

AGENDA-MINUTES

April 20, 2015

1. **CALL TO ORDER: 3:00 p.m.**
2. **NOTIFICATION: All public sessions of the South Whitehall Township Board of Authority are electronically recorded. The electronic record is kept until the minutes of the meeting are approved and destroyed if a request is not made to retain the electronic version at that time.**

At the start of the meeting, Vice Chairman Geiger explained that Chairman D’Imperio was not going to be in attendance due to his hospitalization.

ATTENDANCE: Daniel G. D’Imperio, Chairman – Absent
William Geiger, Vice Chairman
Dr. Rex D’Agostino, Treasurer
Chris Peischl, Secretary
Craig J. Walls, Assist. Secretary-Treasurer
Howard L. Kutzler, Township Manager
Peter A. Pineda, Authority Manager
Bob Ibach, PW Manager
Jerry Charvala, PW Utilities Group Leader
Blake C. Marles, Solicitor
Lenore M. Horos, FN Manager
Brooke Apple, FN Supervisor
Tracy J. Fehnel, Executive Assistant

3. **MINUTES: March 16, 2015, Meeting Minutes (page 5)**

A Motion was made by Craig Walls, and seconded by Chris Peischl, to approve the March 16, 2015, BOA Minutes. All in favor; none opposed.

4. **PUBLIC HEARINGS:**

- a. **Appeal Hearings - Status:**

- 1) **Rothrock Motors, David Rothrock – Route 22 and 15th Street, Allentown, regarding Tapping Fee Challenge**

Postponed until next month—extension granted until the May 18, 2015 BOA Meeting.

5. **COURTESY OF THE FLOOR: (Public comment on non-agenda items)**

6. **PRESENTATIONS/DISCUSSIONS:**

- a. **Supervisory Control and Data Acquisition (SCADA) Presentation by Peter Pineda, Authority Manager (Handout)**

Authority Manager Peter Pineda gave an overview of the SCADA System. He explained that it is not a proprietary system, and that it is a Human Machine Interface (HMI) System, which operates with coded signals over communication channels so as to provide control

of remote equipment. He explained that PLC stands for Programmable Logic Controller and RTU stands for Remote Terminal Unit.

You can change parameters and SCADA can also be combined with a data acquisition system to acquire information about the status of the remote equipment for display or for recording functions. SCADA can also be used in order to complete the required DEP reports. SCADA is widely used in the water and wastewater.

SCADA allows the operator to change set points for the flow and enable alarm conditions, such as loss of flow and high temperatures, to be displayed and recorded.

Purchasing Strategies for this project – Could do a combination of an RFP and a bid.

The design of the system requires specialized engineering work, and would best be handled by doing an RFP.

Regarding the hardware, we could specify what we need and put it out for bid or purchase it ourselves through COSTARS, or include as part of the Professional Services Agreement from the design firm.

Regarding the software, it can be purchased from Wonderware, and then we could maintain the licenses. There is only one sales rep in the area. There is an immediate need to replace the mainframe—we can purchase a new computer from Dell for our current system. The software and computer need to be purchased immediately. Cost of these two things should be under \$19,000. (The software would be an upgrade to our existing software.)

Technical Devices, Inc., put together a proposal for us. Essentially the engineering design part is \$54,000.

Gannet Fleming told us to talk to Keystone Engineering Group. Their proposal will probably be way less than Technical Devices. Currently waiting for Keystone's proposal. Keystone said they would prefer that we get our own licenses and maintain them.

The design is the actual design of the system. If we are going to try and bid out the design, we are then stuck to this spec. However, if we don't, we have more control and it is more beneficial.

Peter recommends that we buy the Wonderware software for a quick fix and RFP for the design.

The software will be platform software that we build off of. Whoever does the integration, if it's Keystone, they will build off of this. The magic number is \$19,000.

Chris Peischl asked if we can make a motion for Peter to proceed with the hardware (being the computer)/software fix not to exceed \$19,400? Solicitor Marles said that the hardware does not have to be part of that \$19,000—the \$19,000 relates to the design.

Peter said for the quick fix, we need to upgrade the PC. We also need to upgrade the platform software, which is called Wonderware. The version we are working from is about

five versions older. It has been recommended to us to go and purchase the new software, new computer, and get that running.

Jerry Charvala explained that the computer does not have to be tied into this. It can be spec'd out. We can buy it from the Township's State contract.

Solicitor Marles said that the hardware does have to be part of the 19,000, because it relates to the design of the computer.

Craig Walls said that he doesn't have any problem approving the \$19,400. He asked that Peter provide a copy of the proposal—what we want to do—the software proposal (which will include integration of software onto the PC) and computer proposal so the BOA knows exactly what we are getting when we approve the motion. He said that Peter can send it to them electronically so that we know what we are approving in this motion.

Peter wanted clarification that he is asking for the PC, software, and integration of the system onto the PC. Craig said that is correct. Peter said that he will do that.

Craig asked how do we get all this done, because he does not want to wait until May. Solicitor Marles said let's go back to Chris's motion and say we get it done within the \$19,400 and have Peter just communicate with you as far as how he is actually doing this over the course of time that he does it, but approve it now. Bill Geiger said that if a motion is made so that it says you cannot exceed \$19,400, and if it does, then we just cannot proceed further, we would have to come back to the BOA. If it is under the \$19,400, we are basically saying you can spend up to the \$19,400 to accomplish the system with the new software and matching that software to our existing system and a new computer.

Solicitor Marles said that the \$19,400 means that you don't have to go out to bid, but that you still have to go out for proposal, and then you would still have to get three quotes on that, so that you have the security that he is getting the best price.

A motion was made by Chris Peischl that the cost of the hardware, software, and the integration into the system is not to exceed \$19,400. The motion was seconded by Dr. Rex D'Agostino. All in favor; none opposed.

7. TREASURER'S REPORT:

The BOA expressed their interest in Dr. Rex taking on the role of Treasurer. Bill Geiger said that the main role of the Treasurer is to communicate between the Finance Department and the BOA and of course the review of invoices, and the signing of checks. Dr. Rex explained that he would prefer to give this a try to see how things go, sort of have a probationary period. Vice Chairman Geiger said he sees nothing wrong with that.

A motion was made by Chris Peischl and seconded by Craig Walls to appoint Dr. Rex D'Agostino to the position of Authority Treasurer. All in favor; none opposed.

- a. **Financial Reports: (Please see Finance Report Packet) Water first.**
 - **March 2015**

At this time, Finance Manager, Lenore Horos reviewed the Water Fund and Sewer Fund Financials.

Water Fund

Cash: Balance March 31, 2015 - \$747,624.79

Total Receivables: \$777,935.60

Total Expenses: \$252,172.18

The Water Fund Bank Balance as of April 13, 2015 - \$720,642.97

Sewer Fund

Cash: Balance March 31, 2015 – \$691,449.40

Total Receivables: \$2,203,680.43

Total Anticipated Revenues: \$660,000.00 (Payback of short-term loan from water)

Total Anticipated Expenses: \$152,012.25

The Sewer Fund Bank Balance as of April 13, 2015 - \$672,007.79

Treasurer D’Agostino feels we need to have our homework done before we consider borrowing, to which Solicitor Marles also agreed that we need to look at this extensively.

Bob Ibach, PWM, said when we are about 50% through our replacement program, that would be a good time to see what difference the new meters have made—old numbers v. new numbers. Township Manager Howard Kutzler agreed with Bob, and said perhaps we can get a rough idea of where we are.

One page 51 of the Finance Packet, delinquents were discussed.

- Water Allentown, Outstanding Amount - \$51,410.87
- Water Township, Outstanding Amount - \$118,544.03
- Water Crest, Outstanding Amount - \$20,271.93
- TOTAL OUTSTANDING AMOUNT - \$190,226.83 as of April 13, 2015.

On page 71 of the Finance Packet, in the Sewer Fund, the amount of Outstanding Receivables Prior to December 31, 2013 (Delinquents) is \$178,096.82. Finance Manager Horos explained that this is the job of the two new girls which were recently hired. They are working on these.

Q: Projection as to when delinquents can be cleaned up – Lenore thought perhaps by July. Craig thought that it would take a year, but Dr. Rex thought July was not really an acceptable timeframe. Craig Walls said that he can understand that. Township Manager Kutzler explained that this is a manpower problem. This has been a long process, but has been improving over the last two years, and there continues to be more improvement each month. Vice Chairman Geiger explained that our procedure for doing things is very cumbersome. The FN Department only has two people who handle thousands of accounts. The plans are now in place for things to incrementally get better, especially now with Peter on Board as Authority Manager; things will definitely improve.

Craig Walls thought maybe we should true up our budget, but Chris Peischl said he thinks we cannot really do that until we pay LCA. Vice Chair Geiger said we will lack the added tack-on for Industrial Waste, but that it could be done. Craig Walls just wants to make sure we are running on budget, and if we are not, he would like to know that too.

Page 85 of the Sewer Fund Report, Flat and Metered Accounts were discussed a bit as follows:

Flat Accounts

Billings in 2015 - \$47,038 v. \$334,562 in 2014; Delta of (\$287,524) – this is due to the flat rate accounts being switched to metered accounts at the 1st of the year.

Cash Receipts in 2015 - \$58,016 v. \$618,508 in 2014; Delta of (\$560,492)

Metered Accounts

Billings in 2015 - \$319,544.00 v. \$256,487.00 in 2014; Delta of an increase of \$63,057

Cash Receipts in 2015 - \$149,519.00 v. \$130,815.00; Delta of an increase of \$18,704

Chris Peischl made a Motion to approve the water and sewer bills for the March 2015 Financials, based on the invoices listed, which have been provided by the Administration, and moved to ratify bills paid last month, and approve bills to be paid in the current month, as funds become available (as required by the Authority’s Act). The motion was seconded by Craig Walls. All in favor; none opposed.

b. Approval of Stevens & Lee Legal Invoices: CW/RD-A

<u>Invoice #</u>	<u>Date</u>	<u>Amount</u>
437123	02/28/2015	\$2,346.72 (page 17)
437124	02/28/2015	\$3,414.00 (page 21)

c. Approval of The Pidcock Company Engineering Invoices: CW/RD-A AIF/NO

<u>Invoice #</u>	<u>Date</u>	<u>Amount</u>
39353	04/03/2015	\$12,217.26 (page 29)

A Motion was made by Craig Walls, and seconded by Treasurer D’Agostino, to approve payment of both the Stevens & Lee Legal Invoices AND The Pidcock Company Engineering Invoice as noted above. All in favor; none opposed.

8. REPORTS:

a. Authority Engineer Report: None.

b. Authority Solicitor Report: by Solicitor Blake C. Marles

Solicitor Marles explained that today he met with SWT Staff to make a list of items currently open. Staff will prioritize and then will inform what the next steps are. This is only one of three lists.

c. Industrial Waste Discharge Permits and Extra Strength Billing (page 33)

1) Meeting with CodeMaster Inspection Services – Currently being scheduled.

Treasurer D'Agostino asked when someone fails testing, what is the next step? Vice Chairman Geiger said that a bill goes out to them, and explained that when someone goes over the limits, we charge them what we pay the city plus 10%.

Bob explained that businesses are supposed to test two times a year, and if they do not, they get billed. Billing gets done twice a year. If they do not submit testing, they get billed on the previous results.

Solicitor Marles explained that the Authority is getting a lot of backlash right now regarding this program. Commercial customers are now beginning to question the validity of the bills. Township Manager Kutzler said they need to be educated. Craig Walls feels that the Extra Strength Program has taken a back seat and wants us to stay on top of this and that we need to make sure people are not dumping things into the system which should not be there.

Someone asked if all the extra strength costs we incur are being covered by the billings? Bob said no, because this is a new program, which is really just beginning.

Howard Kutzler, Township Manager said that we need to get copies of the various resolutions with regard to the different fees involved in this program.

Peter Pineda, Authority Manager, explained that he worked with this type of program for 15 years, and feels that the inspections are not enough. He feels the facility and the grease trap need to be inspected. He wants to know how the grease trap is handled—what comes out and where does it go. Regarding the billing, he is also familiar with how this should be handled. He will review this process and bring the recommendations back to the board on how to better run this program and bring it up to speed.

In response to this, Solicitor Marles said that we did not have anyone internally to do this well. We now have Peter who comes with experience in this program.

Vice Chairman Geiger commented that this program was not initiated to generate money, but started because with the City of Allentown, if we did not do this, there would be repercussions. We needed to take care of this. Bill feels we have covered the requirements in the contract. He agreed that we probably are not currently doing this properly, but agreed that Peter intends to do that.

Along the same line of thought, Craig Walls feels we have not followed through, and that we are delinquent in doing what we said we would do. He feels that now is a good time to take a second look at the program; he feels that a set of bills should be sent out.

Treasurer D'Agostino would like to see a modified program based on Peter's expertise.

Peter Pineda, Authority Manager, expressed the need for compliance software in order to do this program properly. There is software for FOG programs, which can also calculate and generate the invoices, ultimately saving countless hours of time. He sees that as a primary need. Howard Kutzler, TM, interjected that currently this is done manually—by

pen and paper. The BOA asked Peter to put something together on this software. Additionally, there is currently a meeting tomorrow, which the purpose in part is to bring Peter up to speed a bit, in order to be able to move forward with generating some invoices. Treasurer D'Agostino asked Peter to summarize what his recommendations are, and how we should be moving forward. Peter agreed to do this.

d. Monthly Public Works Utility Report – April 2015 – FYI

- **Currently reading meters in the Crest area – 1,800 customers**
- **Meter Replacements to date:**
 - **Allentown – 2,110 out of 2,220**
 - **Township – beginning this section 311 out of 2,530**
- **Clear water inspections as of April 13: 4,865 (77.91% complete)**
- **Repaired water main break on Glick Avenue**
- **Winchester West replacement booster pump ordered - \$3,850**
- **SCADA System – On going issues**
- **USG has started sewer main repairs as of 1/26/15 – currently 94 repairs done to date.**

Chris Peischl asked the BOA if we are going to talk about some of the capital projects that we were going to start on. Solicitor Marles said that he feels that Staff is not ready to borrow the amount of money that is talked about in the resolution. He clarified that the BOA talked about the expenditures on the wish list, and so that is how we came up with the \$4M.

Vice Chairman Geiger said the point of the resolution is so that we have a means of covering these capital project expenditures by a loan, in a time when money is relatively cheap. He said, for example, SCADA needs to be done, and we cannot fund that on our own. He added that with many of the other items, we still need a lot more information on them, before we can even consider doing them. Solicitor Marles said that if we have a need of \$1.5M, we can look at getting it from a bank; however, if it is \$4M we are looking at, we would have to go look at bond funding.

e. Secretary Correspondence:

- 1) Interoffice Memorandum from Howard Kutzler, Township Manager, to the Board of Authority Regarding the Verizon Cell Tower Project (page 37)**

Howard Kutzler, Township Manager, said the BOC considered other things that could be done to make up for this loss of expected revenue, and then decided that they would not pursue those options.

Treasurer D'Agostino asked what the amount of money was. Vice Chairman Geiger answered \$20,000, which would have gone up a bit every year. He asked how long Verizon might wait for us on this matter. Craig Walls asked what this Memo was a result of (page 37 of packet). Township Manager Kutzler said that it was as a result of a BOC Executive

Session, which met in follow up to the Joint BOC & BOA Meeting where this issue was discussed.

Chris feels that we should continue to put this on the agenda; he feels that the BOC just saying NO is not appropriate from the BOA's perspective. He said we have the ability to put up the tower without any interference from anyone. Vice Chairman Geiger asked if we know who owns the land.

Solicitor Marles explained that the issue is, if you move forward with this and the BOC in retaliation says they will not authorize your borrowing, it's like you kind of lost the battle and won the war. The question is—what is it worth to you?

Dr. Rex expressed his thoughts in saying we need to clean up our house, clean up our receivables, get things operating smoothly—ultimately, the \$20,000 will not mean that much. He feels there are too many hoops to jump through in order to get this \$20,000.

Chris Peischl asked if we could contact Verizon and ask them how long they will wait for us.

Vice Chairman Geiger feels it should be tabled for now. He agrees with Solicitor Marles and Dr. Rex in that he is not ready to have a battle with the BOC on this. He agrees with Dr. Rex that there are a lot of other things to be done to get things in order.

Township Manager Kutzler asked Solicitor Marles if he could find out if there are other sites in the area Verizon is looking at. For example, are they going to go next door?

Craig Walls feels differently about this situation and feels the \$20,000 is important to the Authority. Additionally, we also would have a state-of-the art tower, which will deliver service to the area.

9. **BID AWARDS: None.**

10. **RESOLUTIONS:**

a. **A Resolution Designating Depositories for Board of Authority Funds and Providing the List of Officials Authorized to Sign Checks, Drafts, Notes or Orders Drawn Against Authority Accounts (page 39)**

A Motion was made by Chris Peischl and seconded by Bill Geiger to approve the above-mentioned resolution regarding those who are authorized to sign checks, etc. All in favor; none opposed.

Craig said that he would like a signature stamp for himself; and Dr. Rex said that he does not need a signature stamp—he will sign them. Howard Kutzler, Township Manager, said that he will only sign in Peter's absence. Going forward, Peter Pineda, as Authority Manager, will sign checks.

b. **A Resolution Declaring the Authority's Present Intent to Issue Tax-Exempt Notes for the Purpose of Assisting in the Financing of a Capital Project of this Authority; Establishing the Maximum Amount of Debt Expected to be Issued to Finance the Project; and Authorizing and Directing Proper Officers of this Authority to do such**

Things as May Be Necessary to Carry Out the Intent and Purpose of This Resolution (page 41)

Vice Chairman Geiger clarified that this is for no more than \$4M. All the soft costs can be rolled into this. You need the resolution in order to do this, if you are going out for bond issue.

A Motion was made by Chris Peischl and seconded by Vice Chairman Geiger to approve the above-mentioned resolution. All in favor; none opposed.

11. MOTIONS: None.

12. OLD BUSINESS:

a. Community Development Manager, Gerald Harbison Correspondence Regarding Previous Allocation Requests for Water & Sewer AND Utility Services Agreement – 1345 N. Leh Street (page 43)

Vice Chairman Geiger explained that this was approved last month. This Agreement simply needs to be signed.

b. Community Development Manager, Gerald Harbison Correspondence from Katie Miller, Design Engineer, Dynamic Engineering, Regarding Sewer and Water Utility Confirmation (page 53) She needs to redo her request. Just an FYI.

c. Interoffice Memorandum from Robert Ibach, Public Works Manager, Regarding Recommendation to Award Bid #2015-01, Internal Closed Circuit Television Inspection of Sanitary Sewer Pipes (page 59)

Basically, this is in order to continue TV-ing the lines. Bob explained that we put out a new bid. Bob said we received three bids. Bob and Jerry are recommending a split award. Items #2 & #3 to Pipe Services and Item #1 to Utility Services Group. The total is about a \$2,800 savings. Bob explained that we are allowed to award to two separate bidders. Authority Manager Pineda said that it also means we will get the work done faster. The other bidder did not bid properly. Solicitor Marles said they did not provide all the information.

Public Works Manager Ibach explained that both companies are good to work with. Utility Services Group is currently doing repairs for us and TV-ing the work, and they were fantastic to work for regarding the repairs—have no qualms with their work; work done on time. Jerry Charvala said both of these companies have been contacted and said they would like to start as quickly as possible. Peter said that he is also in agreement with Bob and Jerry on this.

Bob said that \$250,000 was budgeted.

Bob said that doing it this way will give us a savings, in addition to the fact that, as previously mentioned, two companies working at the same time, and you get it done more quickly. There is a need for speed in order to define what has to be repaired and this is all related to the EPA order. Bob explained that we still have not heard back from EPA regarding the extension.

Per Jerry Charvala the two projects will be done in about 4-6 months.

A Motion was made by Vice Chairman Geiger, and seconded by Chris Peischl, to accept the bid for Internal CCTV Inspection of Sanitary Sewer Pipes as recommended in Public Works Manager Bob Ibach's Memo. All in favor; none opposed.

d. 2014 Bid and Municipal Contract for Sewer Main Repairs and Manhole Rehabilitation (page 61)

Same company doing the same repairs, for the same price. The contract is based on unit price. Will probably only spend around \$200,000 until such time we get an estimate to dig. Bob is making this recommendation, because it was a low bid and wants to keep the repairs moving. \$700,000 is what was budgeted for TV-ing and repairs.

Solicitor Marles explained that we can say, we want you to do "X" amount of work, and you need to come back and check with us before you do more; but said that we can continue with this contract.

A motion was made by Vice Chairman Geiger, and seconded by Chris Peischl to authorize additional work, at additional rates, not to exceed \$200,000 without prior authorization. All in favor; none opposed.

Bob explained that there is no way of getting a discount unless we rebid.

13. NEW BUSINESS - DIRECTION/DISCUSSION ITEMS:

a. Dorney Park Fire Line Installation (Haunted House) – Encroaches the Authorities Sanitary Sewer Easement (page 65)

Solicitor Marles said we need to do a document that authorizes them to cross.

In Dennis Harman's (TPC) correspondence he indicated that he doesn't see a difficulty because of the vertical separation between the two lines. Solicitor Marles said we are trying to see how we can document this now, because previously we didn't have enough information to do that. He could not tell whether the easement their engineer sent us was actually the easement that related to this line. With the documents we have today, we can now put a document together, should the BOA give authorization to do so.

Authority Manager Pineda said that Mr. Weider did call him today to see if this was on the agenda and indicated that he would be filing a permit to cross an easement. Peter was not

aware that we had this particular document. Solicitor Marles indicated that it would be great if we did have one.

Solicitor Marles said that we are authorizing encroachment of an easement and specifying that Dorney Park would handle the restoration responsibility, and not the Authority, and authorizing us to document this as Dorney's cost. Solicitor Marles said that once the document is ready, we will bring that back to the Authority to then sign. The document will reflect what you are authorizing.

Chris Peischl made a motion to allow Dorney Park to install the water line across our easement, and that the Authority will not incur any additional costs as a result of this. The motion was seconded by Treasurer D'Agostino. All in favor; none opposed.

b. Posocco Properties (Blue Barn Meadows) – Suggested Improvements to Eck Road Booster Pump Station (page 93)

Mark Bradbury talked about the replacement of the pumps at the booster station as well and a cellular device at the Vistas. He explained that TPC was doing research on this—perhaps water tank permanent fix, two new pumps a temporary fix. Q: What was cost of original equipment and cost to replace it. Dennis Harman had told Mark that they don't make that type of pump anymore.

Q: What are the replacement costs, and how it can be written off over years of service. Also what is the final fix for this particular issue with Blue Barn coming in

Public Works Manager Bob Ibach said that we do not have a cost on the final fix. Some testing was done in house and we have some of those results back, but have not had a chance to discuss with Peter Pineda or Jerry Charvala.

Mark Bradbury again mention that those two pumps are really up for replacement. Bob Ibach said we do not really know that. The Pidcock Company did say that the one pump needed an adjustment.

Pidcock did their test, and we did our test, and Bob said that we should have an answer in May and will let Mark Bradbury know.

Blue Barn is slated to be on the agenda for final approval. and said if they move forward with the inter-municipal agreement. Mark Bradbury told them that to the best of his knowledge, he did not think that the Inter-Municipal Agreement was ever finalized.

Mark Bradbury said that he assumes they will have final approval from Upper Macungie, and then he will come back to the May meeting to have the Inter-Municipal Agreement approved. Hopefully everything will begin to fall into place. They want to get positioned with the BOA. Howard Kutzler, Township Manager said at the Township level there will not be any problem, but that he will need to get the necessary approval from the BOA.

Craig Walls asked what the BOA timeline is that we need; Township Manager Kutzler said that before Posocco could begin selling lots, we need a letter from him saying what he is going to do.

Solicitor Marles said to send him a PDF of the map of the development that we are talking about and will then communicate with Andrew Schantz and say this is what we need. Then Mark Bradbury and the new manager can figure out the details.

Mark Bradbury said if they can start to work the roads and the retention base—they would like to get the offsite work in place. Township Manager Kutzler said once we receive a plan approval, he can. Chris Peischl said that he would like to see the development plan of this area—what is the vision for this area?

They are talking about how to maintain the water pressure once the system is built. Bob Ibach asked, if the water pressure needs to be improved, who will do the work? Someone commented that perhaps Keystone, the alternate engineer—they have the capability of doing system modeling if the BOA wants to get a better picture of this development.

Mark Bradbury asked if there was any further conversation regarding the interconnection of Blue Barn with LCA's water line? Pidcock is doing the flow test in this area and has not yet looked at this. Bob said we could check to see if the pressures line up. Mark Bradbury said that if there is anything the BOA needs from him in the meantime, he has sketches the various sketches.

Public Works Manager Bob Ibach said they will hopefully have something before May and can then let them know which way we are leaning.

Mark Bradbury indicated that he will be in attendance at the May meeting.

14. NON-AGENDA ITEMS:

Lehigh County Meeting on April 29th to discuss the ACT 537 Plans. Township Manager Kutzler said he will be attending on behalf of the Township and Peter Pineda will be in attendance on behalf of the Authority, as well as Bob Ibach, Public Works Manager. Howard did confirm that they do indeed have all our information. Vice Chairman Geiger and Treasurer D'Agostino said that they may go.

Rex would like the Treasurer's report first thing on the agenda.

Generators - Craig Walls said that he would like to see the design of the generators before they are approved. Vice Chairman Geiger reminded that the need for the generators will be mandated by the state.

Regarding the \$4M Resolution, Dr. Rex asked what the next step is. Will there be an analysis be done on this or will we just approve it and it stay in limbo. Bill explained that we will need funding on the SCADA project which needs to be over the course of three years. At some point we will have to borrow for this, just like we did for the water meters. SCADA will be somewhere around \$700,000. If we have a quote for the generators, it could bring us close to around \$1M. Once we have those numbers, and if we are in the \$1M range, we will go to a bank or some other financial institute and come up for a loan.

Treasurer D'Agostino asked if we could do a pro-form analysis, with cash flow going out for a couple of quarters to at least see what makes sense from an affordability standpoint. Solicitor Marles said that it would be easier to sell it to the BOC that way too. Howard Kutzler said isn't this something that a consultant would do?

Howard said that we need to know how much money we are borrowing, and what that payment would be. Then we can take a look at our budget to see if we can pay it, or will we have to jack up our rates. Solicitor Marles said this is a little bit different than the water meter issue, because we could figure out how much money will be generated as a result of the project. With this project, there will not be a generation of revenue—all these items will not generate revenue; there is no return on investment.

Treasurer D'Agostino feels we need to know what our projected revenue is going to be two, three, four years out. Howard explained that the problem with all this is that we have a manpower issue. If we had a bigger staff, we could really be doing this. Rex explained that he just wants to be proactive, not reactive. Everyone agreed that it is a really great idea. Craig Walls said that for something like that, we may just have to go outside for that, which is not necessarily a bad thing.

Peter said that as an outsider, said that our water-sewer billings are rather flat; there really is no increase, there is no base charge.

Treasurer D'Agostino feels we just do not have the money to do what we need to do. We need to generate more revenue and we need a plan. He feels a rate structure analysis should be done. Peter feels it makes sense to have someone do a rate structure analysis for the Authority and it should be done by a professional services. Howard asked Craig if we should reach out to John to see if he could come and make a presentation to the BOA on this.

Chris Peischl feels we should put this in our budget for next year. Chris agrees that we need to get our house in order before we can take on that piece of the elephant. He said we need to look at what is already on Peter's plate right now and all that we have asked him to do. What is most pressing?

Craig feels that we need to take a closer look at our rate structure. He feels we should be structured differently—take a look at how other authorities are doing this. At this point, Chris again interjected that we should put this in the budget for next year—someone to come in and do an analysis.

Craig Walls said that we are not billing correctly. More to the larger customers, and less to the residents--\$5.99 flat is very high.

Peter Pineda explained that the service charge that Jerry Charvala talked about earlier in the meeting would cover our normal operating costs to supply water, whether it was used or not, and if John would do a rate structure analysis, that would be part of his analysis on figuring out how much money we are spending to do our day-to-day operations.

Bob said that leaving this base rate, coming up with a better base rate, we obviously would make more income.

15. **EXECUTIVE SESSION:** None.

16. **ADJOURNMENT:** At 6:00 p.m., a motion was made by Chris Peischl, and seconded by Craig Walls to adjourn. All in favor; none opposed.

17. **APPROVED: May 18, 2015**

On May 18, 2015, a Motion was made by Treasurer Dr. Rex D'Agostino, and seconded by Vice Chairman Bill Geiger, to approve the April 20, 2015, BOA Meeting Minutes. All in favor; none opposed.
