

REGULAR MEETING MINUTES

January 25, 2021

The Regular Meeting of the Lehigh County Authority Board of Directors was called to order at 12:02 p.m. on Monday, January 25, 2021, Chairman Brian Nagle presiding. The meeting was held via video and audio advanced communication technology ("ACT"), using the Zoom internet application including telephone option, due to the 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 including telephone option. Chairman Nagle announced that the Board received their packet via mail the previous week. A Roll Call of Board members present was taken. Chairman Brian Nagle, Richard Bohner, Norma Cusick, Linda Rosenfeld, Jeff Morgan, Amir Famili, and Kevin Baker were present for the duration of the meeting.

Solicitor Michael Gaul of KingSpry was present along with Authority Staff, Liesel Gross, Ed Klein, John Parsons, Chris Moughan, Chuck Volk, Susan Sampson, Andrew Moore, Phil DePoe, Mark Bowen, Lisa Miller, and Todd Marion.

Also present were Mary Sally and Lindsay Mulvihill from Dollar Energy Fund.

Chairman Nagle announced that the Board received their packets electronically and most received a hard copy prior to the meeting.

REVIEW OF AGENDA

Liesel Gross stated there are no changes to the agenda as presented and there will be an Executive Session after the regular meeting to discuss matters of personnel.

APPROVAL OF MINUTES

January 11, 2021 Meeting Minutes

Richard Bohner noted some grammatical errors. On a motion by Richard Bohner, seconded by Norma Cusick, the Board approved the minutes of the January 11, 2021 Board meeting as corrected (7-0).

PUBLIC COMMENTS

None.

ACTION AND DISCUSSION ITEMS

Resolution No. 01-2021-01 Authorizing LCA Customer Hardship Fund

Liesel Gross gave a presentation regarding the proposed Customer Hardship Fund. Since the onset of the COVID-19 pandemic in March 2020, all late fees and service terminations for customer non-payment have been suspended. The impact has been significant, and the Authority is facing potential revenue loss of approximately \$1.7 million. Service terminations for non-payment will tentatively be reinstated in March 2021. The Authority's approach to recovery includes (1) customer notification of late fees and penalties being reinstated which is currently under way, (2) developing a safe way for customers to pay with cash, (3) a phased-in service termination schedule for customer

non-payment tentatively beginning in March 2021, (4) the establishment of a Customer Hardship Fund, and (5) a payment plan program for additional support for low-income customers.

Ms. Gross emphasized that the goal of the Customer Hardship Fund is to allow the Authority to start the process for terminations for non-payment, while providing help to customers who really need it. She then reviewed the initial source of the \$500,000 that would fund the program, the process for offering grants to eligible customers, and the overall benefits to the customer and the Authority. As the program continues, the Authority may seek charitable donations to continue funding the program after the initial block of funding is exhausted. There was some Board discussion regarding the separation of funds to ensure the cost of the program is properly shared between the Authority's Suburban and Allentown divisions.

Ms. Gross then reviewed the benefits to using a third-party administrator to run the Customer Hardship Fund. One critical element for a successful program is to develop a network of local community-based organizations (CBOs) to work directly with Authority customers, accept and evaluate customer applications, and handle customers' personal information securely and confidentially.

Norma Cusick asked what the program is going to cost the Authority in fees. Ms. Gross said program fees are expected to cost \$40,000–50,000. She reviewed the program fees of approximately \$25 per grant, which is split between the third-party administrator and the local CBOs who participate in the program. Amir Famili commented that an overhead factor of 8 to 10 percent for a non-profit organization is typically viewed as acceptable.

Ms. Gross then reviewed the initial customer eligibility requirements that are recommended to kick off the program. The parameters will be re-evaluated after three months to determine if the parameters are working or need to be adjusted, in order to properly support the customers the Authority seeks to assist with this program. Amir Famili asked what the average bill that is due from our customers. Liesel Gross replied that the average customer owes around \$400. She explained that the program criteria includes a maximum grant amount of \$300, provided that the customer has made a payment of at least \$100 toward their outstanding balance. These criteria were selected based on current data on average outstanding balances due from the Authority's customer base.

Liesel Gross recommended contracting with Dollar Energy Fund to serve as the third-party program administrator. She explained the features of the Dollar Energy program and noted the excellent references received from several large utilities including Pennsylvania American Company and the Pittsburgh Water & Sewer Authority. She then introduced Dollar Energy Fund representatives Lindsay Mulvihill and Mary Sally, who gave a presentation on their organization and the proposed service Dollar Energy would provide to the Authority.

Richard Bohner asked how soon the Authority would know that a customer is in communication and applying for funds through Dollar Energy. Lindsay Mulvihill stated the program works in real time using their web-based iPartner software as the main tool to administer the program. The Authority will have access to view its customers using the program in real time, allowing for timely customer communication and coordination with the Authority's service termination proceedings.

Liesel Gross described the next steps that include the approval of Resolution No. 01-2021-01, developing the program details, and completing customer notification about the upcoming service termination process and the availability of assistance grants through this program. She then reviewed the details included in Resolution 01-2021-01, which authorizes the establishment of the Customer Hardship Fund, approves the appropriation of \$500,000 to the Fund, specifies the

requirement to separate funds between Suburban and Allentown divisions, approves initial customer eligibility criteria, with CEO authority to make adjustments in the future to meet program goals, approves the contract with Dollar Energy Fund in substantially the same form attached to the Resolution, and authorizes Staff to execute the documents. Solicitor Mike Gaul commented on the Resolution, stating that the idea is for the Board to establish the broad principles of the program, while providing Authority management the necessary flexibility to implement the program.

Kevin Baker commented that he sees value in the program and asked if we will be rehabilitating customers back to becoming regular paying customers. Mary Sally from Dollar Energy stated with a grant program such as the one recommended by the Authority staff, they typically see about 93 percent of customers as one-time grant recipients, with about 7 percent returning for a future grant. Chairman Brian Nagle asked Dollar Energy Fund if in their experience they normally see the program like this established for a short duration, or do they typically continue beyond the end of their initial start-up period. Mary Sally explained that there will always be households with limited income and many utilities establish programs like this and fund them annually to help them keep going. She also noted that many utilities include program features to allow customers to donate directly to the program in order to help their neighbors and provide support for low-income households in their community. These donation programs can help extend the life of a grant program. Liesel Gross added that the current recommendation is to use the funds the Authority has available now to address the immediate concerns related to customers' ability to pay during the pandemic. After that, the Authority can continue the program with additional funding if the Board wishes, but the staff recommends first pursuing the charitable giving approach outlined by Dollar Energy to help extend the reach of the program.

Chairman Nagle stated that in the public communication about the program, it should be made clear that this is a program developed and run by the Authority. He explained his concern that the Authority customers will be more familiar and comfortable with a program offered by a familiar organization like the Authority versus Dollar Energy Fund. Ms. Gross agree and said that Susan Sampson will be communicating with the customers and the community to make everyone aware of the Authority's Customer Hardship Fund.

Jennifer McKenna, City of Allentown Office of Compliance, commented that the City applauds the Authority for joining other community partners in working to relieve the impact of COVID-19 on low-income households. She said they appreciate that the program will be reviewed in three months to see what, if anything, can be improved upon. Ms. McKenna also noted the importance of recommending and working with other community-based organizations. She also commented that the City believes that this program may be a good template to use in 2024 when additional customer assistance may be needed after the final full fixed rate increases go into effect in accordance with the settlement agreement that was signed in 2020.

Solicitor Mike Gaul read the title of Resolution 01-2021-01 for the benefit of all attendees. On a motion by Linda Rosenfeld, seconded by Norma Cusick, the Board approved Resolution No. 01-2021-01 (7-0).

A roll call vote was taken with the following votes cast:

Brian Nagle – yes
Richard Bohner – yes
Norma Cusick – yes
Kevin Baker – yes
Linda Rosenfeld – yes

Jeff Morgan – yes
Amir Famili – yes

Richard Bohner asked the staff to consider how the Authority will respond if an employee visits a property to disconnect service and encounters the customer, how will they manage the grant application process in the field.

Liesel Gross thanked Mary Sally and Lindsay Mulvihill from Dollar Energy Fund for their presentation.

Retroactive Emergency Declaration – 36” Water Main Break Devonshire & Mack

John Parsons described the emergency 36” water main break that occurred on December 27, 2020 at Devonshire Avenue near the intersection of Mack Boulevard. The break occurred in the cast iron pipe line that was installed in 1936 and feeds the South Mountain Reservoir. Joao Bradley was called in to assist with heavy equipment because of the size of the main, the amount of water being discharged, Authority staff shortages, and the extensive road damage. Garrison Enterprises was also called in to install line stops so the break could be fully isolated and repairs could be made. A secondary incident occurred when a significant section of macadam roadway fell into the pit causing a new rupture in the line. A boil water advisory was issued on December 29 and was lifted on December 31, 2020.

Mr. Parsons requested the approval of a retroactive Emergency Declaration in the amount of \$415,704.95. He noted that the total does not include costs for final road restoration that will take place in the Spring of 2021.

A presentation was shown of the break and the repairs. Richard Bohner asked if the report from the condition assessment regarding the previous breaks that occurred in 2020 has been received. Mr. Parsons stated he is still waiting on the assessment report.

Liesel Gross commented on the boil water advisory, noting that an internal team worked together to identify the customers that would be affected by the boil water advisory and needed to be contacted. Mark Bowen developed an interactive map for the Authority’s website to show the area affected and allow customers to look up their address to determine if their property was affected by the boil advisory.

On a motion by Linda Rosenfeld, seconded by Richard Bohner, the Board approved the Emergency Declaration in the amount of \$415,704.95 (7-0). Chairman Nagle asked if there would be another emergency declaration required when the final road restoration occurs. Mr. Parsons said no because the repairs will fall under normal purchasing procedures.

Kline’s Island Sewer System – Act 537 Planning: 2021 Flow Data QA/QC

Phil DePoe provided background of the 2021 flow characterization study for the Kline’s Island Sewer System (KISS). Per the commitments to the Department of Environmental Protection (DEP), the study is to take place in 2021 and encompass the entire KISS collection system. The study will require the use of 65 temporary meters, 24 permanent sewer billing meters, and 11 permanent non-billing meters. The purpose is to capture both dry-day and wet-day flow data in a span of approximately 9 months. The data collected will be used for the KISS hydraulic model that will be created later in 2021. The model will then be used to run scenarios and incorporate future flow projections from the municipal signatories to analyze the alternatives to upgrading the system to

meet future needs. Current estimates of future system upgrades over the next 20 to 30 years show an investment of about \$200 million or more may be needed. The model is a critical tool to help the region make decisions about these future upgrades.

In order to validate the metering information that will be collected and used to develop the KISS hydraulic model, the Authority recommends Arcadis be authorized to perform the data quality assurance and quality control (QA/QC) work. Mr. DePoe is requesting approval of the Professional Services Authorization to Arcadis in the amount of \$250,000.00.

Amir Famili asked for clarification on what steps Arcadis will take to complete the QA/QC work. Phil DePoe explained that Arcadis will take the data from the meters and perform various calculations and then compare them to industry standards to ensure the meter data can be relied upon for the model. Arcadis will also review data collected during and after selected high-flow events and storms to ensure peak flows are calculating properly. Because of the time needed to calculate the data from the meters and the expertise required to critically analyze results, the Authority cannot perform this work in-house. Jeff Morgan commented on the rigorous and time-consuming process needed to properly review the meter data and calibrations, and emphasized the importance of having accurate data in the Act 537 plan that will be submitted to DEP.

On a motion by Linda Rosenfeld, seconded by Richard Bohner, the Board approved the Capital Project Authorization in the amount of \$746,550.00 that includes the Professional Services Authorization to Arcadis in the amount of \$250,000.00 and includes the previously approved Professional Services Authorization, Flow Metering Contractor, in the amount of \$476,550.00 (7-0).

Amir Famili asked how much visibility the Authority has regarding the inflow and infiltration source removal programs within the municipal sewer collection systems. Phil DePoe explained that the Authority prepares for DEP quarterly reports outlining sewer system repairs and rehabilitation work being completed by each municipality in the system. Chuck Volk also commented that this data is reported annually to DEP in the Chapter 94 report.

Sand Spring Wastewater Treatment Plant Upgrade – General Contract Change Order No. 1

Chuck Volk reviewed the request for the general contract change order. He explained that, instead of drilling a new well on the site of the Sand Spring Wastewater Treatment plant, a proposal was requested from the contractor to connect the plant to the Authority's water system on Park View Drive. The reason for the request is that the existing well capacity is inadequate to serve the new plant's needs and demand, and a new well would be very costly. The new connection would also improve the flow rate to the plant.

On a motion by Linda Rosenfeld, seconded by Jeff Morgan, the Board approved the Capital Project Authorization Amendment No. 1 for \$39,920.00 which includes the General Contract Change Order to Lobar, Inc. in the amount of \$34,920.00 (7-0).

MONTHLY FINANCIAL REVIEW

Ed Klein noted that the unaudited statements for 2020 will be provided at the February 22, 2021 meeting.

MONTHLY SYSTEM OPERATIONS OVERVIEW

John Parsons reviewed the Monthly System Operations Overview report for December 2020 highlighting SSOs that occurred at both the Kline's Island and Heidelberg Heights wastewater treatment plants due to heavy rainfall. An SSO also occurred at Sand Spring Wastewater Treatment Plant resulting from a ruptured pipe causing approximately 20 gallons of sewage to be released. He also noted that the condition assessment of the 1.1 miles of 36" and 30" ductile iron pipe that was subject to a large water main break in April 2020 was completed by Xylem Inc. and Gannett Fleming. The report is expected in 90 days.

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 matters of personnel.

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 2:25 p.m.

Richard Bohner
Secretary