

REGULAR MEETING MINUTES
January 24, 2010

The Regular Meeting of the Lehigh County Authority was called to order at 12:21 p.m. on Monday, January 24, 2010, Chairman Asa Hughes presiding. Other Members present at the commencement of the meeting were: Tom Muller, Richard Bohner, Emrich Stellar, Brian Nagle, Norma Cusick, and Scott Bieber. Authority Staff present were: Aurel Arndt, Bradford Landon, Frank Leist, Liesel Adam, Pat Mandes, Joseph McMahon, Douglas Young, and Cristin Keppel.

REVIEW OF AGENDA

Mr. Arndt stated there would be additional items to follow the regular agenda.

EXECUTIVE SESSION

Mr. Arndt stated no executive sessions were required.

APPROVAL OF MINUTES

December 13, 2010 Regular Meeting Minutes

On a motion by Mr. Bohner, seconded by Mr. Muller, the Board unanimously approved the minutes of the December 13, 2010 Regular Meeting as amended (7-0).

ACTION AND DISCUSSION ITEMS

2011 Water Rates (Approval)

Mr. Arndt reviewed the 2010 Water Rate Study that was conducted by Keystone Alliance Consulting. He referenced the attached presentation, noting that the interconnection with the City of Allentown and reduced growth in the service area due to the national and regional economic climate have contributed to the need for an increase in water user charges. He stated there are no proposed increases for the Fixed Charges component of the rate schedule because those charges are at or above the calculated cost of service. Mr. Arndt noted that the Authority is only proposing to increase the Volumetric Charges. Overall, the rate change increases revenues by only 4.3% but its impact varies across all of the customer classes and within customer classes. Based on 2010 average usage, the typical residential customers will be charged around \$2.70 more per quarter in 2011. Mr. Arndt then explained the possibility for future incremental rate increases to keep pace with expenses within the 5-year study period. The proposed rates would be effective April 1, 2011.

Mr. Bohner asked how customers will be notified of the increase.

Ms. Adam stated that a notice will be included in customer bills over the next few months and information will be on the Authority's website.

On a motion by Mr. Bohner, seconded by Mr. Muller, the Board unanimously adopted the new Schedule of Water Rates and Charges to adjust rates according the 2010 Water Rate study (7-0).

Laboratory Services – Wastewater Analysis (Approval)

Mr. McMahon recommended approval of a Professional Services Authorization (PSA) for CH2MHill to continue providing wastewater laboratory services for Commercial/Industrial Exceptional Strength Analysis and monthly samples of the LCA discharge to the City of Allentown. He stated that four labs submitted proposals for the contract and CH2MHill was roughly \$13,000 less than the next lowest proposal.

On a motion by Mr. Muller, seconded by Mr. Bieber, the Board unanimously approved the PSA for CH2MHill Wastewater Laboratory Services in the amount of \$38,358 (7-0).

SYSTEM OPERATIONS OVERVIEW

Mr. McMahon reported Schantz Spring has been running for about one month and staff has been working out the kinks in the system. He also noted that many Operations employees will be attending certification and educational programs over the coming months.

STAFF COMMENTS**2011 Goals**

Mr. Arndt referred to handouts and the attached presentation regarding 2011 organizational goals. He noted that each goal stems from individual Staff goals and each goal has been prioritized both individually and organizationally. Mr. Arndt reviewed the goals that were separated into four categories: organizational development, water, wastewater, and information technology.

Mr. Stellar asked if the Authority has a Master Plan.

Mr. Arndt stated there is such a Plan and the current one goes through 2030 and an update of the Master Plan is included in the Capital Plan for 2012. Discussion followed.

2010 Bonus Benchmarks

Mr. Young referred to the attached presentation. He explained there are four Threshold Benchmarks that must be met by the Authority in order for the ten Bonus Benchmarks to be considered. Mr. Young explained the bonus benchmarks relate to employee and organizational efficiency, as well as safety. He stated that eight of the ten benchmarks were met, and recommended approval of Bonus payout for employees of 1.44% of salaries, or a total of \$32,083 for all employees combined. Mr. Young also noted that the Bonus criteria will be evaluated by Staff to determine if any changes are recommended and asked any Board members to provide feedback if they feel any changes should be made as well.

Mr. Hughes commended employees for their hard work in 2010.

On a motion from Mr. Muller, seconded by Ms. Cusick, the Board unanimously approved the 2010 Bonus Benchmark payout of \$32,083 (7-0).

Residential Sprinkler Requirements

Mr. Leist reviewed a presentation regarding residential sprinklers and provided a handout including an overview of the current configuration for new construction in the Authority system. Mr. Leist noted that a manufacturer has approached the Authority and may want to present another configuration to the Board in the coming month. The Authority will continue utilizing its current configuration.

There were no objections from Board members regarding a presentation from the manufacturer.

Lynn Township Sewer Authority

Mr. Arndt reported that Lynn Township Sewer Authority (LTSA) has asked the Authority to consider providing sewer service in Lynn Township and that discussions are ongoing regarding current service and possible upgrades to the LTSA system. Mr. Arndt stated a meeting has been scheduled to discuss costs and other service issues associated with LCA sewer service. More information will be provided at the February Workshop.

SOLICITOR'S COMMENTS

Solicitor Landon had no comments.

OTHER COMMENTS

None.

EXECUTIVE SESSION

There were no Executive Sessions.

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 2:15 p.m.

Richard H. Bohner
Secretary