

The July 27, 2020 regular monthly meeting of the Greater Hazleton Joint Sewer Authority was called to order by Chairman Sherrock at 6:30 PM via videoconference. All participating in the videoconference gave a pledge of allegiance.

July 22, 2020 Work Session Roll Call:

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

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

July 27, 2020 Regular Meeting Roll Call:

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

Also in Attendance during Regular Meeting:

*Gregory Olander – Director of Administration	*Andy Nowak – Field Operations Manager
*Attorney Joseph D. Ustynoski – Solicitor	

\* via Videoconference

\*\* via Telephone

\*\*\*entered the regular meeting during the Hiring Committee Report

\*\*\*\*entered the regular meeting during the Director of Operations Report

**PUBLIC COMMENT**

There was no public comment received prior to the meeting to be presented.

**Milot & Gallagher** moved to approve the minutes of the June 22, 2020 Regular Monthly Meeting. Passed: Aye-6, Nay-0, Absent-3

During the Work Session, the Director of Administration, Gregory Olander, presented documents to review the final budget for Fiscal Year 2019-2020. He first reported on the Treatment Plant budget noting that payroll was expected to be under budget by approximately \$131,000 due to a few employees being off work due to medical leaves of absence. He reviewed other line items estimated to close out the year with higher variations from the original budget primarily due to the incinerator not becoming operational until June 2020. Those line items include Electrical Power (-\$137,153), Cationic Polymer (-\$35,178), Methanol (-\$41,721), Biosolids Removal & Disposal (+\$528,027), and Group Insurance (-\$95,261). He said the biosolids line item was over budget by such a large amount due to several months of hauling sludge to landfill rather than disposal through incineration. He said the savings in group insurance was due to a refund received for surplus distribution in 2019 because of the Authority's favorable claims usage through the Pennsylvania Municipal Health Insurance Cooperative (PMHIC). He said the overall operating and administrative expense for the treatment plant are estimated to be under budget by \$8,061 for 2019-2020. Gregory then reviewed the Collection System Budget for 2019-2020 noting that most of the budget items are in line with projections, but the repairs and maintenance line item was under budget by \$249,649. He said the Collection Division

portion of administrative expenses was calculated at \$207,234 for the year and overall the Collection System Division operating and administrative expenses were under budget by \$381,818. He reported that the debt service, which was the Pennvest Loan for stormwater improvements in the City of Hazleton, was consistent with prior years at approximately \$41,200. He stated that the difference in capital purchases for the Collection System Division was due to the higher price received for the sale of the 2014 Van-Con Truck. He noted that the relocation of Jaycee Drive main was completed in-house for about \$50,000 less than anticipated. Gregory then reviewed a summary of revenues and expenses for the current fiscal year noting that the sewer customer revenue was expected to be about \$668,000 below projections due to the effects of the COVID-19 pandemic. He said some of the lower revenue is attributed to a decrease in commercial and industrial usage; however, the majority is due to residential delinquent customers not paying their bills on time. He said those residential revenues are not lost; they are contained in the higher accounts receivable balance at fiscal year-end. He said hauled waste customer revenue is expected to be about \$233,000 above projections. He said there was a lower interest rate of return due to the COVID-19 pandemic, however, interest income was near the projected \$120,000. He then reviewed the overall Collection System revenues and disbursements and noted that there was a \$79,644 shortfall due to the funding of the West Hazleton Sewer Separation Project, which was completed during the fiscal year. He said a motion is on the agenda to transfer that amount from the Collection System Reserve account to the Operating Fund. He also recommended the transfer of \$135,500 to the Operating Reserve, which represents 10% of the debt service on the 2012A and 2012B bonds and the transfer of \$165,000 to the FNB Money Market account for Depreciation.

Gregory then presented the budget for Fiscal Year August 1, 2020 through July 31, 2021. He said the overall Treatment Plant budget in the amount of \$9,647,600 is a decrease of \$794,000 from last year due to the startup of the incinerator and the reduction of debt service from refunding of the 2012 Bonds. He said there are adjustments in various line items, most notably to Payroll (+\$109,000), Cationic Polymer (-\$20,000), Magnesium Hydroxide (+\$60,000), Ammonia (-\$20,000), Biosolids Removal & Disposal (-\$400,000) and Maintenance and Repairs (+\$130,000). He said the increase in the payroll line item was primarily due to the contractual increases under the union contract and the addition of one Plant Operator. He said the 2018 Bond Payments will include principal and interest for a complete fiscal year, which adds \$65,600 to the budget and principal payments on the PENNVEST Loan #27906 begin August 1, 2020, which will add \$119,000 to the budget. He then noted that treatment plant revenues are projected to be \$10,979,000 for the fiscal year. Gregory then reported that the overall Collection System Budget in the amount of \$1,875,124 was very close to last year in the Expenses & Debt Service categories (\$1,410,124). He said the Capital Purchases of \$100,000 are for a new 5-Ton Dump Truck replacement and Capital Projects include continued work on the Terminus of Black Creek CSO Project (\$350,000). He said projected customer revenues of \$2,025,000 along with the available money in the Collection System Reserve account following the recommended transfer (\$1,883,852) will fund the Collection System Division for the next fiscal year. Gregory also reviewed sections of the 5-year financial projections with the Board at various times during the budget presentation noting adequate debt service coverage over the five years to maintain compliance with the Trust Indenture.

**George & Milot** moved to approve the Fiscal Year August 1, 2020 to July 31, 2021 Operating Budget for the Treatment Plant and Collection System Division as presented by the Director of Administration.

Roll Call: Ammon-absent, Fayock-absent, Gallagher-yes, George-yes, Grink-yes, Milot-yes, Sherrock-yes, Sullivan-yes, Zola-absent (Passed 6-0-3)

**Hiring Committee Report**

The Hiring Committee gave a report in executive session during the work session concerning applicants and interviews conducted for the open Plant Operator position. The Committee members made a recommendation to hire Joshua Berger for the Plant Operator position.

Milot & Gallagher moved to hire Joshua Berger for the position of Plant Operator as recommended by the Hiring Committee, conditioned upon his passing a physical examination and drug screening, at an hourly rate of \$27.39, which is current Certified Plant Operator rate per the Collective Bargaining Agreement, with a start date to be determined by Authority Management.

Roll Call: Ammon-absent, Fayock-absent, Gallagher-yes, George-yes, Grink-yes, Milot-yes, Sherrock-yes, Sullivan-yes, Zola-yes (Passed 7-0-2)

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

	<u>June 2020</u>		<u>Year to Date</u>		
			<u>Total</u>		<u>Average</u>
<b>Total Flow</b>	<u>253,656,275</u>	<b>Gallons</b>	<u>1,559,991,901</u>	<b>Gallon</b>	<b>xxxxx</b>
<b>Total Flow Bypassed</b>	<u>15,728,209</u>	<b>Gallons</b>	<u>62,278,147</u>	<b>Gallon</b>	<b>xxxxx</b>
<b>Days Flow Bypassed</b>	<u>6</u>	<b>Days</b>	<u>26</u>	<b>Days</b>	<b>xxxxx</b>
<b>Total Flow Treated</b>	<u>237,928,066</u>	<b>Gallons</b>	<u>1,497,413,754</u>	<b>Gallon</b>	<b>xxxxx</b>
<b>Average Minimum</b>	<u>5.6</u>	<b>MGD</b>	<b>xxxxx</b>	<b>xxxxx</b>	<u>5.8</u> <b>MGD</b>
<b>Average Maximum</b>	<u>16.6</u>	<b>MGD</b>	<b>xxxxx</b>	<b>xxxxx</b>	<u>13.5</u> <b>MGD</b>
<b>Average Daily Flow</b>	<u>8.2</u>	<b>MGD</b>	<b>xxxxx</b>	<b>xxxxx</b>	<u>8.3</u> <b>MGD</b>

The Director of Administration, Gregory Olander, reviewed the wastewater flows for June 2020 as presented in the monthly flow report. He also reported that the total volume of wastewater diverted from all point sources for the month was estimated to be 136.93 million gallons with 15.728 million gallons of treated outflow diverted at the treatment plant. He said approximately 10.804 million gallons of the total diverted flow was treated outflow from the Autumn & Ridge CSO Separator.

Gregory reported that the revenues for June 2020 were \$1,002,992.50, which was a 14.8% decrease from the prior year. He said the billing for hauled waste received in May totaled \$145,642.59, which is a decrease of 29.7% from the same month in the prior year. He reported that the fiscal year to date customer collections through June remained relatively unchanged at 95.22% and the hauler collections remained consistent at 99.42%. He said due to the COVID-19 pandemic and suspension of delinquent collections this year, he expects the customer collections to remain at that level through the end of the fiscal year. Gregory then reported that the PENNVEST monthly interest payment for July 2020 in the amount of \$1,640.39 was paid by ACH. He said beginning August 1, 2020, the monthly PENNVEST payment for Loan #27906 will be \$11,152.44, which includes both principal and interest. He also reported that a response letter and additional requested documentation were sent to PENNVEST concerning the limited financial audit that was performed by HRG, Inc. in August 2019. He said a letter was received from PENNVEST shortly thereafter indicating that the information provided was satisfactory and the limited financial audit is now closed.

Gregory stated that the rock trap installed in September 2019 was found to have breaks in the welds in a few locations. The company was contacted and the unit is being replaced under warranty. He said it will be delivered with the second rock trap that was recently ordered. He noted that the maintenance department staff was making some plumbing modifications to prevent a recurrence. He also noted that a new pump was installed at the Stacie Manor Pump Station and the failed pump was sent for repair. He said the maintenance department continues routine maintenance and smaller repairs. He then stated that the maintenance department personnel assisted Ronca with installation of a temporary belt conveyor on July 17, 2020 to remove dewatered flyash due to the operational issues with the screw conveyor that was placed into service the first week of June 2020. He said the contractor is researching a more permanent solution to remove the dewatered flyash.

Gregory then gave an update on management and safety practices being implemented by the Authority due to the COVID-19 pandemic. He said the Authority staff returned to their regular operational schedule on June 1, 2020. He said the billing office remains closed to walk-in and he asked the Board for input on whether to reopen the billing office. The Board agreed that the office should remain closed to walk-in customer traffic until further notice. He also noted that the office staff was concerned about accepting cash as a form of payment once the office reopens. He said that he would revisit whether to accept cash upon reopening with the Board once the office is set to reopen for in-person customer payments. He also reminded the Board that penalties were still not being applied to delinquent customer accounts and he asked the Board if they wanted to reinstate penalties. After some discussion, the Board decided to continue waiving penalties until further notice. Gregory then reported that the contract for the new Online Bill Pay Portal platform and Merchant credit card terms and conditions were being reviewed by the Solicitor.

Gregory also reported that there were no additional updates relative to aesthetic upgrades for the South Church Street Pump Station as proposed by the Hazleton Logistics Park developer and engineer.

Andy Nowak reported that a repair was made to the Locust Street Force Main at the first bend on Locust and Walnut Streets. He said two (2) 45° fittings and a spool piece of 12" Ductile Iron Pipe were replaced. He said the Road Crew personal completed the work in just under 12 hours, which was well done for such an extensive repair. He said DEP was notified of the break within 24 hours and a written report was also submitted as required.

Andy then reported that the Road Crew made a repair to the stone arch on Wyoming Street and they completed the final connection to the new line on Jaycee Drive so the flow from Henkel is now going through the new line. Andy also reported that RJD Engineering was working on design for Phase 1 of the Hazleton City Area 10 Project, which is expected to bid in the Fall or Winter of 2020

Gregory Olander requested the Board move into executive session to discuss a personnel issue.

**George & Milot** moved to enter executive session to discuss a personnel issue.

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

After the Board moved out of executive session **Sullivan & Milot** moved to accept the Director of Operation's 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** – During the Work Session, Rachel Govelovich referenced a written Engineer's Report that was issued to the Board. She reported that there has been no change regarding the Authority's NPDES Permit renewal. She then reported on the Incinerator Project. She said submissions were sent to PENNVEST prior to the deadline to address comments from the limited financial audit of the Incinerator Project. She said PENNVEST accepted the responses and closed the audit. She reported on the construction progress of the incinerator and noted that the incinerator started operation on June 2, 2020. She said Ronca and SUEZ are working to address the remaining items as listed in the engineer's report prior to doing the Final Mechanical Performance Test. She said the incinerator is in the optimization or "shakedown" period and a plan shutdown will be needed to address some of the issues that require the incinerator to cool including welding work on the dome, heat exchanger refractory inspection, possible lower site glass work, removal of olivine sand and loading of silica sand, and potential recoating of the reactor/heat exchanger. She reported that there have been several air quality tasks being worked on by the team. She said the RATA testing is complete and their sub-contractors are working to achieve compliance with the air quality and solid waste permits. She stated that 360water continues to create the training modules and is coordinating with contractors. She said CEMS Certification Testing and RATA Testing were completed and passed. She said the results are being compiled for submission to PA DEP for approval of the CEMS system. She said a call was being scheduled with DEP Air Quality to discuss a few issues that arose during optimization of the system. She then gave an update on the coating system and reviewed a report from the coatings manufacturer, Carboline, Inc., which was discussed in executive session during the work session. After the Board moved out of executive session, Rachel was instructed to pursue a bond with the Paint Contractor through Ronca to protect the Authority in the event there is another paint failure. Rachel also reported that there was one contractor Payment Estimate for Hayden in the amount of \$2,036.14 this month.

Rachel then reported that her firm reviewed the bids for the SCADA Upgrade Project with the apparent low bidder, Optimum Controls Corporation (OCC) at a bid price of \$187,049.00. She said following review of the bid and additional documentation provided, she recommends issuing Notice of Award and Notice to Proceed to OCC. Rachel also reported that the 2020 WWTP Improvements Project should be ready to be advertised with a bid opening in early Fall 2020. Rachel noted that she completed the Opinion of Probable Replacement Costs, which is needed by insurance companies interested in quoting on the Authority's property & casualty coverage. She also stated that the Annual Operating Report and Engineer's Certificate were nearly complete and would be provided to the Trustee prior to August 1<sup>st</sup> as required in the Trust Indenture.

**George & Sullivan** moved to accept the Engineer's report.

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

**Solicitor's Report** – Attorney Ustynoski stated that in addition to what was reported in executive session, he reviewed the property and casualty proposals and recommends the Authority renew their coverage with the current underwriter's proposal including the cyber insurance.

**George & Milot** moved to accept the Solicitor's report.

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

**BILLS AND CREDITS**

**Gallagher & George** moved to approve payment of Gannett Fleming, Inc. invoices and requisitions through June 19, 2020, totaling \$10,038.39 as listed in the following table:

<u>Requisition#</u>	<u>Invoice #</u>	<u>Description</u>	<u>Amount</u>
Operating Fund	051153.A*97397	Annual Service Work	2,636.47
Operating Fund	051153.B*97400	Attending Authority Meetings	232.41
Operating Fund	051153.D*97401	Pretreatment Program	689.30
Operating Fund	051153.AI*97398	ODMS Program Update	704.55
Operating Fund	051153.AJ*97399	Wastewater Capacity Issues	77.47
Operating Fund	051153.04*97395	SCADA Server Upgrade	4,355.27
Operating Fund	051153.39*97396	WWTP Improvements	1,342.92
Total			10,038.39

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

**Gallagher & Ammon** moved to approve payment of Gannett Fleming, Inc. Invoice #048847.C0\*97394, in the amount of \$34,174.68, from professional services rendered through June 19, 2020 relative to the following Incinerator Project items: PENNVEST Administration (\$1,028.77), Air Permitting during Construction (\$5,808.23), Construction Administration (\$11,508.18), and Resident Observation (\$15,829.50).

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

**Grink & Milot** moved to approve Requisition #C226, payment to George J. Hayden, Inc., totaling \$2,036.14, for Payment Estimate #16 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 #10 (\$34,115.34) for a total contract of \$828,515.34. The total of payments made to date including this payment is \$807,802.46, which leaves a balance of \$20,712.88.

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

**Gallagher & Sullivan** moved to authorize payment from the Operating Fund for Operating and Administrative Expenses (\$560,555.98); Construction in Progress (\$45,555.16); Debt Service Series 2018 Bond - BB&T (\$18,362.29); Interest Expense Pennvest Loan #27906 (\$1,615.84); Debt Service Pennvest Loan #27769 (\$172,675.90); and Debt Service Pennvest Loan #58103 (\$3,426.99) from the month of June 2020.

Roll Call: Ammon-no\*, Fayock-absent, Gallagher-yes, George-yes, Grink-yes, Milot-yes, Sherrock-yes, Sullivan-yes, Zola-yes (Passed 7-1-1)

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

**Gallagher & Fayock** moved to approve issued credits totaling \$2,793.93 from the month of June 2020.

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

**Gallagher & Sullivan** moved to approve the transfer of \$79,644.00 to the Operating Fund from the “Collection System Reserve” for Fiscal Year Ended July 31, 2020 as presented by Authority Management.

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

**Gallagher & Grink** moved to approve the transfer of \$135,500.00 from the Operating Fund to the Operating Reserve for Fiscal Year Ended July 31, 2020 as presented by Authority Management.

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

**Gallagher & Grink** 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, 2020 as presented by Authority Management.

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

**OLD BUSINESS**

**Gallagher & George** moved to award the Ultra-Low Sulfur Diesel Fuel supply contract for August 1, 2020 through July 31, 2021 to the lowest bidder, Russell Postupack Oil Co., LLC, for the wholesale terminal rack price plus a fixed adder of \$0.24 delivered to the GHJSA as recommended by the Authority Management.

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

**George & Gallagher** moved to issue Notice of Award and Notice to Proceed to the low bidder, Optimum Controls Corp. of Reading, PA, for the 2020 SCADA Upgrades Project for the bid amount of \$187,049.00 as recommended by the engineer.

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

**Grink & George** moved to award the August 1, 2020 through July 31, 2021 chemicals contracts as specified in the bid documents to the lowest responsible bidders as recommended by Authority Management:

Sodium Hypochlorite	Brenntag Northeast of Reading, PA	\$1.17 per gallon
Polyaluminum Chloride (DelPAC 2000)	USALCO of Baltimore, MD	\$1.7846 per gallon \$1.6438 per lb Al <sub>2</sub> O <sub>3</sub>
Methanol	Univar USA, Inc. of Morrisville, PA	\$0.1398 per gallon fixed adder to Methanex Index
Methanol Alternative (EOSi - MicroC 3000)	Coyne Chemical of Croydon, PA	\$0.1590 per gallon fixed adder to Methanex Index with a \$1.559/gal ceiling and a \$1.159/gal floor

Sodium Hydroxide	Univar USA of Morrisville, PA	\$1.6714 per gallon
Magnesium Hydroxide (Flo Mag H)	Martin Marietta Magnesia of Baltimore, MD	\$665.00 per Dry Ton

All pricing is FOB delivered to the treatment plant in West Hazleton, PA.

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

**NEW BUSINESS**

**George & Gallagher** moved to award the property and casualty insurance coverage for Fiscal Year 2020-2021 to Brown and Brown Insurance of Bethlehem, PA, which includes \$2 million in cyber insurance for a total annual premium of \$93,775.66, as recommended by Authority Management and the Solicitor.

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

**Milot & Gallagher** moved to adjourn.

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

The regular meeting was adjourned at 6:47 PM

The next scheduled Work Session will be Wednesday, August 19, 2020 at 6:30 PM

The next scheduled Regular Monthly Meeting will be Monday, August 24, 2020 at 6:30 PM

Respectfully submitted,

**Greater Hazleton Joint Sewer Authority**



Gregory Olander, Assistant Secretary