

The July 26, 2021 regular monthly meeting of the Greater Hazleton Joint Sewer Authority was called to order by Chairman Sherrock at 6:30 PM. All participating in the meeting gave a pledge of allegiance.

July 21, 2021 Work Session Roll Call:

Ammon – Present ¹	Formica – Present	Gallagher – Present
George – Present ¹	Grink – Present ¹	Milot – Present
Sherrock – Present	Sullivan – Present	Zola – Absent

Also in Attendance during Work Session:

Gregory Olander – Director of Administration	Andy Nowak – Field Operations Manager
Christopher Carsia – Director of Operations	Attorney Joseph D. Ustynoski – Solicitor
¹ Rachel Govelovich, P.E. – Gannett Fleming	¹ Robert Dougherty, P.E. – RJD Engineering
¹ Attorney Scott Gartley – Labor Law Attorney	

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Sherrock – Present	Sullivan – Present	Zola – Present ¹

Also in Attendance during Regular Meeting:

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

¹ via Videoconference

PUBLIC COMMENT

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

Milot & Gallagher moved to approve the minutes of the June 30, 2021 Regular Monthly Meeting. Passed: Aye-9, Nay-0, Absent-0

During the Work Session, the Director of Administration, Gregory Olander, presented documents to review the final budget for Fiscal Year 2020-2021. He first reported on the Treatment Plant budget noting that payroll was expected to be under budget by approximately \$161,000 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 efficiency and operation of the incinerator through its shakedown period. Those line items include Electrical Power (-\$99,892), Cationic Polymer (+\$62,335), Biosolids Removal & Disposal (-\$132,872), and Group Insurance (-\$78,732). He said the biosolids line item was lower than anticipated due to operational efficiency of the incinerator. He said the savings in group insurance was due to a refund received for surplus distribution in 2020 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 \$134,957 for 2020-2021. He also noted that the Debt Service for the Series of 2020 Bonds was \$835,000 lower than prior years due to the savings realized by refinancing the Series of 2012 Bonds. Gregory then reviewed the Collection System Budget for 2020-2021 noting that most of the budget items are in

line with projections, but the repairs and maintenance line item was under budget by \$77,290. He said the Collection Division portion of administrative expenses was calculated at \$334,053 for the year and overall the Collection System Division operating and administrative expenses were under budget by \$112,557. 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 noted that delays in completion of the Area 10 CSO Project were the reason for lower expenditures for that project this fiscal year. Gregory then reviewed a summary of revenues and expenses for the current fiscal year noting that the sewer customer revenue was expected to be below projections due to the ongoing effects of the COVID-19 pandemic. He said some of the lower revenue is attributed to a decrease in commercial and industrial usage, lower school counts, and not applying penalties to delinquent customer accounts during the year; 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 the end of the fiscal year. He said hauled waste customer revenue is expected to be about \$75,000 below projections. He also said interest income was lower due to the plummeting interest rates during the year. He then reviewed the overall Collection System revenues and disbursements and noted that there was a \$510,090 surplus for the fiscal year. He said a motion is on the agenda to transfer that amount to the Collection System Reserve account from the Operating Fund. He also recommended the transfer of \$49,000 to the Operating Reserve, which represents 10% of the debt service on the 2020 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, 2021 through July 31, 2022. He said the overall Treatment Plant budget in the amount of \$10,362,100 is an increase of \$714,500 due to the 2020-2021 being lower than the prior year from 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 (+\$100,000), Engineering (+\$60,000), Cationic Polymer (+\$65,000), Magnesium Hydroxide (-\$30,000), Biosolids Removal & Disposal (-\$100,000), Granulated Activated Carbon (+\$125,000), Air Compliance & Testing (+\$55,000), and Maintenance and Repairs (+\$40,000). He said the increase in the payroll line item was primarily due to the contractual increases under the union contract and anticipated increased staffing in the office and treatment plant. He said the 2020 Bond Debt Service Payments will increase by \$187,200; however, the overall 2020 Bond payments for the upcoming year are still a savings of \$649,000 from prior years due to the refinancing of Series 2012 Bonds. He then noted that treatment plant revenues are projected to be \$10,942,000 for the fiscal year. Gregory then reported that the overall Collection System Budget in the amount of \$2,175,624 was very close to last year in the Expenses & Debt Service categories (\$1,384,000). He said the Capital Purchases of \$290,000 are for a new 5-Ton Dump Truck replacement and additional camera equipment. He said Capital Projects include continued work on the Terminus of Black Creek CSO Project (\$325,000) and Act 537 Investigative /Mapping work in the collection system. He said projected customer revenues of \$2,025,000 along with the available money in the Collection System Reserve account following the recommended transfer (\$2,399,303) 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. He noted that there is no rate increase needed for the upcoming fiscal year and he said the quarterly breakdowns of the budgets would be provided to the Board prior to the vote at the regular monthly meeting.

Milot & Sullivan moved to approve the Fiscal Year August 1, 2021 to July 31, 2022 Operating Budget for the Treatment Plant and Collection System Division as presented by the Director of Administration.

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

Director of Operations Report - MONTHLY FLOW REPORT

	<u>June 2021</u>		<u>Year to Date</u>		
			<u>Total</u>		<u>Average</u>
Total Flow	<u>165,284,285</u>	Gallons	<u>1,405,847,257</u>	Gallon	xxxxx
Total Flow Bypassed	<u>174,677</u>	Gallons	<u>22,420,858</u>	Gallon	xxxxx
Days Flow Bypassed	<u>1</u>	Days	<u>16</u>	Days	xxxxx
Total Flow Treated	<u>165,109,608</u>	Gallons	<u>1,383,426,399</u>	Gallon	xxxxx
Average Minimum	<u>3.4</u>	MGD	xxxxx	xxxxx	<u>5.2</u> MGD
Average Maximum	<u>8.9</u>	MGD	xxxxx	xxxxx	<u>11.1</u> MGD
Average Daily Flow	<u>5.5</u>	MGD	xxxxx	xxxxx	<u>7.6</u> MGD

During the Work Session, the Director of Operations, Christopher Carsia, reviewed the wastewater flows for June 2021 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 13.93 million gallons with 0.175 million gallons of treated outflow diverted at the treatment plant. He said approximately 1.226 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 165.3 million gallons with approximately 165.1 million gallons being treated. He also stated that the average daily flow to the treatment plant for the month was 5.5 MGD, which decreased the year-to-date average daily flow to 7.6 MGD.

Christopher reported that the revenues for June 2021 were \$1,013,266.41 which was a 1.0% increase from the prior year. He said the billing for hauled waste received in June totaled \$171,438.52, which is an increase of 17.7% from the same month in the prior year. He also reported that the overall customer collection rate remained relatively constant from the prior month at 98.76%.

Christopher then reported on the 60-inch CSO line replacement at the rear of the Hazleton Area High School (HAHS). He said the Hazleton Area School District (HASD) is not planning an extension of the HAHS on the west side of the building, which would have required relocation of the Authority’s 60-inch CSO line. He said the Authority will be able to continue with line replacement in that area. Andy Nowak reported that the Road Crew is in the process of replacing 100 linear feet and site restoration before school is back in session for the fall term. He said they are planning to continue replacement work over the next several summer seasons while school is out of session.

Christopher reported that due to the low volume of natural gas used at the two small pump stations acquired from the City of Hazleton, the natural gas will be purchased under the UGI default rate rather than a third party contracted rate until natural gas rates become more favorable to enter into a contract.

During the Work Session, Gregory Olander reported that two (2) replacement secondary effluent pumps were ordered with the manufacturer through COSTARS as directed by the Board during last month's meeting. He then stated that a parts list for the Trojan 4000+ UV Disinfection System is still being compiled by the manufacturer's representative for review by Authority personnel.

Gregory informed the Board that the billing office was re-opened to walk-in customers on June 29, 2021 with social distancing and masking requirements in place as recommended by the CDC. He said signs were hung and floor stickers installed in the customer payment area to promote social distancing. He then noted that since the online bill payment portal went live on December 4, 2020, over 1,330 customers have enrolled in the portal. Board Member Sullivan asked if the payment methods were printed on the bills. Gregory responded that the bills do contain a note about the Online Bill Payment Option and the back side of the sewer bills contain a list of all the methods of payment. Chairman Sherrock asked what the Automatic payment was referencing. Gregory responded that the online bill pay has an option to enroll in recurring credit card payments that will charge the card automatically on the due date.

Gregory also informed the Board that additional testing was completed for six (6) parameters contained in the draft NPDES Permit. He said of the six parameters, three (3) of results were at low enough levels to request that they be removed from the final permit. He said the data is being compiled for submission to DEP for their consideration to modify the final permit.

Gregory then reported that the Authority has been approached by Niagra, the company building a bottling plant in Humboldt Industrial Park, concerning acceptance of approximately 15,000 gallons of backwash water via tanker truck that will be generated from their bottled water filtering process. He said based on representative sample results from their bottling sites in other parts of the country, the waste will have a high Total Dissolved Solids load. He said this should be something the Authority can treat without issue; however, it may need to be discharged over time at the headworks to maintain consistency in the incoming flows to maintain proper operation of the treatment plant, which would require additional tankage or another storage method. He said the Authority's Environmental Manager was asked to respond to questions posed by Niagra since the waste would fall under the Industrial Pretreatment Program.

Gregory then informed the Board that he recently had a conversation with Christopher Gibbons of Concord Public Finance concerning a potential for savings by refinancing two of the Authority's PENNVEST loans. He said the refinancing savings is significant and he suggested Mr. Gibbons attend the August Work Session to present the savings that may be realized to the Board. There were no objections from the Board.

Sullivan & Gallagher 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.

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

Engineer's Report – During the Regular Meeting, Robert Dougherty referenced a written report that was sent to the Board. He reported that post construction flow monitoring was ongoing in West Hazleton following the Area 2 Separation Project. He said bid documents for Hazleton CAP Area 10

Project have been completed and they are ready for advertisement July 26, 2021 with an August 2021 bid opening. He also reported that base mapping continues in Hazleton CAP Area 2 & 3 for the design of the Locust Street CSO Separation Project. He said that his firm is ready for manholes to be opened in the project area to complete the fieldwork and GPS location.

During the Work Session, Rachel Govelovich referenced a written Engineer's Report that was distributed to the Board. She reported that the additional sample results for six of the new parameters in the draft NPDES Permit were being packaged for submission to DEP. Rachel reported that the Incinerator Installation contractor, Michael J. Ronca & Sons, needs to return to perform some additional painting for the underside of an ash system component, which will be done during the next annual shutdown scheduled for September 27, 2021. She said Payment Estimate #24 to Michael J. Ronca & Sons in the amount of \$100,897.59 is on the agenda and recommended for payment.

Rachel then reported that results were received for the Incinerator Stack Re-Test that began on May 17, 2021 and was concluded on May 20, 2021. She said there were mixed results with Cadmium and Hydrogen Chloride both passing the re-test; however, dioxins/furans failed the re-test. She said the Granulated Activated Carbon (GAC) is the air quality equipment that treats this parameter, so investigation as to the cause of the issue is underway. She said there is a recommendation to replace the carbon in the unit and add an additional 3,300 pounds of carbon for increased detention time. She said a notice was sent to DEP informing them of the exceedance and expected course of action. She said a Notice of Violation is anticipated, so a response will be developed and submitted to DEP as required. She then informed the Board that the annual RATA Test that was scheduled to be performed on July 20, 2021 was shifted to July 21, 2021 and DEP was notified of the change. She said work to complete other required air quality reports is ongoing and the reports will be submitted before the respective deadlines as listed in the written Engineer's Report.

Rachel also reported that the SCADA Upgrade Project is near completion and the contractor must finish a few remaining items and submit the O&M manuals for final completion. She said the 2020 WWTP Improvement Project is progressing with both gravity thickeners completed and back in service. She said the contractor is shifting to begin work on one of the final clarifiers. She said the 2020 WWTP Improvement Project Payment Estimate #3 to LB Industries, Inc., in the amount of \$59,310.00, was on the agenda and recommended for payment. She also stated that as previously discussed, Change Order #2 in the amount of \$13,295.00 was on the agenda and recommended for approval.

Rachel reported that a conference call was held with Gannett Fleming, Authority Staff, and Solicitor to outline tasks to move forward with the Act 537 Planning effort and how it correlates with the Long Term Control Plan (LTCP) update that will be required in the new NPDES Permit. Rachel then stated that the Annual Operations Report is being reviewed and will be submitted to the Trustee prior to the July 31, 2021 deadline along with the approved budget and Engineer's Certificate. She also noted that the LSA Grant application for the Locust Street CSO Separation Project was unsuccessful and did not receive funding through CFA. She asked the Board if they wanted to reapply for grant funding again this year. The Board agreed that another LSA grant application for the Locust Street CSO Project should be submitted this year.

Gallagher & Milot moved to accept the Engineer's Report.

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

Solicitor’s Report – In addition to what was reported in executive session at the Work Session, Attorney Ustynoski reported on the review of property and casualty insurance proposals. He said the proposals were reviewed along with Andy Nowak and their recommendation is to award the 2021-2022 coverage to the current carrier through Brown & Brown Insurance of Bethlehem, PA. He said the premium is slightly higher, but the other proposals received were lacking in necessary coverage as compared to the Brown & Brown proposal. He also reported on the impending change in the Sunshine Act noting that the agenda for each meeting must be posted on the website 24 hours prior to the meeting and a hard copy posted at the Authority offices for public notice.

Milot & Gallagher moved to accept the Solicitor’s report.

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

BILLS AND CREDITS

Gallagher & Formica moved to approve payment of Gannett Fleming, Inc. invoices and requisitions through July 2, 2021, totaling \$10,420.00 as listed in the following table:

<u>Requisition#</u>	<u>Invoice #</u>	<u>Description</u>	<u>Amount</u>
Operating Fund	051153.A*118625	Annual Service Work	3,205.55
Operating Fund	051153.B*118627	Attending Authority Meetings	161.65
Operating Fund	051153.T*118628	NPDES Permit Application	144.88
Operating Fund	051153.AJ*118626	Wastewater Capacity Issues	1,576.09
Operating Fund	051153.39*118624	2020 WWTP Improvements	5,331.83
Total			10,420.00

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

George & Gallagher moved to approve payment of Gannett Fleming, Inc. Invoice #048847.C0*118623, in the amount of \$6,519.50, for professional services rendered through July 2, 2021 relative to the following Incinerator Project items: Air Permitting during Construction (\$834.48), Construction Administration (\$1,131.55) and Air Permitting-1st Year after Startup (\$4,553.47).

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

Gallagher & Formica moved to approve Requisition #C237 payable to LB Industries, Inc. in the amount of \$59,310.00, for Payment Estimate #3 of the 2020 WWTP Improvements Project. The original contract price was \$549,510.00. Add for Change Order #1 (\$7,665.00) for a total contract price of \$557,175.00. The total of payments made to date including this payment is \$141,413.40, which leaves a balance of \$415,761.60.

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

Gallagher & Sullivan moved to approve Requisition #C238 payable to Michael F. Ronca & Sons, Inc. in the amount of \$100,897.59, for Payment Estimate #24 of the Incinerator Installation Project – Contract One (General Construction). The original contract price was \$10,877,000.00. Add for Change Orders #1 to #18 (\$425,234.43) for a total contract of \$11,302,234.43. The total of payments made to date including this payment is \$11,264,734.43, which leaves a balance of \$37,500.00.

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

Gallagher & Formica moved to authorize payment from the Operating Fund for Operating and Administrative Expenses (\$766,041.67); Construction in Progress (\$10,301.29); Debt Service Series 2018 Bond – BB&T (\$18,362.29); Debt Service Pennvest Loan #27906 (\$11,152.44); Debt Service Pennvest Loan #27769 (\$172,675.90); and Debt Service Pennvest Loan #58103 (\$3,426.99) from the month of June 2021.

Roll Call: Ammon-no, Formica-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 bills except those for the HCA for which he abstains.*

Milot & Gallagher moved to approve issued credits report totaling \$2,479.42 from the month of June 2021.

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

George & Gallagher moved to approve the transfer of \$510,090.00 from the Operating Fund to the “Collection System Reserve” for Fiscal Year Ended July 31, 2021 as presented by Authority Management.

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

Gallagher & Formica moved to approve the transfer of \$49,000.00 from the Operating Fund to the Operating Reserve for Fiscal Year Ended July 31, 2021 as presented by Authority Management.

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

George & Gallagher 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, 2021 as presented by Authority Management.

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

NEW BUSINESS

Gallagher & Sullivan moved to approve Change Order #2 of the 2020 WWTP Improvements Project in the amount of \$13,295.00, to LB Industries, Inc., to remove and replace two concrete support pedestals for each of the two Gravity Thickener Tank Mechanisms as recommended by the engineer.

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

Gallagher & George moved to approve a \$20.00 probationary rate of pay for recently hired clerical employees, Jennifel Reyes and Melanie Fay, with the rate of pay increasing to the Clerk 3 rate as contained in the CBA, following successful completion of a 90-day probationary period as agreed upon with the Local Union 8567-13 for Clerical Employees.

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

George & Formica moved to increase the rate of pay by \$1.00 per hour retroactive to July 1, 2021 and to approve a one-time bonus in the amount of \$1,000.00 for clerical employees, Dawn Hydock and Debra Rowlands as agreed upon with the Local Union 8567-13 for Clerical Employees.

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

Gallagher & Milot moved to award the property and casualty insurance coverage for Fiscal Year 2021-2022 to Brown & Brown Insurance of Bethlehem, PA, which includes \$2 million cyber-insurance coverage for a total annual premium of \$103,357.00, as recommended by Authority Management and the Solicitor.

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

Gallagher & George moved to approve purchase of one (1) Envirosight RX SAT140 Camera System and one (1) Envirosight RX 95 Camera System, including accessories, software, and training, for the purchase price of \$157,550.00 from A & H Equipment Company of Harrisburg, PA, through DGS State Contract #025-044 (COSTARS), for use in the collection system division.

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

Milot & Gallagher moved to adjourn.

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

The regular meeting was adjourned at 7:00 PM

The next scheduled Work Session will be Monday, August 23, 2021 at 6:30 PM

The next scheduled Regular Monthly Meeting will be Wednesday, August 25, 2021 at 6:30 PM

Respectfully submitted,

Greater Hazleton Joint Sewer Authority



Gregory Olander, Assistant Secretary