

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

- The regular monthly meeting of the Easton Area Joint Sewer Authority Board was held at 6:00 p.m. on Monday, September 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, Robert Lammi. Mr. Lammi ordered the roll to be called at 6:01 p.m. Board Members were in attendance 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	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	James McGowan Treasurer	Wilson Borough	12/31/2024		X	
9	Stephen Riegel Secretary	Tatamy Borough	12/31/2024	X		*
10	John Van Arman	City of Easton	12/31/2024	X		*
11	Robert Werner	City of Easton	12/31/2025	X		*
12	Vacant					

*Beginning of Meeting **Adjournment of Meeting

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

- **The following personnel were in attendance:**

Michael Gaul (Authority Solicitor), Jeff Morgan (SC Engineers), John Schimmel (Accountant), City of Easton employees, Chuck Wilson (Operations Manager of WWTP), Alex Hoffman (IPP Manager/Assistant Operations Manager at WWTP), Yuselndy Zorrilla (Office Manager of WWTP)

- **Agenda and any Amendment Approval:**

A motion was made by Mr. Mauro, and seconded by Mr. Riegel, to approve the posted agenda without any amendments. **Motion Carried (10-0).**

- **Minutes Approval:**

Mr. Lammi asked for clarification regarding the refund target of \$250,000 being stated in the motion in the August 21, 2023, minutes, regarding the proposed Bond Resolution **2023-08-21A.**

Mr. Gaul confirmed that the required saving level is contained in the text of Bond Resolution **2023-08-21A**.

Mr. Lammi asked that the minutes be revised to reflect that no action was taken in the Executive Session of the August 21, 2023, meeting.

A motion was made by Mr. Lammi, and seconded by Mr. Hopkins, to approve the minutes of the August 21, 2023, meeting, with the addition that no action was taken by the Board after the Executive Session ended. **Motion Carried (10-0)**.

- **Courtesy of the floor:**

Ms. Hoffman confirmed 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, reported Mr. Morgan has reached out to a contact at the accounting firm performing the Authority's Audit. Mr. Schimmel reported that he is currently working with Keith Flemming to collect the documentation requested by the auditing firm. Mr. Schimmel stated that the audit is moving forward but will require more time to prepare/collect documentation. He reported that the budget for 2024 can be finished before the audit, but the rebates cannot be issued to the municipalities until the audit is complete.

Mr. Morgan will contact Debbie to set up Depreciation schedule adjustment for 2022.

Mr. Schimmel stated that he had been informed by Fulton Bank that the Authority had an account related to the 1997 Bond issue that only had \$0.01, which Fulton Bank would like closed out. Mr. Schimmel requested assistance regarding drafting a requisition from Mr. Gaul for the \$0.01. Mr. Gaul suggested that the Board simply make a motion to close that account, if it is no longer being used. Mr. Schimmel will work with Mr. Morgan to find out the status and history of the account. Mr. Schimmel will contact the Fulton Trust Department to obtain more clarity on this. Mr. Gaul stated it is not an urgent matter for which the Board does not have to make a decision at this time. In addition, Mr. Gaul also stated that he had noticed from the meeting packet that the Authority has an account listed as the "1997 Bonds Clearing Fund", which has a balance of 2.5 million dollars. Attorney Gaul stated that his understanding was that the 1997 Bonds were no longer outstanding, and asked why this account still existed. Mr. Schimmel responded that this is the Authority's current bank account held at Fulton Bank. The Board's account was first established back in 1997.

After Mr. Schimmel completed his report, Mr. Gaul added that the Authority's currently outstanding Bonds require the Authority to file its annual audited financial statements with the EMMA system by October 1, 2023 to update the bond market about the Authority's financial

circumstances. Because the Authority will not be able to make the deadline, the Authority will need to file a notice with EMMA to advise the public that the Authority did not file its audited financial statements within the required deadline.. Mr. Hottenstein and Mr. Reid will assist Mr. Schimmel with the preparation and filing of this notice.

A motion was made by Mr. Blanchfield, and seconded by Mr. Werner, to approve the September 2023 bills in the amount of \$77,411.51. **Motion Carried (10-0).**

A motion was made by Mr. Hopkins, and seconded by Mr. Campos, to approve the Bond Funds Requisitions 23-C2023-09 in the amount of \$9,480.18 in accordance with the Authority Engineer's reports. **Motion Carried (10-0).**

ENGINEERING COMMITTEE REPORT

Mr. Hopkins mentioned the two items on the Agenda to be discussed, Item #09-01: Purchase of New Forklift for WWTP and Item # 09-02: which he stated would be very interesting and gave the floor to Mr. Morgan to elaborate on it.

Mr. Morgan stated there is a memo in the packet and COSTARS contract information for a potential purchase of a new forklift for the plant. The current one is about 24 years old and is used on a daily basis. This new equipment will provide up to date safety features for the workers and will continue to be used often. Mr. Morgan also added the old equipment will likely be placed for sale on the MunicBid Website which is practice for old equipment when new equipment is acquired.

Mr. Wilson stated there is currently no market value to trade in the old forklift.

A Motion was made by Mr. Hopkins and seconded by Mr. Riegel to purchase a new fork lift from ToyotaLift Northeast, LLC for \$37,152.04 through Co-Stars contract # 008-E22-1003, in accordance with the Engineer's **Memorandum #09-01. Motion carried (10-0).**

Mr. Morgan next reported on the Engineering Committee's follow up discussion regarding the Authority's possible issuance of additional bonds to fund the FOG & CHP Project ("FOG project"). This topic was discussed at the September Engineering Committee and Authority Meetings. Mr. Morgan stated his report is merely informational, and no Board action is needed at this time. Mr. Morgan stated the FOG project is currently underfunded due to the current inflation and the payback period was very long.

The needed amount for this project would be 6 million dollars. Due to high, current interest rates, the Committee recommended not to move forward at this time with incurring additional debt to fund this project. Mr. Morgan will look into other possible avenues, such as grant opportunities and/or tax incentives. The Authority has obtained a one-year extension for its current FOG project grant; the Authority is eligible for two more one-year time extensions. Mr. Morgan will keep the Board posted if any of new opportunities come up.

Mr. Hopkins suggested that the Authority table this project for now, it has been discussed for more than 5 years. Mr. Hopkin stated that it wouldn't be responsible, given the payback, period to move forward with public dollars.

Mr. Lammi added the possibility in finding some companies that would agree to pay the capital costs of the project. Mr. Morgan stated that, during the Authority's initial evaluation of the FOG Project, the Authority considered the possible participation of a third-party, but the cost and size of the Authority's CHP system were not sufficient to attract interest from a third-party company.

Next, Mr. Morgan mentioned a new sludge treatment technology; he visited the facility and will share this information with the Engineering Committee. This technology can take sludge and burn it and create electricity. The technology is new and will be researched further.

Mr. Lammi agreed that the FOG Project is a good project, but cannot be justified at this time because of the return on investment.

PRETREATMENT COMMITTEE REPORT

Mr. Mauro had nothing to report.

Ms. Hoffman reported she attended a Pretreatment Conference with Ms. Morgan on September 8, 2023. The conference was very informative. In addition, Ms. Hoffman will be attending a EPWCOA and EPA training on permitting.

Ms. Hoffman stated seven industries are up for inspection, which will complete the requirements 2023.

Ms. Hoffman also commented about the Authority's Conference Room potentially being used for hosting teaching sessions. Some companies are already showing interest in early 2024 dates.

Mr. Wilson added that instead of accepting a fee for the conference usage, the plant plans to accept a free registration so members of the crew can obtain continuing education credits with these teaching sessions.

FINANCE COMMITTEE REPORT

Mr. Schimmel mentioned letters for the 2024 Budget should be sent out. He will meet with members to prepare the budget.

Mr. Lammi asked Mr. Schimmel about the member's rebate. The member municipalities rely on the rebate information for budgeting. Mr. Schimmel explained he is still waiting for the audit to be concluded. He does not know when the audit will be completed, but he will work on the rebates as soon as possible. Mr. Schimmel mentioned Palmer Township might not get a rebate this year.

Mr. Lammi stated Mr. Hottenstein and Mr. Reid have the documentation ready to move forward with the Bond refunding project if the \$250,000 target is met. Mr. Lammi stated only the rating process has not been completed, due to its cost, which is about \$20,000.

Mr. Lammi signed a Letter of Engagement to the underwriters so they can move forward if the target can be met.

Mr. Gaul stated Mr. Hottenstein sent an email stating that the data presented at the last Board meeting contained a calculation error. The savings he presented were about \$225,000-\$235,000 but should have been about \$252,000. The Authority is closer to the savings target than was initially reported.

INSURANCE REVIEW COMMITTEE REPORT

Mr. Lammi demonstrated concern for the common lines. Mr. Morgan presented a spreadsheet showing 14.2 miles of common lines that have to be reviewed. Mr. Lammi stated Mr. Morgan has worked with a company charging \$5,000 per day to videotape the lines. Mr. Morgan will look into how many feet of line can be done in a day.

Mr. Morgan stated a preliminary inventory of the sewer lines, sizes, and manhole has been completed. During the budget discussion they will discuss the addition of a budget line item for inspection and repair work, for about two or three miles to be done yearly. In about seven years the system should be finished.

Mr. Lammi stated the Risk Assessment Committee is concerned about possible environmental liability; the risk is low, but as the piping gets older, the risk rises.

Mr. Morgan and Mr. Wilson stated they are working with the Travelers Insurance consultant in providing answers regarding the gearbox for insurance claim.

OPERATIONS REPORT

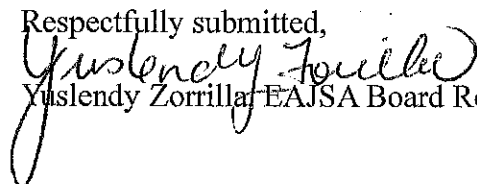
Mr. Wilson stated there is nothing more to report regarding operations than what is already included in the packet. The jet-vac is working well. Waiting for documentation about the repairs that have been completed. The September EPWPCOA event went well, lots of great feedback from visitors, it was a beautiful day.

ADDITIONAL REPORT

- **Old Business:** None
- **New Business:** None

The Meeting was adjourned on a Motion by Mr. Campos and seconded by Mr. Frank, and unanimously carried at 6:52 PM

Respectfully submitted,


Yuzlenny Zorrilla EAJSA Board Recording Secretary