

**LOWER SAUCON AUTHORITY
MINUTES OF MEETING
DECEMBER 12, 2022**

1. Call to Order

Mr. Gress called the meeting to order at 6:32 P.M.

2. Roll Call

Present were Mr. Gress, Chairman; Mr. Anderson, Vice Chairman; Mr. Werner, Secretary; Mr. Corcoran, Treasurer; Mr. Smith, Member; Mr. Davis, Member; Mr. Keich, Member; Mr. Ross, Administrator; Ms. Fetzer, Assistant Administrator; Mrs. Kerchner, Secretary; Mr. Backenstoe, Attorney; (Mr. Carocci and Mr. Reccek were not present and Mr. Youst was present via zoom).

3. Citizen Agenda Items

None.

4. Minutes

Motion by Mr. Werner, Second by Mr. Gress to approve the minutes dated November 15, 2022 as presented.

Roll Call 5-0-2 Motion Approved. (Mr. Smith and Mr. Davis abstained).

5. Financial Report

Mr. Corcoran said November was a good month for revenues as that is typical for mid-month. He said we got most of the revenues in the middle of the quarter. He also noted that the water and sewer rents are lower than what was budgeted. He said it could be due to the drought and less water used by customers. He noted that the Creekside project will use up a good amount of our funds. He said right now we are in a good position with cash to sustain operations.

6. Agenda

A. Recognition

Mr. Ross thanked Mr. Anderson for his many years of service on the Authority board. He noted that Mr. Anderson had been on the board since the Authority was formed in 1988.

This comes to 35 years of service as a board member. For 29 years of his service, he has held the position of either chairman or vice chairman. Mr. Ross presented Mr. Anderson with a plaque. Mr. Ross said it has been a pleasure to work with Mr. Anderson. Mr. Anderson said this is a good group of board members and he enjoyed his time working on the Authority Board. The Board Members thanked Mr. Anderson for his service on the board.

B. Creekside Update

Mr. Ross handed out the Creekside expenses update. He said the expenses last month were for the Meadows Road bridge work. Mr. Youst then gave his update. Mr. Youst said he is working on wrapping up a set of drawings for the layout that will be submitted with the grant application. He is getting an estimate from M.F. Ronca and Sons for the construction work. M.F. Ronca and Sons did the water main crossing for the Authority under I-78 about seven years ago. Mr. Youst said he also reached out to the supplier for the generator that will be used at the pump station, and they said it could take 56-58 weeks to get the generator. Mr. Youst said the estimate from Ronca is higher than the estimate that he put together. Mr. Ross has the figures from Ronca and will use that to put together the numbers for the grant application. Mr. Youst said his estimate for the total cost of the project would be about 2.5 to 2.6 million dollars. Mr. Youst said the best scenario is to have everything up and operational the last half of 2024 to the last quarter of 2024. One way to trim the time for the project would be to pursue a procurement contract. This procurement contract would be for the building and the generator. This would be before the bidding contract for the construction work. The other option would be to bid on the entire project all at once. On another note, Mr. Youst said he reviewed the easement paperwork prepared by Attorney Backenstoe for the one property that is now needed because of the bridge relocation. This is a residential property. The county and PennDOT have not given clearance to pursue actual acquisition effort for the easements. He said Attorney Backenstoe prepared the necessary paperwork, so it is ready once we are allowed to pursue acquiring the easements. Also, he and Attorney Backenstoe have begun their discussions about the other easement that will be needed at the Meadows catering property, and they will then begin preparing that easement paperwork.

Mr. Youst said it has been his privilege as the Authority engineer to work with Mr. Anderson over the many years he has been on the Authority board. He said Mr. Anderson will be missed.

C. Grant Resolution

Mr. Ross said it will most likely take about seven months for the grant to be awarded, which will fall sometime around July. Mr. Youst said this is a reasonable target window for the grant to be awarded. Mr. Ross said he is going to ask the Board Members for leeway

for the figures for the grant application based upon the two project cost estimates, which is the one from Mr. Youst and the one from M.F. Ronca.

Mr. Corcoran asked if there are cost risks involved with the project bid. He asked if there were to be any increased costs, for example if the materials would increase with inflation would the cost increase go to the contractor and not the Authority. Mr. Ross said there can be change orders but most of the risk will be the responsibility of the contractor. Mr. Corcoran expressed his concern about the magnitude of the cost of the project to the Authority. Mr. Corcoran said the concern would be if the Authority does not receive the grant. Mr. Ross said we can get a low interest loan for the project if we are not awarded the grant. Mr. Corcoran suggested looking at other options since this is such a high-cost project. Mr. Ross said we can do that but noted that the pump station is a very necessary project and said we cannot continue to operate with a temporary pump station. We currently have an agreement with Hellertown Borough Authority to send our waste to their pump station which will soon be ending.

Mr. Smith suggested looking into the 5-year capital plan to see what project can be pushed back to save some costs next year for this project. This would be if we do not receive the grant funds.

Mr. Anderson said the pump station needs to get built as the Authority made promises to DEP to build the pump station and not to continue to operate on a temporary station.

There was a brief review from Mr. Youst about how the design for the Creekside pump station came about over the years.

Then there was some discussion about the possibility of seeing if we could continue the agreement with Hellertown Borough Authority.

Mr. Corcoran said it is important to discuss the Authority's options. Also, he feels it is important to discuss the options now, so they are ready if they are needed. We would like to avoid any delays with the current supply chain issues.

Mr. Ross said he will start some discussions with the administrator from Hellertown Borough Authority. It was then determined that this would not work as Hellertown may not be able to handle the Authority's flow with their pump station upgrades. Mr. Youst then explained why this would not work with the amount of the flows that would be sent to Hellertown's station. Mr. Ross said he will still contact Hellertown's administrator.

Mr. Ross reminded everyone that with the Creekside pump station and the change to the Lower Saucon Township Act 537 Plan the Authority will be able to serve the Hellertown Park area. This will be about 100 new EDU's that will be added to the Authority as customers.

Mr. Smith asked Mr. Youst and Mr. Ross if there can be a recommendation sometime around March of when the Authority can bid for the generator. Also, any other lead items that are needed that we can get ahead of. We want to be ready with a plan for when the grant will be awarded around July. He was suggesting a recommendation of a plan of what can be done as early as possible to avoid any more delays. Mr. Ross agreed with that. Mr. Youst said he will continue his communications with the pump supplier to get an idea of the timeline with the supply chain issues.

Mr. Ross said with the grant resolution he would like the Board Members to allow him to be able to adjust the amount based on the estimates.

Mr. Gress asked what the grant writer thinks about the Authority's chances are for receiving the grant. Mr. Ross said the grant writer thinks that our chances are good.

The Board Members then made a motion for the grant resolution.

Motion by Mr. Gress, Second by Mr. Anderson to approve the application to the Commonwealth of Pennsylvania for H2O PA Water Supply, Sanitary Sewer and Storm Water Projects.

Roll Call 7-0 Motion Approved.

D. 2023 Budget

Mr. Ross said everyone has the updated budgets based upon the recommendations from the November meeting. There were no questions from the Board Members regarding the budget.

Motion by Mr. Anderson, Second by Mr. Werner to approve the 2023 presented final budget.

Roll Call 7-0 Motion Approved.

Mr. Davis said it was mentioned about the Authority's cash flow earlier and asked if we need to look at a rate increase. Mr. Ross said there will be more water revenues next year from the Saucon Overlook development. Mr. Ross said there was a water rate increase last year of 10%. Mr. Ross asked the Board Members do we want smaller increases every year or two or a larger increase after several years. Mr. Keich asked if there was much negative feedback from the increase last year. Mr. Ross said there was not really any negative feedback and the customers said they are not happy about the increase, but they understand it based on the letter they received. Mr. Corcoran said he would like to consider not purchasing the dump truck next year to delay that cost.

7. Citizen Non- Agenda Items

None.

8. Reports

A. Attorney

Attorney Backenstoe had nothing to report.

B. Engineer

Mr. Youst had nothing further to report than his update regarding the Creekside project.

C. Administrator

Mr. Ross said Northampton County is still in a drought watch.

Also, Mr. Ross said he included an updated investments spreadsheet. He said Fund 3 and Fund 4 have been transferred over to their term investment with PLGIT at an interest rate of 5.09%. The investments will mature in June.

Mr. Ross said we have begun the Muni Link training.

D. Chairman

Mr. Gress thanked Mr. Anderson for his service on the Authority Board. He said it has been great working with him and he has been a great asset to the Authority.

E. Members

The Board Members thanked Mr. Anderson for his services.

9. Adjournment

Upon Motion by Mr. Anderson, Second by Mr. Corcoran the December 12, 2022 Board Meeting adjourned at 7:50 P.M.

Respectfully Submitted,

Emily Kerchner
Recording Secretary

