

REGULAR MEETING MINUTES
December 14, 2015

The Regular Meeting of the Lehigh County Authority was called to order at 12:18 p.m., on Monday, December 14, 2015, Chairman Brian Nagle presiding. Other Members present at the commencement of the meeting were: Linda Rosenfeld, Emrich Stellar, Tom Muller, Richard Bohner, Norma Cusick, Scott Bieber and Deana Zosky. Authority Staff present were Aurel Arndt, Liesel Gross, Ed Klein, Pat Mandes, Frank Leist, Brad Landon, John Parsons, Chuck Volk, Bob Kerchusky, Phil DePoe and Lisa Miller.

REVIEW OF AGENDA

Aurel Arndt stated there would be an Executive Session following the regular meeting regarding potential litigation and a personnel issue.

APPROVAL OF MINUTES

September 28, 2015 Regular Meeting Minutes

Richard Bohner suggested two corrections to the Minutes. Under Action and Discussion items, Well WL-20 and Reservoir 3, the vote should be 8-0 and the second correction, under Action and Discussion items, the second to the last paragraph should have the heading Staff Comments.

On a motion by Richard Bohner, seconded by Norma Cusick, the Board unanimously approved the Minutes of September 28, 2015 with the addition of Richard Bohner's suggestions (8-0).

October 19, 2015 Workshop Meeting Minutes

On a motion by Richard Bohner, seconded by Linda Rosenfeld, the Board approved the Minutes of October 19, 2015 as written. Emrich Stellar abstained (7-0).

November 23, 2015 Regular Meeting Minutes

Richard Bohner suggested a correction to the Minutes. Under the Approval of the August 31, 2015 Minutes, the vote should be 4-0.

On a motion by Richard Bohner, seconded by Norma Cusick, the Board approved the Minutes of November 23, 2015 as corrected. Emrich Stellar, Tom Muller and Brian Nagle abstained (5-0).

December 9, 2015 Board Meeting Minutes

On a motion by Richard Bohner, seconded by Norma Cusick, the Board unanimously approved the Minutes of December 9, 2015 (8-0).

PUBLIC COMMENTS

Glen Hunsicker of Allentown was present to ask questions to understand if there would be a reduction in number of employees in the City Division. Liesel Adam explained that this is in the 2016 Budget and part of LCA's restructuring.

ACTION AND DISCUSSION ITEMS

Water & Sewer Rate Schedules

Liesel Adam gave an overview of the water and wastewater rates and charges per the schedules that were distributed. Resolution #12-2015-1 was also presented for approval as required for adopting the capital recovery fees outlined in the schedules. An updated 2016 Report on Wastewater Charges was also submitted for Board approval which reflects charges that have arisen since the preliminary report was approved with the 2016 budget. Aurel Arndt explained tapping fees. Some discussion followed.

On a motion by Richard Bohner, seconded by Norma Cusick, the Board unanimously approved the schedules of water and wastewater rates and charges and the Proposed 2016 Wastewater User Charges (8-0).

On a motion by Norma Cusick, seconded by Linda Rosenfeld, the Board unanimously approved Resolution #12-2015-1 (8-0).

Resolutions – Management Staff Changes

Brad Landon explained the management staff changes and the requirements for the financial institutions. Resolution #12-2015-2 recognizes that the position of Chief Administrative Officer will be eliminated and the reassignment of responsibilities to newly created or existing positions.

On a motion by Emrich Stellar, seconded by Tom Muller, the Board unanimously approved Resolution 12-2015-2 (8-0).

Brad Landon presented a series of resolutions to deal with changes necessary for various accounts with financial institutions recognizing the changes set forth in the previous resolutions. Resolution No. 12-2015-3 addresses the actual management positions with authority to perform specific functions and Resolution No. 12-2015-4 designates particular persons by name who presently are in those positions since this is often required by financial institutions. It was the intent to have these resolutions serve broadly for all financial institutions, but National Penn Bank, where many of the Authority accounts are located, insisted on their own resolution form. Because of the lack of enough time before Aurel retires to pursue this to a higher level, and the fact that many of the Authority's operational accounts are with National Penn Bank, the staff recommended Board approval of Resolution No. 12-2015-5, the National Penn Bank form resolution.

There was some discussion on bonding of employees. The Board will revisit this issue at the next meeting so the LCA Staff can investigate it and report back.

On a motion by Emrich Stellar, seconded by Linda Rosenfeld, the Board adopted Resolution #12-2015-3, Resolution #12-2015-4, and Resolution #12-2015-5 (7-1). Deana Zosky opposed.

2016-2025 Capital Plan – City Concerns

Dan Koplisch, consultant to the City of Allentown, was present to discuss a letter he sent to the Board stating his concerns regarding the 2016-2025 Capital Plan. He is concerned about the lack of response from LCA regarding the City's comments and review of the preliminary Capital Plan. He is also concerned about project AD-W-21 Fixed Meter Reading station. He feels there is not enough justification for the replacement of the meter reading system.

Another concern Dan Koplisch raised is the rate increases in the City Division, especially considering large projects in the future to address the USEPA Administrative Order as well as wastewater capacity expansion projects. The Authority will need to weigh projects very carefully to ensure the customers can afford the rates. Aurel Arndt responded that he agrees with the large numbers regarding capacity and the Administrative Order. He also explained that LCA uses the Capital Plan as a planning tool and there is a preliminary assessment that gets done before a project gets full authorization for funding. The City's comments about the justification about a specific project such as the meter reading system is premature if the Authority has not yet completed this assessment or proposed authorization of the work. Dan Koplisch stated that, even though it is LCA's intent to use the Capital Plan as a planning tool, the reality is that every project has been initiated exactly as shown in the Capital Plan. Frank Leist commented that LCA's record of completing projects exactly as planned in the Capital Plan, for the Allentown Division, thus far is due to the City requiring the projects to be completed through the terms of the lease. Previously, there has been no discretionary projects in the Capital Plan; LCA was required to do them.

Chairman Nagle commented that the Board will continue to review and study all aspects of the projects that are presented prior to authorizing them.

Allentown Division – Water Main Replacement Program Amendment Design Phase Cycles 1-3

Frank Leist gave an overview of the project for the added design phase work. An additional 2.69 miles of water main replacements were added. The reason for the additional miles was because of extending the mains past the intersections. In addition, there is a cost savings to do the extra miles now because of the increasing interest rates on bonds. He is asking for approval of the Capital Project Authorization (Amendment) Design Phase 1-3 in the amount of \$115,000.00 which includes the Professional Services Authorization Amendment No. 3.

On a motion by Richard Bohner, seconded by Norma Cusick, the Board unanimously approved the Capital Project Authorization (Amendment) Design Phase 1-3 in the amount of \$115,000.00 which includes the Professional Services Authorization Amendment No. 3 (8-0).

SCARP Program Management

Pat Mandes gave an overview of the request for the 2016 Program Management for the Signatory Inflow & Infiltration (I & I) Investigation/Remediation program. She is asking for approval of the Capital Project Authorization Amendment No. 23 in the amount of \$100,000.00 which includes the Professional Services Authorization Amendment No. 22.

On a motion by Emrich Stellar, seconded by Tom Muller, the Board unanimously approved the Capital Project Authorization Amendment No. 23 in the amount of \$100,000.00 (8-0).

Following discussion, Pat Mandes explained that on the Capital Project Authorization sheet, under Program Management for previous years, the amount in 2015 will be amended to \$50,000.00, which does not affect the 2016 funding request.

On a motion by Norma Cusick, seconded by Emrich Stellar, the Board unanimously approved the Professional Services Authorization in the amount of \$100,000.00 (8-0).

Allentown Division – Roof Replacements Phase II

Frank Leist gave an overview of the project for the design phase. He is asking for approval of the Capital Project Authorization – Design Phase in the amount of \$78,500.00 which includes the Professional Services Authorization to D'Huy Engineering in the amount of \$48,500.00.

On a motion by Linda Rosenfeld, seconded by Emrich Stellar, the Board unanimously approved the Capital Project Authorization – Design Phase in the amount of \$78,500.00 which includes the Professional Services Authorization to D'Huy Engineering in the amount of \$48,500.00 (8-0).

SYSTEM OPERATIONS OVERVIEW

Robert Kerchusky gave an overview of the systems for the month of November. The Water Filtration plant produced 18.9 mgd and the Kline's Island Wastewater Treatment plant average flow was 28.1 mgd. Projects that are ongoing at the Water Filtration plant are the painting of the High Lift pump gallery and the No. 2 High Lift pump motor installation. Ongoing projects in the wastewater system include the cables pulled into the Power Zone House, Sulfa-Treat replacement on the Combined Heat & Power System, the head replacement on the Cat engine, Meter station No. 5 replacement of mag-meters, and the installation of temporary insulation at Arcadia wastewater plant.

He also reported that the groundwater level is at 73.3' which is approximately 6' below normal. This information comes from the USGS gauging station in Haafsville. Some discussion followed.

STAFF COMMENTS

None.

SOLICITOR'S COMMENTS

None.

OTHER COMMENTS

None.

EXECUTIVE SESSION

Aurel Arndt stated that this is his last week before retiring on December 18, 2015. He thanked the Board and everyone for their support, help and guidance through the years and wished everyone well.

The Chairman called an Executive Session at 1:37 p.m. to discuss potential litigation and also a personnel matter.

The Executive Session ended at 2:10 p.m.

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 2:10 p.m.

Richard H. Bohner
Secretary

RESOLUTION No. 12-2015-4

(Duly adopted 14 December 2015)

A RESOLUTION SPECIFYING PARTICULAR EMPLOYEES AS AUTHORIZED PERSONS TO PERFORM AUTHORITY FINANCIAL TRANSACTIONS FUNCTIONS

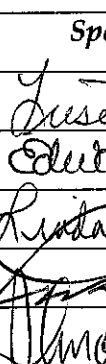
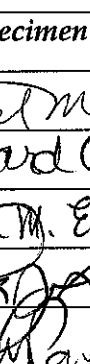
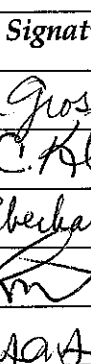
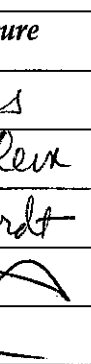

WHEREAS, Lehigh County Authority (hereinafter the "Authority") Board of Directors (the "Board") periodically takes action designating particular staff positions to fulfill certain responsibilities under Authority policies, procedures, rules, etc.; and

WHEREAS, to reflect a reorganization of management staff as a result of the retirement of Aurel M. Arndt as Chief Executive Officer and appointment of Liesel M. Gross as the new Chief Executive Officer, as well as the elimination of the position of Chief Administrative Officer and the establishment of numerous new positions, the Board approved Resolution No. 12-2015-3 outlining various management positions to perform financial transactions for the Authority ("Authorized Persons"); and

WHEREAS, some financial and lending institutions (the "Bank) require Board action naming specific persons as the Authorized Persons;

NOW THEREFORE, it shall be resolved that the following persons are duly appointed Authorized Persons or otherwise authorized to act on behalf of the Authority in the capacities set forth below and that the following original signatures are genuine in all respects:

AUTHORIZED PERSONS

<i>Name of Authority Employee</i>	<i>Title/Position</i>	<i>Specimen Signature</i>
Liesel M. Gross	Chief Executive Officer	
Edward C. Klein	Chief Financial Officer	
Linda M. Eberhardt	Accounting Supervisor	
Frank J. Leist	Chief Capital Works Officer	
John W. Parsons	Chief Operations Officer	

On motion of Mr. Stellar, seconded by Ms. Rosenfeld, this Resolution was adopted the 14th day of December 2015.