

**LOWER SAUCON AUTHORITY
MINUTES OF MEETING
OCTOBER 26, 2022**

1. Call to Order

Mr. Gress called the meeting to order at 6:31 P.M.

2. Roll Call

Present were Mr. Gress, Chairman; Mr. Anderson, Vice Chairman; Mr. Werner, Secretary; Mr. Smith, Member; Mr. Ross, Administrator; Ms. Fetzer, Assistant Administrator; Mrs. Kerchner, Secretary; Mr. Backenstoe, Attorney (Mr. Corcoran, Mr. Davis, Mr. Keich and Mr. Reccek were not present and Mr. Youst was present via zoom and Mr. Carocci arrived at 6.:35 P.M.).

3. Citizen Agenda Items

None.

4. Minutes

Page 1 add Mr. Anderson to the roll call.

Motion by Mr. Gress, Second by Mr. Werner to approve the minutes dated September 20, 2022 as corrected.

Roll Call 4-0 Motion Approved. (Mr. Corcoran, Mr. Davis and Mr. Keich were not present).

5. Financial Report

Mr. Corcoran was not present. Mr. Ross noted to the Board Members that he included the PLGIT investment history spreadsheet with the board packet. Mr. Ross said last week a term investment came due. He said he renewed it for the year at 5.14%. Mr. Ross proposed to the Board Members about moving Fund 3 and Fund 4 from Fulton Bank into a PLGIT account for 6 months because PLGIT has a much higher return than what we receive at Fulton Bank. Mr. Anderson asked if there is an early withdraw penalty for the investment. Mr. Ross said there is a penalty for early withdrawal of the funds from the PLGIT investment, but he said we will not need the funds before the 6-month time frame of the investment. The Board Members agreed about moving the funds to PLGIT.

Motion by Mr. Anderson, Second by Mr. Smith to move Fund 3 and Fund 4 from Fulton bank to a PLGIT investment.

Roll Call 4-0 Motion Approved. (Mr. Corcoran, Mr. Davis and Mr. Keich were not present).

Mr. Carocci asked Attorney Backenstoe if any townships ever loan money to their water and sewer authority. Attorney Backenstoe said it does not occur often but is allowed.

6. Agenda

A. Sunderland Drive, Quarter Mile Road and Woodland Drive Pipe Projects

Mr. Ross said the crew completed the project and did an excellent job. Mr. Ross said he is pleased with how the project went.

B. Creekside Update

Mr. Youst said he and Mr. Ross met with the county engineer and the PennDOT representative after the last board meeting. He said they discussed the timing of the Authority's project and how that will go along with the bridge work. Mr. Youst expressed how the bridge work is impacting the Authority being able to move forward with the design and the construction work of our project. Mr. Youst said he reminded them about the Authority having an agreement with Hellertown Borough Authority to use their facilities but that is an agreement at a cost to the Authority and it will be expiring. Mr. Youst let them know how disconcerting it is that we cannot get a final bridge design or final clearance to move forward from PennDOT. Mr. Youst said they were very receptive but did not offer any positive responses. They said in 4 to 6 weeks they might be able to offer a final design but that has not happened yet. Mr. Youst said he just received notice of another revision to the bridge design requirements from the county bridge engineer. The county bridge engineers found out from their soil testing that there are some modifications that must be made. They provided the footprints for this. Also, they provided the revised footprint of the concrete pad that will be needed to hold the crane. Mr. Youst said he put together yet another concept plan and sent it over to PennDOT and the county bridge engineer yesterday. Mr. Youst said he just received a response back about an hour ago saying that they feel our revised concept looks good, but they say there might be a question depending on if the township approves the plan for a pedestrian walkway on just one side of the bridge. Mr. Youst said if the township says that one pedestrian walkway is not sufficient, and they would like a sidewalk on both sides of the bridge, the Authority will have to shift our design yet again. PennDOT and the county bridge engineer will let Mr. Youst know after they have the feedback from the township by the end of this week.

Mr. Youst said he has given his drafter the go ahead to begin the work on a drawing of the bridge bypass alignment view.

Mr. Carocci said he will speak with the township manager and the zoning officer about the bridge pedestrian walkway.

Mr. Ross said the board packet included the latest expenses for the project.

Before the budget discussion Mr. Ross brought up two more topics, he reviewed with the Board Members.

Mr. Ross added an item for discussion which is a grant he would like to apply for. Mr. Ross said there is a grant he would like to apply for called the American Rescue Plan Act H2O PA grant (ARPA for short). Mr. Ross said the grant deadline is December 21st. Mr. Gress suggested looking into hiring a grant writer for this grant. Mr. Carocci said the township has used a grant writer in the past. Mr. Carocci suggested including with the grant package letters of support from our local representatives. The Board Members then agreed to hire a grant writer.

Motion by Mr. Gress, Second by Mr. Anderson to explore hiring a grant writer to apply for the ARPA H2O PA Grant not to exceed \$10,000.

Roll Call 4-0 Motion Approved. (Mr. Corcoran, Mr. Davis and Mr. Keich were not present).

Next Mr. Ross said last year he was working with World Connect regarding our electricity pricing. He said last year they were not able to offer a price worth switching from PPL. He said World Connect emailed him today with the current prices they have to offer. Mr. Ross said they offered significant savings up to as much as 30%. Mr. Ross would like to look at a two-year contract which would save the Authority about 20% on our electric bills. The Board Members agreed to have Mr. Ross get more information from World Connect regarding what they can offer the Authority. The Board Members said they would like to see side-by-side comparisons for the electric bills. Mr. Youst noted to make sure if there are any base charges on the electric bill with World Connect and what that amount would be. Mr. Ross said he will update the Board Members with an email regarding what the savings will be.

C. 2023 Budget

Mr. Ross went over some of the key facts assumptions and issues for 2023. Mr. Ross reviewed the inflation numbers for the next year. Mr. Ross then went over his proposed salary grid and the proposed percent increase in pay rate.

Mr. Ross said that the Board Members voted at an earlier meeting to approve a capital rate increase from \$6.00 to \$9.00 a quarter. Mr. Ross said he is now proposing a sewer rate increase from \$90.00 a quarter to \$105.00 a quarter. Mr. Ross noted that the last sewer rate increase was in 2018.

There was then a discussion regarding the payroll and the proposed increases for next year. After the discussion the Board Members agreed that they would like to make sure the Authority has a formal policy in place regarding how the wage increases will occur each year.

Mr. Carocci voiced his concern about making sure the rate increase is thought about because we want to consider how the increase will impact township residents.

Mr. Werner also said about making sure we review the budgeted expenses the Authority will incur next year and to really consider what the proposed rate increase should be.

Mr. Smith said to consider looking at the option of increasing the rate a little bit each year instead of one larger increase at once. Mr. Smith said this because of the amount the Authority has in our sewer funds. Mr. Ross explained that the sewer funds are earmarked for the Creekside Project. Mr. Anderson noted that in the past the rate increases were done as one larger increase every few years.

Mr. Ross then went over the highlights of the 5-year capital plan. He said one of the big-ticket items for sewer next year is the Creekside Project. Another is the small dump truck replacement. Mr. Ross said next year he would like to replace the glass at the front desk in the office with bulletproof glass. Also, Mr. Ross said he is going to look into getting a security camera for outside the building. Next year Stacey's computer is due to be replaced. Mr. Ross noted that the water main replacement for next year will be North Drive. He said the amount will be adjusted since we have excess pipe in stock at the shop and will not need to purchase as much for this water main project. The project will not need to go out to bid since we will be purchasing less pipe.

Next Mr. Ross went over some highlights of the water and sewer budget. Mr. Ross said he highlighted the line items that were at 100% of the budget used and ones that are close to being at 100% spent of what was budgeted.

Mr. Ross said he factored in the budget the new water connections for the Saucon Overlook development.

Mr. Ross told the Board Members to look over the budget and let him know if they have any questions or concerns to let him know.

Mr. Ross said he would like to have feedback from the Board Members so he can adjust the budget before the next board meeting.

It was discussed that the Board Members must decide if they would like to implement smaller rate increases for our customers each year or have one larger rate increase every few years.

7. Citizen Non- Agenda Items

None.

8. Reports

A. Attorney

Attorney Backenstoe said for the Saucon Overlook development the Authority will be providing water to 6 homes located in Upper Saucon. He said he drafted a letter of agreement and sent it over to the solicitor for Upper Saucon and it has been approved by them. Attorney Backenstoe said he is waiting for a response about the agreement he sent to the developer. There are a blanks in the agreement that must be filled in as they still do not have the final revised plans from the developer. Attorney Backenstoe said he does not want the plan recorded until the Authority has our improvement agreement signed and executed and the Authority has a letter of credit from the developer.

B. Engineer

Mr. Youst said besides the Creekside project and the Saucon Overlook project he has reviewed a small subdivision plan for a property on the east side of Hickory Hill Road across from Majestic Overlook Drive. There would be 2 new lots plus one existing lot with an existing home. They will be extending the sewer line to provide sewer service to all 3 of the lots. They will be connecting to the water line for water service as well. This subdivision will be 2 new units for water service and 3 new units for sewer service.

Mr. Youst is hopeful that we will see some more positive guidance from PennDOT regarding the bridge work that would then allow the Authority to get working further on the project in the next few months. He will keep everyone posted on any updates regarding the project.

C. Administrator

Mr. Ross said he included the Invoice Cloud bill payment program numbers in the update. He said we are getting a good amount of customer payments with the online payment program.

Also, Mr. Ross asked for Mr. Carocci to bring up to the township that the Authority will need an updated Act 537 plan. The plan needs updating because once the Creekside pump station is in place the Authority will have the capacity to provide sewer service to additional areas in that location. Mr. Carocci said he will set up a meeting in November between the township and the Authority.

D. Chairperson

Mr. Gress had nothing to report.

E. Members

No Members had anything to report.

9. Adjournment

Upon motion by Mr. Gress and agreement by the Board Members the October 26, 2022 Board Meeting adjourned at 8:20 P.M.

Respectfully Submitted,

Emily Kerchner
Recording Secretary