

THE HARRISBURG AUTHORITY

STAFF REPORTS

Interim Executive Director – Shannon Williams
Engineering Director – Shannon Williams
Facility Director – Jack Lausch
Interim Finance Director – Chris Feese

MAY 2011

**EXECUTIVE DIRECTOR
REPORT**

**SHANNON G. WILLIAMS, P.E. (INTERIM)
MAY 2011**

Administrative:

Net Pay – Federal Tax Management: THA was formally notified on April 25, 2011 that our payroll service, Net Pay, had collected tax withdrawals from THA but had not passed them along to the IRS in a timely manner resulting in penalties and tax deficiency. For the fourth quarter of 2010, a \$2,526.06, penalty is owed due to untimely payments. For the first quarter of 2011, \$26,805.57 is owed for unpaid taxes before interest and penalties. THA is working with our legal counsel to have these liabilities either waived or reduced as all necessary moneys were withdrawn by Net Pay from THA on a timely basis.

Total Payroll Services: On Monday, May 9, THA was informed that Net Pay had closed and filed for bankruptcy protection. As this was a payroll week, Interim Finance Director Chris Feese worked quickly to procure the assistance of Total Payroll Services to manage THA's payroll, which was successfully distributed on Friday, May 13 – only one day after the regularly-scheduled pay day. Ms. Feese and the Finance Department continue to work with Total Payroll Services to finalize details for continued management of payroll.

Risk Manager: On May 4, 2011, THA received a Notice of Resignation / Termination of Insurance and Risk Management Consulting Services from Corey Stein. This resignation will be effective June 3, 2011. THA will work with Mr. Stein to determine how best to replace his services.

Staff Meetings: Beginning Thursday, May 26, THA staff will meet twice a month to discuss items of importance to all staff and streamline internal operations. Projects that will be discussed and implemented as a result of these meetings include the following:

- Document Management and Retention
- Organization Structure and Job Duties/Responsibilities
- Standard Processes and Procedures
- Templates
- Intranet Site to Centralize Resources and Share Information

Digital and Social Media Intern– THA is currently investigating the hiring of a local college intern to assist with a variety of electronic communication projects including the following. Both Harrisburg University and Penn State Harrisburg have indicated that they may have qualified students interested. Estimates for hourly wage range from \$10-\$20 per hour depending on the level of expertise expected.

- Website Design Update and Maintenance

- Educational Interactive Presentations (Description/Tour of Facilities, Project Updates, etc)
- Social Media (Twitter / Facebook)

Wastewater

Long Range Planning: THA staff continues to evaluate and prepare plans to best deal with the challenges facing THA's wastewater facilities, including financing of future projects and reacting to the EPA inspection report.

Water

Budget Concerns: An evaluation of the water budget indicates a lower than expected amount of revenues for the first quarter of 2011. THA has requested an explanation from the City for this discrepancy.

Solid Waste

Stakeholder meeting: On May 5, 2011, the second RRF Debt Stakeholders meeting was held to continue to educate all members including representatives of the City, County, AGM and Act 47.

Offers for Purchase or Lease of RRF: On May 2, 2011, THA received a revised offer from LCSWMA, and on May 5, 2011 for purchase of the facility. THA received an offer from LambdaStar for lease of the RRF via an agreement linked to the lease of the City's parking facilities. Both offers are posted on the THA website.

**ENGINEERING DIRECTOR
REPORT**

**SHANNON G. WILLIAMS, P.E.
MAY 2011**

Administrative:

Public Works Briefings – Briefing was held on 5/12/11 to discuss ongoing projects. In attendance was staff from THA, the City of Harrisburg Public Works Department, Bureau of Sewer, and HRG. Next meeting is scheduled to be held on 06/9/11.

THA Website – In the last month, there were 706 visits by 409 different visitors. The website was used to distribute Regular and Special Meeting materials to the public as well as distribution of the proposals received for the Resource Recovery Facility.

Wastewater:

2008, 2009 and 2010 AWTF Improvements Projects

See attached Completion Summary Spreadsheet and HRG Report.

Action items for:

- 2008-BFP: Performance Test Acceptance,
- 2008-BFP: Assessment of Liquidated Damages,
- 2009-GRT2: Change Order to increase contract time as a result of other contractor delays
- Program Manager for 2010 AWTF Improvement Project: Scope and Fee changes
- Various Engineering Contracts for 2009 and 2009 AWTF Improvement Projects: Scope and Fee changes

Blooming Glen Contractors (2009-DEW1, 2009-GRT2, 2009-BG1): Final completion has not yet been reached for any of these contracts, nor is the completion progressing at an acceptable rate. THA Board guidance is necessary to determine the next steps.

PENNVEST Performance Audit: Nothing new to report.

2010 Advanced Wastewater Treatment Facility (AWTF) Improvements Project (BNR Upgrade) Project:

- **Side Stream Treatment (2009-SST)** – Meeting to be held on May 26, 2011 to discuss the status of the pilot testing facilities and the future procurement. AECOM and HRG will be in attendance with THA, COH and M2T (supplier).

- **Design**– A kick off meeting was held on May 5, 2011. Semi-monthly progress meetings will be held on the second and fourth Wednesdays of each month for the duration of the project.

Nutrient Credits: THA is providing assistance to the City for their procurement of credits for the October 2010 to September 2011 compliance period. This expense was included in the City's 2011 budget.

Water:

Harsco Waterline Damage: THA is working with the City and our Insurance carrier to obtain funds to pay the emergency repair costs.

Request for Raw Water Capacity: THA is working with Tenaska's consultant, Gannett Fleming, to complete a capacity evaluation.

COA – Data Historian: See HRG report.

Elmerton Ave. Extension: See HRG report. Permits have been obtained for the work.

PSECU Service Request: THA staff and general counsel met with PSECU on 5/19/11 to work toward mutual agreement.

PENNVEST Funding Application: The PENNVEST application was submit electronically on May 18, 2011.

DeHart Watershed Timber/Pulpwood Management and Sales: The Forest Management Center has provided three documents for consideration at the May meeting. First is an extension of time for Pulpwood Sale #8 as a result of the delays due to studies needed for permits. Second is an agreement with FMC to manage the clearing of the DeHart Mountain Line – the raw water transmission line from the reservoir to the treatment facility. Third is an agreement with FMC to manage the harvesting of 1,000 acres of the watershed. THA staff and legal counsel are reviewing these agreements to determine if they will be recommended for Board approval.

Latshmere Hills Developer's Reimbursement Agreement: Final meter readings were taken on April 7, 2011 and final reimbursement payment was calculated. The final payment will be included in the June 1, 2011 payments.

Solid Waste:

Cogeneration and Energy Marketing Study: Three proposals were received on May 6, 2011. They are under review and a recommendation will be made to the Board in advance of the June Board meeting.

Steam Facilities Relocation: The City of Harrisburg Department of Public Works continues to work with HRG, THA and PENNDOT to make the necessary adjustments to the steam pipeline and facilities in the area of PENNDOT's Cameron and Paxton interchange project. Three of the four manholes have been adjusted to date.

Effluent Reuse Operations: THA is working with the City and Covanta to make changes to the draft "Cooperation Agreement" to ensure all parties are satisfied with the result.

2008 and 2009 AWTF Projects - Completion Summary

As of May 13, 2011

Project Number	Project Name	Contractor	Contract Award / Start Date	Contract Substantial Completion Date	Actual Substantial Completion Date	Days Over Substantial Completion	Liquidated Damages per Day over Sub. Completion	Punchlist Withholding / Claims / Retainage	Contract Final Completion Date	Actual Final Completion Date	Liquidated Damages per Day over Final Completion	Calculated Liquidated Damages	Assessed Liquidated Damages	Original Contract Amount	Total Change Orders To Date	Current Contract Amount	Amount Paid to Date	Amount Remaining	Contract Closeout / Final Payment	Notes
2008-BFP	Belt Filter Press Procurement	Ashbrook Simon Hartley	6/16/2008	7/21/2009	1/27/2010	190	\$ 500.00	N/A	N/A	N/A	NA	\$ 95,000.00	CO#3 Pending - \$47,500	\$689,000.00	\$17,198.00	\$706,198.00	\$ 611,198.00	\$ 95,000.00	Pending	Performance testing completed.
2009-BG1	Biogas Piping & Storage Sphere Rehabilitation	Blooming Glen	12/16/2009	8/28/2010	12/21/2010	115	\$ 500.00	\$ 83,400.00	30 days	1/20/2011	See Note	\$ 250.00	\$ 57,500.00	\$731,789.00	(\$17,413.67)	\$714,375.33	\$ 573,974.33	\$ 140,401.00		Final inspection on 4/19 - incomplete
2009-DEW1	Dewatering System Upgrade General Construction	Blooming Glen	9/23/2009	9/1/2010	12/21/2010	111	\$ 965.00	\$ 174,661.29	30 days	1/20/2011	See Note	\$ 730.00	\$ 107,115.00	\$1,366,525.00	\$73,795.59	\$1,440,320.59	\$ 1,158,553.80	\$ 281,766.79		Final inspection on 4/19 - incomplete
2009-DEW2	Dewatering System Upgrade Electrical Construction	Pro-Electric	9/23/2009	11/12/2010	11/2/2010	0	\$ 965.00	\$ 17,137.50	30 days	12/2/2010	12/2/2010	\$ 730.00	\$ -	\$129,447.95	\$4,096.78	\$133,544.73	\$ 116,407.21	\$ 17,137.52	6/15/11 (Anticipated)	All Work completed
2009-EWR1	Effluent Water Reuse General Construction	Conewago	12/22/2009	11/26/2010	12/22/2010	26	\$ 475.00	\$ 29,000.00	30 days	1/21/2011	See Note	\$ 238.00	\$ 12,350.00	\$850,403.00	(\$8,006.00)	\$842,397.00	\$ 801,047.00	\$ 41,350.00		Pending performance warranty
2009-EWR2	Effluent Water Reuse Electrical Construction	Pro-Electric	12/22/2009	11/26/2010	12/22/2010	26	\$ 475.00	\$ 16,175.00	30 days	1/21/2011	21-Jan	\$ 238.00	\$ 12,350.00	\$214,442.76	\$4,067.91	\$218,510.67	\$ 178,941.11	\$ 39,569.56	6/15/11 (Anticipated)	All work completed
2009-GRT1	Grit Removal System General Construction	Blooming Glen	12/10/2009	10/29/2010	4/29/2011	156	\$ 475.00	\$ 282,560.00	30 days	5/29/2011	See Note	\$ 238.00	\$ 74,100.00	\$966,590.00	\$16,545.00	\$983,135.00	\$ 626,113.41	\$ 357,021.59		Pending final completion
2009-GRT2	Grit Removal System Electrical Construction	Pro-Electric	12/10/2009	10/29/2010	2/24/2011	See Note	\$ 475.00	\$ 11,550.00	30 days	3/26/2011	See Note	\$ 238.00	\$ -	\$155,146.77	\$16,346.98	\$171,493.75	\$ 159,943.75	\$ 11,550.00		CO#4 @ THA for approval - time extension; final completion delayed due to GC
2009-SS1	Sludge Storage Facility	Wohlsen	12/22/2009	10/9/2010	10/15/2010	6	\$ 500.00	\$ 17,400.00	30 days	11/14/2010	11/14/2010	\$ 250.00	\$ -	\$494,900.00	\$12,193.21	\$507,093.21	\$ 507,093.21	\$ -	1/14/2011	

**FACILITY DIRECTOR
REPORT**

**JACK D. LAUSCH
MAY 2011**

Resource Recovery Facility (HRRF):

Waste Deliveries and HRRF Performance:

Total tons received at the HRRF in April were 26,367 tons which was 3,255 less tons than were delivered to the Facility in March. The decrease in tons can be attributed to fewer delivery days and a reduction in the amount of Spot Waste accepted. Comparing the total waste received in April 2011 to April 2010, the HRRF received 1,191 more tons this year. The Facility processed 25,818 tons for the month an increase of 1,456 over tons processed in April 2010. Average boiler availability was 88.4% for April which was 2% higher than last month. Turbine availability was again 100% and net electric generated was 8,832 MWs.

	April 2011	YTD
Waste Received:	26,367 tons	103,850 tons
Waste Processed:	25,818 tons	99,029 tons
Waste Transferred:	995 tons	2,799 tons

Spot Waste:

Spot Waste deliveries continued according to needs and available HRRF capacity as 5,747 tons of out-of-state Spot MSW was received in April which was 3,589 less tons than in March.

Residual & Specialty Waste:

The volume of Residual & Specialty Waste delivered to the HRRF in April improved over prior months. THA is currently working with CWS on garnering two more Residual Waste streams.

Post Combustion Ferrous:

Revenue for post-combustion ferrous marketed in April was \$ 92,508. THA's net price per ton of \$163.39 for ferrous in April was a decrease of less than a \$1.00 per ton from March pricing.

	April 2011	YTD
Post-Combustion Ferrous Marketed:	568 tons	2,251 tons

DEP Consent Order Agreement (COA) Community Environmental Projects (CEP):

The COA entered into September 2010 for CEMs violations from 2Q06 through 1Q09 contained provisions for three year CEPs in lieu of civil penalties. Agreements were entered into with Hamilton Health Center for asthma education and with YWCA for South Allison Hill Weed and Seed Revitalization Plan. THA has been notified by the YWCA that state funding for them will be ending and therefore they will only be a CEP in 2011. THA has been in contact with the Community Action Committee as they are interested in the CEP funding for a Boys and Girls Club program similar to the Y's program. A draft contract, scope of work and project budget for CAC is being prepared for submission to DEP for approval so that CAC can replace the Y in years 2012 and 2013.

Turbine Repair and Effluent Water Reuse System (EWRS):

A meeting was held with Covanta regarding the scope work for repair of the turbine and to also discuss the memorandum of understanding for the EWRS. To minimize potential damage to equipment using the reuse effluent, Covanta will be providing THA with parameters for additional testing of the effluent prior to commencing full operation of the system.

EPA Air Inspection:

On May 2nd the EPA conducted an air inspection at the HRRF. It was a routine inspection of the Facility and was not triggered by an event. A report is expected in six weeks.

Regulatory Reports:

The report on RATA stack testing conducted in February and March was submitted to DEP. During the week of May 9 semi-annual stack testing will occur.

DEP Inspections:

The monthly DEP inspection of the HRRF occurred on May 4th. There were no violations and it was noted that the previous recommendation regarding repair of erosion on the embankment outside the tipping floor will be addressed within a week.

Ash Landfill (LF):

Ash Management Operations:

	April 2011	YTD
Material Removed from Landfill:	7,038 tons	31,099 tons
Deposited in Landfill:	7,865 tons	30,624 tons

The Facility Site Manager met again with Earthwatch and KFG Trucking regarding remedial work such as grading slopes and work relative to the access

road that needs to be addressed now that the weather is improved. Implementation of this work will address DEP concerns cited in inspections.

Regulatory Reports:

The first quarter Groundwater Monitoring Reports, Outfalls #2 and #3, and Form 52's were submitted during April.

DEP Inspections:

The monthly DEP inspection of the LF occurred on May 4th. Non-compliance with the vertical height was noted and it was recommended that slopes greater than 50% be addressed as well as drainage along the access road. These items will be corrected.

Administrative:

- Prepared HRRF potential revenue producing/cost cutting projects for the stakeholders meeting.
- Reviewed the alternative purchase proposal from LCSWMA and the proposal from LambdaStar JF, LLC to lease the HRRF.
- Continued to work with THA's solicitor and HDR on the 8th stage turbine blading repair issue.
- Met with HDR regarding the 2011 scope of work to serve as the HRRF Consulting Engineer.
- Discussed ways to improve THA's hauler credit approval process with the interim Finance Director.
- The monthly report to stakeholders on HRRF waste deliveries and financial information was forwarded to Dauphin County, the City, City Council, and AGM for March.

INTERIM FINANCE DIRECTOR'S REPORT

CHRIS FEESE
April 2011

Finance:

Treasurer's & Monthly Reports: Preparation of the Treasurer's Report (bank reconciliations); for the Water, Sewer, Resource Recovery Facility and the Administration were compiled. The Monthly Financial Statements including Balance Sheet and Budget Report for all four facilities were compiled and analyzed. A one page Treasurer's Report Summary was created for all end of the month bank balances. All Monthly Financial Reports for the month of April 2011 are now on the Board's FTP site.

Daily Accounting Functions: The Finance Department continues to maintain the timely recording and reconciliation of all accounting transactions for all accounts receivables, accounts payable, payroll, and budget related items.

Cash Flows: The Resource Recovery Facility cash flow projections were updated for May 15, 2011.