

REGULAR MEETING MINUTES

January 23, 2023

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, January 23, 2023, 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, Norma Cusick, Linda Rosenfeld, Jeff Morgan, and Amir Famili were present for Roll Call, and remained for the duration of the meeting, except Board member Norma Cusick briefly left the meeting, at the time noted below, due to technical issue with her internet connection. Board member Kevin Baker entered the meeting at the time noted below, and remained for the duration of the meeting thereafter.

Solicitor Michael Gaul of KingSpry was present along with Authority Staff, Liesel Gross, Ed Klein, Chris Moughan, Chuck Volk, Andrew Moore, Phil DePoe, Susan Sampson, Albert Capuzzi, and Lisa Miller.

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 or additions to the agenda; however, there will be an item under Staff comments and an Executive Session at the end of the regular session to discuss real estate acquisition.

APPROVAL OF MINUTES

December 12, 2022 Meeting Minutes

On a motion by Norma Cusick, seconded by Linda Rosenfeld, the Board approved the minutes of the December 12, 2022, Board meeting as presented (5-0).

PUBLIC COMMENTS

None.

LCA Pension Plan – Updated Mandatory Municipal Obligation (MMO)

Ed Klein explained that the normal cost rate that was provided by the Pennsylvania Municipal Retirement System (PMRS) in September was incorrect and an updated MMO worksheet was provided to show the updated cost rate. No action is required.

LCA Strategic Plan – 2022 Quarterly Progress Reporting

Liesel Gross provided an overview of the year-end report showing the Strategic Plan milestones achieved in 2022 and the activities and milestones planned for 2023. Highlights and key

achievements were reviewed for Asset Management, Process Improvement, Water & Wastewater Capacity, Employee Engagement & Safety, and Operational Excellence.

As part of the review of the 2022 achievements in the Employee Engagement category, Ms. Gross explained the need for additional staffing in the Human Resources area to support succession planning needs of the organization. She then introduced the Authority's new Human Resources Manager, Annmarie Still, who began work in early January. Ms. Still gave a brief overview of her background and work experience.

Ms. Gross reviewed the Strategic Plan key performance indicators, highlighting areas that are still under development. Performance in the Environmental Compliance category in 2022 shows an increase in permit exceedances, which is primarily related to poor performance at the Sand Springs Wastewater Treatment Plant. Within the Environmental Compliance category, Andrew Moore noted that wastewater treatment plant bypasses have improved in 2022 in terms of the total volume of sewage being discharged. Although the number of events that occurred has not decreased, the actual amount of sewage being discharged has been reduced through the continued efforts of the Authority to address system deficiencies.

Amir Famili asked about the metrics related to employee safety and specifically lost time incidents. Liesel Gross explained that improving the Authority's ability to report on safety metrics is a key goal for 2023, as noted within the Strategic Plan report for Employee Engagement and Safety.

Kevin Baker joined the meeting at approximately 12:20 p.m.

Resolution 1-2023-1: Re-Authorizing the Authority's Application for Pennvest Funding

Liesel Gross explained that in April 2021, the Authority authorized a loan through Pennvest for the project to upgrade the high service pumps and variable frequency drives at the Water Filtration Plant in the Allentown Division. However, the closing of the loan was delayed due to Pennvest requirements and delays on the delivery of project equipment. The loan is now ready to close as the project is nearing completion. Solicitor Mike Gaul explained that an updated Borrower's Resolution is needed to update references related to the bond indenture and supplemental indenture reflecting the updated loan date.

On a motion by Jeff Morgan, seconded by Linda Rosenfeld, the Board approved Resolution 1-2023-1 (5-0).

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

Brian Nagle – yes
Kevin Baker – yes
Linda Rosenfeld – yes
Jeff Morgan – yes
Amir Famili – yes

Board member Norma Cusick, Assistant Secretary, briefly left the meeting at approximately 12:30 p.m. due to a technical issue with her internet connection, and did not participate in the vote. By consensus of the Board, and at the request of Chairman Nagle, Liesel Gross acted as the Temporary Recording Secretary for the period of time when Ms. Cusick was absent from the meeting.

Board member Norma Cusick re-joined the meeting at 12:36 p.m.

Resolution 1-2023-2: Authorizing the Authority's Application for Pennvest Funding

Liesel Gross explained that the resolution is to authorize the Authority to apply for Pennvest funding for lead service line replacements in the Allentown Division water system. She explained the project, which will include replacement of approximately 150 lead service lines in a distinct project area within the City. Both the public and private side of the service lines will be replaced if needed and if the funding is provided. The application will be designed to request grant funding for the project through the Infrastructure Investment and Jobs Act funding provided to Pennvest, but a full grant award is not guaranteed. The Authority is pursuing this as an initial phase of a larger future lead service line replacement program that will be required under the terms of the Lead and Copper Rule Revision (LCRR) that was passed in 2021. This initial phase will allow the Authority to develop appropriate protocols for applying for grant funding, working with customers on private property issues, and documenting procedures that will be used for the future phases of the work. She explained that replacing infrastructure that is privately owned by Authority customers will require careful thought and review by the Solicitor, but will be a requirement of the new regulatory framework under the LCRR.

There was some Board discussion regarding the Authority's records related to lead service line materials. Andrew Moore explained the sources of data that are being used to develop a lead service line inventory, and stated there is still a lot more work to do to ensure a complete and accurate inventory.

On a motion by Norma Cusick, seconded by Jeff Morgan, the Board approved Resolution 1-2023-2 (6-0).

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

Brian Nagle – yes
Norma Cusick – yes
Kevin Baker – yes
Linda Rosenfeld – yes
Jeff Morgan – yes
Amir Famili – yes

Allentown Division – Emergency Declaration – Water Main Break at Mosser Road

Chris Moughan reviewed the emergency declaration for the main replacement on Mosser Street from South 23rd to South Leh Streets in Allentown. After being dispatched to a sinkhole, Authority crews realized that a 12-inch cast iron main was cracked at the bell. Since this was the fifth break in this line within a block and a half section during the prior 12 months and the roadway was already excavated due to the sinkhole, staff recommended replacement of the full section of water main. This water main was already planned for replacement in the Cycle 7 Main Replacement Project that is in design phase, and the City of Allentown was consulted to ensure the work could be completed in advance and would not disrupt the project approval process. Mr. Moughan is requesting approval of \$127,232.43 to retroactively cover the costs to replace the water main. Final course paving and sidewalk restoration will be contracted and completed in the spring in accordance with normal procedures.

On a motion by Norma Cusick, seconded by Linda Rosenfeld, the Board approved the retroactive emergency declaration for the water main replacement at Mosser Road in the amount of \$127,232.43 (6-0).

Suburban Division – Emergency Declaration – Realignment of Exposed Water Main in Heidelberg Heights

Chris Moughan gave an overview of the emergency water main relocation on Heidelberg Heights Road. At this location, the water main was located in a swale area that had eroded in a recent rain event, exposing the 8-inch water main. Due to the lack of ground cover and support, the risk of damage and freezing was high. Authority staff recommended installing a new water main in the roadway under the existing storm sewer pipe. Cost for the work was \$75,137.50. Final course paving will be subcontracted and completed in the spring.

On a motion by Linda Rosenfeld, seconded by Norma Cusick, the Board approved the retroactive emergency declaration for the realigned water main in Heidelberg Heights in the amount of \$75,137.50 (6-0).

MONTHLY PROJECT UPDATES / INFORMATION ITEMS

Liesel Gross noted that all items for January have been addressed at today's meeting with the exception of the review of the monthly financial statements. Both the December and January reports will be presented at the February 27 meeting. She highlighted that the Central Lehigh and North Whitehall system water supply study will be presented to the Board in February or March. The Water Filtration Plant: High Lift Pump VFD replacement project was covered under Resolution 1-2023-1 and will move off the list after the Pennvest loan closes in February. The Industrial Pretreatment Plant Master Plan project is almost complete and will also be reported to the Board at an upcoming meeting. She also reported that the Trexlertown Act 537 Special study received DEP approval in January, so this item will be removed from the report and the Upper Western Lehigh Pump Station project will move into permitting phase.

MONTHLY SYSTEM OPERATIONS OVERVIEW

Andrew Moore reviewed the December 2022 Operations report noting that water production and wastewater annual averages were in line with 2021 results. Mr. Moore reported that the Authority received a notice of violation for excessive permit violations at the Sand Springs Wastewater Treatment Plant. The plant continues to be challenged by high influent flows, which affect treatment performance and permit compliance. At a meeting with the Pennsylvania Department of Environmental Protection (DEP) on January 12th, an action plan was discussed. A compliance plan is under development and will be discussed with the Board at a later date.

Mr. Moore also noted that there were two bypasses that occurred at Heidelberg Heights WWTP due to the heavy rain events in December. There was one employee injury in December related to a lifting incident. A boil water advisory was issued to a small section of Allentown in December due to a water main break.

Amir Famili asked what steps are needed to resolve the issue at Sand Springs and what are the lessons learned. Liesel Gross said that once the compliance plan is developed, it will be brought before the Board so the staff can fully answer this question. She expects additional discussions with DEP will take place at that time as well. Jeff Morgan asked if DEP mentioned a fine. Ms. Gross stated that anything related to fines or additional enforcement action will be subject to legal review.

STAFF COMMENTS

Liesel Gross reported that the Lehigh County Executive has found a potential Authority Board member candidate, and the Board of Commissioners will review the candidate at the Governance

Committee meeting on Wednesday. A second candidate is needed to fill the two open positions on the Authority Board.

SOLICITOR'S COMMENTS

None.

PUBLIC COMMENTS / OTHER COMMENTS

None.

BOARD MEMBER COMMENTS

Chairman Nagle asked Norma Cusick to serve as the Nominating Committee for the upcoming Board election of officers. Ms. Cusick will poll the Board members regarding their interest in being nominated to an officer position. Nominations will be finalized and officers will be elected at a future meeting. Chairman Nagle reminded everyone that the positions of Vice Chair and Secretary are currently vacant due to the retirement of Dick Bohner and Scott Bieber from the Board.

Chairman Nagle asked that Liesel prepare a presentation of the Authority's 2022 performance for the Board and put it on an upcoming agenda.

EXECUTIVE SESSION

An Executive Session will be held at the end of the regular meeting to discuss real estate acquisition.

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 12:56 p.m.

Norma Cusick
Assistant Secretary

Liesel Gross
Recording Secretary (temporary),
as to part noted