

AGENDA

May 18, 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.**

ATTENDANCE: Daniel G. D’Imperio, Chairman
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: April 20, 2015, Meeting Minutes (page 5)**

A motion was made by Treasurer Dr. Rex D’Agostino and seconded by Vice Chairman Geiger to approve the April 20, 2015 Meeting Minutes. All in favor; none opposed.

4. **PUBLIC HEARINGS:**

- a. **Appeal Hearing – Rothrock Motors, David Rothrock – Route 22 and 15th Street, Allentown, regarding Tapping Fee Challenge**

Attorney Gary Brienza was counsel for Rothrock Motors. He explained that because he has some questions for our Authority Engineer, the hearing cannot be concluded today. Today’s hearing procedures will include testimony from Mr. Rothrock only. Attorney Brienza went on to thank the Board of Authority for their indulgence and for the continuance which had been granted. Mr. Rothrock extended his thanks to the Board for their understanding of his family situation back in March.

A Court Stenographer was present in order to prepare a Transcript of Proceedings In Re: Application of Rothrock Motor Sales, Inc.

The hearing portion of the meeting will not be part of these meeting minutes due to the fact that a separate transcript will be forthcoming.

The hearing portion of the meeting ended at 4:39 p.m.

5. **COURTESY OF THE FLOOR:** (Public comment on non-agenda items) There was a courtesy of the floor item, which was Agenda Item 13.c. as noted below.

6. **PRESENTATIONS/DISCUSSIONS:** None.

7. **TREASURER'S REPORT:**

a. **Financial Reports: (Please see Finance Report Packet) - April 2015**

Water Fund – April 2015

Cash – Balance as of April 30, 2015: \$783,665.64

Total Receivables: \$585,735.26

Anticipated Total Expenses: \$62,000.00

Total Unscheduled Payments: \$660,000.00

The Water Fund Bank Balance as of May 12, 2015: \$822,674.02

Water Fund Metered Revenue Account:

- Year-to-Date Metered Sales (Billings for January-April 2015): \$727,756
- 2015 Actual Cash Receipts as of April 30, 2015: \$552,997.00

Authority Delinquents – Water, as of May 11, 2015: \$174,706.10

Sewer Fund – April 2015

Cash – Balance as of April 30, 2015: \$708,282.37

Total Receivables: \$2,122,345.21

Total Anticipated Revenues: \$660,000.00

Total Anticipated Expenses: \$34,500.00

The Sewer Fund Bank Balance as of May 12, 2015: \$717,168.60

Sewer Fund Flat and Metered Revenue Account Detail:

- Flat Accounts: 2015 Billings \$52,565.00 and 2015 Cash Receipts \$59,315.00
- Metered Accounts: 2015 Billings \$444,867.00 and 2015 Cash Receipts \$265,907.00

Authority Delinquents – Sewer, as of May 11, 2015: \$177,640.24

Utility Department Updates: 530 Phone Calls Received, and 523 Phone Calls Returned; 20 Final Meter Reading Requests Processed; and 40 Tax Certifications Processed.

Treasurer Dr. Rex D'Agostino would like a projection of when we can take the delinquents down to a more reasonable level.

Township Manager Howard Kutzler said that there was a plan last year, where we were going to third party out the delinquents. The BOA decided not to do this. He went on to say to please understand, from a corruption situation, use of an antiquated system, to

shipping billing water/sewer out of the Township to another agency to handle, and now we are bringing it back in, and lastly with part-time help, this has been a very difficult process. The staff was/is doing the best that they can. Since January we have brought on two full timers to begin handling many finance issues and to provide some rapid responses to dealing with delinquents, and getting customers associated with this. He feels staff are pretty much on schedule in this process. The process in place is simply a water turn off process, and it's just a matter of getting the new people trained up beyond the billing process.

Treasurer Dr. Rex D'Agostino just wants this to be in concrete as we move forward. Howard said that it is in concrete. Treasurer Dr. Rex D'Agostino said that it will be in the proof that we see month-to-month.

Item 7-a. - Treasurer Dr. Rex D'Agostino made a Motion to approve the water and sewer bills for the April 2015 Financials, based on the invoices listed, which have been provided by the Administration, and as recommended by the Treasurer, 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.

Items 7-b. & 7-c. – A motion was made by Treasurer Dr. Rex D'Agostino and seconded by Craig Walls to approve both the Stevens & Lee Legal Invoices AND The Pidcock Company Engineering Invoices. All in favor; none opposed.

b. Approval of Stevens & Lee Legal Invoices:

<u>Invoice #</u>	<u>Date</u>	<u>Amount</u>
439481	4/16/2015	\$4,827.47 (page 19)
439482	4/20/2015	\$1,893.13 (page 25)

c. Approval of The Pidcock Company Engineering Invoices:

<u>Invoice #</u>	<u>Date</u>	<u>Amount</u>
39206	3/6/2015	\$1,582.75 (page 39)

8. REPORTS:

- a. **Authority Engineer Report: None.**
- b. **Authority Solicitor Report: by Solicitor Blake C. Marles**
- c. **CodeMaster Inspection Services Reports: SELF-EXPLANATORY**
 - 1) **IWD Program Summary, dated May 5, 2015 (page 41)**
 - 2) **Clearwater Discharge Summary, dated May 8, 2015 (page 43)**
- d. **Monthly Public Works Utility Report – May 2015 SELF-EXPLANATORY**
 - **Currently reading meters in the Township area – 2,530 customers**
 - **Meter Replacements to date:**

- Allentown – 2,063 out of 2,079
- Township – 463 out of 2,530
- Winchester West replacement booster pump delivered
- SCADA System – On going issues
- System wide hydrant flushing continues through the end of June
- I&I Subcommittee Minutes – May 4, 2015 (page 45)

Currently there is no resolution to do anything with those who do not comply with the water inspections. Craig Walls said that we need to do something about those Clearwater problems. Public Works Manager Bob Ibach said that we will need some means of enforcement.

Vice Chairman Bill Geiger commented that there are people who do not pass and there are people who do not even let anyone in to inspect.

Authority Manager Peter Pineda is meeting with Lehigh County Authority and said that LCA does address this matter and we could do something similar along the lines of LCA. Municipal Authorities can only issue Resolutions and we can go through the same sort of process.

Craig Walls said to have a meeting with the City of Allentown, and then we will go from there. He went on to say that Authority Manager Peter Pineda will then communicate to us, and the BOA can adopt a resolution and then the BOC can then adopt an ordinance accordingly. Bob Ibach said that would be correct.

Peter Pineda said he will send the BOA Allentown's Ordinance that they use.

- e. **Secretary Correspondence: (page 47) – SELF-EXPLANATORY**
 - 1) **PA Department of Environmental Protection Correspondence re-Violation of the PA Safe Drinking Water Act & Regulations**
 - **Notice: Important Information About Your Drinking Water**

At this point in the meeting, Chairman Dan D'Imperio had to excuse himself from the meeting; therefore, Vice Chairman Bill Geiger took over the rest of the meeting.

9. BID AWARDS:

- a. **Request for Bid #2015-01 for Internal Closed Circuit Television (CCTV) Inspection of Sanitary Sewer Pipes (page 51) FYI ONLY.**
 - 1) **Correspondence to Pipe Services Corporation; Award of Contract in the Amount of \$93,100**
 - 2) **Correspondence to Utility Services Group, Inc.; Award of Contract in the amount of \$131,677.92**

10. RESOLUTIONS: None.

11. MOTIONS:**a. Memo from Peter Pineda, Authority Manager - Request for Permission and Funding to Proceed with Purchase – SCADA Repair/Upgrade for Human Machine Interface (HMI) (page 55)****1) SCADA Proposal from Keystone Engineering Group (page 57)**

Requesting up to \$60,000 to replace the PC, purchasing the new updates for the software, and paying professional services to do the programming and the training of employees. Vice Chairman Bill Geiger asked if we would have to bid this.

Authority Manager Peter Pineda said the PC will be purchase from Dell. The software is about 3-4 upgrades, which will be around \$10,000.

A motion was made by Treasurer Dr. Rex D'Agostino to approve up to \$60,000 for SCADA repair/upgrade. The motion was seconded by Craig Walls. All in favor; none opposed.

b. Memo from Bob Ibach, Public Works Manager – Request for Permission and Funding to Proceed with Purchase and Installation of Standby Generators (page 73)

Public Works Manager Bob Ibach gave two numbers. COSTARs Equipment Cost and the other is a Bid Estimate – Equipment and Installation. Bob Ibach said that it would of course be up to the BOAs discretion if we should proceed or not. Craig Walls asked if we can bid without awarding. Bob Ibach said, yes we can.

Under System Improvement, there is \$800,000 currently in the budget.

Vice Chairman Bill Geiger has no problem with them going to get a bid.

A Motion was made by Treasurer Dr. Rex D'Agostino and seconded by Craig Walls authorizing to go out to bid for this entire project. All in favor; none opposed.

c. Correspondence from Dorney Park – Request for Permission to Proceed with Crossing (page 75)

This is just correspondence per Solicitor Blake C. Marles. The easement is not yet in place. They are going to be sending us a letter. Solicitor Marles went on to say that there has been difficulty figuring out what easement we really have. He will get this resolved with the engineer. This is ONLY an FYI.

d. Request for Relief from Sewer Bills at the Following Two Addresses: (page 77)

- **2723 Custer Street, Allentown, PA (Account #101531-14087)**
- **2730 Walbert Avenue, PA, (Account #101532-14090)**

Per Jerry Charvala, PWUGL nothing went into the system.

Solicitor Marles asked what number of relief is the board being asked to grant for sewer portion? \$62.50 is the minimum A motion was made by Vice Chairman Bill Geiger and seconded by Treasurer Rex D'Agostino to direct the

Finance Department to adjust the bills to the minimum charge of \$62.50. All in favor; none opposed.

12. OLD BUSINESS:

- a. **Lehigh County Authority Items (page 93)**
- **LCA Water Billing Issues**
 - **LCA, Edward J. Bielarski, Jr., COO/CFO Correspondence Received May 8, 2015 re-SWTA Refusal to Pay Invoices**
 - **Email thread re-4th Quarter 2014 & 2014 Reconciliation Invoices with Penalties**
 - **Correspondence from Authority Manager, Peter Pineda to LCA, Edward J. Bielarski, Jr., COO/CFO, dated May 13, 2015, re-Payment of Invoices (page 107)**

Per Authority Manager Peter Pineda, checks were mailed certified. There was no response from them due to the fact that we did not pay the penalties.

Peter went on to say that Aurel Arndt did speak to the person who wrote the correspondence we received, where they said that our water is going to be turned off. Unofficially, former SWTA Treasurer Rick Klotz met with them. Peter Pineda said officially there was never any kind of protesting of any kind of bills.

Treasurer Dr. Rex D'Agostino asked if we have grounds in the contract agreement with LCA for us to dispute. Howard Kutzler, Township Manager said there was a September 2014 letter to Aurel Arndt.

Question asked—Do we have a water and sewer dispute going on with LCA? Solicitor Marles said yes there is one, and mentioned the July 9, 2014 sewer dispute letter. He went on to say that the BOA has no written basis for the charges levied in light of the transition from the COA to LCA.

Howard said the Finance Department said we are only disputing Sewer.

Solicitor Marles said that Rick Klotz had concerns that we are paying the COA for water that we are producing. The COA is charging us 20% on I&I, and Rick said he thinks we were being charged twice for that.

Peter Pineda suggested prior to meeting with them on this, we should meet to have a legal pre-meeting, which perhaps one or two members of the BOA may want to attend.

Craig Walls asked what the next step is; Peter said that he will be meeting with Aurel Arndt.

Solicitor Marles pointed out that the November 15, 2014 letter outlines concerns for Springwood Manor. (Rick Klotz letter to Aurel Arndt)

Vice Chairman Bill Geiger asked if we are still paying these bills under protest, and Howard said yes.

Peter said that he feels that we will end up putting together a new water agreement.

Craig Walls summarized and said—how do we get to the point where Peter is ready to discuss water and sewer bills. We need a pre-meeting to get water and sewer up to speed.

Solicitor Marles said that we cannot mix the two. We need to resolve independently, but we do not have the capability of being on a level playing field right now. Craig Walls said that he cannot understand this, but trusts Solicitor Marles' judgment on this. Solicitor Marles said that we will be able to meet with Aurel when we need to—he didn't feel that would be a problem. However, we need to evaluate what we have. Dr. Rex feels that the two key/important players in all this definitely are Blake and Peter.

13. NEW BUSINESS - DIRECTION/DISCUSSION ITEMS:

a. Allocation Request - Proposed Water Connection to Existing Single Family Dwelling at 1976 Brickyard Road; Water-Sewer Allocation Application No. 2015000263 (page 115)

Solicitor Marles said that he did talk to Jim Rothdeutsch, The Pidcock Company, regarding this. The question asked was—Did they not connect because we didn't have the pressures they needed to serve them. Are they purchasing with the inability to use the system? The BOA did not know the answer. Jerry Charvala said that they would need to put a pump in the basement. The pressure is 17/18 pounds.

Peter said Mr. Ottinger has called several times. His bottom line is that SWTA cannot provide the pressure. He is requesting a hook up. Howard said that he would have to pay more than the allocation to hook up, because he is going to have to invest in a pressure booster. But really, he wants to put in a well.

Howard asked if the BOA is willing to approve this letter. DEP Mandates 25 pounds of pressure. We cannot provide him the pressure, so we probably did not require him to hook up or pay a penalty for the failure to hook up per Craig Walls. Peter said that he doesn't think he was ever required to hook up. Solicitor Marles said maybe he is comparing costs. Peter Pineda agreed and said that he thinks he was

just confirming water-sewer costs. Solicitor Marles said that if he puts a well and pump in, we can waive the requirement to hook up. We have the ability to serve from an allocation standpoint, we will grant the allocation, but we do not require you to hook up. Finance Manager Lenore Horos said he would be billed \$110 per quarter. Solicitor Marles said maybe we can waive the fee since we cannot provide the pressure.

Dr. Rex said we should give him the right to hook up and then let them do whatever they want. We need to specify though that we cannot provide the recommended level of pressure.

Bob Ibach said he would hook into the municipal system and put in a booster pump. The cost of a booster pump is about \$600 plus a pressure tank. Bob said he feels that we should give the guy an option. Craig Walls said he feels that we need to be very clear that we could not provide the pressure.

A Motion was made by Craig Walls and seconded by Vice Chairman Bill Geiger to grant the water-sewer allocation request for 1976 Brickyard Road authorizing the connection if Mr. Ottinger so chooses to connect—he does have the option to connect or not connect. If he does not connect, the minimum charge will not be levied, because of the Authority's inability to provide adequate pressure. All in favor; none opposed.

b. Allocation Request – Water & Sewer Allocation Request for 4845 Crackersport Road (page 117)

Solicitor Marles asked if anyone has vetted the allocation amount he wants. Peter Pineda said his original letter did not have any amount. Peter did discuss with him what the allocation would be. He thought it was ridiculously high and therefore, is requesting a different amount.

Howard Kutzler asked if The Pidcock Company can review this. Solicitor Marles thought, yes. Howard said we will get this to TPC and put on the agenda next month.

The BOA agreed that they are not saying yes OR no, as of yet—they simply do not have enough information at this time. It was agreed that the BOA will wait until they hear back from TPC.

c. Sewer Bills (Metered & Flat) – Bill Heydt, 121 N. Cedar Crest Boulevard (#105090, #105091, #105092, & #105093) (page 121)

Mr. Bill Heydt attended the meeting. 121 North Cedar Crest Boulevard. He came to talk about his sewer bills. He said that they were very high. They were previously paying \$1,000/year for four units; they are now paying over \$1,500 a year. He has no showers, no facilities—two public baths, two private toilets. His actual sewer bill only comes out to \$31

for a full quarter (14,000 gallons). He is paying \$93 a quarter for each of his four units, so is over \$1,500 for the usage of 14,000 gallons of water. He is requesting relief from that because it just doesn't seem fair that he has to pay this high bill when his actual usage is only \$31/quarter. Jerry Charvala did confirm that they only have six commodes in the entire building. Vice Chairman asked why is the bill only \$31. Mr. Heydt explained that he pays 1.5 x 4 for three of them, and also said that he has one that is on a meter. This one is \$31 and he understands that is going up to a flat rate also, which means that it will be \$93/quarter.

Someone explained that he is at 1.5 EDUs for an office building. Bill Geiger said that 1 EDU is \$62.50 and 1.5 is \$93.75, which is the minimum payment for an office building. Finance Manager Horos said that he is being billed correctly.

Mr. Bill Heydt stated that he would like the Board to look into this—he would like to be billed for actual usage. Chairman D'Imperio agreed that the Board will take a closer look at this and get back to him on this. It is duly noted that Mr. Bill Heydt is disputing his bills.

14. **NON-AGENDA ITEMS:** None.
15. **EXECUTIVE SESSION:** None.
16. **ADJOURNMENT:** At 6:00 p.m. a motion was made by Craig Walls and seconded by Vice Chairman Bill Geiger to adjourn the meeting. All in favor; none opposed.
17. **APPROVED:** June 15, 2015

On Monday, June 15, 2015, a motion was made by Treasurer Dr. Rex D'Agostino, and seconded by Craig Walls, to approve the May 18, 2015 Board of Authority Meeting Minutes. All in favor; none opposed.
