

REGULAR MEETING MINUTES

September 8, 2025

The Regular Meeting of the Lehigh County Authority Board of Directors was called to order at 12:01 p.m. on Monday, September 8, 2025, Chairman Amir Famili 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. Amir Famili, Jeff Morgan, Ted Lyons, Linda Rosenfeld, Kevin Baker, and Sean Ziller were present for Roll Call and remained for the duration of the meeting.

Liesel Gross announced that Norma Cusick resigned from the Board of Directors effective September 8, 2025.

Attorney Kevin Reid, the Authority's Solicitor, was present along with Authority Staff, Liesel Gross, Ed Klein, Chris Moughan, Andrew Moore, AJ Capuzzi, Phil DePoe, and Lisa Miller.

Chairman Famili announced that the Board received their electronic and hard copies of the Board packet in advance. A copy of the packet is also available online.

REVIEW OF AGENDA

Liesel Gross stated there are no changes to the published agenda and no Executive Session is planned.

APPROVAL OF MINUTES

August 25, 2025 Meeting Minutes

Linda Rosenfeld noted a grammatical error. On a motion by Linda Rosenfeld, seconded by Ted Lyons, the Board approved the minutes from the August 25, 2025 meeting as corrected (6-0).

August 11, 2025 Governance Committee Minutes

Liesel Gross noted that this is a new item added to the agenda. The committee meeting minutes are attached for information only.

PUBLIC COMMENTS

None.

2026 Preliminary Budget Review

Liesel Gross noted that today's presentation is focused on reviewing the assumptions and key initiatives that are being incorporated into the 2026 Budget. A preliminary review of the Budget figures will be provided at the next Board meeting and rates will be discussed in October. Board approval of the 2026 Budget is required by November 1, 2025.

A presentation was shared with the Board to review the 2026 Budget assumptions, including a review of key factors by fund, preliminary Budget summary, and next steps.

The new strategic initiatives and budget drivers for 2026 include Regional Leadership, Technology and Data Management, Facilities and Security, and Affordability. Details of the new initiatives and

the budget impacts that each of them will have were reviewed in detail in the presentation. Ms. Gross noted that recommended staffing additions would be presented in detail today and referenced the targeted staffing assessment presentation provided by EMA consultants during the August 25, 2025 meeting.

Efforts within the Regional Leadership initiative will have a budget impact of \$350,000.00 for consultation services to support various studies, advancing communication efforts, and legal fees.

For Technology and Data Management, an information technology (IT) master plan is needed, including an IT governance plan, which is included in the 2026-2030 Capital Plan presented previously. The 2026 Budget also includes hiring a Data Analyst to ensure data quality, provide system integrations, and support improved reporting and analysis of the Authority's data. Amir Famili asked what systems the Data Analyst would be focusing on. Chris Moughan explained the position will look at all systems and oversee all data for better integrations and reporting.

Liesel Gross reviewed the Facilities and Security needs of the Authority, noting the root cause of many current challenges relates to lacking a centralized process to manage these needs. The challenges include inconsistent approaches to security and building maintenance, some employee health and safety concerns, and lack of space of new hires. A building optimization study is being completed by HDR, with results expected next month. The 2026 Budget recommends the addition of a Facilities & Security Manager to centralize this function.

To address Affordability, several recommendations were provided by the EMA study and reviewed at the last meeting, which Ms. Gross summarized for the Board. The 2026 Budget includes \$100,000 for affordability and rate analyses to be conducted. In addition, a Business / Rate Analyst position is recommended to be added in 2026 to support the pursuit of grants, consolidate rate-setting processes, and provide support for various business planning studies that are required.

Next, Ms. Gross provided an overview of the Authority's Lead Pipe Replacement Program, which is required by the U.S. Environmental Protection Agency. Due to the size and scope of this large program, additional internal support is required. She reviewed the current Lead Program team members and outlined the new positions recommended for the 2026 Budget. A Lead Program Administrator, Community Canvasser, and four Utility Technicians are recommended to be added next year to properly sustain the program. There was some Board discussion about the process of finding and replacing lead service lines, liability concerns related to the program, and health risks associated with lead pipes. Amir Famili asked about current overtime expenses being incurred due to workload associated with the lead program. Chris Moughan explained that the overtime data is being reviewed. While some overtime expense is directly attributed to the lead program, another portion of overtime is for unplanned emergencies. Ed Klein acknowledged the current payroll system does not provide an easy way to break out different types of overtime, but the Authority should be able to monitor this to ensure actual reductions in overtime occur as a result of hiring a dedicated lead program field crew.

Ms. Gross then reviewed the Act 537 Plan for the Kline's Island Sewer System that will be submitted to DEP in October, noting that the plan's top priority projects are focused on removing inflow and infiltration (I&I). The Allentown Division's I&I program will cost approximately \$70 million over the next 10 years and includes sanitary sewer evaluation studies, pipeline grouting and lining projects, manhole rehabilitation work, and potential private-side investigations. To address these projects that will continue for many years beyond the Act 537 Plan period, additional internal staffing will be required. In the 2026 Budget, four positions are recommended including an I&I Engineer to develop internal capacity to manage these projects and three Utility Technicians to support field work associated with the program. Ms. Gross reviewed the Authority's cost to add the three-person field crew, along with adding necessary equipment, supplies, and overhead costs, and how that

compares to current contractor costs for similar work. Developing the Authority's capacity to handle some aspects of this work in-house will generate cost savings. There was some additional discussion about overhead costs and how these cost savings can be tracked.

Ms. Gross explained that a temporary position in the Accounting Department would be converted into a permanent position as an Accounting Technician. Ed Klein said that with the implementation of Munis, the workflows have increased internal control processes and an increase in the volume of work due to general project workload as well as new processes for scanning customer receivables.

Ms. Gross provided a summary of the new positions included in the 2026 Budget and also a review of the current vacancies. The 2026 Budget for personnel costs is \$24.8 million which is a 7.7 percent increase from the 2025 forecast. Factors affecting the increase are the timing of the hires, an estimated 10 percent benefit cost increase, and wage increases. A summary of other budget assumptions was reviewed.

Ed Klein reviewed the key factors for the Suburban Water Budget noting that operating expenses will increase 7.3 percent from the 2025 forecast. The capital budget of \$6.3 million will be covered using current rates and reserves. No borrowing will be required. A 4 percent revenue increase will be needed to attain desired financial performance metrics for debt service coverage and cash on hand.

The Suburban Wastewater Budget operating expenses will increase 7.2 percent from the 2025 forecast. The capital budget of \$6.9 million will require \$4.8 million of new borrowing. Signatory rates are under review and will be impacted by capital expenses and pass-through costs from the City Division. A 5 percent rate increase for the Authority's common rate collector systems is planned, which is the first increase since 2013, but likely required annually to support improved cash flows for these small systems.

The City Division operating expenses will increase 6.3 percent from the 2025 forecast. The capital budget of \$50.4 million will be funded by \$5.7 million in borrowed funds, \$6.6 million in grants, and the remainder from current rates and reserves. Cash flow will be negative due to using up previous funds from borrowing.

Mr. Klein provided a preliminary summary of the 2026 Budget including net income, cash flows, and key metrics.

Liesel Gross provided a look ahead for the 2026 Budget process. She asked the Board to send any comments or concerns related to today's presentation to her prior to the next meeting.

Amir Famili commented that one of the Authority's top priorities for 2026 should be to develop actionable and meaningful metrics for project delivery including metrics showing adherence to project budget, schedule and scope. Liesel Gross said this is currently under way and may be presented later this year. Jeff Morgan asked how overtime is budgeted. Ed Klein explained that overtime expenses are budgeted based on historical trends, department by department.

LCA Board of Directors – Governance Committee Charter

Liesel Gross provided an overview of the Governance Committee Charter outlining the function of the committee. Sean Ziller asked about the attendance expectations and why they differ from the Board Member Expectations. Liesel Gross and Amir Famili explained the difference in the attendance expectations regarding the Board meetings and the committee meetings.

On a motion by Sean Ziller, seconded by Linda Rosenfeld, the Board approved the Governance Committee Charter (6-0).

LCA Board of Directors – Board Member Expectations

Liesel Gross commented that the Governance Committee discussed that the document would be signed by each Board member upon approval of the document, one time, and any new Board members would also sign the document. Sean Ziller asked about the in-person attendance consideration. Ms. Gross reported that the document indicates Board members would make their best effort to attend meetings in person when feasible, but no specific minimum requirement was established. Amir Famili commented that the committee would really like to have members attend in-person meetings to get to know Board members and allow for staff interaction.

On a motion by Linda Rosenfeld, seconded by Ted Lyons, the Board approved the Board Member Expectations (6-0).

Sean Ziller left the meeting at 1:29 p.m.

Resolution 9-2025-1: Kline's Island Sewer System – Act 537 Plan

Liesel Gross provided background regarding the resolution to adopt the regional Act 537 Plan for the Kline's Island Sewer System (KISS). The Authority is not required to approve the plan. However, the Authority has served as a facilitator in the development of this plan, and approving it formally would show support to the municipalities who have participated in the plan's development. Ms. Gross recognized Phil DePoe for his leadership in developing the plan over the past five years or longer, and for his level of collaboration with the 15 municipalities in the KISS.. She noted that nine municipalities have already approved the plan with several more voting on the plan this week. Ms. Gross noted that Jennifer McKenna and Brian Chamberlain from the City of Allentown have been instrumental in the development of the plan, and noted that City Council has already approved the plan.

Solicitor Kevin Reid read the resolution. On a motion by Linda Rosenfeld, seconded by Ted Lyons, the Board approved Resolution 9-2025-1 (5-0).

Allentown Division – Kline's Island WWTP – Plastic Media Trickling Filter Rehabilitation

Amy Rohrbach provided an overview of the project to replace the plastic media in one of the four plastic media trickling filters at the Kline's Island Wastewater Treatment Plant (KIWWTP). The project was identified as a near-term need in the recently completed KIWWTP Master Plan. The project previously received Major Capital Improvement approval from the City of Allentown and Board authorization for advance purchase of the plastic media to ensure timely delivery. The authorization presented today is for the construction phase, which includes removal and disposal of the old plastic media and installation of the new media. The project is scheduled to be completed in the winter due to the more stringent permit limits that are in place in the spring and summer months. Ms. Rohrbach noted that only two bids were received for the construction phase and explained that the bidders expressed concerns about the short deadline for construction. The lowest responsible bidder has performed well on other projects and is recommended for approval of the contract award.

Ted Lyons asked what CHA Consulting will do. Ms. Rohrbach explained the construction administration services work that they will provide for the construction phase of the project. There was some additional discussion about the project timeline and effluent limits.

On a motion by Jeff Morgan, seconded by Kevin Baker, the Board approved the Capital Project Authorization for the Construction Phase in the amount of \$2,528,955.00 which includes the General Construction Contract Award to Allan Myers, L.P. in the amount of \$2,190,555.00 and the

Professional Services Authorization for the Construction Phase to CHA Consulting, Inc. in the amount of \$188,400.00 (5-0).

Allentown Division – Kline’s Island WWTP – Substation No. 1 and Switchgear Replacement

Amy Rohrbach provided an overview of the project to replace Substation No. 1 at the Kline’s Island Wastewater Treatment Plant (KIWWTP), and reviewed a brief presentation showing the components of the work. She explained that a change order is requested for the existing Electrical Construction contract with Philips Brothers Electrical Contractors, Inc. The change order is primarily driven by increased charges from PPL. It also includes charges for the net metering associated with the existing bio-generation system and the directional drilling under the existing dike due to changes in pole locations made by PPL. Another component of the change order is to add a new manhole due to the existing manhole being undersized for the cable being pulled. The total increase to Philips Brothers Electrical Contractors, Inc. is \$109,481.89.

On a motion by Ted Lyons, seconded by Linda Rosenfeld, the Board approved the Electrical Construction Change Order to Philips Brothers Electrical Contractors, Inc. in the amount of \$109,481.89 (5-0).

MONTHLY PROJECT UPDATES / INFORMATION ITEMS

Liesel Gross provided highlights of items for the next Board meeting in September. She noted that budget discussions will continue in October as well. She also noted that the Open Projects listing in the reports shows several projects in Project Closeout phase, which indicates completion of those projects.

STAFF COMMENTS

None.

SOLICITOR’S COMMENTS

None.

PUBLIC COMMENTS / OTHER COMMENTS

None.

BOARD MEMBER COMMENTS

None.

EXECUTIVE SESSION

None.

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 1:55 p.m.

Linda A. Rosenfeld
Secretary