

REGULAR MEETING MINUTES
March 28, 2016

The Regular Meeting of the Lehigh County Authority was called to order at 12:15 p.m., on Monday, March 14, 2016, Chairman Brian Nagle presiding. Other Members present at the commencement of the meeting were: Linda Rosenfeld, Kevin Baker, Tom Muller, Richard Bohner, Scott Bieber, Ted Lyons, and Deana Zosky. Authority Staff present were Liesel Gross, Ed Klein, Pat Mandes, Frank Leist, Brad Landon, John Parsons, Chuck Volk and Lisa Miller.

REVIEW OF AGENDA

Chairman Nagle stated that there will be an Executive Session after the regular meeting to discuss two items. One is regarding potential litigation, which may require action, and a second item regarding personnel.

APPROVAL OF MINUTES

March 14, 2016 Regular Meeting Minutes

Chairman Nagle noted that on page 2 under Staff Comments, in the first paragraph second to the last line, the word after *safety of* should be *its*.

On a motion by Richard Bohner, seconded by Scott Bieber, the Board approved the Minutes of the March 14, 2016 Regular meeting as corrected (7-0-1). Deana Zosky abstained because she wasn't in attendance.

PUBLIC COMMENTS

None.

ACTION AND DISCUSSION ITEMS

Public Participation / Transparency Initiatives – Progress Update & Discussion

Liesel Gross presented 2 handouts; one regarding Public Participation & Transparency Initiatives and the other packet that contained LCA Board Member Email Usage Guidelines, LCA's Internet Use Policy, and LCA Board Member Norms. Some changes related to transparency have already been implemented and there are other changes that require additional discussion. Some initiatives that may require additional discussion are public comment, financial reporting, goal-setting, board member emails, meeting webcast/video recordings, meeting schedule/night meetings.

The second packet contains email usage guidelines. Lehigh County Authority has established individual email accounts for each Board member as well as a general public-use email address. The Board reviewed the Email Usage Guidelines and discussion followed regarding the publication of email addresses. This will be discussed further at the April 11 Board meeting.

Liesel Gross asked the Board to review the Transparency Initiatives and LCA Board Member Email Usage Guidelines for the purpose of comments, questions and discussion, at the April 11 meeting.

Financial Health / Goals

Liesel Gross provided a memorandum regarding the four high-level goals for 2016 which concludes the initial round of 2016 goal setting. One of the critical milestones in the 1st Quarter of 2016 is to develop a primary revenue model through Authority Staff and Board discussion that addresses long-term needs for adequate revenue and to address capital investment needs of the organization.

Ed Klein gave a PowerPoint presentation to review financial requirements and revenue models. Revenue requirements are required for proper operation and maintenance costs, development and perpetuation of the system and quality of service, and preservation of the utility's financial integrity and sustainability. Cash

basis and utility basis were discussed, as well as EVA (Economic Value Added) basis introduced, as methods to determine revenue requirements. Discussion followed. A copy of the presentation is attached for details. Additional discussion on this topic will be scheduled to allow for more Board discussion on appropriate revenue modeling needed to support the Authority's operation.

Suburban Division – Water Line Replacement Easement, Spring Creek Rd/Rt. 100

Brad Landon presented Resolution No. 3-2016-1. The Resolution authorizes the filing of a Declaration of Taking and all necessary action for the Condemnation of a Permanent Easement, as well as a Temporary Construction Easement, on a parcel of land owned by Ronald R. Muse for the purpose of relocating a water main and appurtenant facilities.

On a motion by Scott Bieber, seconded by Tom Muller, the Board unanimously approved Resolution No. 3-2016-1 (8-0).

PROJECT UPDATES/INFORMATION ITEMS

None.

FINANCIAL REVIEW

The February Financial review was not presented at this meeting due to the ongoing audit. The February report will be presented at the next Board meeting.

SYSTEM OPERATIONS OVERVIEW

John Parsons presented the February 2016 overview. Discussion and concerns were the power transformer at the Water Filtration plan, SSO's from the 2/24/16 storm event and the two work related injuries.

STAFF COMMENTS

None.

SOLICITOR'S COMMENTS

Brad Landon clarified the "revolving door policy" aspect of the State Ethics Act that Board members raised from a Board training session presented by the Pennsylvania Municipal Authorities Association (PMAA) that some had attended earlier this year. He said the pertinent section of the State Ethics Act states that "no former public official or public employee shall represent a person ... on any matter before the governmental body with which he has been associated for one year after he leaves that body."

OTHER COMMENTS

None.

EXECUTIVE SESSION

The Chairman called an Executive Session at 1:56 p.m. to discuss potential litigation and a personnel matter.

The Executive Session ended at 2:16 p.m.

On a motion by Ted Lyons, seconded by Linda Rosenfeld, the Board unanimously accepted Philip DePoe into the Authority's tuition reimbursement program, as described in the Authority's employee manual, to support his completion of a Master's degree in Business Administration at DeSales University (8-0).

Additional discussion followed, and the Board recommended that the staff consider adding language to the employee manual so that such future requests may be handled administratively. In addition, they recommended that this section of the manual be updated to stipulate that if an employee terminates his/her employment with the Authority within a specific period of time after completing the program, that monies paid for allowable educational expenses under the program be reimbursed to the Authority. These recommendations do not affect the current program as approved for Mr. DePoe.

On a motion by Tom Muller, seconded by Linda Rosenfeld, the Board rescinded its prior engagement of McNeese, Wallace & Nurick, LLC approved on February 22, 2016 to represent the Authority in disputing suspected historical overcharges for sewer services by the City of Allentown to the signatories of the December 29, 1981 wastewater agreement, and authorized staff to work with other municipal signatories involved in the case to select new legal representation that will be in agreement with all signatories (7-0-1). Deana Zosky abstained from the vote due to eliminating even the appearance of a conflict of interest.

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 2:25 p.m.

Richard H. Bohner
Secretary