

## **REGULAR MEETING MINUTES**

### **October 23, 2023**

The Regular Meeting of the Lehigh County Authority Board of Directors was called to order at 12:00 p.m. on Monday, October 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, Amir Famili, Ted Lyons, Linda Rosenfeld, Norma Cusick, Jeff Morgan, Sean Ziller, and Marc Grammes were present for Roll Call, and remained for the duration of the meeting except for Sean Ziller who left the meeting at 1:25 p.m.

Attorney Mike Gaul of KingSpry, the Authority's Solicitor, was present along with Authority Staff, Liesel Gross, Ed Klein, Chris Moughan, Andrew Moore, Phil DePoe, Chuck Volk, and Lisa Miller.

Chairman Nagle announced that the Board received their electronic and hard copies of the Board packet in advance. He then 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 noted that there are no additions to the agenda, but suggested the Board may wish to change the order of the items on the agenda to allow guests attending to speak first. An Executive Session is planned after the regular meeting to discuss a personnel matter.

#### **APPROVAL OF MINUTES**

##### **October 9, 2023 Meeting Minutes**

By Board consensus, review of the October 9, 2023 Meeting Minutes was tabled until the November 13, 2023 meeting because a printed copy was not included in the packet.

#### **PUBLIC COMMENTS**

None.

##### **Water Main Extension Policy – Waiver Request: Fallbrooke Subdivision**

Chairman Brian Nagle asked for this item to be heard first due to the presence of guests at the meeting who will address this item.

John McRoberts from The Pidcock Company and Nicole Galio from Jaindl Land Company were present to ask for a waiver of certain terms of the Authority's Water Main Extension Policy. Mr. McRoberts gave an overview of the Fallbrooke Residential Subdivision in Upper Macungie Township. In accordance with the Authority's policies, the developer would be required to extend the water main to the edge of the property, which equates to a 1,550-foot water main extension along the frontage of Schantz Road. Mr. McRoberts explained that under the Township's current Act 537 Plan, the Township's public sewer service area ends at the edge of the property included in the development and does not include adjacent properties. This reduces the likelihood of future development in the area adjacent to the Fallbrooke development. Therefore, the developer believes the water main extension should not be constructed, as it would leave a "dead end" in the water system that will require regular maintenance by the Authority for an unknown, and potentially lengthy, period of time. The developer is requesting the water main extension requirement be

deferred, and that the Authority hold the Authority's existing reimbursement obligation to Jaindl in the amount of \$102,300.00 as performance security for installation of the deferred main. The Authority's reimbursement obligation exists because the Authority required Jaindl to increase the size of the water main from 8 inches to 12 inches in diameter, to support potential future development in the area. Jaindl's representatives also requested a reduction of the deferral period from ten years to four years, so it coincides with the planned completion of the construction of the development.

Liesel Gross explained that the developer's request covers three main issues, two of which are already covered by the Authority's Main Extension Policy. The policy allows for the deferral of a water main extension and provides for methods to determine the value of the deferral in terms of the security requirement to be paid by the developer. These are issues that the Authority staff members have routinely worked through directly with the developers in prior projects. She noted the third issue raised in this situation relates to the length of the deferral period. The Authority's policy specifies a 10-year deferral period. If a shorter deferral period is desired, that would require approval by the Board.

Amy Kunkel and Chuck Volk reviewed the Authority staff's position on the developer's request. They stated that a portion of the main extension should be constructed now because it will run in between or behind the residential properties that are being constructed. If that portion of the water main extension is deferred, it will be difficult to construct later when it is needed due to the disruption to the homeowners. Staff are considering the developer's security proposal of \$102,300 for the remaining water main extension deferral. Because a portion of the deferred water main extension must be constructed in a state road, the costs are potentially higher than the developer's estimate.

There was some Board discussion regarding the deferral, costs of the security, and the number of years of the deferral. The Board asked about maintenance on the "dead end" water main that would potentially be constructed. Amy Kunkel and John McRoberts agreed that a blow-off valve for routine system flushing would most ideally be located near an existing culvert for discharge of the water. Board members expressed a willingness on the Authority's part to work on a compromise position to address the unique circumstances of this development.

On a motion by Sean Ziller, seconded by Jeff Morgan, the Board tabled the waiver request until the November 13, 2023, Board meeting to allow for further clarification and discussion between Authority staff and the developer (8-0).

### **2024 Budget – Final Review and Approval**

Liesel Gross noted that today's presentation is a summary of 2024 Budget information previously provided to the Board, and the Board will be asked today to approve the Budget. Ms. Gross reviewed the highlights of the 2024 Budget, summarizing the impact of the strategic initiatives and staff changes. She also reviewed the proposed customer rates for 2024 and a rate comparison among other communities in the Lehigh Valley. Ms. Gross noted that the Authority has developed programs to assist low-income customers with the increasing cost for water and sewer service.

Ed Klein reviewed the 2024 Budget summary, noting the positive cash flows and achievement of the Authority's debt service coverage ratio goals. There was some Board discussion regarding the rate increases. Sean Ziller commended the Staff for their work on the Budget.

On a motion by Marc Grammes, seconded by Linda Rosenfeld, the Board approved the 2024 Budget as presented (8-0).

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

Brian Nagle – yes  
Amir Famili – yes  
Ted Lyons – yes  
Linda Rosenfeld – yes  
Norma Cusick – yes  
Jeff Morgan – yes  
Sean Ziller – yes  
Marc Grammes – yes

#### **LCA Munis EERP System Planning & Implementation**

Chris Moughan provided an overview of the project and explained the need to improve the Authority's administrative and financial processes. Through an evaluation by Raftelis, a needs analysis recommended a full re-implementation of the current enterprise resource planning (ERP) software system, called Munis by Tyler Technologies. The system has been renamed as Tyler EERP, but is essentially the same product the Authority has been using. However, the current system configuration dates back to 2007 and needs to be updated to reflect updated accounting needs and organizational changes that have occurred over time. This includes the need for a fully redesigned General Ledger string and Chart of Accounts, which serve as the foundation for all other financial processes and reporting capabilities. Some benefits of the re-implementation process include improved financial reporting, employee data management, employee self-service options, project accounting for capital projects, purchasing and inventory workflows, and customer self-service options. Mr. Moughan noted that the Board has asked for improvements on capital project reporting, and the new project accounting module to be implemented will allow for reporting on-time and on-budget performance of the capital program.

There was some discussion on the staffing and contingency costs included in the authorization. Mr. Moughan noted that staff time is expected to be significant during the project implementation, but there will be increased overall process efficiency following project completion. He also noted the prior authorization for Raftelis to provide implementation planning and support services will continue throughout the project.

On a motion by Marc Grammes, seconded by Linda Rosenfeld, the Board approved the Capital Project Authorization to Munis/Tyler EERP Re-Implementation Project in the amount of \$905,620.00, which includes the Professional Services Authorization to Tyler Technologies for Implementation Support Services in the amount of \$595,620.00 (8-0).

#### **Suburban Division Western Lehigh Manhole Rehabilitation Project – Phase 4**

Jason Peters provided an overview of the Phase 4 Western Lehigh Manhole rehabilitation project to upgrade and seal manholes and reduce infiltration and inflow. The work will raise manhole tops at or above floodplain elevation, repair concrete, and install 160 new composite water-tight frames and covers. He reviewed the bidding results and explained the plan to purchase materials through a Co-Stars contract. There was some brief Board discussion.

On a motion by Marc Grammes, seconded by Norma Cusick, the Board approved the Capital Project Authorization for the Construction Phase in the amount of \$519,363.00 which includes Contract Award for General Construction to Scheuermann Excavating, Inc. in the amount of \$219,925.00, Contract Award for the Manhole Frames and Covers Material Procurement to Ferguson Supply in the amount of \$221,438.00 and a Professional Services Authorization for Construction Phase Services to Keystone Consulting Engineers in the amount of \$48,000.00 (8-0).

#### **Suburban Division – Park Pump Station Phase 2 Upgrade**

Amy Kunkel provided an overview of Phase 2 of the upgrade project to replace the existing original backup generator at the Park Pump Station. Albarell Electric, Inc. was the low bidder and also the electrical contractor for the project. Their bid reflects savings on mobilization, insurance, and coordination efforts by having a single contractor complete both contracts. Albarell has completed numerous projects of similar scope and appears well qualified to perform the work.

On a motion by Norma Cusick, seconded by Amir Famili, the Board approved the Capital Project Authorization for the Construction Phase, Amendment No. 1 in the amount of \$319,308.00 which includes the Construction Contract to Albarell Electric, Inc. in the amount of \$294,308.00 (8-0)

### **Allentown Division – Kline’s Island WWTP: 2023-2024 Architectural and Structural Upgrades**

Amy Rohrbach provided a background of the project that addresses the structural deficiencies at the Kline’s Island Wastewater Treatment Plant identified in the annual engineer’s report that is required by the Trust Indenture for the Allentown Water & Sewer Lease bonds. Most of the work included in this project is located at the Plastic Media Trickling Filters and the Primary Settling Basins.

On a motion by Norma Cusick, seconded by Linda Rosenfeld, the Board approved the Capital Project Authorization for the Construction Phase in the amount of \$336,190.00 which includes the Professional Services Authorization to D’Huy Engineering, Inc. in the amount of \$16,900.00 and the General Contract Award to Mar-Allen Concrete Products, Inc. in the amount of \$299,290.00 (8-0).

### **MONTHLY FINANCIAL REVIEW**

Ed Klein gave an overview of the September 2023 financial statements, highlighting variances between actual expenses and budgeted or forecasted expenses. Mr. Klein reported that all three funds are positive against the forecast.

### **MONTHLY SYSTEM OPERATIONS OVERVIEW**

Andrew Moore reviewed the September 2023 Operations report and noted that water production and wastewater treatment has not varied much this month. The total precipitation for September was 4.03 inches, and the Drought Watch issued by the Pa. Department of Environmental Protection was lifted for Lehigh County on Friday, October 20<sup>th</sup>. He noted the work included in the emergency declaration previously approved by the Board to remove and dewater solids from Kline’s Island WWTP was completed over a two-week period, which allowed the plant’s treatment to stabilize and achieve permit compliance in September.

Andrew Moore commented that the report format will be changing next month to add a more in-depth report on injuries and safety incidents.

### **STAFF COMMENTS**

None.

### **SOLICITOR’S COMMENTS**

None.

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

None.

**BOARD MEMBER COMMENTS**

Chairman Nagle thanked the Staff for getting through the Agenda quickly and helping them understand projects.

**EXECUTIVE SESSION**

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

**ADJOURNMENT**

There being no further business, the Chairman adjourned the meeting at 1:43 p.m.

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Linda A. Rosenfeld  
Secretary