MINUTES OF THE
EASTON AREA JOINT SEWER AUTHORITY BOARD
July 20, 2026, Meeting

❖ The regular monthly meeting of the Easton Area Joint Sewer Authority Board was held at 5:00 p.m. on Monday, July 20, 2026, at the EAJSA Administration Building, 50-A South Delaware Drive, Easton, Pennsylvania 18042, with Zoom Meeting option. The meeting was open to the public.

❖ The meeting was called to order by Chairman, Mr. Dave Hopkins. Mr. Hopkins ordered the roll to be called at 5:00 p.m. Board Members were present in-person and via video conference option. Board members present at the call to order were as follows:

#	Member	Municipality	Term Expires	Present	Absent	Time Entered
1	Robert Blanchfield Treasurer	Palmer Township	12/31/2030	X		*
2	Jeffrey Bracken	Wilson Borough	12/31/2029			5:02
3	Luis Campos	City of Easton	12/31/2030			5:02
4	Patrick Caubel	City of Easton	12/31/2028	X		*
4	James Frank	Forks Township	12/31/2029	X		*
5	David Hopkins Chairman	City of Easton	12/31/2028	X		*
6	Paul James Vice-Chairman	West Easton Borough	12/31/2029		X	*
7	Robert Lammi	Palmer Township	12/31/2029	X		*
8	Joseph Mauro Jr	City of Easton	12/31/2030		X	*
9	Stephen Riegel Secretary	Tatamy Borough	12/31/2029	X		*
11	Robert Werner	City of Easton	12/31/2030	X		*
12	VACANT	City of Easton	12/31/2029			

*Beginning of Meeting **Adjournment of Meeting

Board members attending via Zoom Meeting could hear each meeting attendee and be heard by each attendee.

❖ **The following personnel were in attendance:**
Michael Gaul (King Spry law firm, Authority Solicitor), Jeff Morgan (SC Engineers, Authority Engineer), John Schimmel (Authority Accountant), Charles Wilson (City of Easton Operations Manager of WWTP), Alexandria Hoffman (City of Easton Assistant Operations Manager of WWTP, and Authority IPP Manager), Yuslendy Zorrilla (City of Easton Office Manager of WWTP, and Authority Administrative Assistant).

❖ **Agenda and any Amendment Approval:**
A motion was made by Mr. Werner and seconded by Mr. Riegel, to approve the posted agenda without any amendments. **Motion Carried (8-0).**

Luis Campos arrived at 5:02 PM in time for the vote.

Mr. Bracken also arrived at 5:02 PM, but not in time for the vote, and did not participate in the vote.

❖ **Minutes Approval:**
A motion was made by Mr. Lammi and seconded by Mr. Caubel to approve the minutes of the Board's

July 20, 2026, regular meeting, as presented. **Motion Carried (9-0).**

- **<u>Courtesy of the floor</u>**

Mr. Hopkins introduced our guests from FSL Public Finance, Mr. Hottenstein, and Mr. Segal. Our guests provided the Board with a PowerPoint presentation, titled "Comparison of Financial Metrics."

<u>Overview:</u> This presentation compares the Authority's key financial metrics to S&P rating category Medians maintained retail municipal water and wastewater utilities.

<u>These categories were:</u>

- Local Median Household Income as a % of U.S.
- Top 10 Customers as % of Operating Revenues
- County Poverty Rate (%)
- All-In Coverage
- Individual Water or Sewer Utility Rates as % of MHHEBI
- Operating Revenues ($000s)
- Available Reserves ($000s)
- Day's Cash on Hand
- Debt to Capitalization (%)

This presentation also provided S&P Rating Breakdown and Moody's Rating Breakdown.

<u>Conclusions:</u>

- The Authority's rating strength lies predominantly in its economic fundamentals and affordability relative to area income levels.
- Focusing on available reserves and All-In Coverage are key factors in potential upward rating mobility given their significant weighting.

Mr. Caubel asked if out of the 1,600 entities used in the data to compare the Authority, how many were Sewer Authorities. Mr. Hottenstein stated neither he nor Mr. Seagal had all the individuals but S & P did. Mr. Seagal stated these were combined median groups of wastewater and water.

Mr. Hopkins stated both wastewater and water systems shared a lot of commonalities.

Mr. Hopkins stated, answering Mr. Caubel question, the Easton Water Authority might have less financial debt than the Authority.

In addition, Mr. Hopkins stated the Water Authority might be in a better financial position than the Authority from a debt standpoint but also has lower rates than the Authority.

Mr. Morgan provided clarification on the ranking of utility bills, explaining that the EAJSA doesn't issue a direct utility bill like the Water Authority does. Mr. Morgan hopes this could be related in the future to the rating agencies.

Mr. Seagal stated, responding to Mr. Werner's question, that he and Mr. Hottenstein utilized the Authority's 2024 Audit, and Public S&P and Moody's methodology to evaluate the Authority's Financial Metrics and create this presentation.

Mr. Seagal stated Moody has a higher credit rating than S&P for the Authority at this time.

Mr. Hottenstein explained they go based on these two credit rating institutions methodology; they do not come up with any of these results.

Mr. Campos pointed out the two graphs reflecting the rating scale for Moody and S&P and asked how sensitive is this scale in terms of the Bonds interest rates.

Mr. Hottenstein stated it depends on the market and bases their rates on triple A ratings.

Mr. Hottenstein stated, responding to Mr. Gaul's question, he has not seen the Debt Service Reserve Fund impacting the rating.

As per Mr. Hopkins request, Mr. Hottenstein agreed to forward this PowerPoint presentation to all Board members via email.

Mr. Bracken left the meeting at 5:39 pm.

SOLICITOR'S REPORT

Attorney Gaul had no report. Mr. Gaul shared with the Board that he intended to file a report with the Corporation Bureau regarding the Authority's change in corporate officers and that there was a minor fee to do so.

ACCOUNTANT'S REPORT

Mr. John Schimmel, EAJSA Accountant, stated he had nothing to report.

Mr. Blanchfield made a motion, seconded by Mr. Lammi, to approve the July 20, 2026, bills for payment in the total amount of $ 1,838,824.12 **Motion Carried (8-0).**

Mr. Caubel made a motion, seconded by Mr. Blanchfield to approve the Bonds Fund Requisition 26-C2026-07 in the amount of $ 43,079.70 in accordance with the Authority Engineer's recommendation.
Motion Carried (8-0).

ENGINEERING COMMITTEE REPORT

Mr. Lammi stated the Engineering Committee met on July 7th, and Mr. Morgan went through a number of updates and also has one request. Mr. Lammi gave the floor to Mr. Morgan to continue with the report.

Item # 07-01: Approval of Design and Bidding Services Proposal for Methane Gas Scrubbing System

Plant management previously reported to the Engineering Committee that WWTP's two 1.5 MBTU methane and propane gas fired boilers used to heat the digesters and certain buildings at the plant were having significant internal build-ups of siloxane which are causing operational problems and incurring elevated costs for frequent boiler cleanings. The Authority previously reviewed and approved a Professional Services Agreement (PSA) from ARRO for this evaluation.

ARRO completed its Methane Gas System Evaluation Report and SCE reviewed this report with the Engineering Committee and it was decided that SCE and plant management would speak to a methane gas scrubbing system vendor, visit a methane gas scrubbing system installation and then request a proposal from ARRO for the design of a new methane gas scrubbing system for the WWTP. SCE and plant management attended a meeting with a methane gas scrubbing system vendor in February 2026 and visited a WWTP located in New Jersey that has a design flow of 9.0 MGD and an extensive methane gas scrubbing system in late March 2026.

SCE obtained a proposal from ARRO for the design and bidding services to construct a new methane gas scrubbing system at the WWTP in May 2026. The Engineering Committee reviewed this proposal at their meeting in June 2026 and there were a number of questions regarding the proposal. The Engineering Committee directed SCE to follow up with ARRO and obtain responses to these questions for discussion at their meeting in July 2026.

The Engineering Committee reviewed the proposal from ARRO in the amount of $103, 697.00 for design and bidding services to construct a methane gas scrubbing system at the WWTP during their July 7, 2026, meeting. A copy of the proposal was included in the Board meeting packet. The Engineering Committee recommends that the Authority approve this proposal from ARRO. This Engineering work will be paid for using remaining funds from the 2021 Bond Issue.

Mr. Lammi made a Motion, seconded by Mr. Caubel, to Approve the Design and Bidding Services Proposal for Methane Gas Scrubbing System, subject to ARRO signing the Authority's standard PSA for the work. **Motion Carried (8-0).**

Mr. Morgan provided some updates:

Mr. Morgan provided two spreadsheets in the packet; one was an update on the projects and the costs and sources of funding. Mr. Morgan stated some projects are in design and will have to make a decision down the line.

Mr. Morgan stated continued the preparation of a monthly data summary report, IPP technical support including work associated with local limits evaluation and preparation of a municipal water and sewer use summary table for 2025 (copy included in Board meeting packet).

Mr. Morgan stated continued work with Atlas on the close-out phase of the project to replace the 16-inch force main from the Second Street Pump Station which is located on the bed of the Lehigh River. Reviewed and approved an application for payment from the general contractor for this project. Continued work on close-out documents for this project and attended PADEP WQM Permit close-out inspection.

Mr. Morgan stated continued work with ARRO on the construction phase of a project which involves cleaning and inspection of Digester No.1, implementation of the Gas Handling System Study recommendations and miscellaneous tank, equipment, and ancillary building improvements. Inspected work completed by the general contractor for this project, reviewed and approved an application for payment from the general contractor for this project and followed up on questions and the schedule related to this project.

Mr. Morgan stated he will be going on vacation but will make sure to provide as much board packet material for next month's Board meeting on time. Mr. Morgan stated if anything is missing, he will provide it to the office at the latest on the morning of the meeting so it can be printed out and have it available at the meeting.

PRETREATMENT COMMITTEE REPORT

Mr. Mauro was not present to provide a report. Mr. Hopkins gave the floor to Ms. Hoffman to provide the report.

Ms. Hoffman stated there are no major updates at this time. Ms. Hoffman stated the focus is the Local Limits Sampling and Analysis for NPDES Permit Requirement and EPA.

FINANCE COMMITTEE REPORT

Mr. Hopkins suggested that the Finance Committee could discuss a 3–5-year road map to determine if the Authority's budgetary policies and procedures, including rebates to municipalities, should be changed to enhance the Authority's credit rating.

Mr. Gaul provided his feedback on this topic and stated the goal is to obtain the best interest rate, which reduces costs for all.

Mr. Campos stated it is good idea to provide rating agencies with a plan. Mr. Campos stated it is a great idea to discuss this matter on the Finance Committee and bring over Mr. Hottenstein from FSL Public Finance LLC to discuss it further.

Mr. Hopkins stated last time this matter was addressed, member municipality representatives were not receptive to reducing rebates for the purpose of strengthening the Authority's financial statement.

Mr. Campos stated he is willing to take a look at this and put a Fund policy in place.

Mr. Gaul stated that the Authority would not necessarily need to completely eliminate rebates. Instead, the Authority could possibly adopt stronger budgeting practices, which in turn would only reduce rebates to the extent necessary to achieve the budgeting goals.

Mr. Morgan stated that the member municipalities may need to approve an amendment to the 1988 agreement.

Mr. Morgan agreed with Mr. Gaul, stating it is not getting rid of the rebates; it would be creating a percentage and having some of that money going into the Reserve Fund for Debt Service or being able to pay for more projects in cash instead of borrowing more money.

Mr. Blanchfield stated all checks were signed by him and Mr. Lammi.

Mr. Blanchfield stated the 2025 Audit is in progress. Mr. Blanchfield stated the Auditor notified us there will be a second Audit required for the one-million-dollar Grant Fund received for the Force Main project which will cost the Authority $5,000.

Mr. Blanchfield asked for approval of Auditor's supplemental Engagement Letter, which includes work for the H2O Grant Audit. A copy of the letter was included in the meeting packet.

Mr. Schimmel stated the Audit is coming along. Mr. Schimmel stated he found a discrepancy where Palmer's rebate was listed as a negative; he made the change and return it to be updated as receivable.

A Motion was made by Mr. Blanchfield and seconded by Mr. Riegel to approve Auditor supplemental Engagement Letter. **Motion Carried (8-0).**

Mr. Blanchfield stated he has not been able to follow up with Embassy Bank.

Mr. Blanchfield stated Ms. Hoffman provided him with a contact person at the Business Solution Department and will try to establish communication.

Mr. Bracken came back to the meeting at 6:04 p.m. but did not make it to vote.

OPERATIONS REPORT

Mr. Wilson stated complete regulatory compliance. Mr. Wilson also added CSO-664,420 gallons.

Mr. Wilson stated B-1 aerator impeller inspection, Oxidation ditch gearbox inspections and cleaned primary clarifiers.

Mr. Morgan stated Oxidation ditch gearbox inspections will be discussed at the next Engineering Committee meeting.

Mr. Morgan also stated he hopes to obtain approval for the proposal to put together a package for bid for the new mixer impeller and some gearbox replacement.

ADDITIONAL REPORT

- **Old Business:** N/A

- **New Business: N/A**

- **Unfinished Business**: N/A

The meeting was adjourned by a motion made by Mr. Lammi and seconded by Mr. Riegel and unanimously carried, at 6:07 pm.

Respectfully submitted,

Yuslendy Fowler

Yuslendy Zorrilla
EAJSA Board Recording Secretary