



LEHIGH COUNTY AUTHORITY

November 28, 2012

BOARD MEETING AGENDA

1. Call to Order
2. Review of Agenda
 - *Public Participation Sign-In Request*
3. Executive Sessions
4. Approval of Minutes
 - *October 8, 2012 Regular Meeting Minutes*
5. Public Comments
6. Action / Discussion Items

FINANCE AND ADMINISTRATION

- *None*

WATER

- *None*

WASTEWATER

- *WLI User Fee Report*
 - *2013 SCARP Program Management (Approval)*
 - *Vera Cruz Area Sewer Project (Approval)*
7. System Operations Overview
 8. Staff Comments
 9. Solicitor's Comments
 10. Other Comments
 11. Adjournment

DECEMBER MEETINGS

Board Meeting

December 10 – 12:00 p.m.

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.

FINANCE & ADMINISTRATION**ACTION ITEMS**

-
1. *None.*

DISCUSSION ITEMS

-
1. *None.*

INFORMATION ITEMS

-
1. **Customer Growth**

	As of 12/31/11	As of 9/30/12	2012 Additions	2012 Projections	2011 Additions
<u>Water</u>					
<u>Central Lehigh (A)</u>					
Residential	17,085	17,218	133	205	365
Commercial/Industrial	600	603	3	9	7
<u>Emmaus</u>					
Residential	410	410	-	1	1
Commercial/Industrial	9	9	-	-	-
<u>North Whitehall</u>					
Residential	1,085	1,085	-	3	7
Commercial/Industrial	53	54	1	1	-
<u>Washington Twp</u>					
Residential	431	431	-	-	5
Commercial/Industrial	15	15	-	1	-
<u>Northampton County SA</u>					
Residential	67	67	-	-	-
<u>Lynn Twp</u>					
Residential	176	176	-	-	-
<u>Heidelberg Htgs</u>					
Residential	190	190	-	-	-
<u>Beverly Hills</u>					
Residential	44	44	-	-	-
Total Water	20,165		137	220	385
<u>Wastewater</u>					
<u>Upper Milford</u>					
Residential (B)	501	729	228	285	36
Commercial/Industrial (B)	31	42	11	23	-
<u>Weisenberg Twp</u>					
Residential	146	146	-	-	-
Commercial/Industrial	13	13	-	-	-
<u>Heidelberg Heights</u>					
Residential	145	145	-	-	-
<u>North Whitehall Twp</u>					
Residential	248	249	1	-	-
Commercial/Industrial	9	9	-	-	-
<u>Lynn Township</u>					
Residential	-	403	403	403	-
Commercial/Industrial	-	21	21	26	-
<u>Washington Twp</u>					
Residential	596	596	-	-	4
Commercial/Industrial	22	22	-	-	-
<u>WTP Direct Customer</u>					
	1	1	-	-	-
Total Wastewater	1,712	2,376	664	737	40
Wastewater Allocation (gals) *	10,677,301	10,776,234	98,933	275,000	49,879

* Additions include allocation purchased net of allocation returned (223 gals) to the general pool.

(A) Includes Upper Milford Divisions, Arcadia and Buss Acres systems.

(B) 2011 Projection includes Vera Cruz connections

WATER

ACTION ITEMS

1. *None.*

DISCUSSION ITEMS

1. *None.*

INFORMATION ITEMS

1. **Interconnection with Allentown**

Phase 2 - Connection to City Transmission System at 26th and Chew Streets – The final piece of 24" pipe interconnecting the City and LCA systems was laid on August 15. All testing has been completed. Restoration and punch-list work is ongoing. Inspections by the Lehigh County Conservation District and PaDEP were conducted during the week of November 5. We will be coordinating with City staff to test the Schantz Spring Pumping Station before the end of the year using the new transmission main.

DRBC: - DRBC has approved our plan outlining how we intend to calculate the volume of surface water LCA receives via the interconnection and the volume that is subject to DRBC surface water charges. We will be meeting with Allentown staff to review the information requirements.

2. **Water Main Relocation Project – Slatedale**

Our water facilities on West Grant Street were successfully relocated in June of 2011. Work on Main Street was completed in May 2012. Staff is assembling costs for presentation to PaDOT in consideration of the cost sharing agreement. Our exposure, by PaDOT Agreement, is about \$25,000.

3. **Water Meter Replacement Project**

Phase 2 - TSE, Inc. has replaced 3,853 out of 3,863 aging meters, radio-read units and backflow preventers through November 16. There were 8 accounts removed from the project where the water has been turned off. This leaves 2 accounts where meters must be upgraded. TSE is also addressing accounts that were identified as incomplete and/or had deficiencies identified in our quality control checks. Substantial completion was issued on June 9, 2012.

4. **Water Main Replacement Project – Oakland Park**

Construction began on Fir Road on November 12. Keystone is providing inspection services for this project. Compaction testing is being completed by Certified Testing Labs on an as-needed basis.

5. **Arcadia West Pumping Station Modifications**

We provided T&M comments on their 95% design submittal on October 5. T&M expects to deliver to us the "final" design plans, specifications and cost estimates, and submit a public water supply permit application to PA-DEP, the week of November 19. We are evaluating the justification for a request from T&M for additional design services for expansion to a 4-pump arrangement, raw water meter bypass piping, distribution system bypass piping and various SCADA expansion elements.

6. **Route 309 Crossing @ Sand Spring Road (formerly @ Education Park Drive)**

Review comments have been received from PaDOT and have been addressed. Permits have been submitted for this crossing.

7. **Sand Spring Road Waterline Relocation**

Review comments have been received from PaDOT and have been addressed. All necessary easements have been acquired. PaDOT is moving forward with bid award. Construction should take place in early 2013.

8. **Upper Milford Central Division Radon Mitigation Study**

Board authorized this project in June and our consultant (Cowan Associates) is currently evaluating the existing wells in Buss Acres. Final report for this project is expected by the end of the year.

9. **Lehigh County Authority Facilities Emergency Power Capabilities Project**

Board authorized this project in May and our consultant (Hanover Engineering) is currently surveying and preparing all necessary documents for the placement of emergency standby power at each of the 12 satellite facilities in the project. At our 90% project meeting held October 25th Hanover Engineering had provided us with a 90% preliminary Report for the project. Hanover Engineering is currently working upon the construction bidding documents along with all necessary construction plans. The facilities require zoning and/or other Township approvals are expected to be bid the end of December as some township approvals will be needed.

10. **Developments**

Water system construction is occurring at the following developments:

- Trexler Fields, Phases 2, 3, 4 & 5 (Partial), 35 residential lots (sfa & sfd), 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 three years.)*

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
- Grant Street Townes, 18 sfa residential lots, WashT
- Hamilton Crossings, 2 commercial lots with 20 buildings having retail, financial, convenience and restaurant uses, LMT
- Hickory Park Estates, 3 residential lots (sfd), UMT
- Hillview Farms, 31 residential lots (sfd), LMT/SWT
- Indian Creek Industrial Park, 6 commercial lots, UMiIT, water and sewer
- Lehigh Hills, 247 residential lots (sfa/sfd), UMT
- Liberty at Mill Creek, 2 industrial lots, UMT
- Morgan Hills, 40 residential lots (sfd), Water & Sewer, WeisT
- North Whitehall Commercial Center (Walmart), 5 commercial lots, NWT, water & sewer
- Rabenold Farms II, 288 apartment units and clubhouse, (Portion north of I-78), UMT
- Route 100 Bypass & Cetronia Road Proposed Commercial Development, 1 commercial lot with 4 buildings having auto, convenience, financial and day care uses, UMT
- 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. **2013 WLI User Fee Report**

The WLI user rates have been calculated for 2013. The 2013 Report on Wastewater User Charges was sent previously under separate cover (dated October 19, 2012). Approval will be included in the 2013 LCA budget.

2. **2013 SCARP Program Management** (Approval)

A Professional Services Authorization and Capital Project Amendment is being presented to the Board for consideration for Malcolm Pirnie for work related to the I & I SCARP Program. The work includes Program management for the 2013. Attached is a memo, Professional Services Authorization, Capital Project Amendment, and Malcolm Pirnie Scope and budget (**yellow**).

3. **Vera Cruz Area Sewer Project** (Approval)

Construction was complete in June. To date, PACT has earned \$2,208,975.31 of the initial \$2,332,090.00 contract amount. An additional \$35,065.17 in change orders has been administratively approved. As of the end of October, 242 out of 261 properties to be served have connected.

The Project Team and PACT have met to discuss project closeout. PACT was previously claiming charges for additional work that would exceed \$500,000. A substantial amount of the increase in the contract amount was due to PaDOT changes, directives and delays. Details, for these costs to the project, will be outlined in the memo to the Board (**purple**). With documentation justifying the additional work being provided and through negotiation, PACT has agreed to accept settlement in the amount of an additional \$194,961.23. Board approval of this total is requested. This will bring the total value of the contract to \$2.47 Mil.

DISCUSSION ITEMS

1. **None.**

INFORMATION ITEMS

1. **Infiltration and Inflow (I&I) Program Update**

Several meetings were held with the SCARP Partners to identify potential projects for 2012 that will provide an immediate reduction in the peak wet weather flows. The Partners were in agreement to initiate these “low hanging fruit” projects that may require LCA capital funding but have not committed to the projects at this point. A decision was made by the Partners to consider the projects as part of their 2013 budget process.

Areas have been identified as needing CCTV work to determine the extent of the leakage and for determining the basis of rehabilitation. The total footage includes over 57,000 LF of pipe and is located in Upper Macungie Township and Lower Macungie Township with a few segments in Macungie Borough. The CCTV work is expected to be completed in 2012. Areas completed in Alburdis and Macungie Borough will be presented in early December.

The WLI Physical Condition Assessment of the Alburdis/Macungie Branch has been completed. The results and report were presented to LCA in May 22. Malcolm Pirnie is currently reviewing that CCTV work completed on three other areas of the WLI and the LLRI will provide the report later this year. LCA will decide on the method and schedule

for rehabilitation of the areas identified through the PCA when the final reports are presented.

Keystone Consulting Engineers is the generating the population projections for the LCA service area to be used in the Level of Service modeling. It is expected that KCE will have the data to Malcolm Pirnie this month. Malcolm Pirnie expected to have the Level of Service modeling work done by the end of the year.

2. Wastewater Treatment Capacity

The Memo of Understanding (MOU) regarding working together on a joint Act 537 Plan with the City has not been received to date.

A kick-off meeting with the City and LCA 537 Plan team was held in late October. The team also had a meeting with the DEP to discuss the requirements of the Study. DEP is pleased that the City and LCA are working together.

The Communications Plan is being developed and a stake holder's group is being discussed.

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 LCA received a counter offer from the Manager from Salisbury. A meeting is scheduled with the Salisbury Manager to discuss LCA's counter-offer.

3. Northern Lehigh Wastewater System

The project is proceeding in a number of areas:

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

In March, LCA representatives met with NWT Supervisor, Steve Panny; Solicitor, Lisa Young; and Township Manager, Jeff Bartlett to discuss the Act 537 Plan. In summary, for the westside of Rt. 309 (the 1-5 year service area) LCA has agreed to limit the size of the WTP to 200,000 GPD which in essence reflects the need for this area. Any expansion beyond 200,000 GPD would require NWT approval).

For the eastside of Rt. 309, LCA has agreed to work with NWT in developing a solution for the wastewater treatment needs for this area, which may include one (or more) WTP(s) that discharge to the Coplay Creek. NWT has taken the lead on this effort, with LCA providing support and expertise. After which NWT would amend the Act 537 Plan.

On April 2, 2012 LCA submitted a Conditional Use application which was accepted by NWT. The Planning Commission at their May 22, 2012 meeting recommended the Conditional Use to the Board of Supervisors. After being continued seven times the Conditional Use hearing was closed on September 10, 2012. Final arguments were presented on Tuesday, September 18, 2012 after which the Supervisors granted approval of the Conditional Use with nine conditions. We have received the written decision from the Township. We must accept all conditions or the approval will be denied. The opposition the Friends of the Jordan have indicated that they will appeal the Township decision to Commonwealth Court. The Township will bear the burden of defending their decision; however LCA support will probably be necessary.

The total cost of the WTP including soft costs and Kids-Peace acquisition costs is estimated at \$4.69 million. We are currently evaluating various Wastewater Treatment Plant options to identify cost savings.

Offsite Conveyance Facilities (OSCF)

- a) Wal-Mart 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. Ongoing cost-sharing negotiations are still on hold while Wal-Mart internally reevaluates the proposed store's financial viability.

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

Kids Peace Agreement

- b) A revised amendment to the Agreement has been sent to KidsPeace. It primarily focuses the financial impact on the Jordan Creek Wastewater system because of KidsPeace's sale of the 101 Acre parcel to LCCC. The 101 Acre parcel was an integral economic component for LCA in the 2006 Agreement. We hope to resolve this issue by the end of December 2012.

4. Park Pump Station Improvements

Fuel Tank Replacement – Staff has received and is reviewing the plans for replacement of the fuel tank at the Park Pump Station. We are in the process of acquiring additional easement area from the COA for the tank. The project is anticipated to go to bid in late 2012.

5. LCA WTP- Truck Waste Receiving Station

Truck Waste Receiving Station (TWRS): The project will be advertised for bid on Wednesday, November 21, 2012. A mandatory pre-bid meeting will be held on December 7, 2012 with bids due on December 21, 2012. Capital Project and Professional Services Authorization Amendments and Contract Awards for the construction phase will be requested at the January 2013 Board workshop.

Digester Mixer Replacements: Notice to proceed for the Construction Phase of the project was issued to both the General and Electrical contractors on October 8, 2012. OMI our WTP contract operator has encountered difficulty in draining the contents of first digester to facilitate mixer installation; as such the start of project has been tentatively delayed until February 2013 until the mixer can be properly drained. A non-monetary change order for extended time for the contractors will be executed.

PPL E-Power Customizable Energy Program:

Applications have been submitted for energy savings rebates and verification methodologies for both the Digester Mixer Replacements and Truck Waste Receiving Station. We are awaiting PPL approval of the methodologies for verifying electrical savings.

6. Arcadia West WWTP Improvements

After receiving approval from Pennvest, we have executed the contracts for General Construction (Contract 1) and Electrical Construction (Contract 2) and issued Notices to Proceed, with the start of the construction period beginning November 26. A pre-construction conference is scheduled with these contractors on December 6.

We will receive construction proposals for Contract 3, Mechanical and Plumbing Construction on December 5.

We are awaiting a revised funding offer from Pennvest. Loan closing will probably occur in February 2013

7. Wynnewood Terrace Pump Station Replacement

Cowan Associates, Inc. was awarded the design work associated with replacing the primary pump station in this development in North Whitehall Township. Field surveys and inspections were completed the week of October 22, 2012.



Lehigh County Authority

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(610)398-2503 * FAX (610)398-8413 * Email: service@lehighcountyauthority.org

MEMORANDUM

Date: November 27, 2012

To: Board of Directors & Management Staff
From: Pat Mandes / Frank Leist
Re: 2013 Program Management

Approvals Requested

Approvals Requested	Brief Description	Amount
Capital Project Authorization Amendment (14) Professional Services Authorization (13)	Consulting Services Malcolm Pirnie	\$50,000

Background

In 2008, the Department of Environmental Protection (DEP) required LCA and the Signatories to generate a Corrective Action Plan for the areas identified as having significant infiltration and inflow (I&I) conditions. In addition, EPA has issued a Compliance Order to the City of Allentown, LCA and all municipalities tributary to the City WWTP to eliminate all SSOs within a five year period (2014).

The LCA 2009-2017 Signatory I&I Investigation & Remediation Project Capital Plan was developed so that LCA could take the lead in working with the Signatories to address the overload and SSO issues. A Sewer Capacity Assurance & Rehabilitation Program (SCARP) Outline was drafted by Malcolm Pirnie that provides a formalized and planned method of evaluating the LCA and Signatory systems, prioritizing and conducting sewer rehabilitation by all the LCA Signatory Partners.

Project Scope

2013 Program Management – There are program management tasks required throughout the year that are not defined in a particular approved task. The work will include on-call services, EPA semi-annual report, attending meetings with DEP, attending meetings with the I & I committee or I & I Engineer’s Subcommittee, and other coordination or assistance as needed. The total “Not to Exceed” cost is \$50,000 for 2013.

**CAPITAL PROJECT AUTHORIZATION
AMENDMENT NUMBER 14**

PROJECT No.: S-08-5 **BUDGET FUND:** WLI Sewer Capital

PROJECT TITLE: Signatory I & I Investigation/Remediation Program **PROJECT TYPE:**

TOTAL PROJECT **Prior:** **\$3,218,031**

THIS AUTHORIZATION **Current:** **\$50,000**

Construction
 Engineering Study
 Equipment Purchase
 Amendment

DESCRIPTION AND BENEFITS:

Full Project Overview:

Based on the EPA Compliance Order and the PADEP Chapter 94 requirements, LCA and the LCA Signatories are required to reduce infiltration and inflow from the system and eliminate SSOs from the LCA and Signatory sewer systems within a five year period (2014). The SCARP Program has been developed to investigate the sources of I & I and to remediate areas identified as having excessive I & I. The SCARP Program consists of engineering tasks necessary to define and quantify the problems, to evaluate methods of redress and to determine the corrective actions required to meet the regulatory requirements.

Program Management

The work will include on-call services, preparation of the EPA semi-annual report and annual DEP report, attending meetings with DEP, the Partner I & I committee, Partner Engineer's Subcommittee and the City I & I Committee, technical evaluations as needed, tracking the program progress schedule and other coordination or services as needed.

Program Management for previous years:

- 2009 - \$30,000
- 2010 - \$20,000
- 2011 - \$25,000
- 2012 - \$50,000

Previously Approved		This Amendment	Total Approval
Flow Monitoring Temporary	\$ 1,280,950		\$ 1,280,950
Purchase of Flow Meters (9)	\$63,000		\$63,000
Long Term Metering	\$431,081		\$431,081
Engineering Consulting	\$1,133,000	\$50,000	\$1,183,000
Staff	\$300,000		\$300,000
Contingencies	\$10,000		\$10,000
Totals	\$ 3,218,031	\$ 50,000	\$ 3,268,031

REVIEW AND APPROVALS:

Pat Mandes 11/06/12

Project Manager Date General Manager Date

Capital Works Manager Date Chairman Date



Ms. Pat Mandes
Wastewater Services Director
Lehigh County Authority
P.O. Box 3348
Allentown, PA 18106

ARCADIS U.S., Inc.
640 Freedom Business Center
Suite 310
King of Prussia
Pennsylvania 19406
Tel 610.768.5813
Fax 610.768.5817
www.arcadis-us.com

Subject:
Sewer Capacity Assurance and Rehabilitation Program
Scope and Budget for SCARP Program Management through 2013

Dear Ms. Mandes:

As requested, Malcolm Pirnie, the Water Division of ARCADIS, is pleased to offer this scope and budget for program management services related to the Sewer Capacity Assurance and Rehabilitation Program (SCARP).

PROPOSED SCOPE OF SERVICES

As we have done since the start of the program, Malcolm Pirnie will provide coordination and on-call services to LCA and the Western Lehigh SCARP Partnership (Partnership) to facilitate implementation of the SCARP. These program management services will be for tasks not defined in other project specific authorizations. Historically these services have included:

- Meetings and responses to USEPA regarding the Order of Compliance
- Meetings with Engineering Subcommittee and the I&I committee
- Status meetings with LCA for the overall program
- Technical evaluations and data reviews
- Other oncall services as requested

We anticipate that the services required through 2013 will be similar to those listed above.

DELIVERABLES AND SCHEDULE

Deliverables and schedule for delivery will be determined on an assignment by assignment basis.

BUDGET

As this is undefined work, we recommend allocating \$50,000 for this work through the end of 2013. Malcolm Pirnie will conduct this work on a time and materials basis in accordance with the most current rate schedule. We will track the costs

Date:
November 5, 2012

Contact:
Tony Dill

Phone:
484.688.0380

Email:
Anthony.Dill@arcadis-us.com

Our ref:
0247

Ms. Pat Mandes
November 5, 2012

associated with this work and report them to LCA monthly throughout the program. We will not exceed the authorized budget without written professional services authorization from LCA.

If you have any questions please do not hesitate to call me at 484-688-0380 or 610-761-3253 (mobile). We look forward to continuing to assist LCA with this important program.

Sincerely,

ARCADIS U.S., Inc.

A handwritten signature in blue ink that reads "Tony Dill". The signature is written in a cursive style with a large initial "T" and "D".

Tony Dill, P.E.

Principal Consultant

C: Jim Shelton, Malcolm Pirnie
Craig Murray, Malcolm Pirnie



Lehigh County Authority

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PROFESSIONAL SERVICES AUTHORIZATION

AMENDMENT NUMBER 13

Professional:

Malcolm Pirnie, Inc.
Jim Shelton
824 Market St., Suite 820
Wilmington, DE

Date: 11/06/12

Requested By: Pat Mandes

Approvals

Department Head: _____

General Manager: _____

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

This is an amendment to the current Malcolm Pirnie authorization for the WLI Infiltration and Inflow Project: The work covered by this amendment includes Program Management for 2013.

Program Management includes work that is not defined by other approved tasks. The work will include on-call services, EPA semi-annual report, annual DEP report, attending meetings with DEP, the LCA I & I committee and the City I & I Committee, technical evaluations as needed and other coordination or services as needed. The total "Not to Exceed" cost is \$50,000 for the period ending December 2013.

The scope of work is described in more detail in the proposal dated November 5, 2012.

Cost Estimate (not to be exceeded without further authorization): This amendment is not to exceed \$50,000 for Program Management. With this amendment the total authorization for the I&I Program consulting will be \$1,183,000.

Time Table and Completion Deadline:

January 2013 through December 2013.

(For Authority Use Only)

Authorization Completion:

Approval: _____ **Actual Cost:** _____ **Date:** _____

Capital Project S-08-05, Signatory I & I Investigation/Remediation Program



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MEMORANDUM

Date: November 27, 2012

To: Board of Directors & Management Staff
From: Lance M. Babbitt
Re: Vera Cruz Area Sewer Project

MOTION / APPROVAL REQUESTED

No.	Motions/Approval Items	Brief Description	Amount
1	Construction Contract Change Order No. LP-Twelve *	Pact Construction, Inc., <i>General Construction.</i>	\$ 194,961.00

* With Board Approval, the final contract price will be \$2.47 million.

PROJECT OVERVIEW

The project provides public wastewater service to approximately 278 Upper Milford Township (UMilT) properties located in the Vera Cruz area. 261 of these properties will be connected to the system; the remaining 18 properties are vacant. There are approximately 299 existing Equivalent Dwelling Units (EDUs), and 11 future EDUs. The Project Area is shown on the attached map.

Data from a Sewage Disposal Needs Identification conducted by the Township Sewage Enforcement Officer indicated that the on-site wastewater disposal systems of approximately 219 of the developed properties had some degree of malfunction.

A Low-Pressure alternative was selected and presented to the Project Area residents in January 2009. The Low-Pressure system includes approximately 26,800 linear-feet of High Density Polyethylene (HDPE) force main ranging from 1-1/4" to 6-inches in diameter, installed by direction drilling and a total of 5,100 feet of laterals. Of this total, 15,300 feet of HDPE were within PaDOT Right-of-Way, plus 2,600 feet of laterals. As part of the Project Cost an individual grinder pump unit will be provided to each property owner for installation by their contractor.

Upper Milford Township has adopted a Mandatory Connection Ordinance, in accordance with §67502(a) of the Second Class Township Code requiring all properties that are adjoining or adjacent to or whose principal building is within one hundred and fifty feet (150') from the sanitary sewer to connect. In summary, this requires all properties in the Project Area to connect.

The project was constructed in three milestone areas, starting at the lower end in Salem Ridge. This allowed for the connection of about one third of the customers while construction of the infrastructure progressed.

PROPERTY CONNECTION STATUS

As with any mandatory connection project, there are always challenges in assuring that the property owners connect to the sewer system in a timely fashion. LCA and Upper Milford Township personnel work closely with each other, the residents and the resident's contractors. To date, 241 of the 261 properties in the project have connected. Our records indicate that approximately forty-nine properties had their private plumbing connection costs funded by the Community Development Block Grant that LCA secured for the project; and eleven properties took advantage of LCA financing for the tapping fee.

CONSTRUCTION CONTRACT

The construction contract was awarded to PACT Construction in March of 2011. Notice To Proceed was issued on April 4, 2011. Construction work related to Substantial Completion was achieved April 13, 2012 and Final Completion achieved June 30, 2012. Final documentation remains to be completed.

The initial amount of contract award, based upon the estimated quantities in the bid documents, was \$2,332,090.00. To date, PACT has earned \$2,275,038.77, which includes \$43,065.17 in change orders that were approved administratively (a listing is attached for your reference).

PACT NEGOTIATIONS – FINAL CHANGE ORDERS – FINAL CONTRACT COST

For over four months the LCA Project Team and PACT negotiated a justifiable fair price for other work primarily related to PADOT Directives, that are not, included in the aforementioned "to date" amount, resulting in an additional amount of \$194,961.23⁽¹⁾ for a final Contract cost of \$2,470,000.00 (\$2,275,038.77 + \$194,961.23).

(1) Amount reflected in change order LP-Twelve for board approval.

PADOT DIRECTIVES AND COST IMPACTS

As stated above approximately 57% of the project pipe was within PADOT right-of-way. Historically, in many cases there are generally a significant amount of "additional restoration" costs that result from PaDOT directives. The Vera Cruz project was no exception. Primary drivers for additional restoration directives were the poor condition of Main Road and various issues on Vera Cruz Road.

The following table summarizes the net results from PADOT directives.

PaDOT Directives Impact	Estimated Quantities \$	Actual \$	\$ NET IMPACT
Additional Overlay	\$ 83,500	\$ 199,975	\$ 116,475
Main Road Restoration	\$ 85,704	\$ 141,043	\$ 55,339
MH Additional Excavation & Stone	\$ -	\$ 41,434	\$ 41,434
Contractor Delay & Additional Efforts	\$ -	\$ 19,205	\$ 19,205
Totals	\$ 169,204	\$ 401,657	\$ 232,453

Some of the costs shown in the \$ NET IMPACT column were paid through adjustment of quantities in the contract bid items. However, when there is no bid item a change order is required. This results in a change order for \$194,961.23.

PROJECT / COST & FUNDING SUMMARY (PUBLIC FACILITIES)

Capital Project Authorization approvals for the Planning, Design & Construction phases of the Vera Cruz Area Sewer Project totaled \$7.94 million. After completion of Planning and Design Phases, and with the approval of the Construction Phase, the project estimate was revised to \$5.18 million. The amounts in the “Anticipated” column below are the current estimates for completion of the project and offsetting funding sources.

Item	Project Estimate	Anticipated Amount
New Public Facility Cost	\$ 4,705,000	\$ 4,334,906
Allocation Cost	475,000	489,608
Total Estimated Project Cost	\$ 5,180,000	\$ 4,824,514
<u>Less Credits</u>		
EPA Grant	\$ (1,455,000)	\$ (1,455,000)
PA H2O Grant	\$ (1,000,000)	\$ (1,000,000)
LCA Contribution (Reserves)	\$ (315,000)	\$ (315,000)
Project Capacity Tapping Fees	\$ -	\$ -
Project Connection Fee	\$ -	\$ -
Non-project Capacity Tapping Fees	\$ (307,000)	\$ (315,700)
Financing *	\$ (2,103,000)	\$ (1,738,814)
Total Estimated Credits	\$ (5,180,000)	\$ (4,824,514)

* Actual amount of financing secured \$1,782,400

Attachment

Vera Cruz Area Sewer Project

Contract #1 – Low Pressure Force Main – PACT Construction

Change Order List

LP-ONE	Open Cut PaDOT - When Horizontal Drill could not be accomplished	Time Only
LP-TWO	Buckeye Crossing One - Change in location method due to BPI Directive.	\$ 11,330.34
LP-THREE	House Drain - Repair damage to unmarked house drain	\$ 3,985.57
LP-FOUR	Storm VC South - Replacement of deteriorated UMiT storm sewer.	\$ 3,184.00
LP-FIVE	Storm VC Main Rd E - Replacement of deteriorated UMiT storm sewer.	\$ 2,216.00
LP-SIX	Buckeye Crossing Two - Change in location method due to BPI Directive.	\$ 7,470.45
LP-SEVEN	Weather (Time Only) - Delay caused by abnormal weather conditions	Time Only
LP-EIGHT	Mill Rd Open Cut - Replacement of deteriorated UMiT storm sewer.	\$ 4,287.21
LP-NINE	Stone Wall - Additional work to avoid damages to existing wall structure.	\$ 1,966.22
LP-TEN	Plumber Repairs - Additional work due to private contractor damage.	\$ 625.38
LP-ELEVEN	MH 14 to 15 Pipe Installation - Additional expense due to close proximity of PaDOT ROW, bridges and stream.	\$ <u>8,000.00</u>
	TOTAL	\$ 43,065.17

RESOLUTION No. 11-2012-1

(Duly adopted 28 November 2012)

A RESOLUTION REFLECTING THE ELIMINATION OF THE BUSINESS MANAGER POSITION AND EFFECTUATING THE REASSIGNMENT OF RESPONSIBILITIES OF THE BUSINESS MANAGER TO THE CHIEF FINANCIAL OFFICER.

WHEREAS, Lehigh County Authority (hereinafter the "Authority") Board of Directors (the "Board") periodically takes action designating particular staff positions to share in certain of its powers and responsibilities; and

WHEREAS, the position of Business Manager was created in 1974 and during the time since then the Board has taken various actions assigning specific Board duties and responsibilities to that position as well as granting authority to the Business Manager for certain actions on behalf of the Authority not necessarily Board duties; and

WHEREAS, the position of Business Manager will be eliminated with the retirement of the present Business Manager, Douglas D. Young, at the end of December 2012 and the duties of the Business Manager will then be assigned to the new position of Chief Financial Officer, who will assume all the duties and responsibilities of the Business Manager position; and

NOW THEREFORE, it shall be resolved that the administrative duties and responsibilities of the Business Manager shall be reassigned to the Chief Financial Officer, unless indicated differently, including without limitation, the following:

1. The Chief Financial Officer shall replace the Business Manager as staff authorized to execute payments, sanction telephonic/electronic monetary transfers and perform other financial transactions as provided in both sections of Article III of the Authority's By-Laws and in the appropriate Authority Financial Guidelines, as well as in all previous motions and resolutions passed by the Board authorizing certain persons to execute and perform financial transactions for the Authority that designated the Business Manager as a signer. Consequently, hereafter the General Manager, Chief Financial Officer, Customer Care & Communications Manager and Operations Manager shall be designated signers.

2. There have been various Board actions that have authorized the General Manager and/or Business Manager to sign professional service authorizations, construction contracts, service contracts, legal documents, etc. and it is the Board's intent that those Board actions continue to be effective authorizations but substituting the Chief Financial Officer for the Business Manager as a signer.

3. In regard to the provisions of Resolution No. 2-97-2, the Chief Financial Officer shall replace the Business Manager as the alternative signer to execute documents of real estate transactions, including without limitation deeds of easement, rights-of-way and easement agreements, when the General Manager is absent.

4. In regard to the provisions of Resolution No. 11-2007-1, the Chief Financial Officer shall replace the Business Manager as the person, in addition to the General Manager, that is authorized to execute and deliver documents, and to take such further actions, as may be necessary or appropriate to support Authority involvement with Pennsylvania Municipal Health Insurance Cooperative ("PMHIC"), including approval of the adoption of the annual Summary of Benefits and Plan Document Summary documents provided by the PMHIC administrator. If the Chief Financial Officer is the signer of the document, the Customer Care & Communications Manager shall be authorized, in addition to the Solicitor, to attest to the Chief Financial Officer's signature.

5. The main body of Resolution No. 5-90-1 was revised by Resolution No. 4-2008-1 to read as follows: "The General Manager, Business Manager and Capital Works Manager are authorized to sign any and all documents necessary to meet requirements of governmental bodies or agencies, with such agencies, including but not limited to the Pennsylvania Department of Transportation, United States Environmental Protection Agency, the Pennsylvania Department of Environmental Protection, the Delaware River Basin Commission, and the Pennsylvania Turnpike Commission, as well as private entities requiring approvals for projects, including but not limited to Norfolk Southern Corporation, PPL Corporation and UGI Utilities, Inc., without further specific authority, and further authorizes the Customer Care & Communications Manager or the Solicitor to attest the same and attach the seal of the Authority thereto, if required. This shall not affect the ability of Authority engineers to sign and seal such documents when a professional engineer's signature is required." This language shall be amended once again to substitute the Chief Financial Officer for the Business Manager as a signer.

6. The Board action on 20 April 1993 in regard to employee participation in the Volunteer Network for Small Systems Assistance shall be revised so that if on-site employee assistance is conducted, it is required that the employee obtain permission from either the General Manager or Chief Financial Officer beforehand.

7. The Employee Manual is revised to reflect the Chief Financial Officer hereafter performing the duties and responsibilities previously assigned to the Business Manager, including the change by Resolution No. 4-2008-1 dealing with workplace searches.

8. The Internet Use Policy shall be revised to have any permissions or guidance that was to be given by the Computer Systems Administrator or Business Manager, per Resolution No. 4-2008-1, to now be given by the Computer Systems Administrator or Chief Financial Officer.

9. The Board action on 12 July 2010 in regard to general authorization for the Authority to participate in the procurement of electricity through a purchasing program

that has used a competitive bidding process, authorized the Business Manager as one of the parties to execute such an electricity purchase contract; which designated signer shall now be changed to the Chief Financial Officer.

10. The Business Manager's notification and recordkeeping responsibilities per the Commercial Driver's Licensees Drug & Alcohol Policy shall become the responsibility of the Chief Financial Officer.

11. This resolution is meant to broadly assign and transfer all duties and responsibilities of the Business Manager to the Chief Financial Officer and the specificity of the provisions above are not meant to diminish or limit that broad interpretation.

12. This resolution hereby supersedes and amends all previous actions taken by the Authority appointing the Business Manager to transact its matters.

On motion of _____, seconded by _____,
this resolution was adopted the 28th day of November 2012.