

REGULAR MEETING MINUTES

February 11, 2019

The Regular Meeting of the Lehigh County Authority was called to order at 12:02 p.m. on Monday, February 11, 2019, Vice Chairman Scott Bieber presiding. Other Members present at the commencement of the meeting were: Linda Rosenfeld, Jeff Morgan, Richard Bohner, Ted Lyons, and Deana Zosky. Chairman Brian Nagle was on the phone for the duration of the meeting. Authority Staff present were Liesel Gross, Brad Landon, Charles Volk, Ed Klein, John Parsons, Chris Moughan, Susan Sampson, Phil DePoe and Lisa Miller.

REVIEW OF AGENDA

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

Liesel Gross noted there were no changes to the agenda but did note that the December 2018 Monthly Financial Review was previously emailed to the Board and a printed copy was distributed at today's meeting. There will also be an Executive Session after the regular meeting to discuss a matter of potential litigation.

APPROVAL OF MINUTES

January 28, 2019 Regular Meeting Minutes

Richard Bohner offered typographical corrections to the minutes. On a motion by Richard Bohner, seconded by Jeff Morgan, the Board approved the minutes of January 28, 2019 meeting as corrected (4-0). Ted Lyons, Deana Zosky and Linda Rosenfeld abstained.

PUBLIC COMMENTS

None.

ACTION AND DISCUSSION ITEMS

Preliminary 2020-2024 Capital Plan – Allentown Division

Liesel Gross announced that Phil DePoe will give a PowerPoint presentation of the plan, along with Chuck Volk, and also Ed Klein will review the financing for the preliminary 2020-2024 Allentown Division Capital Plan. Ms. Gross explained that the Allentown Division capital plan includes two categories of projects - funded and unfunded - and LCA and the City are discussing funding strategies to determine the best method to ensure the most important projects move into the funded category.

Phil DePoe reviewed the projects highlighting the largest funded projects. Deana Zosky questioned why the WWTP Interim Blending Pumping system is listed as a project when blending has not been approved by the regulatory agencies. Liesel Gross explained that this is a project directed and paid for by the City, who requested to have it in the Authority's plan should the regulatory authorities approve it. Ted Lyons asked how the project priorities are identified. Phil DePoe explained the detailed process the staff uses to prioritize projects.

Ed Klein reviewed the financial analysis for the City Division water and wastewater projects. Funding for these projects comes from operations and reserves. Mr. Klein also stated there is no borrowing

for this plan. Deana Zosky asked for an explanation of operating revenues and non-operating revenues and the expenses.

Phil DePoe reviewed the Allentown Division unfunded projects and their ranking highlighting the lease and regulatory projects. Some discussion followed regarding individual projects. Scott Bieber commented that if we raise the City Division rates, these unfunded projects could be funded. Liesel Gross agreed stating that several ideas are being discussed with the City as to what the priorities are and how the projects can get funded.

Deana Zosky asked for status of projects in relation to the master plan and asset management system. Chuck Volk explained that a lot of these projects come from the master plan and takes into account the age, what the impact would be if the equipment failed, and if it's a public hazard or an environmental hazard which is all taken into consideration when planning and prioritizing these projects. The risk categories are reviewed internally based on operating experience after receiving the advice from the consultants who prepared the plans.

Jennifer McKenna, City of Allentown Compliance Office, commented on the process and review of the City capital plan projects. Ms. McKenna also explained that the regulatory agencies have not officially weighed in on blending and that the City has not applied for approval yet. The approval for blending will be determined when application is made and that's why the City has asked for this project to remain in the capital plan. Deana Zosky strongly disagreed saying that the regulatory agencies have said they do not support blending and as a Board member, she does not feel that it's responsible to use ratepayers' money for anything that does not have the support of regulatory agencies.

Liesel Gross reviewed the distribution process of the capital plans and noted that any comments will be compiled along with any changes to the plans and brought to the Board in March.

MONTHLY PROJECTS UPDATES / INFORMATION ITEMS

Vice Chairman Bieber announced that the Nomination of Officers will take place at the next Board meeting of February 25, 2019 and that Norma Cusick is serving as the nominating committee so Board members should contact her in regard to their interest in an officer position.

Liesel Gross noted that for the February 25, 2019 meeting there will be a discussion regarding the Allentown Division Wastewater Master Plan and also, there will be a team of maintenance supervisors from one department within the Authority's operations group to give a report of accomplishments for 2018.

MONTHLY FINANCIAL REVIEW

Ed Klein gave an overview of the December 2018 financial report, highlighting variances between budgeted expenses and actual or forecasted expenses. He noted the distribution of the December 2018 report was delayed due to finalizing year-end figures, and the annual audit is kicking off this month.

STAFF COMMENTS

None.

SOLICITOR'S COMMENTS

None.

PUBLIC COMMENTS / OTHER COMMENTS

None.

Vice Chairman Bieber called a recess at 12:59 p.m. The meeting reconvened at 1:08 p.m.

EXECUTIVE SESSION

An Executive Session was held at 1:08 p.m. to discuss potential litigation.

The Executive Session ended at 2:17 p.m.

ADJOURNMENT

There being no further business, the Vice Chairman adjourned the meeting at 2:17 p.m.

Richard H. Bohner
Secretary