

## **REGULAR MEETING MINUTES**

### **April 26, 2021**

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The Regular Meeting of the Lehigh County Authority Board of Directors was called to order at 12:01 p.m. on Monday, April 26, 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. A Roll Call of Board members present was taken. Chairman Brian Nagle, Scott Bieber, Richard Bohner, Ted Lyons, Kevin Baker, Linda Rosenfeld, Jeff Morgan, and Amir Famili 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.

Chairman Nagle stated that the Board received their electronic copy of the Board packet in advance and asked if anyone did not receive their hard copy of the packet. No Board members indicated they had not received their packet by mail.

#### **REVIEW OF AGENDA**

Liesel Gross stated there are no changes to the agenda and no items for Executive Session. There is, however, a brief item for Staff Comments.

#### **APPROVAL OF MINUTES**

##### **April 12, 2021 Meeting Minutes**

Richard Bohner noted a grammatical error. On a motion by Richard Bohner, seconded by Linda Rosenfeld, the Board approved the minutes of the April 12, 2021 Board meeting as corrected (8-0).

#### **PUBLIC COMMENTS**

None.

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

##### **2022-2026 Capital Plan**

Liesel Gross reviewed the memorandum which included an overview of the Final Draft Capital Plan (2022-2026) – All Divisions for Board consideration and approval and a summary of the public comments received during the 30-day public comment period. Ms. Gross clarified that approval of the plans does not indicate funding authorization for the Plan, which includes projects totaling approximately \$113 million over the next five years. Funding for these projects will come from operating revenues and reserves and approximately \$10 million from new borrowing. Future Board authorization will be sought to approve this funding during the annual budget process and future project-specific approvals and bond financing approvals.

Chuck Volk stated that two letters were received from the City of Allentown asking for clarification and some minor text revisions to some project descriptions included in the Plan. There are no

substantive changes to the Plan as the result of these requests. He noted that the schedule for the Water Filtration Plant filter upgrade project may be re-evaluated depending on available funding during the Plan period, due to the high priority of that project. Comments were received from the Lehigh Valley Planning Commission noting that the Plan is consistent with the region's comprehensive plan. No other public comments were received.

Ted Lyons asked if there are any outstanding issues regarding the City of Allentown's comments. Chuck Volk stated that their comments have been addressed and the most recent letter detailed some questions about the Little Lehigh Creek Intake Upgrade project, which has been addressed. Scott Bieber commented that the City seems concerned about the filter project schedule and asked if this has been addressed. Mr. Volk said a filter study was completed in 2020, which provided both short- and long-term recommendations for the filter upgrades. The short-term recommendations will be completed in 2021 and 2022, and design work for the long-term recommended upgrades will begin thereafter. As noted previously, this work may move up in the schedule if funding is available due to the high priority of this work.

Scott Bieber commented that in his opinion, the Authority's water rates in the Suburban Division are too low, and he would rather see a more significant rate increase now rather than borrowing \$10 million for the capital projects. He stated he will vote no on the approval of the Plan because of this. Chairman Nagle stated that the Authority is planning on increasing rates approximately 6.75% per year which will have an impact on customers and the Authority's ability to fund projects from operating revenues in the future. Liesel Gross noted the compounding impact of these annual rate increases over the next five years will be significant but may be tempered by growth that will occur during this time period. The Authority is striving for a balanced approach, allowing rates to increase gradually as customer growth occurs, which will also support the Capital Plan. Ed Klein added that a much larger rate increase would be needed in a single year if the Authority eliminates all borrowing, and the proposed plan seeks to create the balance that Ms. Gross explained earlier. Scott Bieber said that he agrees and would not want to see a large increase in a single year but encouraged the Board to think about doubling the proposed rate increases to eliminate borrowing.

Jennifer McKenna, City of Allentown Office of Compliance, thanked Chuck Volk for his responsiveness to the City's comments on the Capital Plans. She noted she was glad to receive the Authority's response to the City's letters, and that a more comprehensive pump testing and exercising protocol will be reviewed as part of the design phase of the Little Lehigh Intake Upgrade project. The City's primary concern, as noted in their letters to the Authority, is the increased rate of water production at the Water Filtration Plant and ensuring the Authority has plans in place to provide uninterrupted service while the projects are being completed. Chairman Nagle asked where that water production increase is coming from. Liesel Gross replied that the Authority's purchase of water from the Allentown Division for the Suburban Division has increased over the past several years per the terms of the Water Purchase Agreement with the City.

On a motion by Linda Rosenfeld, seconded by Richard Bohner, the Board approved the 2022-2026 Capital Plan – All Divisions (7-1).

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

Brian Nagle – yes  
Scott Bieber – no  
Richard Bohner – yes  
Ted Lyons – yes  
Kevin Baker – yes

Linda Rosenfeld – yes

Jeff Morgan – yes

Amir Famili – yes

### **Suburban Division – Heidelberg Heights 2021 Sanitary Sewer Replacement Project**

Chuck Volk explained that he is asking for rejection of the construction phase bids for the Heidelberg Heights 2021 Sanitary Sewer Replacement Project because the bid pricing far exceeds the budget and engineer's estimate. Also, Authority staff believes the bid is "unbalanced" due to the line-item cost for the permanent paving, which is more than three times the current average for related construction projects. It is expected that this project will be repackaged in the fall along with the 2022 phase of the project to achieve better pricing and economy of scale. Mr. Volk introduced the Authority's project manager, Jason Peters, who also commented on the increase of construction costs. Richard Bohner asked if Mr. Volk spoke with Joao Bradley regarding their high bid since they are doing a lot of work recently with the Authority. Mr. Volk said he did not. There was some Board discussion regarding the bid costs for this project.

On a motion by Scott Bieber, seconded by Ted Lyons, the Board approved the rejection of the bids for the Suburban Division – Heidelberg Heights 2021 Sanitary Sewer Rehabilitation (Phase 4) Construction Phase (8-0).

### **MONTHLY FINANCIAL REVIEW**

Liesel Gross noted that the financial presentation was emailed to the Board and posted on the Authority website. Ed Klein reviewed the March 2021 financial statement presentation, highlighting the variances between actual expenses and budgeted or forecasted expenses. Mr. Klein then reviewed the proposed Suburban Water Division bond refinancing, including the expected sources and uses of the funds. The reason for the refinancing is due to the current low interest rates that will provide the Authority with significant debt service savings, without extending the repayment period for the debt to be refinanced. He noted the bond refinancing is expected to save the Authority \$3.9 million in future debt service costs. A Resolution will be presented to the Board for consideration at the May 10, 2021 meeting.

### **MONTHLY SYSTEM OPERATIONS OVERVIEW**

John Parsons reviewed the March 2021 Monthly Systems Overview report, highlighting the preparations that were undertaken for an internal inspection of the Park Pump Station Force Main. Trial runs were conducted in March to establish how long the Park Pump Station could be taken out of service before risking a sanitary sewer overflow (SSO). The trial run on March 23, 2021 resulted in two small SSOs. This trial run resulted in improved protocols and emergency response details being developed for a successful inspection, which was subsequently completed on April 10, 2021. A full engineering assessment report will be provided in approximately one month. Mr. Parsons also noted a bypass that occurred on March 27, 2021 at the Kline's Island Wastewater Treatment Plant that resulted in a very small amount of flow discharged due to a fault in the climber screen and improper operator response to the situation. Subsequent to this event, the plant operations staff have been re-trained to ensure proper handling of this type of situation in the future. There was some additional Board discussion regarding the Park Pump Station Force Main condition assessment.

Scott Bieber asked about the flows at the Kline's Island Wastewater Treatment Plant, which appear to be about 3 million gallons per day higher than normal. Mr. Parsons said this is normal for this time of the year with additional rainfall and an increase in industrial customers' wash-down processes.

Jennifer McKenna asked if the Monthly System Operations Report would be corrected to indicate the cause of the March 27, 2021 bypass. Ms. Gross noted that the report is accurate as presented, noting that the climber screen was the primary mechanical cause of the bypass and that Mr. Parsons correctly reported to the Board that the operator's response was a contributing factor and additional training had been provided as a corrective action. Ms. McKenna noted that she feels the report to the Board is not consistent with what was reported to DEP. John Parsons stated that the issues were reported accurately to both DEP and the Board.

### **STAFF COMMENTS**

Liesel Gross reported that the Authority resumed its process for customer service terminations due to non-payment last week. At the same time, the Authority began accepting grant applications for the Customer Hardship Fund in April.

### **SOLICITOR'S COMMENTS**

None.

### **PUBLIC COMMENTS / OTHER COMMENTS**

Richard Bohner asked if the property damage claims related to the 2020 transmission line breaks have been concluded. Liesel Gross reported that any issues related to these claims are considered to be a legal issue and are being handled through the Authority's insurance company.

Scott Bieber asked for an update to the Trexlertown sewer capacity study. Liesel Gross said the study is near complete but there are other alternatives being examined. Additional information will be provided to the Board over the next couple of months.

### **EXECUTIVE SESSION**

### **ADJOURNMENT**

There being no further business, the Chairman adjourned the meeting at 1:12 p.m.

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Richard Bohner  
Secretary