

REGULAR MEETING MINUTES
July 25, 2022

Notice of Preparation of Authority Meeting Minutes: Authority staff who are in attendance at each Authority Board meeting prepare a draft of the Minutes, which are subsequently distributed to all Board members for review. Board members may offer corrections prior to a vote of the full Board of Directors to approve the Minutes.

The Regular Meeting of the Lehigh County Authority Board of Directors was called to order at 12:00 p.m. on Monday, July 25, 2022, Chairman Brian Nagle presiding. The meeting was hybrid via in-person and video and audio advanced communication technology (“ACT”), using the Zoom internet application, including telephone option. 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 in-person or via ACT, using the Zoom internet application, including telephone option. A Roll Call of Board members present was taken. Brian Nagle, Scott Bieber, Richard Bohner, Norma Cusick, Ted Lyons, Kevin Baker, Linda Rosenfeld, and Jeff Morgan were present for the duration of the meeting.

Attorney Kent Herman of the KingSpry law firm, Authority Solicitor, was present along with Authority Staff, Liesel Gross, Ed Klein, Chris Moughan, Andrew Moore, Phil DePoe, Susan Sampson, Mark Bowen, and Lisa Miller.

Chairman Nagle announced that the Authority received the Government Finance Officers Association Certificate of Achievement for excellence in financial reporting for the 37th year in a row. The Board thanked Ed Klein and his staff for a job well done. Andrew Moore received an award from Pennsylvania Water Environment Association for excellence in running the industrial pretreatment program. The Water Filtration Plant also received a Director’s award from the American Water Works Association for 15 years of participation in the Partnership for Safe Water program for operating the plant at a level that exceeds regulatory requirements.

Amir Famili entered the meeting at 12:02 p.m.

Chairman Nagle announced that the Board received their electronic and hard copies of the Board packet in advance and asked if anyone did not receive their copy of the packet. A copy of the packet is also available online.

REVIEW OF AGENDA

Liesel Gross announced that there are no changes to the agenda; however, there will be an Executive Session at the close of the regular meeting to discuss personnel.

APPROVAL OF MINUTES

July 11, 2022 Meeting Minutes

Richard Bohner suggested a minor correction. On a motion by Richard Bohner, seconded by Norma Cusick, the Board approved the minutes of the July 11, 2022 Board meeting as corrected (7-0). Ted Lyons and Scott Bieber abstained.

PUBLIC COMMENTS

None.

ACTION AND DISCUSSION ITEMS**Resolution No. 7-2022-1: Suburban Water Division Financing**

Chris Gibbons from Concord Public Financial Advisors, Inc. gave a brief presentation regarding Resolution No. 7-2022-1 to authorize borrowing \$12,255,000.00 through a Water Revenue Bond, Series 2022 for the Suburban Water Division. A request for proposals for the financing was issued, and Concord reviewed options for a bank loan or a bond issue to determine the best financing option for the Authority. Fulton Bank's proposal is recommended to be approved, as it provides favorable terms and lower interest rates than are currently available on the bond market. Mr. Gibbons reviewed the proposed debt service schedule and explained the approach to scheduling interest-only payments during the first half of the repayment schedule, to allow for other Authority bonds to be paid. There was some discussion regarding interest rates and the terms of the proposed bank loan. Ed Klein commented that the proposed three-year drawdown on the loan was derived from the Authority's current capital plan.

On a motion by Linda Rosenfeld, seconded by Ted Lyons, the Board approved Resolution No. 7-2022-1 authorizing the issuance of Water Revenue Bond, 2022 Series for the Suburban Water Division in the amount of \$12,255,00.00 (9-0).

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

Brian Nagle – yes
Scott Bieber – yes
Richard Bohner – yes
Norma Cusick – yes
Ted Lyons – yes
Kevin Baker – yes
Linda Rosenfeld – yes
Jeff Morgan – yes
Amir Famili – yes

LCA Strategic Plan – 2022 Quarterly Progress Reporting

Liesel Gross gave a presentation on the Authority's progress on strategic initiatives during the second quarter of 2022. She gave an overview of the 2022-2027 Strategic Plan and focused the remainder of the presentation on priority areas related to asset management and process improvement.

Ms. Gross explained that the focus for the Authority's asset management program in 2022 is to (1) build the foundation of the program by developing a multi-year implementation plan and (2) begin the work necessary to track all maintenance activities in a standard computerized maintenance management system (CMMS). An internal team has begun the work necessary to develop the implementation plan, but work has stalled due to having limited internal capacity to focus on developing key program definitions such as defining an asset and the required level of service and standardizing the risk and asset condition scoring method to be used. Therefore, hiring a Director of Engineering & Asset Management to assist with this process will be beneficial to move the plan forward. Some external resources will also be required to facilitate the progress. A request for proposals is being developed and a consultant authorization will be brought before the Board later this year. There was some discussion regarding the process for defining and managing assets.

Regarding the strategic priority related to process improvement, Ms. Gross explained that the focus for 2022 is to (1) assess the Authority's enterprise resource planning (ERP) software, Munis, and (2) decide the next steps needed to enhance the functionality of the system, including integrations with other systems such as the CMMS discussed earlier. Raftelis was hired to complete the needs assessment and will present a summary of the results at the Board's August 8th meeting. Based on the most recent staff review, the solution will involve a detailed business process review period, followed by a full re-implementation of the Munis software, to better align with the Authority's current needs. The project is expected to cost about \$1.5 million and will be a major focus for the staff in 2023.

There was some additional discussion regarding the benefits of continuing to use Munis and the detailed process that will be required to complete the re-implementation of the system.

MONTHLY FINANCIAL REVIEW

Ed Klein gave an overview of the June 2022 financial statements, highlighting variances between actual expenses and budgeted or forecasted expenses. There was some Board discussion regarding the impact of the new Suburban Water financing on the rate structure.

MONTHLY SYSTEM OPERATIONS OVERVIEW

Andrew Moore reviewed highlights of the June 2022 report, noting that there was an increase in water production in June due to increasing temperatures, along with increased sewer flows in all service areas. He also reviewed the sewer overflows and boil advisories that occurred in June as outlined in the report. Chris Moughan reported on the Authority's response to an incident of damage to a 36" steel water main. The damage was caused by a contractor during construction on the Lehigh Street bridge in Allentown. The Board asked for an update on Sands Springs wastewater treatment plant performance. Mr. Moore reported that the plant continues to receive elevated flows from the system, and staff have been unable to determine where the extra flow is coming from. This has resulted in continued difficulty meeting permit requirements.

STAFF COMMENTS

None.

SOLICITOR'S COMMENTS

None.

PUBLIC COMMENTS / OTHER COMMENTS

None.

EXECUTIVE SESSION

There will be an Executive Session after the regular meeting to discuss personnel matters.

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 1:34 p.m.

Richard Bohner
Secretary