

**MINUTES OF THE
EASTON AREA JOINT SEWER AUTHORITY BOARD
May 20, 2024**

- ❖ The regular monthly meeting of the Easton Area Joint Sewer Authority Board was held at 5:00 p.m. on Monday, May 20, 2024, 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 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	12/31/2025	X		*
2	Luis Campos	City of Easton	12/31/2025	X		5:03
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

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

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

Mike Gaul (King Spry law firm, Authority Solicitor), Ryan Hottenstein (FSL Public Finance, LLC, Senior Vice-President), Jeff Morgan (SC Engineers, Authority Engineer), John Schimmel (Accountant), Chuck 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. Blanchfield and seconded by Mr. Riegel, to approve the posted agenda without any amendments. **Motion Carried (10-0).** Luis Campos was not present at the time of the vote.

Mr. Campos entered the meeting at 5:03 PM.

❖ **Minutes Approval:**

A motion was made by Mr. Hopkins and seconded by Mr. Mauro to approve the minutes of the April 15, 2024, meeting, as presented. **Motion Carried (11-0).**

❖ **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 Gaul had no report.

ACCOUNTANT'S REPORT

Mr. John Schimmel, EAJSA Accountant, had no report.

Mr. Lammi recalled and mentioned to Mr. Schimmel two items from the last meeting minutes. One was the preparation and advertising of the Concise Financial Statement. Mr. Schimmel had stated the Auditor would send it over to the DCED, and Mr. Gaul had stated that a Concise Financial Statement needed to be advertised. Mr. Lammi asked Mr. Schimmel to provide the Board with a written document stating this has been done. The second item will be asked about during the Finance Committee session.

Mr. Blanchfield made a motion, seconded by Mr. Mauro, to approve the April 2024 bills for payment in the total amount of \$1,166,659.38. **Motion Carried (11-0).**

Mr. Hopkins made a motion, seconded by Mr. Riegel, to approve the Bond Funds Requisition 24-C2024-05 in the amount of \$21,810.42, in accordance with the Authority Engineer's recommendation.

Motion Carried (11-0).

ENGINEERING COMMITTEE REPORT

Mr. Hopkins stated the Engineering Committee met on May 7, 2024, with a busy agenda. Mr. Hopkins gave the floor to Mr. Morgan to elaborate on it.

Mr. Morgan presented three items for approval. The first one was a price quote from Tiedeken Enterprise, the Authority's painter of 25 years, to power wash and paint the Chlorine Contact Tank for \$12,000.00. Mr. Morgan asked for approval to get it done. Mr. Gaul commented that the contractor should be required to have insurance. Mr. Morgan confirmed we do get insurance from them.

Mr. Hopkins made a motion, seconded by Mr. James, to approve a price quote from Tiedeken for painting the Chlorine Contact Tank in the amount of \$12,000.00. **Engineer Memorandum #05-01. Motion Carried (11-0).**

Mr. Morgan continued with the second item for approval which was the annual Update of the High Strength Waste Surcharge Formula. The updated document was sent to the IPP Committee and Engineering Committee for review. In addition, a memo could be found in the packet. Mr. Morgan also explained to both committees that treatment costs increase yearly according to the influent loading in the plant. These current charges are based on the 2022 budget auditing figures the Authority had and the 2022 Chapter 94 data. Mr. Morgan also mentioned a summary table is included in the packet. Prior to the meeting a proposed resolution had been prepared and distributed to the Board approving the updated formula.

Mr. Gaul presented proposed **RESOLUTION #2024-05-20A APPROVING AN UPDATED HIGH STRENGTH WASTE SURCHARGE FEE.** Mr. Gaul stated the previously distributed Resolution had been revised to correct a minor typo.

Mr. Blanchfield made a motion, seconded by Mr. Mauro, to approve proposed **Resolution #2024-05-20A** approving the updated high strength waste surcharge fee. **Motion Carried (11-0).**

Mr. Morgan presented his last item for approval. This item was about submitting a grant application to the EPA for the FOG and CHP projects as well as other small projects required for the application. The application was completed by representatives of the City of Easton, Nurture Nature Center, and the Authority, working with Delta, which had been hired as a grant writer. Mr. Morgan thanked all members and their municipalities who provided letters of support for the application. Mr. Morgan asked Mr. James to please confirm the letter was sent by West Easton.

Mr. Morgan stated that the Board packet included a proposed Memorandum of Understanding (MOU) between the City and the Authority regarding the administration of the EPA grant, if received. which was also. Also, Mr. Morgan mentions Delta, the writer who prepared the MOU. Mr. Morgan and Mr. Lammi went over the proposed MOU with Mr. Gaul, who made some minor changes. This new revised version was emailed to all members last Friday.

Mr. Hopkins stated the City's legal team reviewed the MOU and had no objection. The MOU is on the City Council's agenda for approval at the Council's next scheduled meeting. Mr. Morgan stated June 1, 2024, is the application target date.

Mr. Hopkins made a motion, seconded by Mr. Riegel, to approve the Memorandum of Understanding between the City and Authority regarding the administration of the EPA grant.
Motion Carried (11-0).

Mr. Morgan provided an update on the proposed grant project and explained where the capital projects stand as of now. Mr. Morgan presented some slides with graphs to show projects that are in design or construction. Mr. Morgan stated ARRO would be providing a proposal for the Digester inspection and cleaning. Also, the MCC Oxidation Ditch project is moving along. The Mechanical Gearbox project is done, the final bill should be available shortly. In addition, Mr. Morgan will have some construction inspection time to cover future projects.

Mr. Morgan stated that the force main replacement project continues. It is in design and has all the permits. Mr. Morgan stated he needs to get together with Mr. Hopkins to discuss other areas of this project.

Mr. Morgan stated that, ideally, the project construction will take place between January and May of 2025, so as to not interfere with the Easton Market. Mr. Hopkins stated they should have that conversation to get that moving. The work going on the canal is not allowing for this project to start until that is complete. Mr. Morgan stated the plan is to put this project out for bid at the end of this year.

Mr. Morgan outlined the list of sources of revenue still available such as the 2021 Bond Issue proceeds, Bond Improvement Fund, which is the emergency fund, but it is not ideal to use them unless is strictly necessary, two grants and the insurance payment for the Gearbox. Mr. Morgan stated that, putting aside the FOG and CHP project, the Authority has the financial ability to complete its ongoing and approved capital projects. Mr. Morgan stated the estimated costs of the FOG and CHP project is \$ 7.4 million dollars. The Authority does not currently have sufficient funds to pay all the costs of the FOG CHP project without the applied-for EPA grant. If the City and Authority do not receive the EPA grant, the Authority Board would need to consider other alternatives to fund the FOG CHP project.

Mr. Hopkins asked if the FOG project also included other work that needs to be done with the Digester. Mr. Morgan confirmed it does, including work required on Digester 1, such as pipes, lighting, and building clean up, and painting, as well as concrete repair.

Mr. Blanchfield asked if Mr. Morgan could send a copy of the presented slides to all the members. Mr. Morgan agreed to do so.

PRETREATMENT COMMITTEE REPORT

Mr. Mauro reported the IPP Committee met on May 9, 2024. Mr. Mauro stated that some of the highlights are the zinc study results, which are available and were included in the Board packet. In addition, M.J. Reider, who does the IPP lab analysis, was sent a one-year extension letter for the sampling and analysis contracts.

Ms. Hoffman provided one addition since she sent out the paperwork for the zinc study results. Mr. Van Arman results were 0.527 mg/L. This results in an average of 0.458 mg/L, which aligns with Easton Suburban's yearly report. Ms. Hoffman stated this analysis, and the results were very conclusive. Ms. Hoffman offered to provide a copy of these results as needed.

Ms. Hoffman continued with her report. Eight more inspections remain before Mr. Messa retires. They will all be completed before he leaves. Ms. Hoffman reported Mr. Messa retirement date is July 8, 2024.

FINANCE COMMITTEE REPORT

Mr. Blanchfield asked Mr. Schimmel about the audit distribution. Mr. Schimmel stated all is done, just waiting for confirmation. Mr. Schimmel added he touched base with the auditor about preparation of the 2023 audit. In addition, Mr. Schimmel added he has the 4th Quarter 2023 IPP information and stated that whatever cannot be paid can be added to accounts receivable. Mr. Blanchfield asked if it could be done by September. Mr. Schimmel replied that, if all the proper documents are provided, yes it should be.

Mr. Hottenstein joined the meeting and delivered a quick update as to where the Authority stood on the refunding of a portion of the 2015 Bonds. Only those Bonds with a 5% coupon will be refunded. Last week the refunding had net present value savings of \$229,000.00 after all expenses, with a gross saving of \$253,000.00. The previously adopted bond resolution required a net present value savings of \$250,000.00. As of last week, the Authority was about \$20,000.00 away from that. The savings percentage of the refunded bond is about 3.2%. They will be monitoring this week. Rates should come down a little bit, should change and move in the right direction for us. Mr. Hottenstein stated from his end and the Authority's end, they are ready to go. The ratings report is done, all the audits are complete, the preliminary official statement is done and waiting to be printed. We are just on a holding pattern waiting for the rates to recover. After we are in the market we can close in about one month.

Mr. Lammi commented there was a discussion about dropping the threshold of the \$250,00.00. Mr. Lammi stated we have been bouncing from this amount to \$229,00.00 for some time. Mr. Lammi asked Mr. Hottenstein his advice on this. Mr. Hottenstein responded that reduction of the saving target to 3% was consistent with industry standards. At this moment we are at 3.2%. Mr. Hottenstein stated it was a business decision for the Board, but from his standpoint he would be perfectly comfortable with changing the required saving to 3%.

Mr. Gaul stated the prior target was set by resolution. Any change in the prior approval would typically be accomplished in the same manner, and not by a simple motion. Mr. Gaul also recommended that Bond Counsel be consulted on whether he would be satisfied with a simple motion or required or preferred a written resolution.

Mr. Blanchfield made a motion, seconded by Mr. Hopkins, to authorize someone to contact Mr. Reid, Bond Counsel, to draft necessary documentation to change resolution to 3%. **Motion Carried (11-0).**

After lengthy discussion, Mr. Blanchfield made a motion, seconded by Mr. Hopkins, to schedule a special meeting for May 28, 2024, at 12:00 pm, for general business purposes including to take action to reduce the required saving level of the bond refunding.

INSURANCE REVIEW COMMITTEE REPORT

Mr. Lammi stated the Crime Insurance is almost bound. The full coverage will be \$651.00. The invoice has not been sent to the Authority yet.

Mr. Lammi also reported the Cyber Security Insurance has now been bound. Mr. Lammi stated Mr. Morgan and Ms. Hoffman had some things to address about this coverage, which will be \$4,407.00.

Mr. Lammi reported the Authority received a notice from Nationwide stating they will not be covering the auto coverage and inland marine coverage for us. Our insurance with them will be terminated on July 1, 2024. Mr. Morgan asked Myers insurance about sourcing replacement insurance. Mr. Lammi stated we should have a quote by the next Board meeting. Mr. Morgan stated that is the goal. Mr. Morgan stated plant vehicles have double insurance through the City of Easton. The inland marine is for gators and equipment. We should have insurance before July 1, 2024. Mr. Morgan mentioned some of the vehicles covered by inland marine, such as the mower, forklift, and all the gators.

Mr. Blanchfield asked if we will get an invoice and if a vote is required to pay Cyber Security Insurance. Mr. Morgan stated it was voted on, but the company needed some steps to be in place before binding them with us. Some of the requirements is the multi-factor authentication for access to different computers.

OPERATIONS REPORT

Mr. Wilson reported the plant is running well. We had the A-1 Aerator replacement project, which has been completed. It runs full time. This one was different than the other aerators, it had a three-hundred-hour break in oil change, which has been done. Some seasonal changes have affected the plant but overall, we are doing well.

ADDITIONAL REPORT

❖ **Old Business:**

Mr. Morgan asked to discuss the status of the Kelso purchase order that was previously approved. Mr. Gaul recommended it be discussed in Executive Session as a legal matter with the Solicitor.

❖ **New Business:** None.

Mr. Lammi asked for a motion to go into Executive Session to discuss legal matters with the Solicitor.

The Meeting was moved to Executive Session to discuss legal matters with the Solicitor by a motion from Mr. Riegel, and seconded by Mr. Mauro, and unanimously carried, at 5:56 pm.

The meeting returned to Public Session at 6:20 pm

Executive Session was held to discuss legal matters. No decisions were made, and no action was taken.

The meeting was adjourned on a motion by Mr. Campos and seconded by Mr. Mauro, and unanimously carried, at 6:20 pm.

Respectfully submitted,

Yuslenny Zorrilla
EAJSA Board Recording Secretary