

The November 20, 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.

November 15, 2023 Work Session Roll Call:

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

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
Robert Dougherty, P.E. – RJD Engineering, Inc.	John Nonnemacher, CPA – Snyder & Clemente
Michael Gaizick, CPA – Snyder & Clemente	

November 20, 2023 Regular Meeting Roll Call:

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

Also in Attendance during Regular Meeting:

¹ Christopher Carsia – Director of Operations	Andy Nowak – Field Operations Manager
Attorney Joseph D. Ustynoski – Solicitor	

¹ via phone or Videoconference

PUBLIC COMMENT

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

Formica & Grink moved to approve the minutes of the October 11, 2023 Special Meeting.

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

Formica & Grink moved to approve the minutes of the October 23, 2023 Regular Monthly Meeting.

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

AUDIT FOR FISCAL YEAR 2023

During the Work Session, John Nonnemacher, CPA of Snyder & Clemente, CPA thanked the Board for authorizing his firm to perform the audit again this year. He then introduced his colleague, Michael Gaizick, CPA, who will be assisting with the presentation. He began the presentation by explaining the test of internal controls that were performed during the audit. He said they reviewed policies and procedures that are in place from when a transaction is initiated until it shows up in the financial statements. He said they test controls by using fieldwork and corroborating evidence to determine accuracy such as using a list of properties from the county to determine if all properties on a certain street are being billed by the Authority. He said if any are identified as not being billed, the sample size would grow to determine if it is a widespread issue. He said the internal controls are reviewed annually with management to capture any updates and a walkthrough of processes and procedures is performed from start to finish including testing example transactions. He said a risk assessment is performed focusing on the riskiest parts of the business, which may also include interviews of staff and Board

Members. He stated that the Board has a fiduciary responsibility and can delegate to Authority administration to carry out the day-to-day work under the policy or watch of the Board. He said a deeper dive was performed this year on the hauled waste program to check the procedures in place to ensure all loads were being billed for the correct amounts of gallons at the correct rate for that type of waste as set by the Board. He said the process was followed through from a truck arriving with a manifest to discharge through the entire billing and collection process. He said no issues were identified with the hauled waste program and the administrative process in place. He said the journal entries completed by the Director of Administration were reviewed and there were no big misclassifications noted. He said all this leads to the first page of the audit where we note that the financial statements are represented fairly in accordance with principles set by the Governmental Accounting Standards Board (GASB). He said there were no material weaknesses or deficiencies noted and no management letter comments to report again this year. He said it is an indication that internal controls are working. John then stated that there was no rate increase this year and revenues were stable due to the addition of a new revenue stream from Reservation of Capacity Fees (ROCF), which yielded \$72,200 for the fiscal year. He said operating revenues were \$13,586,551 and operating expenses were \$12,447,912, which yielded an operating income of \$1,138,639 for the year. He said investment income was \$425,969 and grants received was \$250,000, which contributed to non-operating revenues of \$144,362 and a \$1,283,001 change in the Authority's net position. He then asked his colleague, Michael Gaizick to review the remainder of the financial statements with the Board.

Michael began by noting that the Authority's current assets are nearly \$16 million with \$1.68 million in accounts receivable and \$1.17 million in unbilled revenue. He said current liabilities were \$3.52 million for a working capital ratio of 4.5:1, which is very good. He noted that there is available cash on hand in the event a piece of equipment needs to be purchased or a major repair or improvement needs to be undertaken. Michael reviewed the total assets and deferred outflows of resources noting that it is \$93.347 million for the fiscal year. He then reviewed the current and non-current liabilities noting that the Long Term Debt is just under \$30 million. He stated that the average interest rate for the long term debt is 1.6%, comprised of 1% PENNVEST Loans and Bond Coupons ranging from 1% to 3%. He said securing such favorable interest rates for the debt is a testament to great management and planning. He said non-current liabilities also include an OPEB liability of \$2.5 million and net pension liability of \$836,906. He stated that the total liabilities were \$36.794 million and the total net position of the Authority is \$55.214 million, which is a \$1.28 million increase from the prior year. Michael concluded his presentation and John asked if there were any questions.

Chairman Sullivan asked the auditors for their professional opinion on the operation of the Authority. John Nonnemacher responded that this is a very well-run Authority.

Formica & Gallagher moved to accept the Fiscal Year Ended July 31, 2023 Audited Financial Statements as presented by John Nonnemacher, CPA and Michael Gaizick, CPA of Snyder & Clemente, CPA.

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

Pension Committee Report

During the Work Session, Committee Chairman Grink gave a brief update on the investment performance. He said the Investment Advisor recommended increasing allocation in equities from the

current 55% to between 60% and 65%, which is within the approved allocation range for the pension portfolio. He said this would not take place until early next calendar year. He also reported that the monthly pension payment commencing February 1, 2024 was approved by the committee as selected by Richard Kurchock and his spouse due to his impending retirement.

Gallagher & Formica moved to approve the Pension Committee Report.

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

Directors' Report -

MONTHLY FLOW REPORT

	<u>October 2023</u>		<u>Year to Date</u>		
			<u>Total</u>		<u>Average</u>
Total Flow	<u>257,632,495</u>	Gallons	<u>2,553,041,215</u>	Gallon	xxxxx
Total Flow Bypassed	<u>7,449,788</u>	Gallons	<u>133,407,798</u>	Gallon	xxxxx
Days Flow Bypassed	<u>2</u>	Days	<u>48</u>	Days	xxxxx
Total Flow Treated	<u>250,182,707</u>	Gallons	<u>2,419,633,417</u>	Gallon	xxxxx
Average Minimum	<u>5.6</u>	MGD	xxxxx	xxxxx	<u>5.7</u> MGD
Average Maximum	<u>11.8</u>	MGD	xxxxx	xxxxx	<u>14.1</u> MGD
Average Daily Flow	<u>8.1</u>	MGD	xxxxx	xxxxx	<u>8.0</u> MGD

During the Work Session, the Director of Administration, Gregory Olander, reviewed the wastewater flows for October 2023 as presented in the monthly flow report. He said the flow to the treatment plant was recorded at approximately 257.6 million gallons with 251.1 million gallons being treated. He also stated that the average daily flow to the treatment plant for the month was 8.1 MGD and the year-to-date average daily flow increased to 8.0 MGD. He noted that the Discharge Monitoring Reports (DMR) were submitted to PADEP for October with no violations recorded.

Gregory Olander then reported that the revenues for October 2023 were \$1,251,368.45 and the billing for hauled waste received in October totaled \$217,359.75. He then stated that the overall customer collection rate for the month of October was 90.86% and the overall customer collections for the fiscal year are 94.54%. He then reported that remote deposit capture has been implemented in the office, so deposits are now made electronically rather than dropping off a daily deposit at the bank. He reported that migration of financial and utility billing software to the new business server is in process. He then reported that the Voice over IP (VoIP) telephone system has been malfunctioning for nearly 2 weeks. He said the equipment provider was onsite several times to assess the problem and it was finally determined to be a IP conflict problem with how the DHCP server issues IP addresses to new hardware. He said what was learned is that the existing telephone system is 14 years old, there are no new parts available, and the manufacturer will not transfer licensing to repurposed control boards because the system is considered beyond "end of life". He said a new telephone system was discussed and a quotation was distributed to the Board to purchase a new NEC SV9100 system from Guyette Communications through a PEPPM cooperative purchasing contract, which was competitively bid by the Central Susquehanna Intermediate Unit. He said the approval was on the agenda for the Board's consideration. Gregory then reported that he researched the KnowBe4 cyber security training and testing platform used by other businesses and municipal entities. He said the platform appears to be a viable method of training employees not to open malicious emails or weblinks. He said mandatory online training must be periodically completed by employees and intermittent tests are sent to employees to train them how to

safely handle malicious emails. He said the approval is on the agenda for the Board's consideration. He also reported that all Act 44 Disclosure notices have been received for 2024, which were uploaded to the website for public viewing prior to December 1st as required.

Gregory reported that the maintenance department worked on repair of the actuated valve controlling flow from the bio-towers to the aeration tanks. He said parts had to be fabricated and when the actuator was taken offline, the programming was lost. He said it was reprogrammed and is once again operational. He said the actuated valve controlling recirculation flow to the bio-towers also had to undergo a similar repair. He stated that an original electrical panel had to be replaced by a contractor during the incinerator shutdown because the maintenance staff was fully scheduled to address maintenance items for the incinerator. He said a breaker the 1960's panel would no longer hold causing the transfer and controls for the main generator to no longer function. He said a new panel and breakers were installed and that electrical system is functioning once again. He also reported that a complete rebuild of the sludge cake pump (side #2) and a changeout of hydraulic fluid was performed during the incinerator shutdown. He noted that submittals are still under review for installation of the second Hydraulic Power unit (HPU) needed to fully segregate the two cake pumps for independent operation.

Gregory then reported that an updated draft of the Title V Operating Permit was received from PADEP on October 10th and was returned to PADEP with comments. He said PADEP required the Authority to publish the pending issuance of the Title V Operating Permit in the local newspaper for three days to allow the public the opportunity to comment before it is sent to EPA for their comments. He said the public notice was advertised on October 11th, 12th, and 13th to meet the requirement. He then stated that the 2023 Stack Test Protocol was sent to PADEP before the end of August to allow their required 90-day review time before the test, which is scheduled December 6th and 7th. He said a pre-test call was held with the testing firm, AIR, Inc. to go over the protocol and test details. He then reported that the incinerator was taken offline on October 9th for the annual maintenance shutdown and restarted on November 6, 2023. He said there should be enough time to balance the incinerator before the upcoming stack test. He said a more thorough report of the incinerator maintenance completed during the shutdown will be given by Gene Zynel at the next meeting he attends.

Gregory reported that the Authority continues to receive requests from developers for allocation of sewer service. He said the Act 537 Plan of Study still has not been approved by PADEP, so we are still waiting to begin the process of determining projected sewer needs for the municipalities. He said that he spoke with PADEP representatives and scheduled a meeting on December 14, 2023 to discuss capacity options at the treatment plant so development may continue. He said Authority staff will be meeting with Gannett Fleming representatives to discuss possible options prior to the meeting.

Gregory then reported that an EPA remediation contractor contacted the Municipal Authority of Hazle Township (MAHT) to determine the flows and route to get the treated groundwater from the Valmont TCE Spill treatment system to the Authority's WWTP. He said they had previously requested Industrial Pretreatment Program information from the Authority for use during design of the Valmont TCE Spill treatment equipment. He stated that he instructed Laura Motel to contact Nick Sahd at Gannett Fleming to make sure all possible pollutants are identified so a discharge permit can be developed for the site. He said accepting a discharge of this type would also need to be approved by the Board as an agreement with EPA outlining conditions to accept the waste, which has been done for other remediation sites in the past.

During the Work Session, Andy Nowak reported that the Road Crew has been working to flush sanitary sewer lines and a root treatment contractor is being used to prevent root growth in known problem areas. He said since the root treatment program has started there has not been trouble with blockages in those areas.

Gallagher & George 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. She reported that the air quality Title V Operating Permit was in the final stages of review for agency signoffs. She noted that Stack Testing coordination call was held on November 9th to prepare for the December 6th and 7th tests. She referenced the list of air quality reports and their due dates on the written report, noting that there are several reports due in the first two months of the year. She then reported on funding for the Locust Street CSO Separation Project. She referenced the written report and reviewed the funding options noting that there was some talk that CFA may award the H2O and PA Small Water & Sewer Grants at the November 21st meeting. She stated that a pre-closing letter was received from PENNVEST allowing construction to begin before closing takes place. She said the majority of settlement items have been submitted to PENNVEST, but we cannot close until the second Highway Occupancy Permit is approved by PennDOT. She said the Board direction from the October meeting was relayed to PENNVEST regarding the desire to move forward with the construction and engineering loans. Rachel then reported that a meeting was held with staff on October 9th regarding the GIS Mapping project as part of the Act 537 Plan. She said the mapping is needed for both the Act 537 Plan and the LTCP and based on information gathered from the meeting, a scope of work and budget will be provided to the Board for their consideration at the December meeting. She reported that a scope of work will also be developed for the flow study required in the NPDES Permit as well as the Act 537 Planning effort as outlined in the Plan of Study submitted to DEP for approval. She said a scope and budget for the LTCP update will also be provided. She said the Act 537 Plan of Study is expected to be discussed with DEP at the scheduled December 14th meeting along with the capacity restrictions being imposed on the system. She said a call with her firm and Authority staff is scheduled to prepare for the meeting. She also reported that there has been no response from PADEP regarding the Autumn & Ridge CSO Closeout Report that was submitted prior to the September 1, 2023 deadline. She said an engineer's estimate was being compiled for installation of a third hauled waste dump site at the treatment plant, which will be forwarded to the Board once completed.

During the Work Session, Robert Dougherty referenced a written report that was distributed to the Board. He said that dye testing and investigation for roof drain connections was nearly complete in Area 10 (Phase 2) with the exception of about one day of work on Church Street. He said work has begun on the design plans and the property owners required to move their roof drains above ground have been notified. He then reported that the contractor for the Locust Street CSO Separation Project began installation of the new Locust Street Force Main, which they anticipated will take about 20 days to install. He said they indicated they may put a second crew on the job to move it along at a quicker pace.

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

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

Solicitor’s Report – In addition to what was reported in executive session during the Work Session, Attorney Ustynski requested the Board move to executive session to discuss a personnel issue.

Gallagher & Grink moved to enter executive session for a personnel 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

Formica & Gallagher moved to approve payment of Gannett Fleming, Inc. invoices and requisitions through November 3, 2023 totaling \$14,304.79 as listed in the following table:

<u>Requisition#</u>	<u>Invoice #</u>	<u>Description</u>	<u>Amount</u>
Operating Fund	051153.A*28856	Annual Service Work	\$ 5,311.69
Operating Fund	051153.B*28858	Attending Authority Meetings	\$ 567.30
Operating Fund	051153.CO*28862	Incinerator Installation Project	\$ 1,241.81
Operating Fund	051153.40*28861	Locust St CSO GIS Collection	\$ 1,843.73
Operating Fund	051153.42*28857	2023-2024 Air Compliance	\$ 3,141.21
Operating Fund	051153.44*28859	Locust St CSO - PENNVEST	\$ 2,199.05
Total			\$ 14,304.79

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

Gallegher & Grink moved to approve payment of RJD Engineering, Inc. invoices from October 2023 totaling \$10,857.00 as listed in the following table:

	<u>Invoice Date</u>	<u>Project Description</u>	<u>Amount</u>
Operating Fund	10/31/2023	Area 2/3 - Locust St CSO	\$ 7,581.00
Operating Fund	10/31/2023	Area 10 (Phase 2)	\$ 2,331.00
Operating Fund	10/31/2023	Collection System Engineering	\$ 945.00
Total			\$ 10,857.00

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 authorize payment from the Operating Fund for Operating and Administrative Expenses (\$778,114.81); Construction in Progress (\$45,022.94); Equipment/Office Equipment (\$21,247.00); Debt Service Series 2018 Bond – BB&T (\$18,362.29); Debt Service PENNVEST Loan #27906 (\$11,152.44) from the month of October 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 & Grink moved to approve issued credits report totaling \$1,409.34 from the month of October 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

Formica & Pacelli moved to purchase a NEC SV9100 VoIP Telephone system and devices through the PEPPM State Contract #524104 as itemized in the proposal dated November 15, 2023 from Guyette Communication Industries, Inc. for the price of \$15,625.97, which includes new hardware, installation, programming, setup, and end-user training.

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 & Grink moved to authorize an agreement with KnowBe4 USA for three (3) years of cybersecurity awareness training and use of their simulated phishing platform to test and train GHJSA employees with PC access for a total cost of \$2,470.50.

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 adjourn.

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

The regular meeting was adjourned at 6:46 PM

The next scheduled Work Session will be Wednesday, December 13, 2023 at 6:30 PM

The next scheduled Regular Monthly Meeting will be Monday, December 18, 2023 at 6:30 PM

Respectfully submitted,

Greater Hazleton Joint Sewer Authority



Gregory Olander, Assistant Secretary