BOARD MEETING AGENDA

1. Call to Order
2. Review of Agenda
   - Public Participation Sign-In Request
3. Executive Sessions
4. Approval of Minutes
   - December 7, 2011 Regular Meeting Minutes
5. Public Comments
6. Action / Discussion Items

FINANCE AND ADMINISTRATION
   - Information Management and Technology Master Plan (ITMP) Presentation

WATER
   - External Laboratory Analysis-Professional Services Authorization (Approval)
   - Water Rates (Discussion)

WASTEWATER
   - Arcadia West Wastewater Treatment Plant Upgrade (Approval)

7. System Operations Overview
8. Staff Comments
   - Strategic Plan Update
   - 2012 Organizational Goals

9. Solicitor’s Comments
10. Other Comments
11. Adjournment

FEBRUARY MEETINGS

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
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<tbody>
<tr>
<td>Workshop Meeting</td>
<td>February 13–12:00 p.m.</td>
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<tr>
<td>Board Meeting</td>
<td>February 27–12:00 p.m.</td>
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PUBLIC PARTICIPATION POLICY

In accordance with Authority policy, members of the public shall record their name, address, and discussion item on the sign-in sheet at the start of each meeting; this information shall also be stated when addressing the meeting. Members of the public will be allowed 5 minutes to make comments/ask questions regarding non-agenda items, but time may be extended at the discretion of the Chair; comments/questions regarding agenda items may be addressed after the presentation of the agenda item. Members of the public may not request that specific items or language be included in the meeting minutes.
The Regular Meeting of the Lehigh County Authority was called to order at 12:30 p.m. on Wednesday, December 7, 2011, Chairman Asa Hughes presiding. Other Members present at the commencement of the meeting were: Thomas Muller, Richard Bohner, Brian Nagle, Emrich Stellar, Scott Bieber, and Norma Cusick. Authority Staff present were: Aurel Arndt, Bradford Landon, Pat Mandes, Frank Leist, Douglas Young, Joseph McMahon, Liesel Adam, and Cristin Garger.

REVIEW OF AGENDA
Mr. Arndt had no additional items

EXECUTIVE SESSION
Mr. Arndt stated there would be two executive sessions; one to discuss potential litigation, and the second to discuss personnel.

APPROVAL OF MINUTES
October 24, 2011 Regular Meeting Minutes
On a motion by Mr. Bohner, seconded by Ms. Cusick, the Board unanimously approved the minutes of the October 24, 2011 Regular Meeting, as amended (7-0).

November 14, 2011 Workshop Meeting Minutes
On a motion by Mr. Bohner, seconded by Ms. Cusick, the Board unanimously approved the minutes of the November 14, 2011 Workshop Meeting (7-0).

PUBLIC COMMENTS
None.

ACTION AND DISCUSSION ITEMS
Preliminary 2012 Budget (Approval)
Mr. Arndt referred to the attached presentation, first explaining the adverse impacts of the general economy on the Authority which were highlighted during the 2012 budget process. He explained that growth has flattened significantly, but costs continue to rise; therefore, the goal of this year’s budget was to close the gap between the rising costs and flat revenues. In order to do, that the proposed budget includes a balanced mix of capital and operating expense reductions, rate increases, and new revenues. He explained that rate increases of 0.9% and 3.5% for the Western Lehigh Interceptor and Water systems, respectively, are proposed.

Messrs. Arndt and Young then explained some of the specific expense reductions and new revenue enhancements included in the 2012 Budget to offset these increasing costs.

Mr. Arndt commended Staff and all employees for their hard work on the 2012 Budget. Some discussion followed.

On a motion by Ms. Cusick, seconded by Mr. Bohner, the Board unanimously approved the 2012 Budget, including adoption of the new Schedule of Wastewater Rates and Charges and new Schedule of Water Rates and Charges as outlined in the 2012 Budget (7-0).
Arcadia West Pumping Station Modifications (Approval)

Mr. Leist referred to the previously distributed memorandum, stating that the project includes re-piping the Arcadia West Pumping Station in Weisenberg Township, Lehigh County, installing larger distribution pumps with variable frequency drives (VFD), an emergency power generator, metering, SCADA control, corrosion control, a redundant fire pump, minor building expansion (if required), paving, and a pump in well PW-1. He also noted that this system will be re-permitted for a community water system because of the additional service area being added and a new Delaware River Basin Commission docket will be issued. Mr. Leist explained that a site visit was required for all bidders; there were 15 firms invited to bid, 9 visits to the site, and 8 bids received. He recommended the selection of T & M Associates for this project as their proposal is on scope and represents what the Capital Works staff believes is the best overall value for the Authority. Some discussion followed.

On a motion from Mr. Muller, seconded by Mr. Nagle, the Board unanimously approved the Capital Project Authorization in the amount of $139,440 for the Design Phase for the Arcadia West Pumping Station Modifications (7-0).

On a motion from Mr. Muller, seconded by Mr. Nagle, the Board unanimously approved the associated Professional Services Authorization for T & M Associates in the amount of $72,940 (7-0).

Park Pump Station Improvements Project Authorization – Comminutor Replacement Amendment (Approval)

Mr. Leist explained that approval of an amendment to the Project Authorization is needed to allow early procurement of the comminutor equipment which has a long lead time for delivery; therefore, the equipment should be procured immediately to complete the project in a timely manner. He explained that only one proposal was received for the equipment directly from the manufacturer, Franklin Miller, Inc.

On a motion by Mr. Muller, seconded by Mr. Nagle, the Board unanimously approved the Capital Project Authorization Amendment in the amount of $65,890 (7-0).

On a motion from Mr. Bieber, seconded by Mr. Muller, the Board unanimously approved the comminutor equipment procurement contract to Franklin Miller, Inc. for the Park Pump Station Comminutor Replacment (7-0), authorizing the appropriate staff to execute and attest any documents.

Wastewater Treatment Capacity Options Life Cycle Costs

Ms. Mandes referred to the attached presentation (Presentation 2) regarding the background of the subject item and the four options currently under evaluation for increasing wastewater capacity. She also referred to the memorandum provided by the project consultant, Malcolm Pirnie, Inc, specifically noting the updated cost summaries provided for each of the four options.

Mr. Nagle asked what changes are included in the Operating and Maintenance (O&M) costs regarding elimination of SSOs (sanitary sewer overflows).

Ms. Mandes stated that each cost summary includes O&M costs for additional conveyance, which will reduce SSOs; however, specific costs cannot be determined yet for SSO reduction. Additional evaluation and modeling work must be completed to determine more detailed conveyance costs for each of the options. She noted that the Infiltration and Inflow program might address the SSO issues in the system separately which may resolve some of the conveyance capacity issues. Discussion followed.

Ms. Mandes explained the Act 537 Planning process will begin in early 2012 and a determination on which option is most suitable will be determined during the planning process. She also referred to the attachments regarding social and environmental impacts for each of the four options that were provided by the Steering Committee, WLI Advisory Committee and LCA staff and Board.
Board members inquired about a regional need to look beyond the additional 4 MGD need for wastewater capacity.

Ms. Mandes noted there are advantages to a regional approach, and the Authority is currently looking at combining certain options for more long-term capacity needs.

Mr. Bieber noted the possibility of looking into smaller, on-site sewage systems in areas not near present interceptor as an option to a larger plant. Extensive discussion followed.

Mr. Stellar added that a future discussion on the Act 537 Planning process would be helpful for Board members to understand the decision making process around this issue.

**SYSTEM OPERATIONS OVERVIEW**

Mr. McMahon said the heavy rain in late November cause very minor SSOs. He also noted that the Wet Weather Operations Protocol from Malcolm Pirnie was put into effect for the first time since developed this past year.

Ms. Mandes stated that the Authority has begun performing the CCTV (closed circuit television) work in house for the Western Lehigh Interceptor Physical Condition Assessment to reduce the project costs.

**STAFF COMMENTS**

None.

**SOLICITOR’S COMMENTS**

None.

**OTHER COMMENTS**

None.

**EXECUTIVE SESSION**

The Chairman called for an Executive Session regarding litigation at 3:00 p.m., at which time Ms. Adam and Ms. Mandes left the meeting.

The Chairman ended the session at 3:19 p.m.

The Chairman called for an Executive Session regarding personnel at 3:20 p.m. All staff members, expect for Mr. Arndt exited the meeting.

The Chairman ended the session at 3:28 p.m.

**ADJOURNMENT**

There being no further business, the Chairman adjourned the meeting at 3:29 p.m.

_________________________________________
Richard H. Bohner
Secretary
**FINANCE & ADMINISTRATION**

**ACTION ITEMS**

1. *None.*

**DISCUSSION ITEMS**

1. *The Information Management and Technology Master Plan (ITMP) Presentation*

   The ITMP consultant, EMA, will present their findings and recommendations developed in collaboration with LCA team members.

**INFORMATION ITEMS**

1. *Recently Purchased Investments – Certificates of Deposit (CDs)*

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<th>Fund Descriptions for Investments:</th>
<th>Fund</th>
<th>Bank</th>
<th>Location</th>
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2. **Customer Growth**

Figures for customer growth through December 2011 are indicated below:

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<th></th>
<th>As of 12/31/10</th>
<th>As of 12/31/11</th>
<th>2011 Additions</th>
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<td><strong>Total Wastewater</strong></td>
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<td>10,677,301</td>
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* Additions include allocation purchased net of allocation returned (850 gals) to the general pool.
(A) Includes Upper Milford Divisions, Arcadia and Buss Acres systems.
WATER

ACTION ITEMS

1. **External Laboratory Analysis-Professional Services Authorization (Approval)**
   Staff is recommending approval of a 3 year agreement with Suburban Water Testing Laboratories (SWTL). SWTL is providing the best overall pricing and service among the 5 laboratories that offered price proposals (blue).

DISCUSSION ITEMS

1. **Water Rates**
   If we are able to finalize the rate evaluation and projections, we will present those results at the Board meeting; and if acceptable, we plan to issue notices to industries and other parties with final adoption of the rates occurring in March 2012.

INFORMATION ITEMS

1. **Interconnection with Allentown**
   *Phase 2 - Connection to City Transmission System at 26th and Chew Streets* – Livengood has completed the bored crossing under Cedar Crest Boulevard and the 30”x 24” wet tap connection to the City distribution system. 51% of the proposed water main has now been installed. Livengood is now working westward from Ott Street through the City’s Cedar Beach Park toward Cedar Crest Boulevard. Pipelazing in West Walnut Street (South Whitehall Township) should begin in about two weeks. The final work area will be along Ott and Chew Streets, possibly during Muhlenberg College’s spring break in early March.

2. **Water Main Replacement Project 2011 – Oakland Park (UMT)**
   Due to changes in the NPDES permit requirements effective as of 2011, this project will require that we complete an E&S plan for review by the Lehigh County Conservation District. Since a NPDES permit is required we anticipate a spring 2012 start date.

   We are adding to the project a section of water main along Highland Court in the Clearview Manor development in LMT. This 845’ section has experienced 3 main breaks in the last year and a half. As this area is not contiguous with the rest of the project, it will not need to be included in any NPDES permit submittals.

3. **Water Main Relocation Project – Slatedale**
   Our water facilities on West Grant Street were successfully relocated in June. Work on Main Street has been scheduled for 2012. Our exposure, by PennDOT Agreement, is about $25,000.

4. **Water Meter Replacement Project**
   *Phase 2* - TSE, Inc. has replaced 2176 out of 3,300 aging meters, radio-read units and backflow preventers through January 5. A change order was sent to the contractor to add approximately 570 accounts in lower pressure areas to the contract. A backflow preventer will not be installed in homes with residual pressures below 30 PSI unless they already have a backflow preventer. We still anticipate having substantial completion by April 20, 2012.
5. **Arcadia West Pumping Station Modifications**

A project kickoff meeting is scheduled with T&M Associates, the selected design firm, for January 20, 2012.

6. **Developments**

Water system construction is occurring at the following developments:

- Trexler Fields, Phases 2/3/7, 38 residential lot, UMT
- Valley West Estates, Phases 4, 5 & 6, 46 residential lots (sfd), UMT *(There has not been any construction activity at this development in over a year.)*

Water system plans are being reviewed for the following developments:

- Above & Beyond (personal care facility), 2 commercial lots, UMT
- Diocesan Pastoral Center, 2 commercial lots, 3 additional lots, & residual lot for existing cemetery, LMT
- Hamilton Crossings, 3 commercial lots, LMT
- Hickory Park Estates, 3 residential lots (sfd), UMT
- Hillview Farms, 31 residential lots (sfd), LMT/SWT
- Indian Creek Industrial Park, 6 commercial lots, UMiT, water and sewer
- Lehigh Hills, 247 residential lots (sfa/sfd), UMT
- Morgan Hills, 40 residential lots (sfd), Water & Sewer, WeisT
- North Whitehall Commercial Center (Walmart), 5 commercial lots, NWT, water and sewer
- Rabenold Farms, 205 residential lots (sfd), (Portion south of I-78), UMT
- Rabenold Farms II, 288 apartment units and clubhouse, (Portion north of I-78), UMT
- Red Maple Acres Expansion, 29 units, LMT
- Shepherd's Corner, 1 commercial lot, LMT
- Spring Creek Properties Subdivision 1, 14 commercial and industrial lots, LMT
- Trexler Business Center, Lot 1, 1 commercial building, LMT
- Trexler Senior Living Center, 2 commercial lots, LMT *(In bankruptcy)*
- Weilers Road Twins, 82 residential lots (sfa), UMT
- West Hills Business Center, 8 industrial lots, WeisT
- Woodmere Estates, 60 residential units (sfd), UMT
WASTEWATER

ACTION ITEMS

1. **Arcadia West Wastewater Treatment Plant Upgrade (Approval)**
   HRG, Inc (the Design Engineer) has requested additional fee for modifying the contract documents in line with the guidance received from PaDEP. Staff is reviewing the request. If we reach agreement we will seek approval of a Professional Services Authorization Amendment at the January Board meeting.

DISCUSSION ITEMS

1. None.

INFORMATION ITEMS

1. **Vera Cruz Area Sewer Project**
   Work continues, with directional boring activity nearly completed. Over 25,000 feet of main line has been installed throughout the project area. PACT Construction continues to work with the installation of manholes and laterals through Milestone Area #2. Final paving in completed portions of the project area, is anticipated for spring of 2012. PACT has requested a number of additional days due to heavy storm events through the last quarter of 2011. Staff is reviewing the justification and documentation for these time extensions. As of January 12, 2012, 16 new customers have connected, with possibly another dozen whose paperwork has not come back from Upper Milford Township. Substantial Completion and Final Completion are presently January 29, 2012 and March 29, 2012, respectively, but may move back as far as April 2012.

2. **Infiltration and Inflow (I&I) Program Update**
   The City held a semi-annual I & I meeting with the City Signatories. The City introduced their I & I Engineering Team that includes OMNI Environmental and Whitman, Requardt & Associates. They are in the process of creating a model for uses related to their I & I program. After the meeting, both the LCA and City Engineers discussed the sharing of information.

   LCA held several meetings with the LCA I & I Engineering team to determine recommendations for rehabilitation areas. We will be scheduling a meeting in February with the SCARP Partners to present the SSES Activities Data Analysis and Rehabilitation Prioritization List and to discuss activities for 2012.

   The WLI Optimization Study results were presented to LCA. The final report provides operating logic for the LCA wet weather facilities.

3. **Wastewater Treatment Capacity**
   A discussion with the City on Act 537 Planning is being scheduled.

   The Request for Qualifications for the LCA 537 Plan Update is ready for distribution and awaits the outcome of the City meeting.

   Talks with Coplay-Whitehall Sewer Authority and Salisbury Townships may result in the sale and/or lease of allocation. An offer was presented to Salisbury for consideration several months ago and we expect to have a response to the offer shortly.
4. **Northern Lehigh Wastewater System**

The project is proceeding in a number of areas:

**Wastewater Treatment Plant (on a 5 acre tract at Kids Peace)**

1. A Special Exception must be granted by the Zoning Hearing Board (ZHB) for the proposed property use. The hearing before the Zoning Hearing Board began on May 18, 2011 and was continued on June 22, July 7 September 13, December 1, December 29, and January 12, 2012. At the hearing on January 12, 2012 the ZHB ruled in favor of the Objectors Motion and dismissed our case, citing that LCA should have applied for a Conditional Use which falls under the jurisdiction of the Board of Supervisors, rather than a Special Exemption which falls under the ZHB. That fact that LCA followed the Zoning Officer’s determination (who based his determination on the Township Solicitors advice) that a Special Exemption was required was not relevant. We will now apply for a Conditional Use and start the process over.

The total cost of the WTP including soft costs and Kids-Peace acquisition costs is estimated at $4.69 million.

**Offsite Conveyance Facilities (OSCF)**

1. Wal-Mart’s has stopped design of the necessary conveyance facilities, which includes gravity sewers, a pump station and force main to deliver the wastewater from their proposed development and other future wastewater customers to the wastewater treatment facilities until a cost sharing agreement is reached with LCA. Wal-Mart has proposed that LCA assume the responsibility of designing, permitting and constructing the OSCF, which is a change from the previous plan where Wal-Mart had the responsibility. A cost-sharing agreement is still being negotiated with Wal-Mart.

   The construction cost of the conveyance facilities is estimated at $1.354 million.

2. An amendment to the agreement with KidsPeace is being negotiated to reflect the changed circumstances since the original agreement was signed in 2006. A recent meeting has indicated that KidsPeace is unwilling to entertain any changes to the original agreement that would decrease compensation or increase ongoing costs.

5. **Park Pump Station Improvements**

   **Comminutor Replacement** – The procurement contract was awarded to Franklin Miller at the December Board Meeting. The contract to install the new comminutor was advertised on December 7, with Bid opening on January, 5, 2012. Five bids were received ranging from $18,883 to $30,000. The project is currently on schedule. An amendment to the project authorization is anticipated for early February

   **Fuel Tank Replacement** – Staff and a representative from Barry Isett & Assoc., met with city officials to discuss the plans for replacement of the fuel tank at the Park Pump Station. We will need to acquire additional easement area for the tank. The project is currently on schedule.

6. **LCA WTP- Truck Waste Receiving Station & Digester Mixer Replacement**

The project design is underway. To maintain schedule we plan to procure the 36-inch diameter digester mixers in advance of the installation contract bidding. The current schedule anticipates completion of the aforementioned improvements in the last quarter of 2012.
MEMORANDUM

Date: January 5, 2012

To: LCA Board
From: Donna Wingle / Joseph McMahon
Re: External Analysis - Professional Services Authorization
    Suburban Water Testing Laboratories (SWTL)

We obtained price quotes from 5 laboratories, and SWTL gave us the best overall price. Since 2006 we found their service to be excellent. They have recently moved to a new, more modern and larger facility. SWTL continues to be a nationally accredited laboratory.

The following table reflects the 2012 analysis cost estimate:

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<th>Percent-Type of External Analysis</th>
<th>Category</th>
<th>Total Cost</th>
</tr>
</thead>
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<tr>
<td>51%</td>
<td>Water</td>
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<tr>
<td>49%</td>
<td>Wastewater</td>
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We are recommending approval of a three year contract with the option of extending for two additional years. The contract has an upper limit of 2% per year increase based on the Producer Price Index.

The term of the SWTL Contract will begin February 1, 2012 to December 31, 2014. The contract is written based on a unit cost basis. The above totals are based on LCA’s estimate of required analysis, both type and quantity multiplied by the unit cost. The 2013 and 2014 amounts will be estimated during budget development.
PROFESSIONAL SERVICES AUTHORIZATION

Professional: Suburban Water Testing Laboratories, Inc.
1037F MacArthur Rd.
Reading, PA 19605

Date: 16 January 2012

Requested By: JMM/DLW

Approvals
Department Head: __________________
General Manager: __________________

Description of Services (Work Scope, Steps, Check Points, etc.):

By way of this authorization, Suburban Water Testing Laboratories (SWTL) will provide external analysis for the Authority’s required water and wastewater samples, as well industrial/commercial wastewater samples. The SWTL agreement is attached.

Cost Estimate: $128,300 for 2012. This figure is from the 2012 budget and is based on an estimate of required analysis, both type and quantity multiplied by the unit cost. The 2013 and 2014 amounts will be estimated during budget development. The contract has an upper limit of 2% per year increase based on the Producer Price Index.

Time Table and Completion Deadline: Contract term is from February 1, 2012 to December 31, 2014, with the option of extending for two additional years.

Authorization Completion:

(For Authority Use Only)

Approval: ______________ Actual Cost: ______________ Date: ______________