

REGULAR MEETING MINUTES

October 21, 2019

The Regular Meeting of the Lehigh County Authority Board of Directors was called to order at 12:00 p.m. on Monday, October 21, 2019, Chairman Brian Nagle presiding. Other Members present at the commencement of the meeting were: Linda Rosenfeld, Jeff Morgan, Richard Bohner, Norma Cusick, Scott Bieber, Ted Lyons and Amir Famili. Authority Staff present were Liesel Gross, Chuck Volk, Ed Klein, Pat Mandes, Chris Moughan, Todd Marion, and Lisa Miller.

Chairman Nagle announced that today's Board meeting is being videotaped and streaming live and recordings will be posted to the Authority's website.

REVIEW OF AGENDA

Liesel Gross stated there are no changes to the agenda as presented and noted that the copy of Budget received at the October 7th meeting is the same Budget packet presented at today's meeting. There will be an Executive Session at the end of the regular meeting to discuss matters of potential litigation.

APPROVAL OF MINUTES

October 7, 2019 Regular Meeting Minutes

Richard Bohner offered a minor grammatical correction to the minutes. On a motion by Richard Bohner, seconded by Norma Cusick, the Board approved the minutes of the October 7, 2019 meeting as corrected (8-0).

PUBLIC COMMENTS

None.

ACTION AND DISCUSSION ITEMS

2020 Budget Review

Liesel Gross gave a PowerPoint presentation of the 2020 Preliminary Budget to review the top level items in the Budget along with an Executive Summary describing key issues and challenges addressed in the Budget. Maintenance is a large part of the Budget with continuous improvements to SCADA, GIS, CMMS systems, and increased maintenance in both the Suburban and City Divisions. Included in the 2020 Budget is an estimated 5.9% water rate increase in the Suburban Division which is on target with the 5 year Capital Plan discussed in January 2019. The proposed rate structure will be presented at a later date. The City Division will have a 4.1% increase in accordance with the Lease Agreement with the City of Allentown. The Authority will achieve required Debt Service Coverage Ratios in 2020. The 2020 Budget also projects that the Authority will meet the target of 180 days operating cash on hand. Ms. Gross explained that the Authority is generating revenue to cover all operating and debt expenses and also some capital improvements. An ongoing challenge is with the rates to be able to support capital projects. In the City Division, major projects will be on hold until the lease disputes are resolved.

The next steps include approval of the 2020 Budget as presented at today's meeting, finalizing the Suburban Water rates, along with all other rates in November, and then development of the 5-year

Capital Plan will begin after that. The City Division Budget can be amended at any time in the future if the lease issues are resolved.

Amir Famili asked if the Authority has tangible metrics in a simplified scorecard format to measure its overall success from year to year. Liesel Gross and Ed Klein explained that the Authority has a lot of metrics that are gathered and reported, but not compiled into a single report, although the LCA 2020 goals and progress reports are presented to the Board on a routine basis. There was some discussion regarding the development of a scorecard as is often used in corporate settings to measure the Chief Executive Officer's performance.

On a motion by Linda Rosenfeld, seconded by Norma Cusick, the Board approved the 2020 Budget (8-0).

Trexlerstown Wastewater Storage Facility

Chuck Volk gave an overview of the project that is a part of the Western Lehigh sewer service area's plan to address a conveyance capacity "bottleneck" in the Trexlerstown area. The project is an interim solution to address local impacts of the system bottleneck, and will become part of the future long-term solution to alleviate regional conveyance capacity challenges. A pre-design feasibility study is to be performed to evaluate various engineering alternatives, including an "in-line" parallel storage tank, conventional concrete tank (flow equalization basin), or a hybrid option.

The project will be funded by the LCA Suburban Division with cost contributions from the Western Lehigh Interceptor signatories. Mr. Volk said he is recommending awarding the Pre-Design Feasibility Study to HDR based on staff experience, man hours, firm qualifications and similar project experience, project approach, innovative/value added services, and cost. Mr. Volk is asking for approval of the Capital Project Authorization for Pre-Design Phase, Trexlerstown Wastewater Storage Facility in the amount of \$164,971.00 which includes the Professional Services Authorization to HDR, Inc. in the amount of \$109,971.00.

On a motion by Jeff Morgan, seconded by Linda Rosenfeld, the Board approved the Capital Project Authorization for Pre-Design Phase, Trexlerstown Wastewater Storage Facility in the amount of \$164,971.00 which includes the Professional Services Authorization to HDR, Inc. in the amount of \$109,971.00 (8-0).

MONTHLY FINANCIAL REVIEW

Ed Klein presented the September 2019 financial report with a PowerPoint presentation, highlighting variances between budgeted revenues and expenses and actual or forecasted revenues and expenses. There was some discussion regarding variances in actual capital expenses as compared to forecast and budget.

MONTHLY SYSTEM OPERATIONS OVERVIEW

John Parsons reviewed the Monthly System Operations Overview report for September 2019 highlighting the significant repairs and upgrades to the Central Lehigh Division valve and hydrant program. Mr. Parsons also reported on the effort that has been made to properly locate assets in both the Suburban Division and City Division using GPS and locate approximately 23,700 curb boxes and then enter them into the GIS system.

The report also included a status report of the Western Lehigh Interceptor (WLI) High Flow Emergency Project as of October 14, 2019. Mr. Parsons noted that a comprehensive Capacity,

Management, Operations and Maintenance (CMOM) program will set guidelines for routine preventative maintenance (PM) work to try to address any defects before they become an emergency. Scott Bieber questioned the failure of the previously installed liners that were found in the WLI system. Chuck Volk explained that the end seals, from a previous slip-lining project of the WLI in that area, at manholes may have failed thus allowing groundwater in. Repairs will be done under the current Emergency project authorization.

STAFF COMMENTS

None.

SOLICITOR'S COMMENTS

None.

PUBLIC COMMENTS / OTHER COMMENTS

None.

Chairman Nagle called a recess at 1:23 p.m. The meeting reconvened at 1:30 p.m.

EXECUTIVE SESSION

An Executive Session was held at 1:30 p.m. to discuss matters of potential litigation.

The Executive Session ended at 3:13 p.m.

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 3:13 p.m.

Richard H. Bohner
Secretary