

**LOWER SAUCON AUTHORITY
MINUTES OF MEETING
DECEMBER 19, 2023**

1. Call to Order

Mr. Gress called the meeting to order at 6:30 P.M.

2. Roll Call

Present were Mr. Gress, Chairman; Mr. Werner, Secretary; Mr. Corcoran, Treasurer; Mr. Davis, Member; Mr. Ross, Administrator; Ms. Fetzer, Assistant Administrator; Mr. Reccek, Operations Supervisor; Mrs. Kerchner, Secretary; Mr. Backenstoe, Attorney; Mr. Youst, Engineer (Mr. Smith, Mr. Keich and Mr. Thakkar were not present).

3. Citizen Agenda Items

None.

4. Minutes

Motion by Mr. Gress, Second by Mr. Werner to approve the minutes dated November 21, 2023 as presented.

Roll Call 3-0-1 Motion Approved. (Mr. Smith, Mr. Keich and Mr. Thakkar were not present and Mr. Davis abstained).

5. Financial Report

Mr. Corcoran said the treasurer's report shows 11 months of the year. Mr. Corcoran asked why the sewer costs are over budget. There was some discussion about the sewer costs, and it was determined that the treasurer's report will be checked for correctness to make sure there is not an error on the spreadsheet. Mr. Corcoran said the Ford F-550 dump truck replacement was deferred. He said we have the big-ticket item with the Creekside project and the additional costs with the Meadows Road bridge. The extra costs for the bridge work will be reimbursed. Mr. Corcoran said with the Creekside project we must be careful with our spending now. There was concern about the exorbitant cost of the Creekside project and the impact that will have on the Authority's financial position. With the Creekside project pump station, we will have new customers and the possibility of increased revenues for the Authority. Mr. Gress said this is an important concern as costs are rising now for everything.

6. Agenda

A. Personnel

Mr. Ross said we received about a dozen additional applications for the two open field crew positions, which was a good response. Mr. Ross said we borrowed the electronic signs from the police to advertise the positions. Mr. Ross said we interviewed ten candidates and there were two candidates that stood out above the rest. We selected two candidates from the interviews and offered them the positions. He said the two new field crew hires will start on January 2nd. Mr. Ross said he did talk with one of the field crew members who left to see if he would want his job back at the Authority and he chose not to come back to work for the Authority.

B. 2024 Budget

Mr. Ross said not much has changed with the budget from the November meeting. He said we waited for this meeting to pass the budget to let Mr. Corcoran provide his comments on the budget. Mr. Corcoran asked about the F-550 dump truck replacement that is scheduled for 2024 and the need for it. There was then an explanation by Mr. Reccek about the current equipment the Authority owns and the need for each piece. Mr. Corcoran said with the Creekside expenditure being so great he said we need to discuss purchases and make sure we rationalize all purchases. Mr. Corcoran said the Creekside project is going to put spending constraints on the Authority that we do not usually have.

Mr. Gress then said that we should discuss the grant next. Mr. Ross said we were approved for a grant in the amount of \$300,000.00 and not the \$1.428 million that we applied for. Mr. Ross said out of about 400 applications for the grants about 200 were funded. Mr. Ross said he reached out to our representative at PennVEST. Mr. Ross said he was told that funds are available for situations like this. They have 30-year loans with low interest that are 1% for the first 5 years and 1.75% for years 6 through 30. Mr. Ross said the jobs must be shovel ready to receive the loans. All permits must be in place as well. Mr. Ross explained that PennVEST has four application time periods which are February, May, August and November. Mr. Ross said we would be ready for a May application with PennVEST.

Mr. Gress asked if there was any information regarding the grant and when the Authority would receive the funds. There is no time estimate right now.

Mr. Corcoran asked why the Authority would take out a loan if we have the funds now to cover the project. Mr. Corcoran said that we should consider our options. Mr. Corcoran brought up the point as to why we would want to pay interest on a loan and put money into a CD and make interest income. He mentioned standby revolving credit with the bank where the funds can be drawn down as needed. There is a small fee to have the revolving

credit. Mr. Corcoran said we are going to have to discuss future purchases the Authority makes to ensure they are necessary since we will either be drawing down our funds or having a loan for the Creekside project.

Mr. Reccek noted that he and the crew service all our equipment, which saves a great deal of money.

Mr. Davis said with inflation rising as it is we must look at if the Authority would need to raise our rates. Mr. Ross said we waited to discuss this option until we heard about the grant outcome to determine if the Authority would have to raise the sewer rates for our customers. Mr. Ross said we will have to raise the sewer rates. He said the rate increase for the sewer would increase from \$90.00 a quarter to somewhere around \$105.00 to \$110.00 a quarter. Mr. Corcoran said we need not just come up with a figure to increase the rates we have to have a reason for the increased amount. Mr. Werner said we should determine the amount of cash on hand that we would like for the Authority and work backwards to determine the rate increase. The Authority should have a policy to follow so we can justify the increase. There was further discussion by the Board Members about the sewer rate increase. It was then determined by the Board Members that the sewer rate will increase from \$90.00 a quarter to \$105.00 and they will have a resolution to approve the rate increase at the January board meeting.

Mr. Ross then mentioned the healthcare costs for the employees as the Board Members asked him for capped contribution figures of 2.5% for an individual plan and 5% for a family plan. There was discussion by the board members, and it was determined that they would like to cap the healthcare cost for the employees at 2.5% for an individual plan and 5% for a family plan. It was determined that the Board Members did not want to implement this by approving the budget and they would like a formal policy and resolution for this. Attorney Backenstoe agreed that the Authority should have a resolution for this policy. There will be resolution for the January meeting to approve.

The Board Members then made a motion to approve the 2024 budget.

Motion by Mr. Corcoran, Second by Mr. Davis to approve the 2024 budget.

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

C. Creekside Update

Mr. Youst said we had the prebid meeting on Monday December 18, 2023, for the Meadows Road utilities portion of the project. He said there were nine companies represented at the meeting. He said seven of the companies could be potential bidders for the project. Mr. Youst said he is predicting that we will receive about four or five bids. The bidders can ask questions about the bid package up until December 28th. The bids must be submitted

by January 10th at 3:00 P.M. The bids will be reviewed, and a recommendation will be made at the January board meeting.

Mr. Youst said he received the draft of the reimbursement agreement from PennDOT. We did not receive the revised draft of the agreement after the Authority responded. PennDOT knows we are looking to have the agreements in place before we award the bid in January. The Authority can submit 60% of the bills for reimbursement before the project is complete. The rest will be reimbursed once the project is completed.

Mr. Youst said he made his final resubmittal for the driveway permits to PennDOT. We should receive the permit by the end of January.

The erosion control plans that the county said we can submit as two projects have been submitted. Mr. Youst said he is expecting to receive comments from them after the holiday.

Also, Mr. Youst said he is expecting to have the NPDES permit with its revisions submitted by the first half of January.

Mr. Youst said he has a draft of the updated Authority tapping fees and will have it finalized and ready to present it at the January meeting. Mr. Youst noted that the special tapping fees are only to be charged for connections that are served by the Creekside pump station.

Mr. Corcoran then reviewed the Creekside update sheet and asked a few questions.

7. Citizen Non-Agenda Items

None.

8. Reports

A. Attorney

Attorney Backenstoe said he has nothing specific to report. He noted that he has helped Mr. Youst as needed. He also said that Mr. Youst is doing an excellent job with the Creekside project, which is an exceptionally large project.

B. Engineer

Mr. Youst said he will begin the work on the yearly reports once the Meadows Utility project bid is completed in January.

C. Administrator

Mr. Ross handed out a sheet with the Authority's current PLGIT holdings. On December 8th he rolled over the Fund 3 and Fund 4 investment for another 90 days.

Mr. Ross said this year we had two Board Members have their terms end. He said that Mr. Werner chose not to stay on the Authority board. Mr. Ross thanked Mr. Werner for his service on the Authority board. Mr. Werner has been on the Authority board for 10 years.

D. Chairman

Mr. Gress told everyone to have a Happy Holiday. He also thanked Mr. Werner for his service as an Authority Board Member.

E. Members

The Board Members thanked Mr. Werner for his service. The Board Members wished everyone a Happy Holiday.

9. Adjournment

Upon Motion by Mr. Gress, Second by Mr. Werner the December 19, 2023 Board Meeting adjourned at 8:10 P.M.

Respectfully Submitted,

Emily Kerchner
Recording Secretary