

**REGULAR MEETING MINUTES**  
**October 24, 2016**

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The Regular Meeting of the Lehigh County Authority was called to order at 12:14 p.m. on Monday, October 24, 2016, Chairman Brian Nagle presiding. Other Members present at the commencement of the meeting were: Linda Rosenfeld, Kevin Baker, Tom Muller, Norma Cusick, Scott Bieber, Ted Lyons and Deana Zosky. Authority Staff present were Liesel Gross, Ed Klein, Pat Mandes, Brad Landon, John Parsons, Chuck Volk, Phil DePoe and Lisa Miller.

**REVIEW OF AGENDA**

Liesel Gross stated that there is one item for Executive Session regarding personnel.

**APPROVAL OF MINUTES**

**October 10, 2016 Regular Meeting Minutes**

On a motion by Linda Rosenfeld, seconded by Tom Muller, the Board approved the Minutes of the October 10, 2016 meeting (8-0).

**PUBLIC COMMENTS**

Jan Keim requested the record of wastewater treatment allocations to date that were given out by the City of Allentown to each municipal signatory, including the Authority. Pat Mandes responded that the Authority will provide Ms. Keim with the record.

John Donches asked the Board for their thoughts on the possibility of blending as one of the Administrative Order solutions for surcharging during unusual weather events. Chairman Nagle noted a meeting on November 9<sup>th</sup> at 5:00 PM in Allentown City Council chambers, hosted by Allentown Public Works Committee, which is an update from the City staff/consulting engineers to Public Works regarding the City's Administrative Order. He said the Board will defer discussion until after they hear from the City. He encouraged everyone to attend that meeting for more information. The Authority will make the Signatories aware of the meeting as well as post a notice on the website when the Authority receives official notification by the City.

**ACTION AND DISCUSSION ITEMS**

**2017 Preliminary Budget**

Liesel Gross provided the Board with an Executive Summary outlining the 2017 Preliminary Budget. Deana Zosky asked that an overview of the highlights and assumptions of the 2017 Budget be presented for the purpose of the public attending the meeting. Liesel Gross gave an overview of the 2017 Budget Executive Summary that was provided with the agenda. Ms. Gross noted that the development of the budget focused on meeting certain financial criteria – positive cash flow, meeting all debt service coverage requirements, and finding ways to limit the need to borrow in the future for capital improvements. She also reviewed the operational priorities included in the 2017 budget proposal including some staffing and other operating cost increases to address asset management and succession planning needs of the organization. Ed Klein commented that the Authority has met its first Budget criteria, positive cash flow, even with some significant employee benefits costs inflation and additional operating expenses. Ms. Gross noted that to meet the cash flow requirements, there will be a rate increase of 3.3% in the City Division in accordance with the Concession agreement. The Wastewater rates for the Signatories are per agreements but were calculated and included. There is also a proposed 3% increase in the water rates in the Suburban Division. After the Budget is approved, the new rate proposal will be presented to the Board.

On a motion by Norma Cusick, seconded by Linda Rosenfeld, the Board approved the 2017 Budget (8-0).

**2017 Goals & Strategic Plan**

Liesel Gross presented a memorandum for establishing 2017 Goals and asked the Board how they would like to be involved in the discussion of organizational philosophies and strategic objectives. Several Board members expressed willingness to conduct a strategic planning discussion through upcoming meeting agendas and suggested the use of an independent facilitator. Ms. Gross said that she will develop a recommendation for continued discussion.

**Resolution #10-2016-2 - designating signers with M&T Bank accounts**

Brad Landon reviewed Resolution #10-2016-2 which designates Authority personnel to execute transactions and other functions with M&T Bank.

On a motion by Norma Cusick, seconded by Tom Muller, the Board approved Resolution #10-2016-2 (8-0).

**Resolution #10-2016-3 - Commonwealth Financial Authority Grant for the Crestwood Alternate Water Supply Project**

Brad Landon reviewed Resolution #10-2016-3 which authorizes the submission of a financial assistance application to Commonwealth Financing Authority for a grant for the Crestwood Alternate Water Supply project.

On a motion by Norma Cusick, seconded by Linda Rosenfeld, the Board approved Resolution #10-2016-3 (8-0).

**Resolution #10-2016-4 - Commonwealth Financing Authority Grant for the Heidelberg Heights Wastewater Tank Re-Coating project**

Brad Landon review Resolution #10-2016-4 which authorizes the submission of a financial assistance application to Commonwealth Financing Authority for a grant for the Heidelberg Heights Wastewater Tank Re-Coating project.

On a motion by Norma Cusick, seconded by Scott Bieber, the Board approved Resolution #10-2016-4 (8-0).

**Park Pump Station Upgrade Project**

Chuck Volk gave an overview of the project to replace pumps, replace the electrical controls and drives and perform any other related upgrade work which would restore the station to its original design capacity and extend the service life of the station. The project will be funded by the LCA Suburban Division. Mr. Volk is asking for approval of the Capital Project Authorization – Design & Bid Phase in the amount of \$302,775.00 which includes the Professional Services Authorization – Design & Bid Phase in the amount of \$227,755.00 and the award of the design work to Whitman, Requardt and Associates, LLP.

Jan Keim asked what would happen if a parallel line was put in instead. Mr. Volk said that a parallel line would not solve the pump problem and would be very costly due to the environmentally sensitive areas some of that line would need to transverse. John Donches asked if this was the main reason for the overflows. Mr. Volk said the pump station is not directly responsible for upstream overflows, but that the refurbishment is one of several projects associated with the regional plan to address the Administrative Order to eliminate the overflows, as upgrades to the pump station will restore the capacity of this facility to its original pumping capacity.

On a motion by Norma Cusick, seconded by Tom Muller, the Board approved the Capital Project Authorization – Design & Bid Phase in the amount of \$302,775.00 which includes the Professional Services Authorization – Design & Bid Phase in the amount of \$227,755.00 and award the work to Whitman, Requardt and Associates, LLP (8-0).

**MONTHLY FINANCIAL REVIEW**

Ed Klein reviewed the September 2016 Financial report. There was some discussion on variances and the use of forecasted figures versus budget figures for the performance comparison.

**SYSTEM OPERATIONS OVERVIEW**

John Parsons reviewed the September 2016 report that was attached to the Board agenda.

Liesel Gross provided a handout on the results of the Authority's lead testing. In addition to the regulatory monitoring that the Authority was required to complete in 2016, 12 customers requested to have their water tested under the special program approved by the Board this past summer. Of all the customers who participated in either the regulatory or voluntary testing program, three customers had a level above the DEP action level. The Authority will continue to assist these customers with additional testing, advice and public education.

**STAFF COMMENTS**

Liesel Gross noted that with the passing of the 2017 budget, the October 31, 2016 scheduled Board meeting would be canceled.

**SOLICITOR'S COMMENTS**

None.

**PUBLIC COMMENTS / OTHER COMMENTS**

None.

**EXECUTIVE SESSION**

Chairman Nagle called an Executive Session at 1:22 p.m. to discuss personnel.

The Executive Session ended at 1:32 p.m.

**ADJOURNMENT**

There being no further business, the Chairman adjourned the meeting at 1:32 p.m.

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Norma A. Cusick  
Assistant Secretary