

REGULAR MEETING MINUTES

June 24, 2024

The Regular Meeting of the Lehigh County Authority Board of Directors was called to order at 12:00 p.m. on Monday, June 24, 2024, 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, Jeff Morgan, and Norma Cusick were present for Roll Call, and remained for the duration of the meeting. Sean Ziller joined the meeting at 12:05 p.m. and Kevin Baker joined the meeting at 12:32 p.m.

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, Chuck Volk, Susan Sampson, 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 announced that there are no changes to the agenda and no Executive Session is planned; however, she noted the agenda was updated to include the 2024 Staffing Additions memorandum that was distributed after the packet was mailed.

APPROVAL OF MINUTES

June 10, 2024 Meeting Minutes

On a motion by Jeff Morgan, seconded by Amir Famili, the Board approved the minutes from the June 10, 2024 meeting as written (6-0).

PUBLIC COMMENTS

None.

2024 Staffing Additions

Liesel Gross gave a presentation regarding the Authority’s staffing levels and four staff additions recommended to support current and future workload. She reviewed staff additions completed in the past 10 years and the Authority has been focused on building the core competencies of the organization to function as a well-run utility. In recent years, in addition to the new initiatives outlined in the 2022-2027 Strategic Plan, several new high-priority challenges have emerged that will require significant investment. Key drivers for the requested staffing additions are: the requirement to remove all lead service lines in the water system; implementation of major projects related to the regional sewer plan; changing regulations that have expanded project workloads; and rising costs and rates. The Authority must evaluate methods to support the staff as well as customers, as these programs will also drive costs and customer rates higher over time. She explained that the asset management program will be critical in formalizing how the projects are prioritized based on risk and ensuring the best use of limited available funds. In addition, more attention must be paid to managing rate impacts through the development of grant-writing capacity, expanded customer assistance programs, and building broader public engagement programs.

To address these key drivers, the following staff additions are recommended: Lead Project Manager, Program Manager – KISS Act 537 Plan, Asset Management Engineer, and Director of Communications & Strategic Partnerships.

There was Board discussion regarding the timeline of the various programs and how the additional positions will help to achieve the goals. AJ Capuzzi explained the need for an Asset Management Engineer to execute the work outlined in the strategic asset management plan that was developed last year. Ted Lyons asked if these positions will help grow the business, generate more revenue, and be affordable. Liesel Gross explained that the goals of these programs are to lower life cycle costs, achieve environmental compliance, support the region's economic development, and pursue grants to complete the projects. These goals are critical to the success of the organization and the community, and will support cost-effective utility services, but there may not be a direct correlation to revenue enhancement.

Ms. Gross explained that a Budget Amendment is not required for the staff additions in 2024 due to the timing in the budget cycle, but the personnel budget is expected to increase by approximately \$600,000.00 in 2025 if these positions are approved.

There was Board discussion on the customer rate impact of the programs and expanding project costs. Ms. Gross explained the Allentown Division rate structure that includes base rates that increase annually, plus additional charges associated with capital costs. She reviewed rate comparisons among Authority systems and other communities across the Lehigh Valley.

On a motion by Jeff Morgan, seconded by Amir Famili, the Board approved the addition of the four additional staff positions in 2024 (7-0).

Chairman Nagle requested an updated Organizational Chart to be provided to the Board.

Suburban Division – Spring Creek Pump Station Upgrades

Chuck Volk introduced the project and provided an overview of the electrical work needed at the Spring Creek Pump Station. An electrical condition assessment was performed by Keystone Engineering Group in 2022 to address critical electrical components with a high risk of failure. Amy Kunkel described the upgrades that include replacing three VFDs, upgrading the pump station dry well to meet NFPA 820 and Pa. Department of Environmental Protection (DEP) requirements for ventilation, modifications to nine access hatches to make them submersible, two weir gates, installation of a new manual gate in the interceptor channel, and miscellaneous repairs to the concrete and conduit in the dry well to make it watertight.

Chuck Volk added that this station is now operated continuously to avoid overflows and is a critical facility. The station was designed with a capacity of 7 million gallons per day but can handle higher flows.

There was some Board discussion regarding the differences in bids received.

On a motion by Ted Lyons, seconded by Norma Cusick, the Board approved the Capital Project Authorization – Construction Phase in the amount of \$1,120,323.02 which includes the Construction Contract 1 – General to Blooming Glen Contractors Inc. in the amount of \$170,723.00, the Construction Contract 2 – Electrical to Orlando Diefenderfer Electrical Contractors, Inc. in the amount of \$824,600.02, and the Professional Services Authorization – Construction Engineering to Verdantas in the amount of \$55,000.00 (7-0).

Allentown Division – Emergency Declaration: Kline's Island Digester Gas Line Repair

Bryan Geissel provided an overview of the Emergency Declaration for the Kline's Island Wastewater Treatment Plant digester gas line repair. He explained that when the gas retrieval line was inspected following the digester cleanout project, it was discovered that a brace supporting the gas withdrawal line had failed causing the line to misalign, which would lead to failure of the gas line when the digester cover is in certain positions during normal operation. Since a catastrophic failure of this line posed a significant risk that would potentially allow for sludge to enter the gas line and cause extensive damage to downstream equipment, and given the need to bring the digester back into service as quickly as possible, immediate action was necessary. The repairs were completed by Blooming Glen Contractors Inc. on June 13, 2024 for a total estimated cost of \$50,000.00.

On a motion by Norma Cusick, seconded by Jeff Morgan, the Board approved the Emergency Declaration retroactively to June 6, 2024 to cover the expenses already incurred and waive standard purchasing guidelines as a result of acting as expeditiously as possible to address the emergency (7-0).

MONTHLY FINANCIAL REVIEW

Ed Klein gave an overview of the May 2024 financial statements, highlighting variances between actual expenses and budgeted or forecasted expenses. Mr. Klein reported that net income and cash flows for all funds were favorable for May except for Suburban Wastewater which was unfavorable. He noted that an in-depth forecast on capital expenses will be completed in the third quarter.

MONTHLY SYSTEM OPERATIONS OVERVIEW

Andrew Moore reviewed the May 2024 report and reported that there were two minor employee injuries sustained when walking on uneven ground. There was a Notice of Violation (NOV) issued by DEP on May 9, 2024 for permit exceedances at the Sand Spring Wastewater Treatment Plant since the prior NOV was issued. The NOV and the Authority's response are included in the report.

There was some discussion about marking uneven surfaces to prevent injury.

Chairman Nagle asked about the status of Sand Spring. Chuck Volk reviewed the project authorized by the Board to upgrade the treatment process and noted the contractor is on schedule to have the project completed by August 2024.

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 1:28 p.m.

Jeffrey J. Morgan
Secretary