

The July 31, 2023 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 26, 2023 Work Session Roll Call:

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

Also in Attendance during Work Session:

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

July 31, 2023 Regular Meeting Roll Call:

Eyerly – Present	Formica – Present	Gallagher – Present
George – Present ¹	Grink – Present ¹	Pacelli – 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	Robert Dougherty, P.E. – RJD Engineering

¹ via phone or Videoconference

PUBLIC COMMENT

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

Gregory Olander noted that there was an error on the table for Chemicals Bids in the minutes. He stated that Brenntag Northeast, Inc. also bid on a Methanol Alternative with a flat price of \$1.66/gallon. He said the minutes would be changed to add their bid for that product, which was inadvertently omitted. He said it does not change the bids that were awarded in the minutes.

Formica & Sherrock moved to approve the minutes of the June 28, 2023 Regular Monthly Meeting with the correction as stated by Mr. Olander.

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

During the Work Session, the Director of Administration, Gregory Olander, presented documents to review the final budget for Fiscal Year 2022-2023. He first reported on the Treatment Plant budget noting that payroll was expected to be under budget by approximately \$167,000 due to a few employees being off work due to medical leaves of absence and a delay in hiring new plant operators. He reviewed other line items estimated to close-out the year with higher variations from the original budget. Those line items include Engineering – Act 537 (-\$59,716), Natural Gas (-\$38,214), Maintenance & Repairs (+\$200,779), Industrial Pretreatment (+\$51,756). He said the overall operating and administrative expense for the treatment plant are estimated to be under budget by \$138,314 for 2022-2023. He also noted that the debt service returned to normal level at \$3.7 million this fiscal year. Gregory then reviewed the Collection System Budget for 2022-2023 noting that most of the budget items are in line with projections, but the repairs and maintenance line item was over budget by \$175,009 primarily due to the extensive work being done in-house to replace deteriorated 60-inch corrugated metal pips along the Hazleton Area High School. He said the Collection Division portion of administrative expenses was calculated at \$261,244 for the year and overall the Collection System Division operating and

administrative expenses were over budget by \$117,705. He noted that the Phase 1 of Area 10 CSO Project was completed during the fiscal year with construction and engineering costs of \$439,103 being paid. Gregory then reviewed a summary of revenues and expenses for the current fiscal year noting that the sewer customer revenue was expected to be higher than projections due to a continued success collecting delinquent account balances that remained following the COVID-19 pandemic and higher interest income due to the increased rates of return. He said hauled waste customer revenue is expected to be about \$95,000 above projections. He then reviewed the overall Collection System revenues and disbursements and noted that there was an \$89,827 deficit for 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 said overall, the Authority was under budget by approximately \$20,600 for the fiscal year.

Gregory then presented the budget for Fiscal Year August 1, 2023 through July 31, 2024. He said the overall Treatment Plant interest expenses and debt service payments in the amount of \$11,674,900 is an increase of \$287,900 due to adjustments in various line items, most notably to Payroll (+\$72,000), Pension Matching 457B Contribution (+\$35,000), Wastewater Chemicals (+\$81,000), Maintenance & Repairs (+\$61,000), Group Insurance (+\$53,000), Property & Casualty Insurance (+\$20,000), and Natural Gas (-\$22,000). He said the increase in the payroll line item was primarily due to the contractual increases under the union contract and anticipated increased staffing. He then noted that treatment plant revenues are projected to be \$12,174,000 for the fiscal year. Gregory then reported that the overall Collection System Budget in the amount of \$1,641,000 was very close to last year in the Expenses & Debt Service categories. He said Capital Projects include continued work on the Area 10 (Phase 2) CSO Separation Project (\$100,000), which is expected to be a project ready for bid in fiscal year 2024-2025. He said projected customer revenues of \$2,050,000 for the collection system division are more than enough to cover the expenses and capital projects for the fiscal year with remaining money to be used for upcoming capital projects.

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 the Locust Street CSO Sewer Separation Project, purchase of flow meters for a CSO Flow Metering Project, an update of the Long-Term Control Plan (LTCP), addition of a third hauled waste dump site, and work on the Biological Aerated Filters (BAF) for activation of Denitrification Cell #5 and link seal replacements in the pipe galleries. 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 for sewer customers needed for the upcoming fiscal year due to the hauled waste rate increase that became effective July 1, 2023, the high rate of return for cash on hand, and the addition of revenue realized from Reservation of Capacity Fees (ROCF). He said the quarterly breakdowns of the budgets would be provided to the Board prior to the vote at the regular monthly meeting.

George & Formica moved to approve the Fiscal Year August 1, 2023 to July 31, 2024 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-absent (Passed 8-0-1)

Directors' Report -

MONTHLY FLOW REPORT

	<u>June 2023</u>		<u>Year to Date</u>		
			<u>Total</u>		<u>Average</u>
Total Flow	202,136,477	Gallons	1,404,093,886	Gallon	xxxxx
Total Flow Bypassed	15,241,118	Gallons	57,176,531	Gallon	xxxxx
Days Flow Bypassed	6	Days	17	Days	xxxxx
Total Flow Treated	186,895,359	Gallons	1,346,917,355	Gallon	xxxxx
Average Minimum	4.0	MGD	xxxxx	xxxxx	5.3 MGD
Average Maximum	13.1	MGD	xxxxx	xxxxx	11.6 MGD
Average Daily Flow	6.2	MGD	xxxxx	xxxxx	7.4 MGD

During the Work Session, the Director of Administration, Gregory Olander, reviewed the wastewater flows for June 2023 as presented in the monthly flow report. He said the flow to the treatment plant was recorded at approximately 202 million gallons with 186.9 million gallons being treated. He also stated that the average daily flow to the treatment plant for the month decreased to 6.2 MGD and the year to date average daily flow decreased to 7.4 MGD. Ne noted that the Discharge Monitoring Reports (DMR) were submitted to PADEP for June with no violations recorded.

Gregory Olander then reported that the revenues for June 2023 were \$1,268,590.58 and the billing for hauled waste received in June totaled \$199,061.48. He then stated that the overall customer collection rate for the month of June was 120.47% and collections for the fiscal year to date increased from 99.89% to 101.44% due to the annual delinquent processing and water shutoffs, which are now completed for this year. He reported that the hauled waste rate increase went into effect on July 1st and he anticipates an annual increase in revenue from hauled waste to be about 20%. He then reported that he met with Attorney Gartley to review the revisions to the CBA as agreed upon in negotiations for Board and Union. He said the redline version would be sent to the Union for their review followed by signatures from all parties. He then stated that the Board Meeting dates for the upcoming fiscal year were advertised and posted on the website for public notification. Gregory also reported that the upgrade of the virtual business server was on the agenda for the Board's consideration along with a motion to approve a cybersecurity assessment of the Authority's operations and to assess all connected assets as previously reported. He then stated that work is continuing on the Autumn & Ridge CSO Separator Final Report and Nick Sahd is preparing the Annual Operations Report for submission to the Trustee prior to July 31st as required under the Trust Indenture.

Gregory then reported on several projects that are underway or have been recommended for the Board's consideration. He said a virtual meeting was held with Authority staff and representatives at Schwing Bioset to answer open questions for integration of the second Hydraulic Power Unit (HPU) for independent operation and full redundancy of the sludge cake pumps. He said the submittal process is underway for installation of the HPU. He stated that a contractor was contacted for pricing on the Nitrification/Denitrification link seal replacement with custom seals. He said an onsite meeting will be scheduled so the contractor may provide a quote through the COSTARS Program for purchase of the seals and their installation. He then stated that pricing was also distributed to the Board from equipment suppliers for a third hauled waste dump site. He said Gannett Fleming staff will schedule to come onsite to review plans with Authority staff so a Scope of Work may be developed for presentation to the Board.

Gregory then reported that a proposal was received and distributed to the Board from Veolia (formerly Kruger) to provide equipment and materials needed to activate Denitrification Cell #5. He said Gannett Fleming would need to come onsite to develop a Scope of Work for a project so it can be presented to the Board. He also reported that purchase of twenty-one (21) flow meters through the COSTARS Program is on the agenda for the Board's consideration. He said the meters are needed to capture flows at all CSO discharge locations to complete the CSO Flow Study required in the Authority's NPDES Permit. He said additional flow metering may be needed for the Act 537 Plan and there may also be a need for ongoing overflow monitoring once the updated Long Term Control Plan (LTCP) is finalized. Gregory noted that he contacted PADEP last week to see if there was a timeline to receive approval of the Act 537 Plan of Study so work can begin to prepare the updated Act 537 Plan. He said there has been no response to date.

Gregory also reported on the Incinerator Project noting that the annual Relative Accuracy Test Audit (RATA) was completed by the testing company on July 25, 2023. He said a report would be submitted to PADEP as required. Gregory then stated that the second draft Title V Operating Permit was received from PADEP on June 8, 2023. He said several of the items identified not to be regulations were noted in the comments of the first draft, but they were not removed from the permit, so a follow-up conversation with the PADEP permit writer is necessary to explain the Authority's position on those issues.

Gregory then stated that the Grant funding applications and PENNVEST Loan will be reported under the Engineer's Report.

During the Work Session, Andy Nowak reported that the Road Crew is continuing work replacing 60-inch corrugated pipe alongside the Hazleton Area High School (HAHS) up to 22nd Street. He said they replaced 200 linear feet or about 2/3 of the total so far with restoration work to follow once all the pipe is installed. He said the Road Crew also continues dye testing in Area 10 (Phase 2) to locate cross connections as part of the Area 10 Separation Project. He said they are also working to stay ahead of the milling and asphalt paving projects throughout the City of Hazleton to raise manholes to grade and to repair damaged manhole frames.

During the Regular Meeting, Gregory Olander reported that the Variable Frequency Drive (VFD) on the main drive of the centrifuge malfunctioned and cannot be repaired. He said the drive is only three years old so there was no spare in inventory. He said a drive was located and is being shipped, but it will then require programming. He said until the drive is received and programmed, the sludge dewatering is being done through the two (2) Rotary Presses, which produce a wetter sludge cake than the centrifuge. He said the incinerator is running, but natural gas is needed as supplemental fuel because the cake is not dry enough to run autogenously.

George & Gallagher moved to accept the Directors' 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 distributed to the Board. Rachel stated that in addition to the overlapping items from the Director's Report, three Air Quality reports including the 3rd Quarter CEMS QA/QC & Linearity Test, the Semi-Annual NSPS Subpart O, and the Semi-Annual NSPS Subpart LLLL reports were submitted

to PADEP and EPA before the July 31st deadline. She also stated that approval was received from PADEP for the January 2023 Stack Test. She then reported that the Commonwealth Financing Authority (CFA) did not award ARPA grants for H2O and PA Small Water & Sewer Projects at the July 18th meeting for which the Authority has submitted applications for the Locust Street CSO Separation Project. She said the next CFA meeting is scheduled for September 19th. She then reported that the Locust Street CSO Separation Project was approved for financing through PENNVEST. She said two loans were awarded at 1% interest over 20 years in the following amounts: \$6,116,000 for construction and \$611,000 for engineering. She said the funding offer includes a requirement to meet the Davis Bacon and Disadvantaged business Enterprise (DBE) requirements, which her firm is working on for submission to PADEP. In addition, she reported that the Authority also received a \$2,000,000 ARPA grant through Luzerne County for the Locust Street Project. Rachel also reported that Nick Sahd continues work on the Annual Operations Report for submission to the Trustee by fiscal year end. She said he is also continuing to work on the Autumn & Ridge Final Report that is due on August 31, 2023.

During the Work Session, Robert Dougherty referenced a written report that was distributed to the Board. He said work is being done to finalize removal flows from the West Hazleton Area 2 Separation Project so they can be included in the Autumn & Ridge Final Report. He reported that field investigation and dye testing are about 74% complete in Area 10 for preliminary evaluation for Phase 2 of the Project with sewer line televising scheduled to begin once dye testing is complete. He then reported that Notice of Intent to Award for the Locust Street CSO Separation and Force Main Replacement Project was sent to Michael F. Ronca and Sons, Inc. and their Bonds and Insurance Documents have been received. He said they are beginning to provide submittals for project materials. He said timing of the award needs to be discussed due to the delay in award of the ARPA Grants by CFA.

Gallagher & Formica 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 during the Work Session, he had a legal issue to discuss in executive session.

Gallagher & Formica moved to enter executive session for a legal issue.

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

After the Board moved out of executive session, **Gallagher & Formica** moved to accept the Solicitor's Report. Passed: Aye-8, Nay-0, Absent-1

BILLS AND CREDITS

George & Formica moved to approve payment of Gannett Fleming, Inc. invoices and requisitions from June 3, 2023 through June 30, 2023 totaling \$15,348.45 as listed in the following table:

<u>Requisition#</u>	<u>Invoice #</u>	<u>Description</u>	<u>Amount</u>
Operating Fund	051153.A*24763	Annual Service Work	\$ 6,438.44
Operating Fund	051153.B*24767	Attending Authority Meetings	\$ 731.27
Operating Fund	051153.CO*24760	Incinerator Project	\$ 991.56
Operating Fund	051153.42*24772	2022-2023 Air Compliance	\$ 1,210.70
Operating Fund	051153.44*24773	2022 Locust Street CSO PV	\$ 3,606.63
Operating Fund	051153.43*24769	Act 537 Plan	\$ 2,369.85
Total			\$ 15,348.45

Roll Call: Eyerly-yes, Formica-yes, Gallagher-yes, George-yes, Grink-yes, Pacelli-yes, Sherrock-yes, Sullivan-yes, Zola-absent (Passed 8-0-1)

Gallagher & Formica moved to authorize payment from the Operating Fund for Operating and Administrative Expenses (\$1,035,979.50); Construction in Progress (\$22,787.00); Debt Service Series 2018 Bond – BB&T (\$18,362.29); Debt Service PENNVEST Loan #27906 (\$11,152.44) from the month of June 2023.

Roll Call: Eyerly-yes, Formica-yes, Gallagher-yes, George-yes, Grink-yes, Pacelli-yes, Sherrock-yes, Sullivan-yes, Zola-absent (Passed 8-0-1)

Formica & Gallagher moved to approve issued credits report totaling \$4,537.06 from the month of June 2023.

Roll Call: Eyerly-yes, Formica-yes, Gallagher-yes, George-yes, Grink-yes, Pacelli-yes, Sherrock-yes, Sullivan-yes, Zola-absent (Passed 8-0-1)

OLD BUSINESS

None

NEW BUSINESS

George & Formica moved to approve the transfer of \$89,827.00 to the Operating Fund from the PA INVEST “Collection System Reserve” Fund for Fiscal Year Ended July 31, 2023 as presented by Authority Management.

Roll Call: Eyerly-yes, Formica-yes, Gallagher-yes, George-yes, Grink-yes, Pacelli-yes, Sherrock-yes, Sullivan-yes, Zola-absent (Passed 8-0-1)

George & Pacelli moved to award the property and casualty insurance coverage for Fiscal Year 2023-2024 to Brown & Brown Insurance of Bethlehem, PA, which includes \$1 million cyber-insurance coverage for a total annual premium of \$141,153.00, as recommended by Authority Management and the Solicitor.

Roll Call: Eyerly-yes, Formica-yes, Gallagher-yes, George-yes, Grink-yes, Pacelli-yes, Sherrock-yes, Sullivan-yes, Zola-absent (Passed 8-0-1)

George & Formica moved to approve the purchase of twenty-one (21) Hach Model FL902FDSV.97.VX Wireless Flow Loggers from McCrometer, Inc. at a negotiated price of \$17,827.92 per flow logger, which is less than the COSTARS pricing under Hach’s COSTARS Contract #020-E22-040 for this model Hach Flo-Dar, for a total purchase price of \$374,386.32 plus an annual Verizon cellular subscription totaling \$11,781.00 for the twenty-one (21) meters. Due to the merger of Hach Flow and

McCrometer on July 1, 2023, this purchase is conditioned upon McCrometer securing a COSTARS contract with the State and also review/approval of the contract by the Solicitor.

Roll Call: Eyerly-yes, Formica-yes, Gallagher-yes, George-yes, Grink-yes, Pacelli-yes, Sherrock-yes, Sullivan-yes, Zola-absent (Passed 8-0-1)

Gallagher & Formica moved to approve a cybersecurity assessment by Authority OT networking service provider, VZRscada, Inc., as recommended by the US EPA for a cost of \$24,537.00 as outlined in quotation #23-14126 under COSTARS Contract #016-E23-289.

Roll Call: Eyerly-yes, Formica-yes, Gallagher-yes, George-yes, Grink-yes, Pacelli-yes, Sherrock-yes, Sullivan-yes, Zola-absent (Passed 8-0-1)

Formica & Pacelli moved to purchase one (1) HP ML350P G10 Tower Server from Golden Business Machines, Inc. totaling \$20,014.00 for Server Hardware (\$12,747.00), Upgrade from 3yr to 5yr onsite warrantee (\$2,498.00), MS Windows Server and MS SQL Server 2022 Licenses and CALs (\$4,769.00). The hardware pricing is through PA State COSTARS Contracts 4400017908 and 440023990. Microsoft 365 will be used for MS Office (Email, Word, Excel, PowerPoint, all other MS Apps), which is currently an annual software purchase of \$2,340.00 for 13 users.

Roll Call: Eyerly-yes, Formica-yes, Gallagher-yes, George-yes, Grink-yes, Pacelli-yes, Sherrock-yes, Sullivan-yes, Zola-absent (Passed 8-0-1)

Pacelli & Gallagher moved to authorize Board Member Rocco Formica to represent the Authority as a Voting Delegate at the Pennsylvania Municipal Authorities Association's annual business meeting to be held during its annual conference.

Roll Call: Eyerly-yes, Formica-yes, Gallagher-yes, George-yes, Grink-yes, Pacelli-yes, Sherrock-yes, Sullivan-yes, Zola-absent (Passed 8-0-1)

Gallagher & Pacelli moved to adjourn.

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


The regular meeting was adjourned at 7:07 PM

The next scheduled Work Session will be Wednesday, August 23, 2023 at 6:30 PM

The next scheduled Regular Monthly Meeting will be Monday, August 28, 2023 at 6:30 PM

Respectfully submitted,

Greater Hazleton Joint Sewer Authority



Gregory Olander, Assistant Secretary