

**MINUTES OF THE
EASTON AREA JOINT SEWER AUTHORITY BOARD
December 18, 2023**

- ❖ The regular monthly meeting of the Easton Area Joint Sewer Authority Board was held at 6:00 p.m. on Monday, December 18, 2023, at the EAJSA Administration Building, 50 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. Robert Lammi. Mr. Lammi ordered the roll to be called at 6:04 p.m. Board Members were 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	12/31/2025	X		*
2	Luis Campos	City of Easton	12/31/2025	X		*
3	James Frank	Forks Township	12/31/2024	X		*
4	David Hopkins Vice-Chairman	City of Easton	12/31/2028	X		*
5	Paul James	West Easton Borough	12/31/2024	X		*
6	Robert Lammi Chairman	Palmer Township	12/31/2024	X		*
7	Joseph Mauro Jr	City of Easton	12/31/2025	X		*
8	Stephen Riegel Secretary	Tatamy Borough	12/31/2024	X		*
9	John Van Arman	City of Easton	12/31/2024		X	*
10	Robert Werner	City of Easton	12/31/2025	X		*
11	Jeffrey Bracken	Wilson Borough	12/31/2024	X		*
12	VACANT	City of Easton	12/31/2023			

*Beginning of Meeting

**Adjournment of Meeting

Members attending via Zoom Meeting could hear each other meeting attendees and be heard by each other attendee.

- ❖ Mr. Lammi welcomed Wilson Borough's new member Mr. Bracken and thanked him for taking the assignment with the Authority.
- ❖ **The following personnel were in attendance:**
Michael Gaul (Solicitor), Jeff Morgan (SC Engineers), John Schimmel (Accountant), Chuck Wilson (Operations Manager of WWTP), Yuselndy Zorrilla (Office Manager of WWTP).
- ❖ **Agenda and any Amendment Approval:**
A motion was made by Mr. Blanchfield and seconded by Mr. Frank, to approve the posted agenda without any amendments. **Motion Carried (10-0).**

Mr. Morgan stated an Executive Session could be held. Mr. Gaul noted that there is already a spot for the Executive Session on the agenda.

The Board agreed by consensus that Board discussion and any action on Item #12-01 from the Report of the Consulting Engineer would be moved to after the Executive Session on the Board's agenda.

❖ **Minutes Approval:**

A motion was made by Mr. Riegel and seconded by Mr. Frank to approve the minutes of the November 20, 2023; meeting as presented. **Motion Carried (10-0).**

❖ **Courtesy of the floor:**

In Ms. Hoffman's absence, Mr. Lammi confirmed with the Recording Secretary Ms. Zorrilla that the Authority had not received any correspondence through phone, email, or mail for public comment at the meeting. No members of the public attended the meeting.

SOLICITOR'S REPORT

Attorney Michael Gaul, EAJSA Solicitor, stated that he did not have anything to report for the Board's public meeting.

ACCOUNTANT'S REPORT

Mr. John Schimmel, EAJSA Accountant, had nothing to report. There was one item which he had to discuss under the Finance Committee Report.

Mr. James made a motion, seconded by Mr. Blanchfield, to approve the November 2023 bills in the total amount of \$143,910.29. Motion Carried (10-0).

Mr. Hopkins made a motion, seconded by Mr. Frank, to approve the Bond Funds Requisition 23-C2021-12 in the total amount of \$92,934.02 in accordance with the Authority Engineer's reports.

Motion Carried (10-0).

ENGINEERING COMMITTEE REPORT

Mr. Hopkins stated the Engineering Committee met on December 5, 2023. The Authority's Financial Consultant Ryan Hottenstein, who is assisting the Authority with bond refunding, attended. Different topics were discussed. Topics discussed included the Oxidation Ditch MCC, the purchase of laptop computers, the building project with BSI, and the purchase of a new vehicle, which Mr. Morgan will elaborate on in his report.

Mr. Morgan had two informational items. First, the Completion Certificate for the 1997 Bond issue is now completed. Second, the CFA Board will be meeting 12/19/23 to discuss the award of the H20 grants.

Mr. Morgan stated he had items for approval as well.

Item # 12-01: The Bids for the Oxidation Ditch. Discussion and action on this item will be deferred until after the Executive Session.

Item # 12-02: The Authority's WTPP has underground hot water piping between the Boiler building and the Digester building for Digester number 1. The plant manager has determined this pipe is leaking and needs to be replaced. Professional engineering design/contract services are needed to complete the project. TA proposed was requested from BCM-Atlas since they did the original design of this pipe in 2006. The Engineering Committee discussed and now recommends a proposal from BCN-Atlas for Design Bidding Contract Award Services for this Hot Water Replacement Project for \$12,450.00 included in the Board Packet.

A motion was made by Mr. Hopkins and seconded by Mr. Blanchfield to approve the proposal of BCM-Atlas for the Design Bidding Contract Award Services for the Hot Water Replacement Project of \$12,450.00 dollars.
Memorandum #12-02. Motion Carried (10-0).

Mr. Gaul stated the Authority and BCM – Atlas will need to sign a Professional Services Agreement for the work because the BCM -Atlas document incorporates a reference to Authority terms and conditions, and for insurance purposes. Mr. Morgan stated that has been done in the past with BCM and will be taken care of.

The Board agreed by consensus that the approved motion regarding the BCM-Atlas proposal included authorization to the Authority Chairman to execute a Professional Service Agreement for the work.

Item # 12-03: The Engineering Committee recommends the Authority purchase a new vehicle for the plant. Mr. Morgan provided history about the current vehicles available at the plant. These are two pick-up trucks and an SUV. Mr. Morgan reviewed different options with the Engineering Committee. The recommendation was to go with the Hybrid Ford. The paperwork is included in the Board packet. Mr. Morgan obtained a better deal than the one included in the packet. One of the deal's requirements was to take possession of the vehicle by January 2, 2024. Mr. Morgan expressed his availability to submit the required documents; however, he does need a signatory Board member to sign off on the required documents to complete the purchase. In addition, Mr. Schimmel's assistance would be required to cut the check and Mr. Wilson to be the designated driver to pick up the vehicle and drive it to the plant, as Co-Stars does not have a delivery option.

Mr. Wilson added that this vehicle is not just Electric-Hybrid, the first 25 miles are electric, after that the motor kicks in if needed.

Mr. Lammi asked for a motion to approve the purchase of the 2023 Hybrid Ford Escape.

A motion was made by Mr. Frank and seconded by Mr. Hopkins to approve the purchase of the 2023 Hybrid Ford Escape under Co-Stars contract 26-E22-160 in the amount of \$40,911.75.

Memorandum #12-03. Motion Carried (10-0)

Mr. Schimmel confirmed this payment will be taken from the 2024 Budget contingency. Mr. Morgan stated it could also be from the Capital, whichever is more convenient.

PRETREATMENT COMMITTEE REPORT

Mr. Mauro had nothing to report but did say Ms. Hoffman's written report was included in the packet.

Mr. Wilson had a note from Ms. Hoffman to share with the rest of the Board members. All industries samplings had been completed for 2023, still waiting for results from four more industries to close the year out.

FINANCE COMMITTEE REPORT

Mr. Blanchfield stated all checks were signed by him and Mr. Lammi with all the appropriate documents attached to the checks. Mr. Blanchfield stated Mr. Schimmel has an update on the audit for 2023.

Mr. Schimmel stated that based on a prior meeting with the auditors, the assumption was that the audit would be finalized by the end of December 2023. However, the expected completion date is now late January 2024. Mr. Schimmel had communication with Mr. Hottenstein about the auditing statements needed to work on the

Authority's refinancing Bonds issue.

Mr. Lammi discussed with Mr. Hottenstein about the Bond refinancing savings, which is currently \$280,000.00. Mr. Hottenstein stated with interest rates falling, this amount could potentially increase. Mr. Lammi tried contacting Mr. Hottenstein to obtain more information about this, but he was not available. Mr. Lammi asked Mr. Schimmel to contact the auditors and ask if the audit could be finalized as soon as possible. Mr. Schimmel commented that former Auditor Mr. Fleming stated our Audit is not difficult and should be completed in a week's amount of time, because most of our income is from municipalities and IPP.

Mr. Lammi pointed out that the Auditors should be made aware of the importance of completing the Audit as expeditiously as possible because how it could affect our refinancing and the amount of money that can be saved.

Mr. Schimmel stated the difficulty of hiring new employees during this time of the year.

Mr. Lammi hopes to have next year's Audit completed by the middle of the year, not at the end of the year.

Mr. Morgan asked if the Audit will be discussed during the January 16, 2024, Board meeting. Mr. Lammi stated that a special meeting will be needed to vote on it and approve it.

Mr. Blanchfield reminded Mr. Morgan of the Engineering Committee's desire to discuss the BLL. Mr. Morgan stated that it will be discussed at the next Engineering Committee meeting.

INSURANCE REVIEW COMMITTEE REPORT

Mr. Lammi stated the first item to discuss was the Public Officials Liability Insurance renewal. The cost of it is \$13,674.00. Mr. Lammi asked for a motion to approve the renewal and costs.

A motion was made by Mr. Frank and seconded by Mr. Mauro, to approve the insurance renewal and costs.

Motion Carried (10-0).

The second item was the Environmental Liability Policy discussed in past meetings. As per the Authority's request, KWM did research on this kind of policy. Only one company was willing to offer a policy to insure the risk. KWM had confirmed that the policy would apply to the Authority's common lines.

Mr. Gaul stated this insurance is offered on a Surplus line basis, by a non-admitted insurer. This means this type of insurance is not regulated by the Pennsylvania Department of Insurance, like car or homeowner insurance policy. Mr. Gaul explained that if there is a default on the insurance payout, it will not be covered by the Pennsylvania State Insurance Guaranty Fund.

The insurance is offered through a Hartford operating insurance company, and has AM Best rating of A+, which is superior.

Another question Mr. Gaul had was about the exclusion applying to combined sewer system backups. Mr. Gaul consulted with Mr. Morgan on this topic, and Mr. Morgan concluded that the exclusion would not substantially undermine the value of the policy's benefits.

Mrs. Michelle Disora from KWM did research on different insurance policies, and this is the only one available. The question is if the benefit of the policy justifies the premium.

Mr. Gaul stated that from his perspective it is easier for the Authority to budget the cost of a premium than pay an unexpected cost.

Mr. Gaul stated that Hartford Insurance is in Connecticut, and they might not have assets in Pennsylvania. In the event of a lawsuit, it would have to be brought to Connecticut where their assets are, which is not ideal. Other insurance companies here in Pennsylvania, however, are not offering this insurance.

Mr. Gaul agrees it will be beneficial to obtain this policy.

A motion was made by Mr. Riegel and seconded by Mr. Hopkins to approve obtaining the Environmental Policy through the Hartford, with KWM's assistance, and its costs.

Motion Carried (10-0).

OPERATIONS REPORT

Mr. Wilson stated the Operations Report contains a reported Fecal violation, but it was for a sample not collected and test not taken, as required on the plant's permit, as opposed to results from a tested sample. Fecal testing is required daily, but did not occur on Veteran's Day Holiday, November 11th. The responsible operations employee did not collect the sample. Mr. Wilson stated that other than this event the plant is going well. The plant handled the rain event well; a couple glitches here and there, but nothing bad.

Mr. Blanchfield asked Mr. Wilson how the sewer system was flowing the night before, with all the rain. Mr. Wilson reported the flow was rough a bit after midnight, as most of the rain appeared to hit this area. It tripled in the afternoon to between 14-17 MGD, from an original flow of between 5-7 MGD.

Mr. Blanchfield asked if there would be a penalty for this missed sample collection. Mr. Wilson explained it will be a violation and stay on our record for 5-10 years. In prior years he had to send a letter notifying this type of violation, now it can be reported on an electronic submittal.

Mr. Lammi asked if actions were taken with the employee who missed the sample collection. Mr. Wilson stated City policies were followed. Mr. Morgan added to Mr. Wilson's report that next month data will be downloaded from the storm and discussed between Mr. Wilson, Ms. Hoffman, and himself to be presented at the next Engineering Committee meeting.

ADDITIONAL REPORT

- ❖ **Old Business:** Mr. Lammi stated Mr. Schimmel, Mr. Morgan and himself met people from S & P Rating Bureau to discuss Bond refunding. They had many questions which he believes Mr. Schimmel and Mr. Morgan handled very well. There was just one question to which they could not answer during the call. Mr. Schimmel will do research regarding the Authority's ability to obtain funds from the members during the year for unforeseen expenses. Mr. Hopkins stated that, preferably, in the event of a need, the Authority will finance the expense, and then charge it to the member municipalities in the future, or possibly cover the cost through rebates that would otherwise be paid, so the cost does not impact the current year budgets of the member municipalities.
- ❖ **New Business:** Mr. Lammi asked the Board to approve its Meeting schedule for 2024, as presented.

Meetings would start at 5:00 pm, and not 6:00 pm. In response to a question from Mr. Lammi, the new Wilson Borough member, Mr. Bracken, confirmed that the new start time was fine with him.

A motion was made by Mr. Frank and seconded by Mr. James to approve the 2024 Board meeting schedule as presented.

Carried motion (10-0).

Executive Session: Mr. Lammi requested a motion to go into Executive Session. Mr. Gaul stated the Executive Session was to discuss legal matters with the Solicitor.

A motion was made by Mr. Hopkins and seconded by Mr. Frank to go into Executive Session.

Carried Motion (10-0).

Solicitor Gaul again announced that Board discussion, and any action, on Item #12-01 Approval of Low Bid for Oxidation Ditch Motor Control Center (MCC No.1), and Transformer T-1 Bus Duct Replacement project from the Report of the Consulting Engineer will occur after the Executive Session.

At 7:02 pm, the Board went into Executive Session.

Mr. Wilson, Secretary Mrs. Zorrilla and Mr. Schimmel were excused from the Executive Session.

Mr. Lammi asked for a motion to go back into regular session.

A motion was approved by Mr. Blanchfield and seconded by Mr. Riegel.

Motion Carried (10-0).

At 7:30 pm, the Board re-convened in its regular public meeting session.

Board Discussion and Action on Item #12-01 Approval of Low Bid for Oxidation Ditch Motor Control Center (MCC No.1), and Transformer T-1 Bus Duct Replacement project from the Report of the Consulting Engineer:

Mr. Lammi asked the Board if there was any action to be taken because of discussion in the Executive Session.

A motion was made by Mr. Frank, and seconded by Mr. Hopkins, to reject the bid of AN Lynch on the Oxidation Ditch Motor Control Center (MCC No.1) and Transformer T-1 Bus Duct Replacement project on the grounds that it was non-responsive due to AN Lynch's failure to include a consent of surety and financial statements with its bid submission.

Motion Carried (10-0).

A motion was made by Mr. Frank and seconded by Mr. Hopkins to reject the bid of BSI on the Oxidation Ditch Motor Control Center (MCC No.1) and Transformer T-1 Bus Duct Replacement project on the grounds that it was for a price outside of the project's budget.

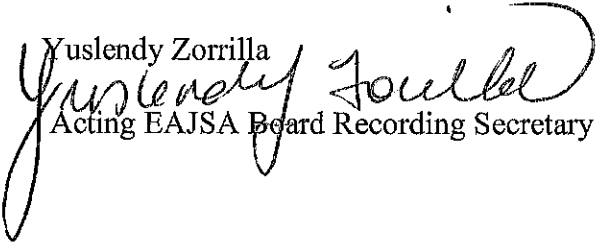
Motion Carried (10-0).

A motion was made by Mr. Bracken and seconded by Mr. Campos, to re-bid and re-advertise the Oxidation Ditch Motor Control Center (MCC No.1) and Transformer T-1 Bus Duct Replacement project.

Motion Carried (10-0).

The meeting was adjourned with a motion by Mr. Hopkins and seconded by Mr. Frank and unanimously carried, at 7:34 P.M.

Respectfully submitted,

Yuslenny Zorrilla

Acting EAJSA Board Recording Secretary