

REGULAR MEETING MINUTES
November 25, 2013

The Regular Meeting of the Lehigh County Authority was called to order at 12:33 p.m. on Monday, November 25, 2013, Chairman Asa Hughes presiding. Other Members present at the commencement of the meeting were: Tom Muller, Norma Cusick, Brian Nagle, and Scott Bieber. Authority Staff present were Aurel Arndt, Ed Bielarski, Bradford Landon, Frank Leist, Bob Kerchusky, Dan Standish, Pat Mandes, Cristin Keppel, and John Parsons.

REVIEW OF AGENDA

Mr. Arndt stated there were additional items to be handled under Finance and Administration.

PUBLIC COMMENTS

None.

EXECUTIVE SESSION

Mr. Arndt stated there will be an Executive Session to discuss potential litigation

APPROVAL OF MINUTES

September 23, 2013 Regular Meeting Minutes

On a motion by Ms. Cusick, seconded by Mr. Nagle, the Board unanimously approved the minutes of the September 23, 2013 Regular Meeting (5-0).

October 14, 2013 Workshop Meeting Minutes

On a motion by Ms. Cusick, seconded by Mr. Muller, the Board unanimously approved the minutes of the October 14, 2013 Workshop Meeting (4-0). Mr. Nagle abstained.

October 28, 2013 Regular Meeting Minutes

On a motion by Mr. Nagle, seconded by Ms. Cusick, the Board unanimously approved the minutes of the October 28, 2013 Regular Meeting (5-0).

November 11, 2013 Workshop Meeting Minutes

On a motion by Ms. Cusick, seconded by Mr. Nagle, the Board unanimously approved the minutes of the November 11, 2013 Workshop Meeting (4-0), as amended. Mr. Nagle abstained.

ACTION AND DISCUSSION ITEMS

Audit Extension (Approval)

Mr. Bielarski referred to the extension letter from the Authority's auditor, Zelenkofske Axelrod, LLC. He noted that, although the Authority solicits a new auditor every few years, he feels it is best to extend the contract with Zelenkofske because of the Concession Agreement and their familiarity with the current financial state of the Authority. Mr. Bielarski stated this a one-year extension of their current contract, noting the rate will not change.

On a motion from Mr. Nagle, seconded by Mr. Muller, the Board unanimously approved a one-year extension to Zelenkofske Axelrod, LLC to perform the 2013 audit (5-0).

3rd Quarter Unaudited Financial Statements

Mr. Bielarski distributed the 2013 3rd Quarter Unaudited Financial Statements for both the Suburban and City Divisions. He noted that acceptance will be sought in December after the Board has a chance to review the Statements.

Highland Court Sinkhole

Mr. Standish provided a quick update regarding the Highland Court sinkhole earlier in the month. He noted that all customers were back on the system by Thursday, November 13, 2013. He also stated that the customers were very cooperative and the final bill from Joao Bradley is being processed.

Allentown Division – WTP Dewatering Building Motor Control Centers – Design Phase (Approval)

Mr. Leist reviewed the memorandum stating that the sludge dewatering building currently has five (5) motor control centers (MCCs) and all five MCCs have reached the end of their useful life and are all highly corroded due to the corrosive nature of the local environment. LCA desires to relocate the five (5) existing MCCs outside to a Power Zone House, anticipated to be a pre-engineered structure. The only exception to the existing MCC is that the proposed unit will be stainless steel to better withstand the locally corrosive atmosphere. He explained that the proposed MCC shall be designed with sufficient size to allow for future expansion in that area of the WWTP. Among other things, there is the possibility of the construction of a third primary digester and also for the construction of a flow equalization tank to be used as a storage basin during high flow storm events. Mr. Leist explained that this project is required under Section 7 of the Concession Agreement, but funded by the Authority. Some discussion followed.

Mr. Nagle stated the Project Labor Stabilization Agreements are required for projects required by the Concession. He inquired if by approving this project, if it will lock us into such an agreement.

Mr. Leist stated it would not at this time because it is only the design phase for the project.

On a motion from Mr. Muller, seconded by Mr. Nagle, the Board unanimously approved the Professional Services Authorization for CDM Smith, Inc. in the amount of \$144,363 (5-0).

On a motion from Mr. Nagle, seconded by Mr. Muller, the Board unanimously approved a Capital Project Authorization for the Motor Control Centers Design Phase for \$195,363 (5-0).

EXECUTIVE SESSION

The Chairman called for an Executive Session at 1:09 p.m. to discuss potential litigation

The Session ended at 2:09 p.m.

SYSTEM OPERATIONS OVERVIEW

None.

STAFF COMMENTS

Mr. Arndt reminded the Board that during the Concession settlement process, adding City of Allentown representatives to the Board was discussed. He explained that if a nine member Board is desired, then a Resolution to amend the Charter would be necessary.

Mr. Muller stated that he approached Mr. Arndt about this topic and would like Board members to consider this possibility, as it would be beneficial to have additional City representatives on the Board during this crucial transition time period. Extensive discussion followed.

SOLICITOR'S COMMENTS

Mr. Landon explained that Youell's Oyster House in Allentown has approached the Authority regarding the tapping fee for the rebuilding and expansion of their restaurant after the devastating fire last year. Mr. Landon noted that Youell's objected to the amount of the tapping fees, which were based on the City's prior practice per the concession agreement. He explained that they have requested a special exception to the City tapping fee methodology as well as a hearing with Board members on the matter, but Staff is still in discussions with the owners regarding some alternative approaches.

Mr. Bieber left the meeting at 2:45 p.m.

Some discussion followed.

OTHER COMMENTS

None.

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 2:51 p.m.

Richard H. Bohner
Secretary