

The February 24, 2020 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.

February 19, 2020 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:

Gregory Olander – Director of Administration	Andy Nowak – Field Operations Manager
Rachel Govelovich, P.E. – Gannett Fleming	Attorney Joseph D. Ustynoski – Solicitor
Attorney Jennifer Caron – Bond Counsel	

February 24, 2020 Regular Meeting Roll Call:

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Sherrock – Present	Sullivan – Present	Zola – Present

Also in Attendance during Regular Meeting:

Gregory Olander – Director of Administration	Andy Nowak – Field Operations Manager
Attorney Joseph D. Ustynoski – Solicitor	Robert Dougherty, P.E. – RJD Engineering
Rachel Govelovich, P.E. – Gannett Fleming	David Payne – PNC Capital Markets
Christopher Gibbons – Concord Public Finance	

* via Telephone

PUBLIC COMMENT

There was no public comment.

Gallagher & Milot moved to approve the minutes of the January 27, 2020 Regular Monthly Meeting.
Passed: Aye-9, Nay-0, Absent-0

Presentation of Bond Purchase Agreement and Resolution for Refunding the 2012 Bonds with a 2020 Bond Issue

During the Work Session, Attorney Jennifer Caron reported that her firm, Eckert Seamans Cherin & Mellott, LLC, prepared Resolution 001 of 2020, for the Board’s consideration. She stated that among other things, the resolution accepts a bond purchase agreement to lock rates for the Series 2020 Bond Issue, pays the balance of the Series 2012 A & B Bonds, funds the Debt Service Reserve Fund, and pays the issuance costs for the Series 2020 Bonds. She said the resolution also appoints Fidelity Deposit & Discount Bank as Trustee, authorizes an intercreditor agreement with PENNVEST to memorialize their lien position, authorizes the Official Statement and Preliminary Official Statement, authorizes the signing of all documents including the Continuing Disclosure Agreement, and authorizes the engineer and financial advisor to complete the transaction. Attorney Caron stated that Christopher Gibbons of Concord Public Finance (Financial Advisor) and David Payne of PNC Capital Markets (Underwriter) would be at the regular board meeting to present the final bond rates and savings to the Board. She then noted that the closing for the 2020 Bond Issue is scheduled for March 17, 2020 with a pre-closing on March 16, 202 for Chairman and Secretary to sign all relevant documents. Attorney Caron then thanked the Board and asked if there were any questions before she exited the meeting.

During the regular monthly meeting, Christopher Gibbons referenced a handout he provided to the Board outlining the final savings realized by refunding the 2012 Bonds with a 2020 Bond Issue. He said the Board authorized moving forward with the refunding of the 2012 Bonds in October 2019 provided there was a savings of more than 3% and he is pleased to report that the bond market has reacted favorably since that time. He reported that final bond pricing was locked-in today and the total savings realized by the Authority is \$1,569,792 or 11.68% net of fees. He said the majority of savings is realized in fiscal years ending 2021 and 2022. Gregory Olander thanked Mr. Gibbons and Mr. Payne for their efforts on the Authority’s behalf to realize a far greater savings than was originally projected. Christopher also provided a handout to the Board containing the Moody’s Investors Service rating for the Authority. He said due to the Authority’s solid financial condition, Moody’s issued an A1 underlying rating. The representatives thanked the Board and exited the meeting.

Pension Committee Report

Board Member Grink reported that the returns on the pension fund for calendar year 2019 were 18% net of fees, which is well above the 7.5% assumed rate of return that had been the benchmark used for that year. He said it resulted in approximately \$357,000 being added to the fund balance. He then reported that Morgan Stanley recommended replacing the US small cap fund manager with another money manager and the committee approved the change as recommended.

Restructuring Committee Report

Board Member Sullivan reported that the committee reviewed the Organizational Structure Chart and recommends modifying the chart to add a second Electromechanical Technician in the Maintenance Department, while eliminating the Electromechanical Assistant position. He said the committee also recommends hiring an additional Utility Person in the Operations Department, which, after the union bidding process is completed, is likely to yield a vacancy in the Plant Operator position.

Director of Operations Report - MONTHLY FLOW REPORT

	<u>January 2020</u>		<u>Year to Date</u>		
			<u>Total</u>	<u>Average</u>	
Total Flow	<u>240,282,079</u>	Gallons	<u>240,282,079</u>	Gallon	xxxxx
Total Flow Bypassed	<u>8,234,252</u>	Gallons	<u>8,234,252</u>	Gallon	xxxxx
Days Flow Bypassed	<u>2</u>	Days	<u>2</u>	Days	xxxxx
Total Flow Treated	<u>232,047,827</u>	Gallons	<u>232,047,827</u>	Gallon	xxxxx
Average Minimum	<u>5.1</u>	MGD	xxxxx	xxxxx	<u>5.1</u> MGD
Average Maximum	<u>11.0</u>	MGD	xxxxx	xxxxx	<u>11.0</u> MGD
Average Daily Flow	<u>7.5</u>	MGD	xxxxx	xxxxx	<u>7.5</u> MGD

During the Work Session, the Director of Administration, Gregory Olander, reported on the wastewater flows for January 2020. He said the total volume of wastewater diverted from all point sources for the month was estimated to be 28.287 million gallons with 8.234 million gallons of treated outflow diverted at the treatment plant. He said approximately 1.788 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 240.3 million gallons with approximately 232.0 million gallons being treated. He also stated that the average daily flow to the treatment plant for the calendar year was 7.5 MGD.

Gregory reported that the revenues for January 2020 were \$1,202,001.19, which was a 4.0% decrease from the prior year. He said the billing for hauled waste received in January totaled \$168,148.62, which is a decrease of 22.9% from the same month in the prior year.

Gregory reported that PENNVEST Reimbursement #6 was received on January 24, 2020 in the amount of \$1,809,344.44. He reported that the Pennvest monthly interest payment increases to \$1,615.84 for the March ACH payment. He also reported that in March 2020 the 2018 monthly Bond payment increases from the \$8,998.63 interest only payment to a full principal and interest payment of \$18,362.29. He said the payment will remain that amount through the remainder of the loan. Gregory then reported that the IRS 1094-B and 1095-B forms were filed electronically before the deadline and the 1095-B forms were mailed directly to employees as required.

Gregory reported that he participated in the Moody's Investors Service conference call along with Christopher Gibbons to determine the underlying financial credit rating of the Authority. He said there were about three pages of very detailed questions concerning the Authority's finances, projections, and municipality demographics that were answered during the call. He said that he is pleased the Authority received the A1 underlying rating due to its healthy financial condition and he noted that in order to receive a higher rating, growth in the service area and the mean household income would need to be more robust.

Gregory informed the Board that the Authority staff and engineer held separate meetings with representatives of Hazleton City, West Hazleton Borough, Hazle Township, Sugarloaf Township, and Jeddo Borough for initial discussions to coordinate the Act 537 Plan required by DEP. He said meetings still need to be held with representatives of Butler Township and Penn State University.

Gregory reported that the parts were received to replace the grit screw in one of the hauled waste receiving units (Raptor). He said the maintenance department is scheduling to complete the repair of the raptor unit. He then reported that one of the requirements in the Authority's air quality permit is to record the amount of sludge being injected into the incinerator. He said in order to meet this requirement, the sludge cake pumps must be calibrated periodically. He said representatives of the cake pump manufacturer, Schwing, will be onsite next week to perform the initial calibration.

Andy Nowak reported on the Jaycee Drive Sewer Line Relocation project. He said all pipe has been installed and the final connection needs to be coordinated on a weekend during low flow conditions at the Henkel manufacturing facility. He said RJD Engineering estimated the project would cost about \$180,000 for installing 1,550 feet of pipe; however, the in-house costs for installing 1,680 feet of pipe will fall between the \$120,000 and \$125,000 range.

Gallagher & Fayock 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-9, Nay-0, Absent-0

Engineer's Report – During the Work Session, Rachel Govelovich distributed a written Engineer's Report and stated 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 #6 was received in the amount of \$1,809,344.44 as reported by Mr. Olander. She then reported on the construction progress noting that the bake-out process was completed along with sand addition, carbon addition into the GAC, and installation of Continuous Emissions Monitoring Equipment (CEMS) lines. Rachel reviewed change order requests from George J. Hayden Electric in which they are requesting additional money to extend insurances and provide electrical power and controls for the GAC quench system. She said her firm has reviewed the change orders and

recommend approval. Attorney Ustynoski recommended the Board move to executive session to discuss negotiations and a potential legal issue regarding the incinerator installation contract.

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, Rachel reported that Ronca Payment Estimate #21 in the amount of \$91,053.70, Hayden Payment Estimate #13 in the amount of \$19,539.00, Master Mechanical Corporation Payment Estimate #8 in the amount of \$1,080.00, and 360water Payment #3 in the amount of \$13,750.00 are on the agenda and recommended for Board approval. She also stated that the monthly incinerator final job conference was held on February 13, 2020.

Rachel reported that Gannett Fleming is finalizing bid documents for the SCADA hardware/software upgrade based on review and comments by Authority staff prior to advertisement. She also reported that a grant application through the Commonwealth Financing Authority (CFA) was submitted prior to the December 13, 2019 deadline for a CSO Separation Project to eliminate the Locust Street CSO point source. She said the amount of the grant request is \$4,031,643.00 of an overall project cost of \$6,047,160.00. Rachel then reported that the bid specifications for 2020 WWTP Upgrades are being prepared, which includes installation of the final clarifier and gravity thickener mechanisms along with the concrete work and roofing work. She also reported that initial meetings were held on February 11, 2020 with Hazle Township and Sugarloaf Township relative to the Act 537 Plan and additional meeting was held on February 18, 2020 with Jeddo Borough. She then reported that the annual reports were being completed for submission to DEP and EPA including the Chapter 94 Report, CSO Status Report, and Industrial Pretreatment Program Report. She said the annual Biosolids/Sludge Report was submitted electronically to EPA before the February 20, 2020 deadline. Rachel then reviewed new engineering services agreement for her firm with a rate table for hourly charges instead of a rate formula that was used since 1980 to calculate hourly engineering rates. Attorney Ustynoski said he would review the terms and conditions with Gannett Flemings attorney to agree on the language in the agreement.

During the regular meeting, Robert Dougherty provided a written report to the Board. He stated that the roof drain removal phase of the West Hazleton Area #2 Stormwater Separation Project is ongoing with 173 of the 189 identified roof drains disconnected in the project area to date. He said there are 16 roof drains that still need to be removed and the next step would be going door-to-door to try and get below 10 remaining disconnections prior to flow monitoring. Robert then stated that flow monitoring continues at the Mill Street Diversion Chamber closure and Locust Street Pump Station from Areas 2A and 2B in the City of Hazleton. He said eight (8) months of flow data were collected at 22nd and Vine Streets, so those meters have been removed for repositioning in the system.

Sullivan Gallagher moved to accept the Engineer's report. Passed: Aye-9, Nay-0, Absent-0

Solicitor's Report – Attorney Ustynoski stated that in addition to what he reported in executive session during the work session, he had nothing additional to report.

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

BILLS AND CREDITS

George & Gallagher moved to approve payment of Gannett Fleming, Inc. invoices and requisitions from December 28, 2019 through January 31, 2020, totaling \$8,561.05 as listed in the following table:

<u>Requisition#</u>	<u>Invoice #</u>	<u>Description</u>	<u>Amount</u>
Operating Fund	051153.A*89854	Annual Service Work	2,760.14
Operating Fund	051153.B*89856	Attending Authority Meetings	801.86
Operating Fund	051153.C*89857	Chapter 94 Report	895.02
Operating Fund	051153.D*89858	Pretreatment Program	838.14
Operating Fund	051153.E*89859	CSO Work	131.30
Operating Fund	051153.AJ*89855	Wastewater Capacity Issues	1,827.36
Operating Fund	051153.04*89853	SCADA Server Upgrade	1,307.23
Total			8,561.05

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

Milot & Gallagher moved to approve payment of Gannett Fleming, Inc. Invoice #048847.C0*89852, in the amount of \$30,127.24, from professional services rendered through January 31, 2020 relative to the following Incinerator Project items: PENNVEST Administration (\$2,933.60), Air Permitting during Construction (\$1,507.50), Construction Administration (\$5,424.38), and Resident Observation (\$20,261.76).

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 #C215, payment to Michael F. Ronca & Sons, Inc., totaling \$91,053.70 for Payment Estimate #21 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 #14 (\$347,057.29) for a total contract of \$11,224,057.29. The total of payments made to date including this payment is \$10,506,693.55, which leaves a balance of \$717,363.74.

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 Requisition #C216, payment to George J. Hayden, Inc., totaling \$19,539.00, for payment Estimate #13 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 #7 (\$21,472.00) for a total contract price of \$815,872.00. The total of payments made to date including this payment is \$723,865.50, which leaves a balance of \$92,006.50

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 & Sullivan moved to approve Requisition #C217, payment to Master Mechanical Corporation, totaling \$1,080.00, for payment Estimate #8 of the Incinerator Installation Project – Contract Two (Mechanical) as recommended by the Engineer. The original contract price was \$123,500.00. the total of payments made to date including this payment is \$111,150.00, which leaves a balance of \$12,350.00.

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 #C218, payment to 360water, Inc., totaling \$13,750.00, for payment #3 for the development and hosting of interactive online training modules

for the Fluidized Bed Incinerator. Original Contract price was \$148,000.00. Total of payments made to date including this payment is \$26,750.00, which leaves a balance of \$121,250.00

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 & Sullivan moved to authorize payment from the Operating Fund for Operating and Administrative Expenses (\$804,466.50); Construction in Progress (\$51,282.85); Transfers to Authority Accounts (\$224,048.00); Debt Service Series 2018 Bond - BB&T (\$8,998.63); Interest Expense Pennvest Loan #27906 (\$1,295.43); Debt Service Pennvest Loan #27769 (\$172,675.90); and Debt Service Pennvest Loan #58103 (\$3,426.99) from the month of January 2020.

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

**Board Member Ammon votes no for all payments except those for the Hazleton City Authority (HCA) for which he abstains.*

Zola & Grink moved to approve issued credits totaling \$1,666.95 from the month of January 2020.

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

Gallagher & Ammon moved to approve Change Order #9 of the Incinerator Installation Project - Contract Three (Electrical) as recommended by the Engineer, in the amount of \$3,068.00 for extensions to the Pollution and Owner's Contractor's Protective Liability Insurance due to the contract time extensions.

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 & Zola moved to adopt Resolution 001 of 2020 as presented, authorizing, among other things, the issuance of sewer revenue bonds to refund the Authority's Sewer Revenue Bonds, Series A and B of 2012.

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

Gallagher & Sullivan moved to create a fourth (4th) CSO/Utility Person position, which is a union position under the Maintenance CBA, and to post the position for bidding as per Section 6.6 of the contract.

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

Gallagher & Sullivan 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, **Milot & Zola** moved to adjourn.

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

The regular meeting was adjourned at 8:32 PM

The next scheduled Work Session will be Wednesday, March 18, 2020 at 6:30 PM

The next scheduled Regular Monthly Meeting will be Monday, March 23, 2020 at 6:30 PM

Respectfully submitted,
Greater Hazleton Joint Sewer Authority

A handwritten signature in cursive script, reading "Gregory A. Olander". The signature is written in black ink and is positioned above a horizontal line.

Gregory Olander, Assistant Secretary