

**REGULAR MEETING MINUTES**  
**June 24, 2013**

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The Regular Meeting of the Lehigh County Authority was called to order at 12:26 p.m. on Monday, June 24, 2013, Chairman Asa Hughes presiding. Other Members present at the commencement of the meeting were: Richard Bohner, Emrich Stellar, Scott Bieber, and Norma Cusick. Authority Staff present were: Aurel Arndt, Bradford Landon, Liesel Adam, Ed Bielarski, Frank Leist, Pat Mandes, and Cristin Keppel.

Nate Swartz and Chris Seyler from Zelenkofske Axelrod, LLC were in attendance.

Angelica Forndran of Cowan Associates and George Maniatty member of the public, was also in attendance.

**REVIEW OF AGENDA**

Mr. Arndt stated there would be one additional item for approval after the regularly listed agenda items.

**PUBLIC COMMENTS**

None.

**EXECUTIVE SESSION**

Mr. Arndt stated there would be an Executive Session regarding personnel following the regular agenda.

**APPROVAL OF MINUTES**

***April 8, 2013, Workshop Meeting Minutes***

On a motion by Mr. Bohner, seconded by Ms. Cusick, the Board unanimously approved the minutes of the April 8, 2013 Workshop Meeting (5-0).

***April 22, 2013, Regular Meeting Minutes***

On a motion by Mr. Bohner, seconded by Ms. Cusick, the Board unanimously approved the minutes of the April 22, 2013 Regular Meeting (5-0).

***May 13, 2013, Regular Meeting Minutes***

On a motion by Mr. Bohner, seconded by Mr. Stellar, the Board unanimously approved the minutes of the May 13, 2013 Workshop Meeting (5-0).

**ACTION AND DISCUSSION ITEMS**

***2012 Financial Statements and Independent Auditor's Report (Acceptance)***

Mr. Bielarski stated that Mr. Swartz and Ms. Seyler performed the audit for 2012 and will be presenting their findings.

Ms. Seyler gave a brief overview of the audit report, stating that this was a clean audit. She noted that balance sheets reflecting any net assets are now labeled as net position, per Government Accounting Standards Board Rule 67. Ms. Seyler noted there is a change in Authority assets in 2012 because of the acquisition of Lynn Township Sewer Authority. She stated that all assets are healthy and that a single audit was required for all federal funds the Authority received, which was also a clean audit. Some discussion followed.

On a motion from Mr. Stellar, seconded by Ms. Cusick, the Board unanimously accepted the 2012 Financial Statements and Independent Auditor's Report (5-0).

Mr. Swartz and Ms. Seyler left the meeting at 12:42 p.m.

**Resolution 6-2013-1 – National Penn Bank Transactions** (Approval)

Mr. Landon explained this Resolution is needed as part of PennVEST loan closing; a separate debt service reserve account is required for the loan. He stated the account has been established with National Penn Bank, listing Authority officials who sign for all other transactions. Mr. Landon also noted that this Resolution complies with Authority Financial Guidelines.

Ms. Mandes left the meeting at 12:47 p.m.

On a motion from Mr. Stellar, seconded by Ms. Cusick, the Board unanimously approved Resolution 6-2013-1, designating staff members approved to execute transactions and perform other functions on behalf of the Authority with National Penn Bank.

**Wastewater Capital Recovery Fees – Resolution 6-2013-2** (Approval)

Mr. Arndt distributed a corrected summary sheet and noted that this is the annual update to the capital recovery charges for a new customer connected to the system, or in the event that an industrial customer increases their capacity needs. He highlighted some of the charges for various systems. Mr. Arndt explained that charges need to be approved via a Resolution per the Pennsylvania Municipality Authorities Act.

On a motion from Mr. Bohner, seconded by Ms. Cusick, the Board unanimously approved Resolution 6-2013-2 (5-0).

**Wynnewood Terrace Pump Station and Main Replacement** (Approval)

Mr. Leist referred to the attached memorandum and explained the Authority acquired the Wynnewood Terrace Sewer System located in the northeastern part of North Whitehall Township in July of 2003. He noted that the system was not built well, as there have been many breaks throughout the system and pump station problems since it was acquired. As part of the previously approved work, Cowan Associates, Inc. (CA) evaluated the existing aged force main resulting in a recommendation to replace the line with a new 6-inch line. He explained the existing line is not capable of handling the peak flow requirements of the proposed new pump station. In addition, this line has experienced a number of failures, the most recent in April 2013, resulting in a sanitary sewer overflow. Because presently access to the line is difficult as it is located along the back and side yards of properties, the proposed line will be constructed within public right-of-way. Mr. Leist said approval is needed for the design to move forward with the replacement of approximately 3,000 linear-feet of existing 4-inch force main with 6-inch pipe. Two types of construction methods will be considered: conventional open cut and the use of “no dig” technology, such as horizontal drilling.

On a motion from Mr. Stellar, seconded by Mr. Bieber, the Board unanimously approved a Capital Project Authorization Amendment, including a Professional Services Authorization for Cowan Associates, Inc., in the amount of \$74,670 (5-0).

**SYSTEM OPERATIONS OVERVIEW**

None.

**STAFF COMMENTS**

None.

**SOLICITOR’S COMMENTS**

None.

**OTHER COMMENTS****City of Allentown Concession Lease Update**

Mr. Arndt provided an update of Concession activities. He noted there are a plethora of meetings between LCA and City Transition team members and between LCA and the consultants that have been engaged to aide with the financial closing of the Lease. He also stated that he met with City of Allentown Signatories to discuss future service. Mr. Arndt gave a brief overview of the financing process, specifically regarding obtaining credit ratings for the Authority. He also noted that interest rates have gone up since the signing of the Lease Agreement; therefore, the Concession payment may be different because it is dependent on the interest rate. Extensive discussion followed.

**EXECUTIVE SESSION**

The Chairman called for an Executive Session at 1:34 p.m. to discuss personnel, at which time members of the public exited the meeting.

The session ended at 2:16 p.m.

Mr. Hughes left the meeting during Executive Session at 2:08 p.m.

Mr. Arndt continued his update regarding the Concession Lease. He noted that additional costs for consultant fees and other closing expenses have been incurred and asked for approval of said costs.

On a motion from Mr. Bieber, seconded by Ms. Cusick, the Board unanimously approved a Budget Amendment for Concession Lease costs in the amount of \$71,836.62 (4-0).

**ADJOURNMENT**

There being no further business, the Secretary adjourned the meeting at 2:17 p.m.

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Richard H. Bohner  
Secretary