

REGULAR MEETING MINUTES
February 27, 2023

The Regular Meeting of the Lehigh County Authority Board of Directors was called to order at 12:01 p.m. on Monday, February 27, 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, Kevin Baker, Jeff Morgan, Sean Ziller, and Marc Grammes were present for Roll Call, and remained for the duration of the meeting.

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.

At the request of Chairman Nagle, and by consensus of the Board, Liesel Gross was appointed to serve as temporary Recording Secretary for the meeting due to the absence of the Secretary and Assistant Secretary.

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.

Chairman Nagle introduced the newest Authority Board member, Marc Grammes. Mr. Grammes gave a brief overview of his work history and his experience as a former County Commissioner.

REVIEW OF AGENDA

Liesel Gross announced that there are no changes or additions to the agenda; however, there will be summary presentation to provide background and context for all three of the wastewater projects listed on the agenda. No Executive Session is planned.

APPROVAL OF MINUTES

February 13, 2023 Meeting Minutes

On a motion by Marc Grammes, seconded by Kevin Baker, the Board approved the minutes of the February 13, 2023, Board meeting as presented (5-0).

PUBLIC COMMENTS

None.

Election of Officers

Chairman Nagle reported that Norma Cusick served as the Nominating Committee and had provided a report prior to the meeting detailing the following slate of nominations for 2023 officers:

Brian Nagle, Chair
Amir Famili, Vice Chair
Linda Rosenfeld, Secretary

Ted Lyons, Treasurer
Kevin Baker, Assistant Treasurer
Norma Cusick, Assistant Secretary

Chairman Nagle asked if there were any other nominations, which there were not. On a motion by Jeff Morgan, seconded by Kevin Baker, the Board elected the officers for 2023 as nominated: Brian Nagle as Chair, Amir Famili as Vice Chair, Ted Lyons as Treasurer, Kevin Baker as Assistant Treasurer, Linda Rosenfeld as Secretary, and Norma Cusick as Assistant Secretary (5-0).

Wastewater Projects – Summary Presentation

Liesel Gross presented historical background information on the Kline's Island Sewer System (KISS) and the Authority's efforts to address environmental and economic development goals of the region. She explained prior Administrative Orders issued by the U.S. Environmental Protection Agency to address sanitary sewer overflows and how the KISS municipalities have been working together to address wet-weather flows. In addition, because economic development is continuing, future sewer system capacity must also be addressed. She reviewed the work schedule in place to develop a regional Act 537 Plan by 2025, which will be discussed in more detail at future meetings. A critical component of the planning process is for all municipalities in the KISS region to work on eliminating inflow and infiltration (I&I) from the sanitary sewer system. Flow monitoring and system modeling work was completed in 2021 and 2022, which provided detailed information to all municipalities so they can develop their future I&I source removal programs.

With this background in mind, three projects are on the agenda for today's meeting, which are related to specific system rehabilitation work needed to address I&I. Ms. Gross provided an overview of all three projects. She also provided a summary of the provisions within the Allentown Water & Sewer Lease, as amended in 2020, regarding how the projects in the City of Allentown are to be handled. She highlighted that the City has developed a new 10-year I&I Source Reduction Program that is estimated to cost \$50 million.

Some Board discussion followed regarding the need for intermunicipal collaboration and public communication about the expenses that will be incurred to implement the regional Act 537 Plan.

Suburban Division – Western Lehigh Interceptor Municipalities Test & Seal Lateral Grouting

Chuck Volk reviewed the project to complete sewer system rehabilitation work in Upper Macungie, Lower Macungie, and Upper Milford townships. This project will focus on grouting sewer lateral connections and main line joints, which were determined to be sources of inflow and infiltration (I&I) in the Western Lehigh Interceptor service area. The Authority will manage the project on behalf of Upper Macungie and Lower Macungie townships, working within their established budget constraints. The Upper Milford Township system is owned and operated directly by the Authority. Mr. Volk emphasized the importance of pre-construction sewer cleaning and inspection services, and inspection services during construction. In addition, post-construction sewer cleaning and inspection will be completed 18 months after construction.

Mr. Volk reviewed the bids received for this work, noting that Standard Pipe Services, LLC has successfully completed other sewer rehabilitation projects for the Authority in the past. Arcadis will provide full-time inspection services and project documentation services.

Some Board discussion followed regarding the use of contractors for this work, or the potential to purchase a grouting machine to do the work in house. The Board asked for clarification of the cost share attributed to each township. Mr. Volk explained the quantity of work to be completed won't be known until the pre-construction cleaning and inspection is completed, but the quantities for each township would be adjusted to conform to their budget availability for this project.

On a motion by Jeff Morgan, seconded by Sean Ziller, the Board approved the Capital Project Authorization for the Western Lehigh Interceptor Municipalities Test and Seal Sewer Rehabilitation

Project - Construction Phase, in the amount of \$1,607,578.00, which includes the General Contract Award to Standard Pipe Services, LLC in the amount of \$1,315,078.00 and the Professional Services Authorization to Arcadis in the amount of \$235,000.00 (5-0).

City of Allentown – Sanitary Sewer Collection System: I&I Source Reduction Program (City Year 4)

Phil DePoe reviewed the project to complete sewer system rehabilitation work in the City of Allentown. This is the last phase of the City's initial program to reduce inflow and infiltration (I&I) in the City system, as described in the 2018 Regional Flow Management Strategy. The project will focus on grout sealing and cured-in-place pipelining in areas determined to have high rates of I&I. The project will be paid by the City through the use of Administrative Order Bonds issued in 2020.

There was some discussion regarding the different rehabilitation methods, such as grouting versus pipelining, used in the projects presented for authorization. Mr. DePoe explained the rehabilitation method is generally determined by the engineer's judgement of the appropriate repair technique for each system.

Mr. DePoe explained the bid process and noted that a very low bid was received by Standard Pipe Services, LLC, and then was later withdrawn due to a mathematical error. He also noted an error in the project memo that stated the Authority did not have prior experience with the apparent low bidder, Vortex Services, LLC. He clarified that Vortex Services completed the prior year's project and their service was satisfactory.

There was some discussion regarding the bid withdrawal by Standard Pipe Services. Mr. DePoe explained that the bid documents allow for notice of bid withdrawal to be issued by a bidder within two days of the bid date. Standard Pipe Services withdrew their bid on the same day as the bid date, which is within the acceptable window. Solicitor Gaul advised the Board that as a matter of procedure, the Board may wish to take official action to accept the bid withdrawal from Standard Pipe Services.

On a motion by Jeff Morgan, seconded by Marc Grammes, the Board accepted the request issued on February 16, 2023 by Standard Pipe Services, LLC to withdraw their bid (5-0).

On a motion by Jeff Morgan, seconded by Sean Ziller, the Board approved the Capital Project Authorization for the City of Allentown I&I Source Reduction Program, Year 4 - Construction Phase in the amount of \$885,756.00, which includes the Professional Services Authorization to Kleinfelder in the amount of \$132,720.00 and the Construction Contract to Vortex Services, LLC in the amount of \$723,036.90 (5-0).

Allentown Division – Sanitary Sewer Collection System: I&I Source Reduction Program (LCA Year 1)

Albert Capuzzi reviewed the project to design the upcoming phase of sewer system rehabilitation work in the City of Allentown, which will be constructed in 2024. This will be the first phase of a new 10-year program to reduce inflow and infiltration (I&I) in the City system, which will be implemented and funded by the Authority in accordance with the Allentown Water & Sewer Lease, as amended in 2020. Mr. Capuzzi explained the authorization request is for design and construction phase engineering services only, and further discussion on project scope would occur between the Authority and the City prior to seeking construction bids. He explained the process for selecting the engineering firm, which included issuing a request for proposals to five firms noted for their experience in sewer system rehabilitation work. Kleinfelder was selected based on the merits of their

technical and cost proposals. Mr. Capuzzi noted that Kleinfelder has been working on the City's I&I source reduction program for several years, and their work has been satisfactory.

Chairman Nagle noted that the cost estimate of \$50 million for the full 10-year program is not part of the authorization request today, but the Board should discuss the source of funding for this program at a future meeting.

On a motion by Jeff Morgan, seconded by Kevin Baker, the Board approved the Capital Project Authorization for the City of Allentown I&I Source Reduction Program, Year 1 - Design & Construction Phase Engineering Services in the amount of \$275,103.00, which includes the Professional Services Authorization to Kleinfelder in the amount of \$255,103.00 (5-0).

MONTHLY FINANCIAL REVIEW

Ed Klein informed the Board about the changes made to the presentation by removing some of the extraneous details and focusing more on the high-level variances and metrics by fund. He then gave an overview of the December 2022 financial statements, highlighting variances between actual expenses and budgeted or forecasted expenses. Some discussion followed regarding key financial metrics and critical conclusions of the report. Mr. Klein stated that the Suburban Wastewater revenue variance was significant due to the credits due to the municipalities last year. He noted operating expenses were below budget in all funds, but capital spending was not aligned with budget, which requires additional review.

The Board thanked Mr. Klein for his work to consolidate the presentation and recommended an executive summary be added to the presentation in the future. Mr. Klein thanked the Board for the feedback and acknowledged the staff for their efforts to support ongoing financial reporting to the Board.

MONTHLY SYSTEM OPERATIONS OVERVIEW

Andrew Moore reviewed the January 2023 Operations report and highlighted the new report format, which was modified to include more information about compliance performance of the Authority's water and wastewater systems. He noted that the compliance information shown in the new report is subject to regulatory reporting deadlines, which may not always match up with the Board meeting schedule, so some flexibility in the reporting schedule to the Board may be necessary.

The Board thanked Mr. Moore for providing additional compliance information on the report so the Board is more aware of problem areas as well as systems with good performance.

STAFF COMMENTS

Liesel Gross noted that the schedule for preparing and presenting the Authority's Capital Plan has been adjusted to reflect recommendations by staff as well as consultants who are working with the Authority on the strategic asset management plan development. She also noted that the first five years of the City's new 10-year Inflow & Infiltration Source Reduction Program will be incorporated into the next edition of the Capital Plan, so the Board will see the financial impact of that program in context of the entire plan. Albert Capuzzi explained that the schedule adjustment will also allow for the Capital Plan to align more closely with the Authority's budget process. The staff will present preliminary Capital Plan information later this spring or summer.

SOLICITOR'S COMMENTS

None.

PUBLIC COMMENTS / OTHER COMMENTS

None.

BOARD MEMBER COMMENTS

Chairman Nagle reminded the Board to complete the Conflict-of-Interest forms and the Statement of Financial Interest forms by May 1, 2023.

EXECUTIVE SESSION

None.

ADJOURNMENT

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

Liesel M. Gross
Recording Secretary (temporary)