

THE REGULAR MONTHLY MEETING WAS HELD BY THE VIRTUAL MEETING ZOOM PLATFORM AND IN PERSON ON WEDNESDAY JULY 19, 2023, IN THE CONFERENCE ROOM AT 711 BIRKBECK STREET, FREELAND, PA. PRESENT WERE MR. KAVITSKI, MR. THOMAS, MR. TIERNEY II (via Zoom), MR. CLYMER, THE TECHNICAL MANAGER, THE ENGINEER, THE ATTORNEY, AND THE SECRETARY.

SALUTE TO THE FLAG AND MOMENT OF SILENCE

For all people who are suffering with the heat, fires, and everything else going on in the world.

JOHN NONNEMACHER & MICHAEL GAIZICK OF SNYDER & CLEMENTE - 2022 AUDIT

Mr. Nonnemacher thanked the Board of Directors for the opportunity to provide the service for the Audit. The audit was done earlier this year because the actuarial from PMRS was completed earlier. The audit and the financial statements are fairly presented with a clean opinion of the audit. Mr. Nonnemacher presented sales & service on financial statements. Similar statement amounts for 2021 and 2022; should show an increase next year due to the rate increase. Sewer general operating expenses were more due to the chemical price increases, legal fees, and engineering costs. Water general operating expenses were more due to the chemical price increases, wellhouse repairs and electrical costs. Rate increase was very appropriate for 2023.

Mr. Gaizick presented the Statement of Deposition (GASB 87) regarding leases, for transparency on the balance sheets. Tower & Land leases will now show on both the Statement of Deposition and the Balance Sheets. Current assets and non-current assets within the operating cycles (12 months) and non-current is for long term assets. The Authority has a very strong cash position which is beneficial when having to fund unexpected expenses. Accounts receivables are very similar to the prior year. Current ratio or working capital is current assets which are available to pay in the year versus current liabilities due within the year. 11 to 1 current assets for the Water Division and 4.8 to 1 current assets for the Sewer Division for working capital. Non-current assets are construction in progress projects that have started and are not in use yet. Balance sheet shows other long-term assets and pension assets. Pension fund position is very strong. Long term liabilities total 13.7 million dollars; sewer fund is 10.7 million and water fund is three million with cash flow to make the payments every year is very strong. Total Net Position for the Authority is 26.9 million.

Mr. Nonnemacher states PMRS has 1400 plans in the retirement system and the Authority has a pension asset. The internal control testing has balanced to the penny. Management letter recommendation is for competitive bids for the chemicals. (Reference 2444-A).

Mr. Kavitski stated recommendations from Snyder & Clemente were always very good guidance for the Authority throughout the years.

CITIZENS PARTICIPATION

Mr. Krone, 939 Birkbeck Street, Freeland attended on behalf of Freeland Borough. He is trying to gather information on the former Herbener Property. He is concerned about the tanks on the property. Fern Street residents complained about the \$15.00 sewer fee to Freeland Borough Council regarding Borough residents connected to the Foster Sewer System. And looking for part-time help for the Freeland Borough Streets Department for \$15.00 per hour. 2024 County Grant application for the 700 and 800 blocks of Centre Street for paving and stormwater installation.

Mr. Kavitski stated the Authority is waiting on notification from Grant Applications which the Authority put in for the same Centre Street Area or the Authority might just do the work themselves.

Mr. Krone stated the Borough would need to apply in September for the County Grant.

Mr. Kavitski stated the Authority was looking at the Herbener land because it abuts the Authority property. The Authority has asked about the tanks in the ground because it is the Authority's biggest concern. The Authority has not obtained the answers we have asked.

Attorney Fagan stated Attorney Karpowich informed him there is someone interested in the property. Attorney Fagan did explain to Attorney Karpowich what the Authority wanted to do on the property. Attorney Karpowich stated they are receiving an offer on Friday and the Authority can certainly put an offer in too.

Mr. Kavitski stated the Authority is concerned about an unknown tank that is supposed to be under the ground on this property. Another tank lid was embedded in the concrete which does contain something inside it. The concern is the Authority has two good wells which are right out back of the Authority office

building. Contamination is the biggest worry. There was an environmental report done at the property and the Authority has asked for the report which was never received. 2016 or 2017 was when the report was completed when the Borough was going to build a new building at this property.

Mr. Thomas understands the concern about the sewer fee from the Freeland Borough residents. Foster Township took over the lines in this area. The Authority needs to pay PA American Water the \$15.00 fee per EDU. The Authority and PA American Water has a two-year agreement; maybe at that time the fee could be negotiated.

Mr. Kavitski stated the Fire Department wants their own water service line coming into the building in their area due to the other side of the building not being used.

Ryan Smith, Technical Manager, stated there is a pothole by the Fire Department. The Authority did camera the sewer line, no collapse, everything is good.

Mr. Krone asked about summer help. Mr. Kavitski inquired if the Authority summer help would be interested in helping the Borough and the Office Manager stated he has another part-time job beside the Authority.

Mr. Thomas suggested a potential candidate, the Authority just interviewed. The Office Manager will reach out to the person and inquire if he would be interested. If so, the Office Manager will provide Mr. Krone with his contact information.

APPROVE JUNE MINUTES

Mr. Thomas made the motion to approve the June minutes and Mr. Clymer second. Vote 4-0.

APPROVE JUNE PAID INVOICES

Mr. Thomas made a motion to approve the June paid invoices for the Water Division totaling \$146,323.19, and the Sewer Division invoices totaling \$134,113.67 and Mr. Kavitski second. Vote 4-0. (Ref. 2445-A).

CURRENT INVOICES

Mr. Kavitski made a motion to approve payment of the current Water Division invoices totaling \$122,392.99, the Sewer Division invoices totaling \$68,060.96, and the Sandy Run invoices totaling \$117.49 and Mr. Clymer second. Vote 4-0. (Reference 2445-B).

Mr. Kavitski mentioned the underground electrical connections at Well 6 & 9 which is a one-time charge. Well 9 is being replaced every 2 years and it needs to be investigated. Frequencies of start-up torque may be the problem.

FINANCIAL STATUS

The Secretary reviewed the Financial Status as outlined in Reference 2445-C.

Mr. Kavitski stated Luzerne County Conversation District has provided a termination letter for the Chapter 102, Annual Fee of \$500.00 from PA DEP for the Wastewater Treatment Plant.

SEWER DIVISION

Mr. Joseph Bluge of HRG, Inc. presented the Engineering Report. (Reference 2445-D).

Sewer Area

-SIUA and sampling stations – EPA Region 3 still reviewing the Pretreatment Plan. HRG is working with Ryan Smith, Technical Manager, developing local limits and sampling stations.

-NPDES Permit Renewal Work – Chris Ferdik has been working on the renewal and the permit is under technical review right now by PA DEP. Once the 30-day comment period comes in, meeting will be set to go to DEP and discuss the Free Cyanide, Total Cadmium and Total Zinc sampling.

Mr. Kavitski said when meeting with PA DEP they need to realize where the Authority discharges. Pond Creek is far away from the area of the Authority discharge.

-Sludge Dewatering Upgrade Project – Brooke Semanchik of HRG informed the Board of Directors via Zoom, at the PENNVEST meeting today, the Authority was awarded \$1,509,000 loan with an interest rate of 1.00% for years 1-5 and 1.743% for years 6-20. The funding offer will be sent from PENNVEST either

today or tomorrow. The Authority will be informed by the offer, whether it is state or federal funds, which will be very important when bidding out the project.

-**Headworks Evaluation** – No update this month.

-**ACT 537 Special Study** – No significant activities.

Water Area

-**Oak Street Water Storage Tank** – The NPDES permit package was submitted by HRG to Luzerne County Conservation District on May 26, 2023. Permits need to be approved to submit application to PENNVEST.

- **Hydraulic Model Flushing Analysis** – Discussion later in meeting.

-**Update Water Division Rules & Regulations** – Discussion later in meeting.

-**ARPA & EPA Grant Applications** – ARPA Grant awarded and no report on the EPA Grant.

-**CFA Small Water & Sewer Grant and H2O Grants** – No significant activities this month.

HRG Proposal Financial Services Water & Sewer Capital Charge Evaluation - Joe Bluge of HRG stated a Fee study of this type typically costs \$25,000 or up. The Proposal tonight is for \$8800.00 for the Water Study and \$9200.00 for the Sewer Study. The Office Manager has gathered a lot of vital information for HRG's Brooke Semanchik & Adrienne Vicari.

Mr. Kavitski explained to the Board of Directors, if a Tapping Fee is challenged in court and the Authority does not have the proper calculations and fees based on all the information, the Authority would have a problem with what the law requires. HRG will put together all information provided by the Authority and do the calculations and an official document will be provided to the Authority.

Joe Bluge explained this would be the maximum amount the Authority could charge to someone for Tapping on the system. The Authority could charge less than the maximum amount. The Tapping Study takes all new projects into account for the fees.

Mr. Thomas made the motion to approve the proposal for the Water & Sewer Capital Charge Evaluation at the cost of \$18,000.00 and Mr. Kavitski second. Vote 4-0. (Reference 2446-A).

HRG Proposal Dewatering Project – PENNVEST Supplement #1 for the cost of \$43,000.00 Phase D and Phase G are fixed amounts and the rest of the Phases are considered estimates per Joe Bluge of HRG. Phase F are all costs from past month, do a payment request in PENNVEST system for the Authority to reimburse itself or pay the contractors directly per Brooke Semanchik of HRG. Some of the Phases, D & E, are as needed, per the funding type from PENNVEST along with the settlement requirements per Ms. Semanchik. Mr. Kavitski inquired about the supplement, if certain Phases are not needed, the Authority would not be billed, which Ms. Semanchik responded yes.

Mr. Clymer made the motion to approve the PENNVEST Supplement #1 for Dewatering Project and Mr. Kavitski second. Vote 4-0. (Reference 2446-B).

Modern Power – Replacement of Hoses on WWTP Generator – Estimate to replace cracked block heater hoses for \$1,237.90 and this is additional cost to the preventative maintenance quote last month.

Mr. Kavitski made the motion to approve the work and Mr. Clymer second. Vote 4-0.(Reference 2446-C). Ryan Smith will further investigate batteries for the generators later.

PA American Water – Shut Off Agreement - PAWC has made the changes requested by the Authority regarding curbs stops repairs and Overtime Charge, if Authority employees are requested after regular hours. Mr. Thomas made the motion to approve the Shut Off Agreement and Mr. Kavitski second. Vote 4-0. (Reference 2446-D).

Mr. Kavitski requested Attorney Fagan look into PA American Water regarding the PA Sales Tax Exemption for the Authority. The Authority is exempt from paying PA Sales Tax on an electric bill. Attorney Fagan inquired if the Authority could be billed directly. The Authority currently has a discounted electrical rate with WGL, not sure if the Authority could add an electric bill for the same rate. Mr. Kavitski stated the Authority does not pay taxes to any of our vendors, why is PAWC treating this situation differently and maybe the Authority should call the PUC. Attorney Fagan said he will contact PAWC directly.

WATER DIVISION

HRG Proposal Oak Street Tank Project – PENNVEST Services Proposal – This proposal is to complete the PENNVEST Application Phase A \$9800.00 and PENNVEST Coordination and Management Phase B \$ 7200.00 for total estimated cost of \$17,000.00.

The Office Manager inquired about HRG Invoices that were already paid for this task. Brooke Semanchik stated the invoices which were started for work prior to the application itself should be included for \$7200.00 and all costs will be reimbursed at the disbursement phase of the project with PENNVEST.

Mr. Clymer made the motion for the approval of the PENNVEST Services Proposal in the amount of \$17,000.00 and Mr. Thomas second. Vote 4-0. (Reference 2447-A).

Resolution to Apply for PENNVEST Funding Oak Street Tank Project – Mr. Kavitski stated the Authority does not have the final price for the Project yet. The final price should be ready within the next month or two and the Resolution should be into PENNVEST by August 2, 2023. Brooke Semanchik stated HRG is trying to target the deadline of August 2nd. This Resolution is to approve the application to apply for the Project and the second Resolution is for the Letter of Responsibility which the final price of the project must be included on the letter. The Letter of Responsibility can be approved at the next Authority Meeting stated Brooke Semanchik, and it will not negatively affect the application.

Mr. Thomas made the motion to approve the Resolution to Apply for PENNVEST Funding Oak Street Tank Project and Mr. Kavitski second. Vote 4-0. (Reference 2447-B).

Mr. Kavitski asked the Board of Directors to vote for the Letter of Responsibility, via phone vote, as soon as the finalized project figure is provided, and the Board of Directors were all in agreement. Mr. Thomas made the motion and Mr. Clymer second. Vote 4-0.

Attorney Fagan inquired about the map and GPS markers along with longitude and latitude for the Oak Street Tank Project area of Pagnotti Enterprises. The information will be sent via email to Attorney Fagan. Mr. Kavitski said Attorney Fagan can contact Josh Fox or Joe Bluge from HRG if more information is needed regarding the land or easement areas.

Water Rules & Regulations are being updated and to anticipate a draft for review with the Authority in September per Joe Bluge of HRG.

Mr. Kavitski was hoping for a little sooner than September. The Authority just met with representatives from Horsley Witten & ERG, the two companies, regarding the Lead & Copper Service Line Inventory Project for the EPA & DEP. The companies recommend placing language in the Rules & Regulations regarding lead service lines that the customer must have the service line replaced or face termination of water service because of the hazardous material.

Hydraulic Model Flushing Analysis – HRG anticipates the work will be completed and ready for presentation for the Authority in August per Joe Bluge.

Moyer Instruments-Quote Well 10 Meter – The Authority has lost the ultrasonic meter. The quote is for a Promag meter at cost of \$7,035.48. Mr. Thomas made the motion for approval to purchase and Mr. Clymer second. Vote 4-0. (Reference 2447-C).

MANAGERS REPORT

Ryan Smith presented the Technical Manager Report. (Reference 2447-D).

Well 12 had a leak at the flange area, changed to ductile iron, which Mr. Kavitski recommends stocking so the Authority can change out additional flanges in the future. PennDOT inspector satisfied with the Front Street asphalt job.

Aqua scope equipment left in bed of truck after heavy rain storm, the equipment no longer works. Not stored in a waterproof case. Heath Consultants were called to see if repairs could be made but after damaged by water the equipment cannot be repaired.

Mr. Kavitski suggested submitting claim to the insurance company to see if they will cover cost.

Mr. Kavitski made a motion to purchase the Aqua Scope from USA BlueBook for \$2699.95 and a Pelican Case for \$325.95 for a total purchase price of \$3,025.90 and Mr. Thomas second. Vote 4-0. (Ref. 2447-E).

Mr. Kavitski suggested having Mr. Fisher look at the damaged Aqua scope. Also, place a sticker on the new piece of equipment for when it is put into service.

Mr. Kavitski discussed charted static and running well levels with the Board. Well levels are looking good even with a drought watch issued.

Lead & Copper Service Line Inventory needs to be focused on; deadline is October of 2024. Ms. Caskey must finish the things that were reviewed today. Then Ms. Caskey and another employee will go from house to house to start checking addresses off the list. This inventory needs to be the Authorities' focus. The DEP spreadsheet will not let you complete it unless you have all information to input. Goal is to have Ms. Caskey start to input information on the DEP website in April of 2024.

Obtain estimates for the mini excavator with trailer for possibility of a Grant Application.

Biros quote for Wyoming St PS – Pump sludge and clean pump station for \$3910.00 this is a shared cost with PA American Water.

Mr. Kavitski suggested to investigate AN Driven Nuts and Bolts for Wyoming St PS, so things do not come loose due to vibration. Ryan Smith will talk to Biros. Zolas Plumbing will look at the AC unit at PS tomorrow.

ENGINEERING INVOICES

Mr. Thomas made the motion to approve HRG Invoice #172091 \$1,872.50, and Invoice #172426 \$84.00, and Mr. Clymer second. Vote 4-0. (Reference 2448-A).

ATTORNEY REPORT

The Birkbeck and Johnson Street Property discussed earlier in the meeting.

Attorney Fagan stated Harmoni Towers assignment of lease is a simple assignment company restructuring is going on and the terms of the lease remain unchanged. Mr. Kavitski made the motion to sign the agreement and Mr. Thomas second. Vote 4-0. (Reference 2448-B).

Hawk Hills Mobile Home Park – Attorney Randolph and Attorney Fagan have been having discussions about the capping of the laterals. Attorney Randolph is concerned that capping of the lateral gives up the EDU. He does not want to pay a Tap on Fee.

Mr. Kavitski stated if he caps the laterals and just pays the monthly sewer fee, he will not have to dig up the sewer connection and physically disconnect from the sewer main. If he disconnects physically, that gives up the EDU that Hawk Hills is allotted. If Attorney Randolph does not want to pay the monthly fee, then he needs to physically dig up the lateral and disconnect from the sewer main, give up the EDU and pay for Tap on Fee to reconnect.

The Board of Directors were all in agreement to pay the \$52.00 EDU for all 37 lots or give up the EDU and pay Tap on Fee later.

OPEN/OTHER ACTIONS

Woods Ice Cream Stand is requesting a credit to his account for \$450.00 jetting service from his plumber due to a blockage in lateral and sewer main line. Mr. Clymer made the motion to approve the credit and Mr. Kavitski second. Vote 4-0. (Reference 2448-C).

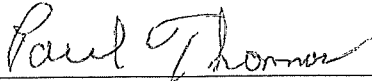
Mr. Kavitski stated the Authority needs to start investigating grease traps at all restaurants. The restaurants are supposed to have logs on the maintenance of their grease traps.

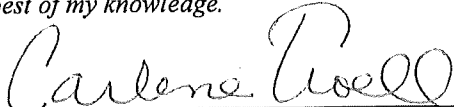
Garland Communication Systems-Cybersecurity Compliance DEP does a sanitary survey and has added a cyber security measure that must be in place. Garland does have a lot of these measures already in place. Garland will help the Authority put a plan in place for \$1500.00; Mr. Kavitski made the motion to approve the quote and Mr. Thomas second. Vote 4-0. (Reference 2448-D).

ADJOURN

Mr. Clymer made the motion to adjourn the meeting and Mr. Thomas second. Vote 4-0.

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


Paul Thomas, Secretary


Carlene Troell, Non-Member Secretary