

REGULAR MEETING MINUTES

June 8, 2020

The Regular Meeting of the Lehigh County Authority Board of Directors was called to order at 12:03 p.m. on Monday, June 8, 2020, Chairman Brian Nagle presiding. The meeting was held via video and audio advanced communication technology ("ACT"), using the ZOOM internet application, due to the national COVID-19 pandemic emergency. Each Board member and other attendees of the meeting were able to hear each other attendee and be heard by each other attendee. The public could also participate in the meeting via ACT, using the ZOOM internet application. A Roll Call of Board members present was taken. Chairman Brian Nagle, Jeff Morgan, Ted Lyons, Kevin Baker, Amir Famili, Richard Bohner, Norma Cusick and Linda Rosenfeld were present through ACT for the duration of the meeting. Board member Scott Beiber also attended via ACT, but at times had connection problems during the meeting. As a result, his participation in voting was unable to be recorded.

Solicitor Michael Gaul was also present via ACT. Authority Staff present via ACT were Liesel Gross, Chris Moughan, Ed Klein, Chuck Volk, John Parsons, Susan Sampson, Lisa Miller, Phil DePoe, Andrew Moore, Todd Marion, and Jason Peters.

Chairman Nagle announced the Board received the Board packet in advance of the meeting, however, the paperwork regarding the Suburban Division - Park Pump Station (PPS): Force Main Bypass project was emailed to the Board separately at a later date.

REVIEW OF AGENDA

Liesel Gross stated there are no changes to the agenda. There will be an Executive Session after the regular meeting to discuss two matters of potential litigation.

APPROVAL OF MINUTES

May 11, 2020 Meeting Minutes

On a motion by Richard Bohner, seconded by Linda Rosenfeld, the Board approved the minutes of the May 11, 2020 Board meeting (8-0).

May 18, 2020 Meeting Minutes

Richard Bohner noted a few grammatical errors. On a motion by Richard Bohner, seconded by Norma Cusick, the Board approved the minutes of the May 18, 2020 Board meeting as corrected (8-0).

PUBLIC COMMENTS

None.

ACTION AND DISCUSSION ITEMS

Resolution 6-2020-1 & 6-2020-2 LCA 457(b) Plan & OPEB Trust Administrators

Liesel Gross gave an overview of the background of the Authority's 457(b) supplemental retirement plan and other post-retirement employee benefits (OPEB) Trust account. The plans have been in existence for a long time. Following an evaluation of the services provided, the Authority is

requesting to establish a new custodian for the 457(b) plan with Great-West Trust Company and a new trust agreement with SEI Trust Company for the OPEB trust account. The recommended changes will be an enhancement in service to employees and potential improvement of fund performance.

Ed Klein explained in more detail why the Authority is proposing to make the changes to the 457(b) Plan and OPEB Trust account, and the benefits of doing so. Legacy Planning Partners, located in Allentown, would serve as an independent financial advisor to LCA and employees to allow for improved investment management, a service not currently provided by the current provider, ICMA-RC. In this capacity, Legacy has selected SEI Private Trust Company as Trustee to administer the Authority's OPEB trust account and Great-West Trust Company, LLC to serve as Custodian for the administration of the Authority's 457(b) plan. Ted Lyons asked about fees associated with the 457(b) plan through ICMA-RC versus Great-West. Ed Klein explained that the fees employees pay for their investments with ICMA-RC are built into the investments directly and therefore not transparent to employees. A listing of the fees employees will pay based on their investment selection under the new plan with Great-West was displayed on the screen for Board viewing. Mr. Klein also stated he could supply a copy of the fees to the Board. Ted Lyons also asked about the Authority's process to select these service providers. Mr. Klein explained that Legacy Planning Partners managed the selection process, including reviewing qualifications and reference checks for Great-West and SEI. There was some Board discussion.

On a motion by Linda Rosenfeld, seconded by Richard Bohner, the Board approved Resolution #6-2020-1 approving a custodial account agreement for the administration of the Lehigh County Authority 457(b) plan funds and appointing the Great-West Trust Company, LLC, to serve as custodian of the custodial account (8-0).

On a motion by Linda Rosenfeld, seconded by Richard Bohner, the Board approved Resolution #6-2020-2 approving a trust agreement with SEI Private Trust Company, and appointing SEI Private Trust Company as successor directed trustee to hold and administer the Lehigh County Authority Integral Part Trust (7-1). Ted Lyons opposed the motion because he would like to see the fee schedule and was not satisfied with the information provided.

Allentown Division – Kline's Island WWTP: Sodium Hypochlorite System Installation Project – Construction Phase

Chuck Volk gave an overview of the sodium hypochlorite system installation project which consists of the replacement of the chlorine gas that has been used for effluent disinfection and odor control. Chlorine gas has been used for many decades at the Kline's Island Wastewater Treatment Plant and the system has reached the end of its useful life. Mr. Volk described several engineering alternatives that were evaluated by Authority staff and the engineer consultant, D'Huy Engineering. The two primary alternatives include replacing the gas system in-kind with new equipment or bulk on-site sodium hypochlorite storage and utilization. Ed Klein performed a detailed financial analysis, and compared the upfront project costs provided by the engineering consultants and the anticipated operations and maintenance expense over the 20-year life expectancy of the assets. Mr. Klein's analysis shows there will be a \$32,000.00 net savings by implementing the bulk sodium hypochlorite system.

Mr. Volk recommended awarding the bid for the General Construction to Walabax Construction in the amount of \$998,500.00 which includes two alternates: 1) furnish and install two mixers in the chlorine contact tank and 2) demolition of the dry air scrubber intact in the chlorine building. Alternate 3 regarding the concrete containment coating can be priced out and installed more

economically. Mr. Volk recommended award of the Electrical contract to Diefenderfer Electrical in the amount of \$168,746.00, which includes one alternate to wire the mixers.

Amir Famili asked if the staff was aware of other facilities in Pennsylvania that had done this type of project, and whether the Authority visits other utilities to learn about their projects. He stated this practice would provide useful benchmarks and lessons learned to assist the Authority in enhancing system design and project management. Chuck Volk noted the Authority staff has not typically done this type of benchmarking. Jeff Morgan commented that Easton Sewer Authority and the Borough of Lansdale have done these conversions and are very happy with their new sodium hypochlorite systems. He stated that, if anyone would like to visit the plants, he can arrange it. Liesel Gross noted that as part of this project, and putting the paperwork together, there were several case studies available from the American Water Works Association regarding removal of gaseous chlorine systems that were reviewed. Mr. Famili asked if Walabax has experience with this type of conversion project. Mr. Volk said they are competent in working on large plant projects, but he did not know of their specific conversion experience. The engineering consultants have reviewed their references and are confident with Walabax's experience in handling the project. Mr. Famili also asked if the Authority has tried using a consortium to purchase chemical supplies to lower the cost. John Parsons stated that a purchasing consortium for sodium hypochlorite was formed many years ago but was not found to be financially beneficial at the time. The water plant in Allentown currently uses sodium hypochlorite. There may be a benefit to purchasing the chemical supplies jointly for both plants after this conversion project is complete.

On a motion by Norma Cusick, seconded by Richard Bohner, the Board approved the Capital Project Authorization for the construction phase in the amount of \$1,287,196.00, which includes the Professional Services Authorization to D'Huy Engineering in the amount of \$79,600.00, the General Contract award to Walabax Construction, Inc. in the amount of \$948,850.00, and the Electrical Contract award to Diefenderfer Electric, Inc. in the amount of \$168,746.00 (7-1). Amir Famili opposed because he would like to see the Authority conduct project benchmarking against similar projects at other municipalities, in order to ensure the most beneficial design and cost-effective project management approach.

Suburban Division – Park Pump Station (PPS): Force Main Bypass Trials and Initial Inspection – Arcadis Professional Services Agreement

Liesel Gross clarified that this paperwork was issued after the agenda was published but was sent to the Board and Staff and was also added to the website.

John Parsons gave an overview of the Park Pump Station Force Main inspection project. Due to its composition and intermittent usage which allows air pockets to develop inside the pipe, the force main may be subject to deterioration of its internal mortar coating and possibly the steel shell. This initial inspection project will focus on evaluating selected areas of the force main where deterioration is likely to have occurred, to determine if a full-scale inspection of the entire force main is warranted. The project will consist of shutdown trial runs to develop a plan for shutting the force main down long enough to do the inspection, a detailed health and safety plan, completion of the initial internal inspections, and a report that will provide the findings and recommendations for future phases.

Mr. Parsons is asking for approval of the Capital Project Authorization for the Condition Assessment in the amount of \$98,000.00, which includes the Professional Services Authorization to Arcadis, Inc. in the amount of \$63,000.00.

Liesel Gross commented that this initial assessment is very important because conducting a full pipeline inspection would be very costly and include bypass pumping around long sections of the force main. In addition, knowing the condition of this critical pipeline will be important for the planning of future projects in that area. For example, prior sewage facility plans have called for an upgraded pump station and force main in the same area as the Park Pump Station, and expansion or parallel of the existing force main may be necessary. She also noted that Arcadis is known nationally for their sewer collection system expertise and has conducted numerous internal inspection projects similar to this one. Therefore, having Arcadis develop the health and safety plan for this project is the best approach.

On a motion by Jeff Morgan, seconded by Norma Cusick, the Board approved the Capital Project Authorization for the Condition Assessment in the amount of \$98,000.00, which includes the Professional Services Authorization to Arcadis, Inc. in the amount of \$63,000.00 (8-0).

Suburban Division – Western Lehigh Manhole Rehabilitation Project

Chuck Volk presented the background of the project, stating it is consistent with the Regional Flow Management Strategy program to reduce infiltration and inflow into the Western Lehigh Interceptor system, and eliminate sanitary sewer overflows. Mr. Volk introduced Jason Peters, Capital Works Project Coordinator, who presented a PowerPoint presentation highlighting the deficiencies identified in the 2019 Western Lehigh Interceptor inspection and the rehabilitation work proposed in this project. There was some discussion regarding the effects of flooding and development that have impacted the manholes along the Route 100 and Spring Creek corridor.

On a motion by Norma Cusick, seconded by Linda Rosenfeld, the Board approved the Capital Authorization for the construction phase in the amount of \$130,150.00, which includes the Contract Award for general construction to Standard Pipe Services, LLC in the amount of \$104,550.00, and the Professional Services Authorization for construction inspection to Keystone Consulting Engineers in the amount \$8,150.00 (8-0).

Mr. Peters noted that there are 56 manholes in this scope of this work. More will need to be done over the next 2 to 3 years.

MONTHLY PROJECT UPDATES / INFORMATION ITEMS

Liesel Gross noted there are several projects ongoing for the month of June, and highlighted items on the June report for the next Board meeting. She noted the Auditors will be attending the June 22nd meeting to present and review the 2019 Audit and financial statements.

Richard Bohner asked about the cost of administering the certificates of deposit when the net interest rate is only 0.1 percent. Ed Klein responded that these are mainly rollover accounts and the cost is low.

STAFF COMMENTS

Liesel Gross provided a brief update regarding the COVID-19 pandemic emergency. Since Pennsylvania has moved into the “Yellow” phase of the pandemic, the Authority has made some minor adjustments to staffing schedules and safety protocols. Daily temperature screens are being conducted for all employees who are working on-site and all on-site contractors and employees who are able to work from home are continuing to do so. Board meetings will continue to be held via Zoom until further notice.

SOLICITOR'S COMMENTS

None.

PUBLIC COMMENTS / OTHER COMMENTS

None.

EXECUTIVE SESSION

Chairman Nagle announced that an Executive Session will be held after the regular meeting to discuss two matters of potential litigation.

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 1:46 p.m.

Richard Bohner
Secretary