Zynel (the current "Chief Operator") as "Plant Operations Manager" at an annual salary of \$79,800.00 effective June 1, 2019 as recommended by the Restructuring Committee.

Roll Call: Ammon-no, Fayock-yes, Gallagher-yes, George-yes, Grink-yes, Milot-yes, Sherrock-yes, Sullivan-yes, Zola-yes (Passed 8-1-0)

Gallagher & George moved to set the salaries for the following Management employees as follows effective June 1, 2019: Director of Operations \$121,000.00; Field Operations Manager \$91,000.00; and Environmental Manager \$73,500.00 as recommended by the Restructuring Committee.

Roll Call: Ammon-no, Fayock-yes, Gallagher-yes, George-yes, Grink-yes, Milot-yes, Sherrock-yes, Sullivan-yes, Zola-yes (Passed 8-1-0)

George & Gallagher moved to appoint Nicholas Petrone (current "Assistant Chief Operator") as "Chief Operator", which is a Union Lead position in the Operations Department as recommended by the Restructuring Committee.

Roll Call: Ammon-no, Fayock-yes, Gallagher-yes, George-yes, Grink-yes, Milot-yes, Sherrock-yes, Sullivan-yes, Zola-yes (Passed 8-1-0)

Gallagher & George moved to appoint Stephen Delman III (current “Electromechanical Technician”) as “Maintenance Lead Man”, which is a Union Lead position in the Maintenance Department as recommended by the Restructuring Committee

Roll Call: Ammon-no, Fayock-yes, Gallagher-yes, George-yes, Grink-yes, Milot-yes, Sherrock-yes, Sullivan-yes, Zola-yes (Passed 8-1-0)

Gallagher & George moved to authorize the job posting to fill the vacant “Electromechanical Technician” position for bidding within the unionized workforce.

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

George & Gallagher moved to approve a 3.0% salary increase for the Director of Operations, Director of Administration, Field Operations Manager, Plant Operations Manager, and Environmental Manager effective June 1, 2020.

Roll Call: Ammon-no, Fayock-abstain, Gallagher-yes, George-yes, Grink-yes, Milot-yes, Sherrock-yes, Sullivan-yes, Zola-yes (Passed 7-2-0)

Milot & Gallagher moved to adjourn.

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


The regular meeting was adjourned at 6:52 PM

The next scheduled Work Session will be Wednesday, June 19, 2019 at 6:30 PM

The next scheduled Regular Monthly Meeting will be Monday, June 24, 2019 at 6:30 PM

Respectfully submitted,

Greater Hazleton Joint Sewer Authority



Gregory Olander, Assistant Secretary