

**REGULAR MEETING MINUTES**  
**October 10, 2016**

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The Regular Meeting of the Lehigh County Authority was called to order at 6:34 p.m. on Monday, October 10, 2016, Chairman Brian Nagle presiding. Other Members present at the commencement of the meeting were: Linda Rosenfeld, Tom Muller, Norma Cusick, and Scott Bieber. Authority Staff present were Liesel Gross, Ed Klein, Frank Leist, Brad Landon, John Parsons, Nathan Roush, Phil DePoe and Lisa Miller.

**REVIEW OF AGENDA**

Liesel Gross stated that the Engineering Study under Wastewater is removed from the agenda and there are three items for Executive Session regarding potential litigation.

Deana Zosky arrived at 6:35 p.m.

**APPROVAL OF MINUTES**

**September 26, 2016 Regular Meeting Minutes**

Scott Bieber said he would like to see the amount of costs, \$42,000.00 in parenthesis, added to the motion regarding variance from the Authority Contribution Policy for the Upper Milford-Central Lehigh Division Interconnection.

On a motion by Norma Cusick, seconded by Tom Muller, the Board approved the Minutes of the September 26, 2016 meeting as amended (6-0).

**PUBLIC COMMENTS**

None.

**ACTION AND DISCUSSION ITEMS**

Kevin Baker arrived at 6:37 p.m.

**2017 Preliminary Budget**

Liesel Gross provided the Board with a memo outlining the budget format and remaining Budget approval process. The Budget must be approved by November 1<sup>st</sup>. Ed Klein presented a PowerPoint presentation of the 2017 Preliminary Budget and reviewed the highlights. Deana Zosky asked for an explanation of the rate structure as well as what rates LCA has the authority to change or what control LCA has over revenue. Liesel Gross provided a handout regarding preliminary 2017 water rates for the average residential customer and explained how the annual rate is calculated using the index change and margin change for the Allentown Division, and provided an explanation of preliminary rates for the Suburban Division. She explained that the Allentown Division rates are set by the lease agreement, and municipal bulk rates for water and sewer are also dictated by formulas included in the inter-municipal agreements. The Authority Board has the full authority only to set Suburban Division water and sewer rates to direct customers. Ms. Zosky questioned the operating revenue growth percentage. Ms. Gross explained that the revenue growth percentage rate is a combination of both rate increases and anticipated volume growth.

John Parsons commented on the increase of operating expenses explaining that an increase is needed to improve the efficiency of maintenance operations in the Suburban Division, which includes implementing new programs like contracting out valve and hydrant maintenance and development of a plan for hydrant flushing. Additional staff will also be needed. The Authority will continue to work towards a sustainable preventative maintenance program which could initially increase expenses but will level out as the program progresses. Ms. Gross said that part of the Asset Management program is to align the preventative maintenance program between the City Division and the Suburban Division.

Discussion continued on cash/income and borrowing trends.

Liesel Gross asked that any comments or concerns be forwarded to the Staff so they can be addressed prior to the meeting on October 24, 2016.

### **2017 Western Lehigh Sewer Rates**

Pat Mandes gave an overview of the 2017 report on Wastewater User Charges. The user rates are similar for the proposed 2017 budget with an increase of .3% from the 2016 rates for a typical residential customer. The flow rates however, have decreased. Pat Mandes explained that it's a result of less pay-as-you-go capital costs factored in to the flow rate formula in 2017 as opposed to 2016. Chairman Nagle asked the Board to provide any questions or comments to Authority Staff.

### **2017 Minimum Municipal Obligation (MMO) for LCA Pension Plan**

Ed Klein presented the 2017 Minimum Municipal Obligation (MMO) memorandum and worksheet for the Authority's Pension Plan to the Board. There were no comments or questions.

### **Resolution #10-2016-1 Authorizing Management Staff to Institute Certain Employee Policies**

Liesel Gross presented the new draft of the Resolution as requested by the Board at the previous meeting. The changes were made to paragraph 1 which included changing the word *delegates* to *assigns* and adding that procedures, policies and practices would be drafted by the Human Resources Manager, reviewed for financial impact by the Chief Financial Officer, and the Board notified of any issues or impacts of significance at the next available Board meeting through normal reporting procedures.

On a motion by Linda Rosenfeld, seconded by Norma Cusick, the Board approved Resolution #10-2016-1 (7-0).

### **PROJECT UPDATES/INFORMATION ITEMS**

Liesel Gross brought to the attention of the Board items listed in the report for upcoming meetings. She noted that the 2017 Budget and also the Park Pump Station Upgrade project are on the October 24, 2016 Board meeting agenda.

### **STAFF COMMENTS**

None.

### **SOLICITOR'S COMMENTS**

None.

### **PUBLIC COMMENTS / OTHER COMMENTS**

None.

### **EXECUTIVE SESSION**

Chairman Nagle called an Executive Session at 8:04 p.m. to discuss potential litigation.

The Executive Session ended at 8:43 p.m.

**ADJOURNMENT**

There being no further business, the Chairman adjourned the meeting at 8:43 p.m.

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Norma A. Cusick  
Assistant Secretary