

**LOWER SAUCON AUTHORITY  
MINUTES OF MEETING  
JANUARY 16, 2024**

**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. Smith, Vice Chairman; Mr. Corcoran, Treasurer; Mr. Yanchuk, Member; Mr. Ross, Administrator; Mrs. Kerchner, Secretary; Mr. Backenstoe, Attorney; (Ms. Fetzer and Mr. Youst were present via zoom, Mr. Thakkar and Ms. Ophhof-Cordaro arrived at 6:35 P.M. and Mr. Keich, Mr. Davis and Mr. Reccek were not present).

**REORGANIZATION**

1. Motion By Mr. Gress, Second by Mr. Smith to retain Mr. Gress as Chairman, Mr. Smith as Vice Chairman, Mr. Corcoran as Treasurer and to nominate Mr. Keich as Secretary for the year 2024.

Roll Call 4-0 Motion Approved. (Mr. Keich and Mr. Davis were not present and Mr. Thakkar did not arrive yet).

**APPOINTMENTS BY THE BOARD**

2. Motion by Mr. Gress, Second by Mr. Corcoran to maintain the Solicitor as David Backenstoe and to maintain Jack Seitz as bankruptcy attorney, Brad Youst and Hanover Engineering Associates as Engineer, Hutchinson, Gillahan, and Free PC. as the Auditor, to retain the current check signers Mr. Corcoran, Ms. Fetzer and Mr. Gress and (Mr. Ross for emergencies), to maintain the depositories of funds as Fulton Bank, PLGIT, and Embassy Bank.

Roll Call 5-0 Motion Approved. (Mr. Keich and Mr. Davis were not present).

3. Motion by Mr. Gress, Second by Mr. Corcoran to maintain the meeting dates as the third Tuesday of the month at 6:30 P.M. (except for October where it will be the fifth Wednesday of the month at 6:30 P.M.) for the year 2024.

Roll Call 5-0 Motion Approved. (Mr. Keich and Mr. Davis were not present).

#### **4. Citizen Agenda Items**

None.

#### **5. Minutes**

Page 4 under item 6 Creekside update paragraph 6 line 2 change “Mr. Youst noted that the updated tapping fees” to “Mr. Youst noted that the special tapping fees”.

Motion by Mr. Gress, Second by Mr. Corcoran to approve the minutes dated December 19, 2023 as corrected.

Roll Call 3-0-2 Motion Approved. (Mr. Keich and Mr. Davis were not present and Mr. Thakkar and Mr. Smith abstained).

#### **6. Financial Report**

Mr. Corcoran reviewed highlights of the treasurer’s report. Mr. Corcoran said water and sewer rents are in line with what was expected. He noted that the water rents are a little higher. Mr. Corcoran said the Ford F-550 purchase was deferred. There will be some offset from the cash outflows as the Authority will be reimbursed for a portion of the expenses for the Meadows Road bridge portion of the Creekside project. Mr. Corcoran said the cash liquidity is not quite what we would like it to be on the water side. Mr. Corcoran said we have a healthy cash balance at this time, but we will draw down on the funds with the Creekside project. Mr. Corcoran noted that after the Creekside project the Authority will have about 1 year or a little less of operating costs left. It was noted that for the PLGIT investments there was a higher interest rate for 2023 which yielded a good return for the Authority.

Mr. Ross said the term investments had better returns in 2023 now moving forward for 2024 it is looking like the CD’s will have a higher interest rate. He said for 2024 we may have to put the funds into more CD’s rather than term investments.

Ms. Opthof-Cordaro asked about the Authority's liquidity ratio and what the target for that is. Mr. Corcoran said the Authority Board Members had discussed this and decided we are looking to have about 1 year of operating costs.

Mr. Ross then reviewed for everyone the funds the Authority has and what they are designated for.

#### **7. Agenda Items**

##### **A. Reorganization**

The reorganization occurred at the beginning of the meeting.

## **B. Meadows Road Utilities Bidding**

Mr. Corcoran said a portion of the bid amount will be reimbursable. Mr. Youst said the water amount is about 94% reimbursable because the water is strictly for relocating immediately around the bridge. The only part that is not covered by the reimbursement is the portion of the existing water line that is within the Meadows Road right of way. For sewer, the portion of the job that is to work around the bridge area is 100% reimbursable. The remainder of the sewer work that is part of the project that goes all the way out to cross Route 412 to the east side where the pump station will be located and going up to the high point to the discharge is not covered by the PennDOT reimbursement.

Mr. Corcoran asked about how much of the bid total will be reimbursed. Mr. Youst said about \$600,000.00 will be reimbursed out of the total of the bid which is a total of \$804,752.50. Mr. Youst said Barrasso Excavation, Inc. submitted the lowest bid at \$804,752.50. Mr. Youst said he did his due diligence and asked for and reviewed the experience records submitted with Barrasso's bid and contacted five owner / engineer representatives for current and recent Barrasso projects to discuss how they have performed before and about the schedules anticipated with those jobs. We are making sure that Barrasso will be ready to begin work with the Authority's schedule. It was confirmed that Barrasso does not have any current projects that will cause a delay for them to begin the Authority project when the Authority is ready.

Mr. Youst recommends awarding the bid to Barrasso Excavation, Inc. in the amount of \$804,752.50.

Mr. Corcoran asked if Mr. Youst has any experience working with Barrasso and Mr. Youst said he has not worked with them. Mr. Youst said Lehigh County Authority had just used Barrasso and he talked to his contact there and they were happy with the work they had done. He talked to other people who used Barrasso, and they were happy as well.

Mr. Gress asked about how long Barrasso has been around. Mr. Youst said they are about a 12-year-old company.

Attorney Backenstoe said he reviewed the bid bond and the questionnaire that was submitted with the bid and the documents looked to be in order.

It was noted that the City of Bethlehem is using Barrasso for a project now and they expressed success with their project so far.

Mr. Youst said there is paperwork that must be completed before work can begin, which includes insurance paperwork. Mr. Youst said the notice to proceed will be about the end of February. This will allow the construction work to begin around the end of March.

The Board Members then made a motion to award the bid.

Motion by Mr. Corcoran, Second by Mr. Gress to award the Meadows Road utilities bid to Barrasso Excavation, Inc. in the amount of \$804,752.50.

Roll Call 5-0 Motion Approved. (Mr. Keich and Mr. Davis were not present).

### **C. Sewer Rate Increase**

Mr. Gress said at the last meeting we talked about increasing the sewer rate from \$90.00 a quarter to \$105.00 a quarter. Mr. Gress read the resolution for the sewer rate increase. The sewer rate will be effective April 1, 2024. The rate increase will be reflected in the May 2024 bills.

Mr. Ross noted that the board packet also included a copy of the sewer rate increase letter that will be mailed out to all sewer customers. The Board Members then gave their comments on the rate increase letter and agreed to the changes they would like to make to the letter.

The Board Members then made a motion to approve the resolution for the sewer rate increase.

Motion by Mr. Gress, Second by Mr. Smith to approve Resolution #2024-01 for the sewer rate increase.

Roll Call 5-0 Motion Approved. (Mr. Keich and Mr. Davis were not present).

### **D. Water Capital Charge Increase**

Mr. Gress said we had discussed in 2023 about increasing the water capital charge \$3.00 a quarter. The water capital charge will go from \$6.00 a quarter to \$9.00 a quarter. Mr. Ross gave a review of the water capital charge and what the funds are used for. He said the funds are used to build up a reserve for future capital expenditures as well as a water emergency fund for the Authority. The increase was discussed last year but it was determined to wait to implement the increase until 2024. Mr. Corcoran asked what kind of emergency would be funded with the capital charge. He was asking this so the Board Members can determine the target amount the Authority would like to have for this fund to use for capital expenditures or emergencies.

Mr. Smith agreed with Mr. Corcoran about determining a target figure the Authority would like to have in this fund. Mr. Ross said for this increase we are not going to send a letter to our customers. He said he will post the increase on our website and the Authority social media accounts. Mr. Ross said he will contact the Saucon Source as well.

The Board Members then made a motion for the water capital charge increase.

Motion by Mr. Gress, Second by Mr. Thakkar to approve the water capital charge increase from \$6.00 a quarter to \$9.00 a quarter.

Roll Call 5-0 Motion Approved. (Mr. Keich and Mr. Davis were not present).

### **E. Creekside Update**

The Creekside update occurred right after the Meadows Road utilities project bid discussion and award.

The Board Members then went over the Creekside update sheet. Mr. Corcoran suggested a few updates to the timeline based on the current spending and the project timeline. It was asked if the bid results came in as what was expected. Mr. Youst said the Authority has the potential to be reimbursed about  $\frac{3}{4}$  of the total bid. He said he still must do a comparison to look at the actual items in the bid that will be reimbursable. Mr. Youst said he is happy with the amount of the bid. There was some discussion about the Creekside update sheet and how it should be updated to better get a forecast of the project spending.

Mr. Smith agreed that there are some updates that are needed to the Creekside update timeline sheet. Mr. Smith thanked Mr. Youst for his work on the bid comparison but asked if he would be able to in the future note if the bid is on target, over target or below target and by about how much.

Mr. Thakkar suggested including a line item showing the reimbursement by PennDOT.

Mr. Corcoran said that he will look at the Creekside update timeline sheet and see what he can do to update it. After the format of the timeline is updated by Mr. Corcoran Mr. Youst can update the figures. The Board Members agreed to update the timeline.

Mr. Youst said he will review the costs more regarding the bid and how it fits into the reimbursement.

Mr. Gress asked if the bid came close to our estimate. Mr. Youst said he was estimating the bid to be close to \$900,000.00 and the bid came in lower.

Mr. Youst said he will have the tapping fee report for the next meeting.

## **8. Citizen Non-Agenda Items**

None.

## **9. Reports**

### **A. Attorney**

Attorney Backenstoe said he continues to work with Mr. Youst when needed. Attorney Backenstoe said he met with Mr. Ross tonight to go over the final addendum for the Hellertown Borough Authority sewer agreement extension. Attorney Backenstoe then went over the original agreement and its purpose with the Board Members. The last extension is set to expire, and Hellertown agreed to have one more extension to the agreement. This agreement extension will take the Authority into 2025 for when the pump station will be completed.

Ms. Opthof-Cordaro asked more about the sewer agreement the Authority has with Hellertown Borough Authority. Mr. Gress then reviewed and explained the agreement.

Mr. Ross said the Authority and Hellertown Borough Authority have a good working relationship.

The sewer agreement is being finalized and will be ready to be signed soon.

### **B. Engineer**

Mr. Youst said we are planning to get the NPDES stormwater permit application submitted for the rest of the Meadows Road pump station project at the end of the week. This is the final permit for the pump station project overall.

Mr. Youst said he gathered information from the Authority staff for the annual sewer report which he will begin working on the end of January or early February.

Mr. Youst said he will be reviewing the bid figures from Barrasso Excavation to determine what part of the bid will be reimbursable.

### **C. Administrator**

Mr. Ross said we have had the Invoice Cloud payment program in place for about 3 years now and each year we are seeing an increase in the number of customers using the program and paying their bill through the program.

Also, Mr. Ross said that Ms. Fetzter talked to the accounts at the end of last year for a few reasons and it was suggested by the accountants for the Authority to move away from processing our own payroll and move toward having a payroll processing company for the Authority. Mr. Ross said we signed a contract with ADP to run the payroll for the Authority. The first payroll was processed on January 8<sup>th</sup>. The cost will just be a bit more than the payroll program we had. Mr. Ross said eventually we will end up saving money and it will be good for the Authority in the long run. Mr. Ross said we submit the hours to ADP, and they deduct the amount automatically from the Authority bank account.

Mr. Ross said the two new field crew members started on January 8<sup>th</sup> and they are working out well.

Mr. Ross gave a handout for the PMAA board member training and said he would sign any Board Member up who would like to attend and the training and noted that the Authority would pay for the training.

Also, Mr. Ross handed out a sheet with a webinar about the Pennsylvania Municipal Authorities Act. Mr. Ross said he will sign anyone up for it who would like to attend.

#### **D. Chairman**

Mr. Gress welcomed the new board member Mr. Yanchuk and the new council liaison Ms. Opthof-Cordaro.

Mr. Gress reminded the Board Members about completing their state ethics forms.

#### **E. Members**

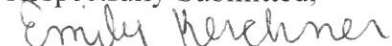
No Members had anything to report.

Ms. Opthof-Cordaro the Council Liaison, mentioned about a group of residents along a part of Easton Road who would like sewer service as their septic tanks need to be replaced. There was a brief informal discussion regarding this matter.

### **10. Adjournment**

Upon Motion by Mr. Corcoran, Second by Mr. Gress the January 16, 2024 Board Meeting adjourned at 8:15 P.M.

Respectfully Submitted,



Emily Kerchner

Recording Secretary