

**REGULAR MEETING MINUTES**  
**June 18, 2014**

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The Regular Meeting of the Lehigh County Authority was called to order at 12:16 p.m. on Wednesday, June 18, 2014, Chairman Asa Hughes presiding. Other Members present at the commencement of the meeting were: Brian Nagle, Emrich Stellar, Scott Bieber and Norma Cusick. Authority Staff present were Aurel Arndt, Liesel Adam, Bradford Landon, Frank Leist, Bob Kerchusky, Pat Mandes, John Parsons, Jason Peters, and Cristin Keppel.

Glenn Hunsicker, Louis Hershman, Tom Hahn, and Bonnie Bosco, members of the public, were also in attendance.

**REVIEW OF AGENDA**

Mr. Arndt stated that Finance and Administration item #1 will be postponed, as the auditors were unable to attend the meeting to present the 2013 Financial Report.

**PUBLIC COMMENTS**

Tom Hahn, resident of Allentown, addressed the Board and inquired if the Authority signed a supplemental agreement regarding wastewater capacity with the City of Allentown after the August 8, 2013 settlement.

Mr. Arndt referred to the Memorandum of Understanding (MOU) regarding wastewater capacity planning that has never been signed from the City of Allentown. He noted that the MOU work began before the Concession process, and is still ongoing. He explained that wastewater capacity planning will go on regardless of City signing the MOU; if they sign it, they will have more input in the process.

Glenn Hunsicker, resident of Allentown, commended the Board and the Authority for their openness. He then referred to the minutes of the March 24, 2014 Regular meeting regarding the savings from the new meters in the City Division and the reduced water loss. Mr. Hunsicker inquired if we included the additional revenue from the savings in the budget.

Mr. Bielarski noted that there has been no additional revenue, just a decrease in unaccounted for water.

Mr. Hunsicker also asked if we are working to reduce the 17% water loss that still exists.

Mr. Arndt stated that the 17% is a big reduction from previous years and further measures are being taken to reduce that even more by replacing dilapidated water mains throughout the City system. He explained that this project will be discussed in detail later in the meeting.

Mr. Hunsicker also inquired as to how the Authority is splitting costs of capital projects between the systems. He wanted to know if all customers are incurred with the costs or just City Division customers.

Mr. Arndt stated the Authority has a very sophisticated accounting system that allocates work for each project very specifically; but some costs are allocated to all systems and other's specific to certain divisions for only benefited by the expenditure.

Lou Hershman, resident of Allentown, asked the Board if the Authority is able to lower rates for City customers. He noted that there will be an increase in revenue from all of the development in the downtown area.

Mr. Arndt stated that rates are fixed until 2016 according to the agreement. Mr. Arndt noted that keeping rates affordable is the goal of the Authority but analysis of actual revenue and costs will continue to determine rates.

Mr. Hershman asked if the Authority could assess fines under City Code.

Mr. Arndt explained that the Authority does not have police powers to enforce City codes/ordinances; rather, we assess late fees to non-compliant customers. If a person breaks the law by damaging a curb stop, etc., the City will have to delegate authority to us, or the City will have to handle the violation.

Bonnie Bosco, resident of Allentown, inquired about the Delta Thermo Energy contract and wanted to know more about the process. Her major concern was whether water discharged from Delta Thermo somehow comes back into the water being provided through the public water system.

Mr. Arndt stated that the Authority is responsible for fulfilling the contract as part of the Concession Agreement. The Authority is required to deliver the sludge to Delta Thermo Energy and then accept the wastewater output from their process back into the treatment plant at Kline's Island. The energy generated from the process goes back to the City. He stated that all waste coming back to the Authority will be treated in accordance with regulations as all other waste. The wastewater from the treatment plant is discharged to the Lehigh River below any City intakes and does not mix with the City's water supply. Messrs. Bieber and Kerchusky added additional comments regarding pretreatment and safety regulations.

Mr. Hahn addressed the Board again, asking about accepting certain chemicals into the system from other companies.

Mr. Arndt explained that we will not refuse wastewater that can be treated; any company that has a by-product that will be coming into our plant will be required to meet the same regulations as all others and if they do not meet those, they will be required to pretreat their wastewater before we accept it at the plant. He noted that there is an industrial pretreatment program in place for these types of industrial wastes and samples are tested from industries to make sure the wastewater is acceptable.

Mr. Hahn requested a copy of the standards used by the Authority. Mr. Arndt stated that this can be found in the City Ordinance.

## **EXECUTIVE SESSION**

Mr. Arndt stated there would be one Executive Session to discuss legal matters.

## **APPROVAL OF MINUTES**

### **May 27, 2014 Regular Meeting Minutes**

On a motion by Mr. Nagle, seconded by Ms. Cusick, the Board unanimously approved the minutes of the May 27, 2014 Regular Meeting, as amended (5-0).

## **ACTION AND DISCUSSION ITEMS**

### **Allentown Division – Water Main Replacement Program Construction Phase – Cycle 1 (Approval)**

Mr. Leist stated that this is the first major Lease project that the Authority is handling completely. He referenced the attached memorandum and stated that all of the mains selected for cycle one of the project were those with failure. The Board authorized the design phase of this project in October 2013 and a professional service authorization was awarded to Gannett Fleming, Inc. The project will replace the Concession-required one-mile of main for the first year. An additional 1,475 LF of water main will be installed outside of this requirement due to installations mainly occurring from intersection to intersection, thus allowing future replacements to be easily extended without interruptions in service to customers in the area. The project was advertised for bid on May 6, 2014. A mandatory pre-bid meeting was held on May

21, 2014 and representatives of 11 contracting firms attended. Bids were received on June 5, 2014. Discussion followed.

On a motion from Mr. Bieber, seconded by Ms. Cusick, the Board unanimously approved a Capital Project Authorization in the amount of \$2,315,185, which includes contract award to DOLI Construction Corporation (5-0).

On a motion from Ms. Cusick, seconded by Mr. Nagle, the Board unanimously approved the Professional Services Authorization Amendment for Gannett Fleming, Inc. in the amount of \$152,862 (5-0).

### **Wynnewood Terrace Pump Station and Force Main Replacement** (Approval)

Mr. Landon explained this resolution is like several others the Authority has passed in the past. It is in regard to a project includes the design and construction to replace the existing wastewater pumping station and approximately 3,000 feet of 4-inch force main, which serves 217 residential and 2 commercial customers in the Wynnewood Terrace Development. New facilities will include a 300 gallon per minute, duplex pump station and approximately 3,000 feet of 6-inch HDPE force main. The project cost is estimated at \$1,000,000. Design work is complete and DEP has granted the permit. Staff has initiated an application to PENNVEST for construction funding. However, due to the timeframe for receiving the NPDES Permit, the Authority will postpone its application until the August PennVEST due date. A "Letter of No Prejudice" will be solicited, due to Sanitary Sewer Overflows in 2014, so that bidding can start in July and construction in August. Board action on the attached Resolution 6-2014-1 is requested in order for the Authority to ultimately reimburse itself from loan proceeds for pre-loan closing project expenditures.

On a motion from Mr. Stellar, seconded by Ms. Cusick, the Board unanimously approved Resolution 6-2014-1 to authorize the Authority to reimburse its non-borrowed funds used to pay the Wynnewood Terrace Pump Station and Force Main Replacement Project Costs from PennVEST (5-0).

### **SYSTEM OPERATIONS OVERVIEW**

Mr. Kerchusky shared that the PPL engine has been on line for about one week and operating fine. He also noted there were significant flows from the June 13, 2014 storm event, but zero sanitary sewer overflows.

### **STAFF COMMENTS**

None.

### **SOLICITOR'S COMMENTS**

None.

### **OTHER COMMENTS**

Mr. Nagle asked for an update regarding the wells on the Skrip property.

Mr. Leist explained that the Authority has rejected their offer, as outlined with the Board previously, but have not heard back from the Skrips with a requested counteroffer at this time. In the interim, the Authority is researching other options and awaiting on some information from Operations regarding the area.

### **EXECUTIVE SESSION**

The Chairman called for an Executive Session at 1:31 p.m. to discuss legal matters, at which time members of the public left the meeting.

Mr. Stellar left the meeting at 2:02 p.m.

The session ended at 2:06 p.m.

**ADJOURNMENT**

There being no further business, the Chairman adjourned the meeting at 2:07 p.m.

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Norma A. Cusick  
Assistant Secretary