

## **REGULAR MEETING MINUTES**

### **August 10, 2020**

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The Regular Meeting of the Lehigh County Authority Board of Directors was called to order at 12:02 p.m. on Monday, August 10, 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, Scott Bieber, Kevin Baker, Ted Lyons, Richard Bohner, Norma Cusick, Amir Famili, Jeff Morgan, and Linda Rosenfeld were present through ACT for the duration of the meeting.

Solicitor Michael Gaul of KingSpry, Chris Gibbons from Concord Public Finance, Inc., Stephen Flaherty from RBC Capital Markets, and Tim Horstmann from McNees Wallace and Nurick, were also present via ACT. Authority Staff present via ACT were Liesel Gross, Ed Klein, John Parsons, Lisa Miller, Andrew Moore, Phil DePoe, Chris Moughan, and Todd Marion.

#### **REVIEW OF AGENDA**

Liesel Gross suggested a change to the agenda to add the preliminary review of the impact of Tropical Storm Isaias after the Lease Bond refinancing. Chairman Nagle stated there will be an Executive Session after the regular meeting to discuss matters of potential litigation.

Chairman Nagle announced the Board received the Board packet in advance of the meeting and all presentations for today's meeting were distributed and will be posted to the Authority's website.

#### **APPROVAL OF MINUTES**

##### **July 20, 2020 Special Meeting Minutes**

On a motion by Richard Bohner, seconded by Norma Cusick, the Board approved the minutes of the July 20, 2020 Board meeting as written (8-0). Scott Bieber abstained.

##### **July 27, 2020 Meeting Minutes**

On a motion by Richard Bohner, seconded by Norma Cusick, the Board approved the minutes of the July 27, 2020 Board meeting as written (8-0). Scott Bieber abstained.

#### **PUBLIC COMMENTS**

None.

#### **ACTION AND DISCUSSION ITEMS**

##### **Lease Bond Financing**

Liesel Gross introduced the presentation and special guests Chris Gibbons from Concord Public Finance, Stephen Flaherty from RBC Capital Management, and Tim Horstmann from McNees, Wallace and Nurick. Ed Klein reviewed the Authority's bonds issued to finance or re-finance Authority expenses in conjunction with the 2013 Concession Lease Agreement between the Authority and the City of Allentown, known as the "Lease Bonds". He then detailed the proposed

refinancing of a portion of the Authority's 2013A and 2018 Lease Bonds. He explained that there were three reasons for the refinancing of the Bonds: (1) implementation of the settlement of all outstanding disputes between the Authority and the City of Allentown, through bondholder consent, (2) extension of the maturity of the Authority's lease debt to a more manageable level, and (3) realization of interest rate savings. By refinancing at least 51 percent of the Lease Bonds, the changes to the Lease Agreement that were approved on July 27, 2020 would be able to be implemented. Mr. Klein explained that the final maturity date of the bonds would be extended to 2059, and the refinancing would produce interest rate savings. The overall total debt service impact is valued at about \$13 million in net present value savings. He reviewed the financial analysis of the proposed bond refinancing and explained that the target date for settlement on the new bonds would be September 17, 2020, if approved by the Board at the next meeting.

Chris Gibbons from Concord Public Finance reviewed the parameters resolution that would be presented at the next Board meeting for approval, explaining that the parameters would establish the maximum borrowing amount of \$225 million and maximum overall interest rate at 3.75 percent. Stephen Flaherty of RBC Capital Markets explained the process of the sale of the bonds.

There was some Board discussion.

### **Tropical Storm Isaias Update**

Liesel Gross gave a presentation and provided a preliminary report on the impact from Tropical Storm Isaias. The storm produced four to six inches of rain in the Lehigh Valley area, with certain locations receiving more than an inch of rain during a 20-minute interval. The storm caused the Little Lehigh Creek to crest at a historic 12.76 feet. Manhole damage is the most significant challenge that the Authority is facing, and inspections of manholes are ongoing. John Parsons reported that all manholes were inspected in low-lying areas, which showed four manholes with extensive damage in the City of Allentown. Only half of the manholes have been inspected in the Suburban Division, and it will be many weeks until the full impact of the storm will be realized.

Liesel Gross pointed out that there are protocols enacted to address extreme wet-weather events such as this storm, and commended John Parsons and the Operations teams for their efforts. John Parsons added that his teams are equipped and trained to handle these types of situations and is very proud of their efforts. Damage to the collection systems is still being evaluated. The next steps are to compile a report with a list of damages and expenses, file with insurance for applicable expense reimbursement, perform an after-action review, and potentially have a retroactive emergency declaration.

Richard Bohner commented that he was happy to see the flood wall at Fountain Park was beneficial during Tropical Storm Isaias.

The Board commended and acknowledged the work and efforts by the employees of the Authority. Liesel Gross stated that this will be acknowledged in the weekly newsletter that is distributed to the employees. The Board concurred.

### **Suburban Division – Western Lehigh Service Area – 2020 Sewer Modeling Presentation**

Phil DePoe introduced the topic, stating that the Western Lehigh Sewer Partnership hydraulic model was calibrated in 2019 to support the long-term Act 537 planning effort for the Western Lehigh sewer service area. Jim Shelton from Arcadis presented information on sewer modeling concepts, an

overview of the 2019 Western Lehigh modeling work and examples, and a review of current and future modeling work to be completed.

Jim Shelton explained that a sewer model is essentially a “digital twin” of the sewer system that uses physical attributes of the pipe and data on sewage flows during a defined time period to develop the hydraulic model. The hydraulic model is an engineering tool that will assist with predicting the future performance of the system and analyzing future infrastructure needs. The tool can be used evaluate the options to improve the level of protection and the level of service.

Amir Famili asked what the level of confidence is regarding modeling results. Mr. Shelton explained the process of developing quality control checks on the monitoring data that is collected, which increases the degree of accuracy of the model. The model’s strengths and weaknesses were reviewed. Mr. Shelton explained the current and future analyses that will be conducted using the model, including an evaluation of the alternatives to address conveyance system bottlenecks in the Trexlertown area.

Amir Famili asked as the system is upgraded, are the inputs to the models also upgraded. Jim Shelton explained that upgrading of the model is not ongoing but done in increments or if significant changes occur, typically every few years as new alternatives are being analyzed on a regional basis.

Solicitor Mike Gaul asked if the model assumptions are accepted by the Pa. Department of Environmental Protection (DEP). Jim Shelton explained that DEP generally accepts the engineering work completed by municipalities and he expects DEP to accept the Western Lehigh sewer model as well.

#### **MONTHLY PROJECT UPDATES / INFORMATION ITEMS**

Liesel Gross highlighted some action items for the August 24, 2020 meeting as noted in the report.

#### **STAFF COMMENTS**

None.

#### **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 a matter of potential litigation.

#### **ADJOURNMENT**

There being no further business, the Chairman adjourned the meeting at 1:47 p.m.

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Richard Bohner  
Secretary