

**REGULAR MEETING MINUTES**  
**August 22, 2011**

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The Regular Meeting of the Lehigh County Authority was called to order at 12:23 p.m. on Monday, August 22, 2011, Chairman Asa Hughes presiding. Other Members present at the commencement of the meeting were: Tom Muller, Brian Nagle, and Norma Cusick. Authority Staff present were: Aurel Arndt, Bradford Landon, Pat Mandes, Frank Leist, Douglas Young, Joseph McMahon, Liesel Adam, and Cristin Keppel.

Jeffrey Wendel from CET and Tom Devine from Stearns and Wheeler were also in attendance regarding the Wastewater Treatment Plant (WTP) Energy Study presentation. Bill Haberstroh of OMI, Inc, operator of the WTP was also in attendance.

**REVIEW OF AGENDA**

Mr. Arndt stated there were no additional items following the scheduled agenda.

**EXECUTIVE SESSION**

Mr. Arndt stated there were no executive sessions planned.

**APPROVAL OF MINUTES**

**July 25, 2011 Regular Meeting Minutes**

On a motion by Ms. Cusick, seconded by Mr. Muller, the Board unanimously approved the minutes of the July 25, 2011 Regular Meeting (4-0).

**PUBLIC COMMENTS**

None.

**ACTION AND DISCUSSION ITEMS**

**Audit Service Extension** (Approval)

Mr. Young explained that in 2008, Zelenkofske Axelrod, LLC was chosen as result of an RFP process for audit services, increasing their contracted cost by 1% each year. He asked that the Board extend Zelenkofske's contract for the 2011 audit and commended the firm's past work.

Mr. Nagle asked if there is a policy in place regarding number of years one auditing firm may be used.

Mr. Young explained that the Authority does not have a policy, but an RFP is issued every 5 years, and the current contracted firm is not invited to participate.

On a motion by Mr. Muller, seconded by Ms. Cusick, the Board unanimously approved extension of the auditing services contract held with Zelenkofske Axelrod, LLC (4-0).

**2<sup>nd</sup> Quarter Unaudited Financial Statements (Statements)** (Acceptance)

Mr. Young stated there are no major changes to the Statements at this time. Similar to the first quarter, the Other Post-employment Benefits assets will not match up until the end of the years because it is a net asset. He also noted that revenues are fairly flat because of the lack of economic and residential growth in the service areas. Mr. Young also explained that the City of Allentown Wastewater billing charges are estimated in Statements because 2009 and 2010 billing issues are still unresolved.

On a motion from Mr. Muller, seconded by Mr. Nagle, the Board unanimously accepted the 2011 2<sup>nd</sup> Quarter Financial Statements (4-0).

**2011 Mid-Year Benchmarking Report**

Mr. Young explained the report outlines the Authority's key and bonus benchmarks, noting that the key benchmarks must all be met before any bonus is considered for employees. He noted that there were 4 key benchmarks, but coverage and collector system information were consolidated into one benchmark. Mr. Young continued, stating that Water System Bond Coverage is a required benchmark from our Bond issues, but the Authority has set the goal higher than the required goal. He also noted that power outages were added as criteria for the bonus benchmark for system outages. Mr. Young also commended employees because there have been no insurance claims to date for 2011, thus the Authority is meeting the goal for Safety. He said there have been water main breaks this year; however, all of these breaks were cast iron pipe breaks and the Authority has been working to replace all cast iron pipes throughout the system to decrease the amount of main breaks. Some discussion followed.

**Water Information Items**

Mr. Nagle asked for an update regarding Water item #2 regarding the Interconnection with the City of Allentown (COA).

Mr. Leist explained that the emissions testing report is still with PA-DEP.

Mr. Nagle inquired about Water item #5 regarding the Central Lehigh Division Water Model.

Mr. Leist stated the preliminary modeling is finished and fluoride levels are slightly lower than COA levels; once the interconnection is complete, most customers in the lower system will have fluoride in their water. He also noted that water hardness is at the same level and there will not be any major pressure changes to the system.

Mr. Nagle asked for an explanation of a "brief description form" as noted in Water item #7, regarding Arcadia West Pumping Station.

Mr. Leist said that operating under a Brief Description Form means that the system/modifications are designed and permitted, then it is built according to specifications, but there is no actual oversight, the Form is simply filled out and given to sanitarian to ensure proper operating. He stated that the system needs to be permitted as a Community Service System now because it will be serving Weisenberg Elementary School.

**Wet Weather Optimization – Emergency Declaration (Approval)**

Mr. McMahon referred to the memorandum attached to the Board Agenda. He explained that pipe cleaning services were required to clean the 4 inverted siphons on the Keck's Bridge Relief Interceptor to prevent blockage of the interceptor. The severity of the grease and grit accumulation in the pipes was unanticipated. Recognizing the potential blockage, it is requested that the board retroactively declare the situation an emergency because the cost of the cleaning exceeded \$10,000; however, the cleaning could not be avoided or held until Board action could be taken.

On a motion from Ms. Cusick, seconded by Mr. Muller, the Board unanimously retroactively declared an emergency for siphon pipe cleaning services for the amount of \$19,136.88 (4-0).

**WTP Energy Audit Report**

Ms. Mandes stated that Jeffrey Wendel of CET and Tom DeVine of Stearns and Wheeler were present to aid her in the presentation of the Energy Study (presentation attached). Phase I of the study included an economic evaluation of the excess biogas production including a comparison of selling the excess biogas to Kraft Foods or utilizing the biogas on-site at the WTP. Thereafter, Kraft indicated that they were no longer interested in purchasing the Authority's biogas due to the project not being economically feasible for them. She explained that Phase II looked at the potential for producing additional biogas as well as an evaluation of other energy improvement/energy efficiency measures, and ways to optimize digester performance. Referring to the presentation, Ms. Mandes noted the LCA package wastewater treatment plants were also evaluated in Phase III, but it does not appear from the report that any energy improvements will be cost effective at the small plants.

Ms. Mandes continued to review the presentation; looking to Messrs. Wendel and DeVine for clarification. The recommendations include the construction of a waste receiving station to convey high strength waste directly into the digesters, replacement of the digester mixers, and installation of a combined heat and power system. Some discussion followed.

### **SYSTEM OPERATIONS OVERVIEW**

Mr. McMahon stated that water usage is currently around 9 MGD.

### **STAFF COMMENTS**

#### **Well Monitoring Update**

Ms. Adam stated that there are two monitoring wells in place by Wells 8 and 12 and that data for the 12 month report is now being evaluated.

Mr. Leist noted that Well 8 might not be running as much because of the addition of Schantz Spring.

Ms. Adam continued, stating that the analysis by ARRO Consulting might contain some anomalies because Wells 8 and 12 came on line during the dry spell in the summer of 2010.

Mr. McMahon noted that further monitoring will most likely reveal that the Authority is taking less groundwater in the long run because of the COA interconnection. Some discussion followed.

#### **Authority Strategic Plan Update**

Mr. Arndt stated that an update for the Strategic Plan was planned for 2011. He confirmed that work has begun but is currently delayed. Mr. Arndt stated that discussions with employees have been had and he has been reviewing research studies and hopes to finish the update during the 2011 4<sup>th</sup> quarter.

### **SOLICITOR'S COMMENTS**

None.

### **OTHER COMMENTS**

None.

### **EXECUTIVE SESSION**

There were no executive sessions.

### **ADJOURNMENT**

There being no further business, the Chairman adjourned the meeting at 1:51 p.m.

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Brian C. Nagle  
Assistant Secretary