

The July 25, 2022 regular monthly meeting of the Greater Hazleton Joint Sewer Authority was called to order by Chairman Sullivan at 6:30 PM. All participating in the meeting gave a pledge of allegiance.

July 20, 2022 Work Session Roll Call:

Eyerly – Present	Formica – Present	Gallagher – Present
George – Present	Grink – Present	Pacelli – Present
Sherrock – Present	Sullivan – Present	Zola – Absent

Also in Attendance during Work Session:

Gregory Olander – Director of Administration	Andy Nowak – Field Operations Manager
Gene Zynel – Plant Operations Manager	Attorney Joseph D. Ustynoski – Solicitor
Rachel Govelovich, P.E. – Gannett Fleming	

July 25, 2022 Regular Meeting Roll Call:

Eyerly – Present	Formica – Present	Gallagher – Present
George – Present ¹	Grink – Present	Pacelli – Present
Sherrock – Present	Sullivan – Present	Zola – Present ¹

Also in Attendance during Regular Meeting:

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

¹ via Videoconference

PUBLIC COMMENT

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

Formica & Sherrock moved to approve the minutes of the June 29, 2022 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 2021-2022. He first reported on the Treatment Plant budget noting that payroll was expected to be under budget by approximately \$81,000 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. Those line items include Electrical Power (+\$99,892), Maintenance & Repairs (+\$227,430), Biosolids Removal & Disposal (-\$85,275), and Property & Casualty Insurance (+\$33,987). He said the electrical power overage was due to a wetter than normal year and the electricity supplier, Talen Energy’s bankruptcy filing. He stated that the biosolids line item was lower than anticipated due to operational efficiency of the incinerator. He said the overall operating and administrative expense for the treatment plant are estimated to be over budget by \$12,000 for 2021-2022; however, there was a \$74,000 debt service savings realized due to the refinancing of PENNVEST Loans with the Series 2021 Bond Issue. Gregory also noted that revenues far outpaced expenses during the fiscal year due to the reinstatement of delinquent processing procedures, which had been suspended during 2020 and 2021. Gregory then reviewed the Collection System Budget for 2021-2022 noting

that most of the budget items are in line with projections, but the repairs and maintenance line item was under budget by \$70,284. He said the Collection Division portion of administrative expenses was calculated at \$232,745 for the year and overall the Collection System Division operating and administrative expenses were under budget by \$156,674. He reported that the debt service, which was the PENNVEST Loan for stormwater improvements in the City of Hazleton, was refinanced with the Series of 2021 Bond issue. He noted although the Area 10 CSO Project costs were \$94,132 for the year, the Project was just completed and the contractor payment will be on the Agenda for approval in August. Gregory then reviewed a summary of revenues and expenses for the current fiscal year noting that the sewer customer revenue was expected to be much higher than projections due to a successful delinquent processing season and payment of past due bills from 2020 and 2021 from those customers. He said hauled waste customer revenue is expected to be about \$60,000 above projections. He then reviewed the overall Collection System revenues and disbursements and noted that there was a \$404,194 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 \$68,000 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, 2022 through July 31, 2023. He said the overall Treatment Plant budget in the amount of \$11,880,000 is an increase of \$1,517,900 due to a projected increase in operating and administrative expenses (+\$859,200) due to high inflation and a 90% increase in electricity rates because of the Talen Energy bankruptcy. He said additionally, the debt service on the Series 2020 bonds returns to the full amount for the upcoming fiscal year at an increase of \$669,800. He said there are adjustments in various line items, most notably to Payroll (+\$191,000), Electrical Power (+\$438,000), Maintenance & Repairs (+\$124,000), Act 537 Engineering (+\$75,000), Permits, Fees, Penalties (+\$40,000), Property & Casualty Insurance (+\$30,000), Granulated Activated Carbon (-\$125,000) and Natural Gas (-\$38,000). 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 then noted that treatment plant revenues are projected to be \$11,402,000 for the fiscal year. Gregory then reported that the overall Collection System Budget in the amount of \$2,015,000 was very close to last year in the Expenses & Debt Service categories except for the addition of Act 537 Plan Engineering (+\$50,000) for investigative work in the City of Hazleton and Borough of West Hazleton. He said the Capital Purchases of \$125,000 are for a new Pickup Truck and a new Stake Body Truck. He said Capital Projects include continued work on the Terminus of Black Creek CSO Project (\$450,000), which is expected to be paid in August or September 2022. He said projected customer revenues of \$2,025,000 along with the available money in the Collection System Reserve account following the recommended transfer (\$2,809,787) 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 the end of the budget presentation. He listed several upcoming or recommended projects including addition of a third hauled waste dump site, the Locust Street CSO Sewer Separation Project, and an update of the Long-Term Control Plan (LTCP) and CSO Flow Metering. He also noted adequate, but tightening debt service coverage over the five years as required in the Trust Indenture. He noted that there is no rate increase needed for the upcoming fiscal year; however, a rate increase for 2023-2024 is likely needed to maintain adequate debt service coverage. Vice-Chairman George asked when the last rate increase went

into effect. Gregory responded that the last increase was a 7% increase effective July 31, 2018. He said cost of goods and services during the upcoming year would better determine if an increase is needed. He said the quarterly breakdowns of the budgets would be provided to the Board prior to the vote at the regular monthly meeting.

Formica & George moved to approve the Fiscal Year August 1, 2022 to July 31, 2023 Operating Budget for the Treatment Plant and Collection System Division as presented by the Director of Administration.

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

Director of Operations Report -

MONTHLY FLOW REPORT

	<u>June 2022</u>		<u>Year to Date</u>		
			<u>Total</u>		<u>Average</u>
Total Flow	<u>241,546,309</u>	Gallons	<u>1,759,637,575</u>	Gallon	xxxxx
Total Flow Bypassed	<u>6,060,674</u>	Gallons	<u>91,446,815</u>	Gallon	xxxxx
Days Flow Bypassed	<u>7</u>	Days	<u>39</u>	Days	xxxxx
Total Flow Treated	<u>235,485,635</u>	Gallons	<u>1,668,190,760</u>	Gallon	xxxxx
Average Minimum	<u>5.2</u>	MGD	xxxxx	xxxxx	<u>6.7</u> MGD
Average Maximum	<u>16.3</u>	MGD	xxxxx	xxxxx	<u>15.1</u> MGD
Average Daily Flow	<u>7.8</u>	MGD	xxxxx	xxxxx	<u>9.3</u> MGD

During the Work Session, the Director of Administration, Gregory Olander, reviewed the wastewater flows for June 2022 as presented in the monthly flow report. He said the flow to the treatment plant was recorded at approximately 241.5 million gallons with approximately 235.5 million gallons being treated. He also stated that the average daily flow to the treatment plant for the month was 7.8 MGD, which lowered the year-to-date total to 9.3 MGD but is still above the permitted annual average flow of 8.9 MGD.

Gregory Olander then reported that the revenues for June 2022 were \$1,414,154.07 which was a 39.6% increase from the prior year. He said the billing for hauled waste received in June totaled \$191,705.65, which is an increase of 11.8% from the same month in the prior year. He then stated that the sewer customer collection rate for the fiscal year increased from 103.0% in May 2022 to 106.01% in June 2022 due to robust collections during the delinquent customer processing season. He also stated that the hauled waste collection remained consistent at 101.39% in June. He also reported that delinquent collections procedures were completed for the year and the LIHWAP Program through the state helped pay for nearly 150 customers past due balances totaling about \$150,000 to date.

Gregory then reported that the contractor was onsite on June 30th to install a flow meter on the discharge line at the Locust Street Pump Station; however, when the maintenance department staff attempted to start the bypass pumping for the job, the valve to the force main would not hold back the water to allow the piping to be changed. He said the project could not move forward and he

contacted DEP to get permission to bypass the station for a valve change. He then informed the Board that DEP will no longer allow station bypass for maintenance work, so he is scheduling to have tanker trucks transport water to the WWTP during the valve change, which will be scheduled for later this summer. He stated that a price was requested from the same contractor for installation of the replacement link seals in the Nitrification and Denitrification pipe galleries and pricing will be discussed with the Board when received. He said a price in the amount of \$42,000 was received to purchase a double walled tank to store Hydrogen Peroxide; however, another quote was coming from an alternate supplier. He noted that the lab has still not released the results of the additional fly ash sample to determine if beneficial reuse is an option. He then asked Plant Operations Manager, Gene Zynel, to explain the reasons for recommending a third hauled waste dump site. Gene stated that there is currently no backup when one of the existing receiving stations is offline for maintenance. He said the truck traffic is more than one unit can handle and the Authority is losing business during those times. He said this new piece of equipment, known as "The Beast" septage receiving station underwent a two-day trial at the Authority's WWTP last week and the results were very positive as noted by operators and the maintenance department. He said the unit took rocks and other heavy debris while providing a faster throughput than the existing two units. Gene said management is recommending "The Beast" for installation as a third dump site. The Board requested Gene obtain updated pricing for the equipment along with estimated installation costs.

Gene then reported on an issue over the past week that halted the incineration process. He said an electrical short occurred inside the motor of the Fluidized Air Blower (FAB) causing the entire incineration process to stop. He said the maintenance department was able to clean the inside of the motor and rewire it without running all new feed wires from the Master Control Center (MCC). He said once the FAB was restarted and the incinerator was being heated, the main Oxygen sensor faulted. He said after trying to fix and recalibrate the meter, it was unable to hold its settings. He said the Authority had a spare O₂ sensor, which was installed and calibrated. He said the incineration process was effectively restarted after being off for about four (4) days. He said another spare O₂ Sensor and FAB motor would be ordered for inventory in the event of another failure. He also reported that the level sensor in the process waste tank that transfers the dewatered ash slurry to the head of the plant, malfunctioned and had to be replaced.

Gregory then reported on the 2020 WWTP Improvement Project noting that the contractor has some concrete work to complete and the Project will be finished sometime in August.

Andy Nowak then reported on the Area 10 Sewer Separation project. He said there is a change order on the agenda for additional work needed due to differing field conditions. He said the change order is in the amount of \$50,292.75 and it is on the agenda for approval. Andy then reported that the 60-inch CSO outfall pipe replacement alongside the Hazleton Area High School. He said one hundred eighty (180) linear feet of pipe has been replaced so far, which is just over 50% of this summer's anticipated work. He said the project is going well and approximately three hundred forty (340) linear feet should be replaced and restoration work completed before school resumes. Andy also reported on a private project on Broad Street in West Hazleton. He said a homeowner contracted with a plumber to repair/replace a broken lateral on the state highway under the GHJSA Highway Occupancy Permit; however, the contractor has walked off the job before it was complete. He said the Authority may need to finish the job since the work was being done

under the Authority's permit. He said if that is the case, the property owner will be charged for the work since it is their responsibility. Attorney Ustynoski stated that he recommends changing the procedure to require contactors to obtain bonds and insurances in order to use the Authority's permit. Board Member Eyerly suggested creating an approved list of contractors to perform work using the Authority's permit.

During the regular meeting, Gregory Olander reported that there was a direct lightning strike at the WWTP, which took out the main service from PPL that feeds the Nitrification/Denitrification process. He said that is the Authority's largest electrical feed and the Authority has been running on generator power since it happened at 9:30 AM on Monday July 25, 2022. He said operations is manually operating some systems including the Biological Aerated Filters (BAF) and maintenance has been working with Gene Zynel to assess the damage to components. He said several meters, control boards, computers, etc. were affected and the Authority's instrumentation contractor was called in to calibrate equipment and assess the damage. He said replacement instruments or parts will be ordered to get the treatment units back online as quickly as possible. He informed the Board that the insurance company was notified of the occurrence and a list of damages will be compiled. Board Member Zola asked if anything could be done to prevent this from happening in the future. Gregory responded that the WWTP already has redundant surge suppression on its systems, but not much can be done about a direct lightning strike that blew the power company main transformer at the plant.

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

Engineer's Report – During the Work Session, Rachel Govelovich referenced a written Engineer's Report that was distributed to the Board. Rachel reported on the Incinerator Installation Project, noting that the operating permit application is being drafted and would be submitted to DEP prior to expiration of the shakedown period on November 27, 2022. She reported that the annual RATA Test was scheduled for July 26th. Rachel said her firm is also assisting in preparing the quarterly CEMS report and Semi-annual NSPS Reports for submission to DEP by the end of July 2022. Rachel also reported that she is working on a PENNVEST payment request submission for the Incinerator Installation Project.

Rachel also reported that the statewide LSA Grant Application in the amount of \$1,000,000 was submitted a few months ago for the Locust Street CSO Separation Project – Area 2 and a decision is expected at the November CFA meeting.

Rachel then reported that the Act 537 Plan of Study was submitted to DEP and pre-planning dates were requested and after discussions with DEP, a pre-planning meeting will be scheduled for late summer or early fall 2022. She stated that her firm is assisting with the Local Limits Update as required by the new NPDES Permit and a response was being developed to answer comments posed by EPA after the initial sampling plan submission. She also reported that she updated the Opinion of Probable Replacement Costs for use in obtaining insurance quotes.

George & Gallagher 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 by Attorney Ustynoski during the Work Session, Attorney Ustynoski stated that he reviewed the property and casualty insurance proposal from Brown & Brown Insurance and he has no issues with the coverage, which is on the agenda for approval for the upcoming fiscal year.

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

BILLS AND CREDITS

George & Formica moved to approve payment of Gannett Fleming, Inc. invoices and requisitions from June 4, 2022 through July 1, 2022, totaling \$18,964.45 as listed in the following table:

<u>Requisition#</u>	<u>Invoice #</u>	<u>Description</u>	<u>Amount</u>
Operating Fund	051153.A*10840	Annual Service Work	\$ 4,860.94
Operating Fund	051153.B*10841	Attending Authority Meetings	\$ 608.48
Operating Fund	051153.D*10842	Pretreatment Program	\$ 301.95
Operating Fund	051153.T*10843	NPDES Permit Renewal	\$ 150.98
Operating Fund	051153.39*10838	2020 WWTP Improvements Project	\$ 367.96
Operating Fund	051153.42*10839	2021-2022 Air Compliance	\$ 2,166.34
Operating Fund	048847.C0*10837	Incinerator Project	\$ 10,507.80
Total			\$ 18,964.45

Roll Call: Eyerly-yes, Formica-yes, Gallagher-yes, George-yes, Grink-yes, Pacelli-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 (\$937,422.73); Construction in Progress (\$34,021.75); Debt Service Series 2018 Bond – BB&T (\$18,362.29); Debt Service Pennvest Loan #27906 (\$11,152.44) from the month of June 2022.

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

Gallagher & Sherrock moved to approve issued credits report totaling \$3,314.66 from the month of June 2022.

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

OLD BUSINESS

None

NEW BUSINESS

Formica & Gallagher moved to approve the transfer of \$404,194.00 from the Operating Fund to the Collection System Reserve for Fiscal Year Ended July 31, 2022 as presented by Authority Management.

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

Gallagher & Formica moved to approve the transfer of \$68,000.00 from the Operating Fund to the Operating Reserve for Fiscal Year Ended July 31, 2022 as presented by Authority Management.

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

Gallagher & Sherrock 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, 2022 as presented by Authority Management.

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

Formica & Gallagher moved to award the property and casualty insurance coverage for Fiscal Year 2022-2023 to Brown & Brown Insurance of Bethlehem, PA, which includes \$1 million cyber-insurance coverage for a total annual premium of \$133,184.00, as recommended by Authority Management and the Solicitor.

On the Question: Attorney Ustynoski noted that the insurance carrier is Philadelphia Indemnity Insurance Company, which is an A++ rated insurer.

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

Gallagher & Sherrock moved to approve Change Order #1 of the Area 10 Sewer Rehabilitation and Replacement Project, in the amount of \$50,292.75, for additional pipe replacement and lateral connections, as recommended by the Engineer.

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

Zola & Gallagher moved to adjourn.

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

The regular meeting was adjourned at 6:47 PM

The next scheduled Work Session will be Wednesday, August 17, 2022 at 6:30 PM

The next scheduled Regular Monthly Meeting will be Monday, August 22, 2022 at 6:30 PM

Respectfully submitted,

Greater Hazleton Joint Sewer Authority



Gregory Olander, Assistant Secretary