

REGULAR MEETING MINUTES

September 23, 2019

The Regular Meeting of the Lehigh County Authority Board of Directors was called to order at 12:00 p.m. on Monday, September 23, 2019, Chairman Brian Nagle presiding. Other Members present at the commencement of the meeting were: Linda Rosenfeld, Kevin Baker, Jeff Morgan, Richard Bohner, Ted Lyons and Amir Famili. Norma Cusick was on the conference phone for the duration of the meeting. Authority Staff present were Liesel Gross, Brad Landon, Chuck Volk, Ed Klein, Pat Mandes, Chris Moughan, Susan Sampson, Todd Marion, Amy Kunkel and Lisa Miller.

Chairman Nagle announced that today's Board meeting is being videotaped and streaming live and recordings will be posted to the Authority's website.

REVIEW OF AGENDA

Liesel Gross stated there are no changes to the agenda and there will be an Executive Session at the end of the regular meeting to discuss matters of potential litigation.

Mr. Nagle announced that the Board received their packet in the mail prior to the meeting and received a copy of the 2020 Preliminary Budget at today's meeting.

APPROVAL OF MINUTES

September 9, 2019 Regular Meeting Minutes

Richard Bohner noted that the September 9th Board meeting was the shortest in Board history. On a motion by Richard Bohner, seconded by Linda Rosenfeld, the Board approved the minutes of the September 9, 2019 meeting (8-0).

PUBLIC COMMENTS

None.

ACTION AND DISCUSSION ITEMS

2020 Preliminary Budget

The 2020 Preliminary Budget was distributed at the meeting and provided for discussion. Liesel Gross explained the preliminary Budget would be presented at this meeting and will continue to be refined for another review at the October 7, 2019 Board meeting. The final Budget would then be presented for approval at the October 21, 2019 meeting. The Budget must be approved by November 1, 2019.

Ed Klein gave a PowerPoint presentation of the 2020 preliminary Budget and provided a review of the key benchmarks of the budget. The Authority staff is suggesting an increase in 6 new employees in 2020 to address key organizational gaps and employee development. There was some discussion regarding the increases in the Internal Services budget. Ed Klein explained some of the major variances are a result of not having any increases in the last few years and are being caught up in the 2020 Budget.

On the City Division side, Ted Lyons noted that of the revenue that is generated, almost half goes to finance debt. Liesel Gross stated that in processing the Budget for the City Division, these numbers

are not finalized. Changes to the Suburban Wastewater budget are expected due to the continued review of the impact of increased flows over the past year, but with no major surprises.

Liesel Gross stated that the preliminary Budget information packet includes more detail than the presentation and they will both be posted to the website. At the October 7th Board meeting, there will be a second review of the Budget with any changes from the preliminary Budget, along with the User Charge Report for the Western Lehigh Interceptor. At the October 21st Board meeting, the final Budget will be presented for approval.

LCA Pension Program – 2020 Minimum Municipal Obligation (MMO)

Ed Klein presented the 2020 Minimum Municipal Obligation (MMO) memorandum and worksheet for the Authority's Pension Plan to the Board. Mr. Klein explained the costs of the plan and the unfunded liability.

Change Order Request – Suburban Division – Water Meter Reading Equipment Upgrade

Chuck Volk reviewed the background of the project and explained the request for the change order would allow for the continuation of the project. Amy Kunkel explained that the construction phase change order is for the replacement of additional water meter radio units with new Smartpoint units and a contract extension to complete the second phase of the project in the Suburban Division. By including the second phase of the replacements in the change order to this year's contract, the Authority will obtain project cost savings. The technology of the meters was discussed.

On a motion by Jeff Morgan, seconded by Linda Rosenfeld, the Board approved the Capital Project Authorization – Construction Phase Amendment No. 1 in the amount of \$1,317,800.00 which includes the Construction Change Order to Core and Main, LP in the amount of \$1,207,800.00 (8-0).

Western Lehigh Service Area – Hydraulic Flow Model Recalibration

Pat Mandes reviewed the background of the project which is part of the Western Lehigh interceptor Signatory Inflow and Infiltration Program. The scope of the project will allow for Arcadis to recalibrate the sewer system hydraulic model using current flow and rainfall data. The model will be used to estimate average dry day flows and predict peak wet weather flows. Ted Lyons asked what the process is to recalibrate the model. Liesel Gross explained the process where wet day and dry day data is collected and reviewed, along with any repair work that has been done, any new infrastructure added, and any new industrial discharges that have been added to the system since the last model calibration and then creates a model as to how the system works on those wet and dry days. The model will be used to identify priorities for additional system rehabilitation and expansion, and to design new infrastructure such as storage tanks or new interceptors that will be sized appropriately for current and future flows. There was some discussion regarding modeling.

Liesel Gross explained this work follows the flow metering program that began earlier in 2019. The model calibration was not included in the 2019 budget and was originally envisioned to begin in 2020. However, the flow metering will be complete in October and the system needs are a high priority to address, so the calibration is recommended to begin in 2019. The budget amendment for \$245,000 represents the portion of the project that is expected to be completed in 2019, and the remainder will be included in the 2020 budget.

On a motion by Ted Lyons, seconded by Linda Rosenfeld, the Board approved the Capital Project Authorization Amendment for the 2019 Hydraulic Model Recalibration in the amount of \$365,000.00 which includes the Professional Services Authorization to Arcadis in the amount of \$365,000.00 and

the approval of the 2019 Budget amendment – Suburban Wastewater Capital Budget in the amount of \$245,000.00 (8-0).

MONTHLY FINANCIAL REVIEW

Ed Klein presented the August 2019 financial report with a PowerPoint presentation, highlighting variances between budgeted revenues and expenses and actual or forecasted revenues and expenses.

MONTHLY SYSTEM OPERATIONS OVERVIEW

John Parsons reviewed the Monthly System Operations Overview report for August 2019. The report also included a status report of the Western Lehigh Interceptor High Flow Emergency Project as of September 13, 2019. Liesel Gross commented that Authority Staff will discuss how to prioritize the remaining work and come back to the Board to discuss a plan on how to formally end the Emergency Project.

STAFF COMMENTS

Liesel Gross updated the Board on the search for a Solicitor noting that additional interviews and meetings are taking place but expects a discussion with the Board in October.

SOLICITOR'S COMMENTS

None.

PUBLIC COMMENTS / OTHER COMMENTS

None.

Chairman Nagle called a recess at 1:49 p.m. The meeting reconvened at 1:57 p.m.

EXECUTIVE SESSION

An Executive Session was held at 1:57 p.m. to discuss matters of potential litigation.

The Executive Session ended at 2:16 p.m.

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 2:16 p.m.

Richard H. Bohner
Secretary