

THE REGULAR MONTHLY MEETING WAS HELD BY THE VIRTUAL MEETING ZOOM PLATFORM AND IN PERSON ON WEDNESDAY, JUNE 19, 2024, IN THE CONFERENCE ROOM AT 711 BIRKBECK STREET, FREELAND, PA. PRESENT WERE MR. KAVITSKI, MR. THOMAS, MR. TIERNEY II (via ZOOM), THE ENGINEER, ATTORNEY FAGAN, ATTORNEY MALASKA, THE TECHNICAL MANAGER AND THE SECRETARY.

SALUTE TO THE FLAG AND MOMENT OF SILENCE

A moment of silence for Martha Carr, a neighbor of Mr. Kavitski, who passed away on Monday.

JOHN NONNEMACHER & MICHAEL GAIZICK OF SNYDER & CLEMENTE-2023 AUDIT

Mr. Nonnemacher thanked the Board for having Snyder & Clemente as their accounting firm this year. He mentioned to the Board Snyder & Clemente passed their three-year review.

Mr. Fisher arrived at this time. Mr. Tierney left the meeting via Zoom.

The Authority financial statements are presented fairly with accordance with the accounting principles accepted in the United States. Highlights of the Audit were reviewed, and important highlights were the rate increases for 2023, the Sewer Division would have had a loss without this increase especially with the two ongoing projects. Grant Monies for the Dark Fiber Project, which is important because those costs would have been added to the rate payers. The Auditors from Snyder & Clemente attended a seminar with Senator Argall and Representative Watro regarding Grants and PENNVEST Financing of Projects. Mr. Nonnemacher stressed to both Sen. Argall and Rep. Watro how important Grants and special financing are to the Water & Wastewater Industries.

Mr. Gaizick went over the Dark Fiber Project with the Board Members. It is a capital project but with a lease end. Under GASB 87, a lease is required to be capitalized and amortized. All the equipment is the property of the Authority, but the fiber lines are leased from PenTeleData. All costs will be amortized over the 20-year period per the agreement. The Dark Fiber is a great investment with the internet being faster with greater capabilities for the Authority.

Mr. Kavitski explained the cameras operate with the Dark Fiber System.

Mr. Gaizick discussed the Dewatering Project with the PENNVEST financing, which is just starting, the Centre Street Water Main Replacement Project, and the Dark Fiber Project started in 2023 and completely put into service in 2024. Total Construction in Progress at the end of December 31, 2023, was \$476,066.00.

Mr. Nonnemacher explained the Construction in Progress is accumulated in this account. The Auditors also look at all individual components of the project. Mr. Nonnemacher mentioned to the Board the Office Manager was proactive in asking for advice on the ongoing projects and how to set up the General Ledger Accounts, which accounted for less journal entries needing to be corrected.

Mr. Gaizick went onto the Pension Asset with the actuarial accounting from PMRS. The Authority has a pension asset which is no different this year. The total pension asset has decreased this year and is one of the biggest estimates in the financial statement, which is based off the market and is a year behind. The actuarial evaluation is from 2022 and the market was down at that time.

Mr. Nonnemacher stated governmental accounting is making many things more transparent in the financial statements, one thing is the lease agreements with the dark fiber and the pension obligations.

Mr. Fisher inquired on whom decides the funds in which the pension is invested. Mr. Nonnemacher explained PMRS Board makes the decision only.

Mr. Nonnemacher went over the revenue and expenses. Water fund sales and service with the rate increase had an increase of approximately \$160,000 and the increase (decrease) in net position is \$274,036. Sewer fund had an increase of \$116,675 so without the rate increase there would have been a loss in 2023 compared to 2022.

Mr. Gaizick went over the Statements of Net Position Financials. The Water & Sewer Fund has increased the cash position even with the Capital Projects that are going on and this is very beneficial. The Total Net Assets for the Authority are \$26.6 Million. The Total Liabilities have maintained consistency. The Sewer Fund has increased liabilities more due to the Capital Improvements. The Total Net Position is \$12.4 Million for the Authority.

Mr. Nonnemacher happily reported to the Board during the Audit, there were no internal audit controls, weakness or any type of management deficiencies. If the Board of Directors have any other questions, please feel free to contact him. (Reference 2502-A).

Mr. Kavitski said Snyder & Clemente have done a great job with the Audit again this year and the Office Manager is doing a great job internally, which makes for a great combination.

CITIZENS PARTICIPATION

No citizens were present at the meeting.

APPROVE MAY MINUTES

Mr. Thomas made the motion to approve the May Minutes and Mr. Fisher second. Vote 3-0.

APPROVE MAY PAID INVOICES

Mr. Kavitski made a motion to approve the May paid invoices for the Water Division totaling \$140,468.35, and the Sewer Division invoices totaling \$126,279.06 and Mr. Thomas second. Vote 3-0. (Ref. 2503-A).

CURRENT INVOICES

Mr. Kavitski made a motion to approve payment of the current Water Division invoices totaling \$100,012.66, the Sewer Division invoices totaling \$119,286.76, and the Sandy Run invoices totaling \$3,182.37, and Mr. Thomas second. Vote 3-0. (Reference 2503-B).

FINANCIAL STATUS

The Secretary reviewed the Financial Status as outlined in Reference 2503-C.

ENGINEERING REPORT

Mr. Joshua Fox and Brenden Miller of HRG, Inc. presented the Engineering Report. (Reference 2503-D).

Sewer Area

-SIUA and sampling stations – Chris Ferdik of HRG presented via Zoom. EPA provided notice the FMA's request for full program approval was published in the Standard-Speaker on May 8, 2024, after the 30-day comment period the EPA will be able to issue notification of their decision on the Industrial Pretreatment Program. HRG is awaiting approval prior to updating any ordinances for Foster Township or Freeland Borough and references for FMA Sewer Rules and Regulations. The Sampling Station Agreement was covered in the Engineering Report concerning Citterio. Once program approval from EPA will review all NOV's issued to Citterio for enforcement. Also, outstanding deficiencies from NOV's which were not followed through with responses from Citterio. Cost recovery measures for slug load/discharge from Citterio are being developed. Critical Action/Target Tasks HRG is looking for FMA to make a minor modification of Citterio IWD Permit to revise the monthly reporting from the 15th to 28th day of the following month. Citterio needs to develop a Slug/Spill Control Plan under the direction of HRG and authorized by FMA.

Dental Amalgam Regulations are in the IPP; dental offices need to be identified in the service area; two dental offices are located here.

Excel spreadsheet as a tracker for industrial and non-residential customers of the sewer system who may have the potential of becoming an industrial user.

Pre-set penalties for IPP violations or enforcement of the plan for the Industrial Pretreatment Program.

-Sludge Dewatering Project – Submittals are being reviewed and the equipment is set to arrive in August. Job conference will be set up once the delivery date of the equipment is received. August meeting should have a good update with photos to share for the project.

-NPDES Permit Renewal – No update currently.

-ACT 537 Special Study – No significant activities.

-Sewer Rules and Regulations – Waiting for approval of the IPP from EPA.

-Dynamic Separator – HRG contacted DEP regarding this matter for a meeting and no response to date.

Water Area

-AdEdge System – HRG wants to set up an informational meeting with a company representative to discuss iron, manganese, PFAS and PFOS. FMA is collecting laboratory data to have a better-quality meeting which HRG then will provide cost for the project perspective.

-Oak Street Water Storage Tank – Land development work continues for the approval on the land development application. FMA needs to apply for a building permit and needs clarification on the permit itself. HRG stated a building permit should be for the shed to store all the equipment and not for the tank itself. HRG has never seen a building permit for any tank project. The building permit normally is purchased by the contractor after the bidding of the project which will be put into the bidding information for the project. HRG has not budgeted for this situation because the tank cannot be occupied. Target bid date is July 8th for the project. HRG & FMA will need to meet to go over the specifications of the project – tank colors etc.

Mr. Fisher inquired about an inspector on site for the project. HRG said the contractor will make sure the elevations are correct for grade with the benchmarks from HRG. RPR is the acronym for inspector.

-Water Rules & Regulations – HRG will set up a meeting to review shortly.

-Centre Street Water Main Replacement Project – Lexi Group came out to the area for underground radar work. The mapping was incorporated into the bid for the contractors to understand the utilities in the area. There were six bidders for the project. Sikora Brothers were lowest bidder at \$430,963.00, the grant was awarded last year, and bids were 100,000 dollars over the grant amount. The grant application was based off the original Borton Lawson design. Since then a manhole, replace curb boxes and other things have been added to the design. FMA Attorney Malaska has reviewed the bid packages and saw no problems with the bids. The combined Bid Package and Recommendation of Award letters are up for the Board approval tonight. The Freeland Fire Department will have their own service line. The Fire Department will need to install internally in their building. The field area will need to be verified by the Fire Department.

Mr. Fisher inquired about new curbing and ADA ramps. HRG said ADA ramps were in the area already. Mr. Kavitski stated HRG will need to check to be certain ADA ramps are there. A supplement for the Construction Phase Services will be presented to the Board tonight. RPR reduced full time rate for the inspector from \$31,900 to \$28,500 not to exceed price. If contract is completed quicker the supplement will be less. The approximate time frame of the project is 6 weeks. Sikora Brothers has provided references for this type of project. Mr. Fisher inquired how the Fire Department is going to be able to use their building. Large plates will be used to cover the trenches, but the road will be rough during construction. The sewer lines are okay, if needed in the future, the sewer lines could be lined.

-SRBC Water Conservation Grant – Information on the \$203,500.00 Grant was forwarded to HRG from FMA. HRG wants to be sure the information can be loaded back into the SCADA system prior to purchase of the software. Working through the software program with the company, cloud-based software to see how the information can be converted to the SCADA system. Software price is also based off the number of users in the system. Obtaining quote for the five largest commercial customers for the water meters. This software can improve the water quality by adjusting parameters in the water system itself and give water readings from the 5 largest customers in real time. GIS data comes into the water model, water model takes all the data collected and then the Authority can run simulated models to see which improves the water quality better, which this is the goal.

-Sandy Run Corrosion Control Study – Ryan Smith sent comments for HRG to incorporate into the DEP Report and Staci Hartz is reviewing. DEP is aware the submission will be completed shortly.

SEWER DIVISION

Mr. Fisher made the motion to approve the PENNVEST Payment Request #3 in the amount of \$8,436.90, for the Sludge Dewatering Project and Mr. Thomas second. Vote 3-0. (Reference 2504-A).

Manhole sealant, Ryan Smith purchased to try the sealant, this sealant is used for I & I along with keeping the lids from freezing which makes it difficult to remove them. Mr. Kavitski recommends the Authority purchase the product for the entire sewer system.

WATER DIVISION

Ratification of the Lexis Group Quote for the subsurface utility engineering for the Centre Street Main Replacement for \$2,950.00 on May 21, 2024, the Office Manager called each Board Member for a phone call vote for approval. Mr. Kavitski – Yes; Mr. Fisher – Yes; Mr. Thomas – Yes; Mr. Tierney – Yes; and Mr. Clymer – Yes. (Reference 2504-B).

The Engineers reviewed the Bid Tabulations of the Centre Street Main Replacement Project during their report.

Recommendation to Award the Centre St. Main Replacement Project to Sikora Brothers Paving in the amount of \$430,963.00, Mr. Thomas made the motion to award based on the recommendation of HRG, Inc., and Mr. Fisher second. Vote 3-0. (Reference 2505-A).

HRG Agreement for Professional Services Centre St. Main Replacement Project-Construction and Additional Engineering Phases – Construction Phase \$22,400.00 and RPR Services \$28,500.00, the RPR Amount adjusted by Mr. Fox of HRG, Inc., Mr. Kavitski made the motion to approve and Mr. Thomas second. Vote 3-0. (Reference 2505-B).

HRG Supplement #1-Oak St. Water Storage Tank Project-Additional PENNVEST Services for the estimated total fee of \$63,600.00, Mr. Thomas made the motion for approval and Mr. Fisher second. Vote 3-0. (Reference 2505-C).

Mr. Kavitski explained to the Board during discussions with the Oak St. Tank Project, Mr. Senape had requested the Authority install three curb boxes for possible future water service connections with the property his family has in the area. Mr. Fisher inquired about the locations and Mr. Fox of HRG stated the Authority can ask Mr. Senape to stake the area of the three locations. Ryan Smith stated Mr. Ayers inquired about curb stops for his property in this location through a third party. Ryan Smith said he will place a phone call to Mr. Ayers regarding the curb stops. Mr. Kavitski asked Ryan Smith to follow up with Mr. Ayers.

Discussion of Oak St. Paving – Mr. Kavitski stated the Authority will pave what the contractors disturb on Oak Street only. Mr. Kavitski-Yes; Mr. Fisher-Yes; and Mr. Thomas-Yes. Freeland Borough is looking into paving Oak Street, but the Authority has no dates.

MANAGERS REPORT

Ryan Smith presented the Technical Managers Report. (Reference 2505-D). Coupon metal results were shown to the Board and HRG, Inc. Well 4, 6, and 11 need to be treated for rusty water and Well 6 for hydrogen sulfide; the Authority needs to treat for steel and iron.

Nowak Tree Service-remove seven trees at the wastewater treatment plant at the cost of \$2,250.00 and a quote to remove 1 tree at the Main Office area at the cost of \$600.00; Mr. Fisher made the motion to approve and Mr. Kavitski second. Vote 3-0. (Reference 2505-E).

Moyer Instruments Quotes for a clamp-on flow meter for Sludge Line at the Wastewater Plant after discussion Mr. Kavitski stated clamp-on flow meter is not good for this situation and this equipment should have been installed at the time of the Sewer Plant Upgrade. Mr. Fox of HRG, Inc., recommends obtaining a quote from the contractor doing the Sludge Dewatering Project, to cut pipe and install a flow meter at that time through a change order. Ryan Smith will also obtain additional quotes for comparison.

ENGINEERING INVOICES

Mr. Thomas made the motion to approve HRG Invoice #182189 \$997.50; Invoice #182190 \$324.50; Invoice #182462 \$1,881.50; Invoice #182463 \$3,802.43; Invoice #182464R \$1,589.00; Invoice #182465 \$7,040.00; and Invoice #182466 \$5,702.50, and Mr. Fisher second. Vote 3-0. (Reference 2505-F).

ATTORNEYS REPORT

Attorney Malaska stated he reviewed the Sikora Brothers bidding packet and everything is good. He will be drafting an updated set of By-Laws for next month's meeting.

Attorney Fagan stated on Tuesday June 25, 2024, he will be attending the Planning Commission Meeting at Foster Township with HRG for the Oak Street Tank Property. HRG submitted all paperwork to Foster Township electronically. Mr. Senape was also informed all paperwork was submitted so he could review if he felt it was necessary. Once subdivision is approved, the Authority could have the title search done and purchase the land. Attorney Fagan inquired if Freeland Borough recorded the deed around the cul-de-sac at Oak Street. Mr. Kavitski stated it was approved at their monthly meeting but is not sure if recorded yet. Attorney Fagan also filed a few liens for the Authority.

Mr. Kavitski stated he will attend the Planning Commission Meeting with Attorney Fagan.

OPEN/OTHER ACTIONS

Mr. Fisher made the motion to hire John Natafalusy, Part Time Summer Help and Mr. Thomas second. Vote 3-0.

Civil 3D Annual Subscription Renewal at the cost of \$3,193.27, Mr. Kavitski made the motion to approve and Mr. Fisher second. Vote 3-0. (Reference 2506-A).

Use of the Authority Equipment – Freeland Borough is no longer using the dump truck currently. Mr. Kavitski stated if Freeland Borough needs to use a truck an agreement should be put into place between both entities. Mr. Kavitski stated for protection for the Authority in case of an accident but even with an agreement in place the insurance company can still charge the Authority's insurance. Mr. Kavitski stated the Authority can help with labor, but equipment use should be limited.

Attorney Malaska recommends having an agreement. Attorney Malaska will do research on this matter for next month's meeting and some type of lease agreement should be created between both parties.

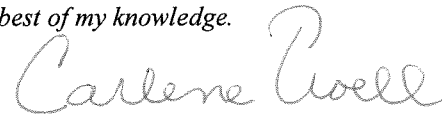
ADJOURN

Mr. Thomas made the motion to adjourn the meeting and Mr. Kavitski second. Vote 3-0.

These minutes are certified true and correct to the best of my knowledge.



Paul Thomas, Secretary



Carlene Troell, Non-Member Secretary