

## **REGULAR MEETING MINUTES**

### **August 26, 2024**

The Regular Meeting of the Lehigh County Authority Board of Directors was called to order at 12:01 p.m. on Monday, August 26, 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, Norma Cusick, Kevin Baker, Linda Rosenfeld, and Sean Ziller were present for Roll Call and remained for the duration of the meeting.

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

Chairman Nagle 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 announced that there are no changes to the agenda; however, there will be an Executive Session after the regular meeting regarding potential litigation and property acquisition.

#### **APPROVAL OF MINUTES**

##### **August 12, 2024 Meeting Minutes**

On a motion by Linda Rosenfeld, seconded by Amir Famili, the Board approved the minutes from the August 12, 2024 meeting as written (7-0). Jeff Morgan abstained.

#### **PUBLIC COMMENTS**

None.

##### **2025-2029 Capital Plan – Preliminary Plan Presentation – Suburban Division & Administrative Projects**

Liesel Gross provided an introduction to the Authority’s process for developing the Capital Plan (Plan), which is conducted annually. She noted the various Board approvals and public input process, and explained that today’s presentation is focused on the Suburban Division draft Plan for the 2025 to 2029 time period. She then reviewed the timeline for future presentations and public input, and noted that Plan approval will be requested in October. This year’s five-year plan includes significant cost increases from the prior five-year plan. Major drivers for the increases include \$37 million for the Pretreatment Plant Replacement or Upgrade project and \$1.6 million for the Buss Acres PFAS Treatment project. Completion of some projects will reduce the impact of the new project costs. She noted there are some major differences from the Allentown Division plan that are not included in the Suburban Division plan such as the Lead Service Line Replacements and the pass-through costs from Allentown, which will show in future rates via cost-sharing agreements. She also explained that the regional Act 537 Plan costs are reflected in the Suburban Division Capital Plan, but noted that most of the larger projects included in the Act 537 Plan in the next five years will occur in the Allentown Division.

Chuck Volk then presented the Administration Capital plan highlights included in the Plan and noted they are largely unchanged from the previous five-year plan. The Munis Implementation project will be completed next year, and the Office Expansion project is being revamped. He then reviewed the Suburban Division Capital Plan water and wastewater project details. His presentation included a review of annual projects, system improvement projects, and new projects. The new projects include: Buss Acres Water Quality Upgrade project, the Applewood Pump Station Upgrade project, the Western Lehigh Interceptor Alignment – Special Act 537 Study project, and the Wynnewood WWTP Expansion project. The Pretreatment Plant projects in the five-year plan include critical upgrades and replacement projects. These projects are contingent upon the participating industries and how the waste will be treated. Borrowing for the Pretreatment Plant projects will not be confirmed until there is clarity on who is paying for it and what the project costs will be.

Ed Klein reviewed the financial analysis included in the Plan, noting water projects total \$38 million and the wastewater projects total \$64 million. To fund the water projects, approximately \$18 million will be funded through current revenues or reserves, and \$19.7 million will be funded from new borrowing. Funding for the wastewater projects is approximately \$19 million funded through current revenues or reserves, and \$44.6 million funded from new borrowing. He presented a cash flow statement that indicates these funding sources.

Liesel Gross concluded the presentation with a recap of the Plan noting that there is an overall increase of \$34 million primarily driven by the Pretreatment Plant replacement/upgrade project. However, there are a lot of unknowns regarding that project. The rate impacts are modest but have not yet captured the pass-through of project costs from the Allentown Division. Also, the Act 537 plans will increase the capital plans when finalized in the future. The final review process will take place before approval in October.

#### **Draft Omnibus Resolution: Delegation of Board Duties**

Liesel Gross provided background information on the drivers for the draft Omnibus Resolution. She stated that the staff and Board had identified a gap related to clear delegation of duties in prior discussions about Authority governance. She noted the Board had previously approved 52 Resolutions dating back to 1975, which serve to delegate various Authority responsibilities to staff. With title changes and new requirements over the years, more Resolutions have been added to update prior Resolutions, resulting in a complex array of historical documents to review when determining which actions must be brought to the Board for review. These resolutions deal with various responsibilities including signing documents, enrolling in insurance plans, purchasing thresholds, and more. The draft Omnibus Resolution was prepared based on examples provided by other municipal authorities, and this is a first attempt to consolidate these historical documents into a single new Resolution. Kevin Reid, the Authority's Solicitor, provided a review of the statutory basis for the process of delegating duties via Resolution. He also provided a more detailed review of the draft Resolution, outlining the various sections and the responsibilities of the key defined terms of Approvers and Authorized Financial Transaction Persons.

There was some discussion regarding purchasing thresholds. Liesel Gross explained that under the current process, the Board's review is focused on capital projects and professional service authorizations, but the Board may wish to review other purchases such as large operations equipment purchases.

There was additional discussion about items that may be missing from the draft Resolution, including authorization for emergency purchases.

Chairman Nagle suggested establishing a Governance Committee to review the scope of the changes and work through the details. Sean Ziller, Ted Lyons and Linda Rosenfeld volunteered to serve on the committee, and Chairman Nagle made the appointments. Staff will contact the Governance Committee and Solicitor Kevin Reid to set up meetings for further discussion.

**Lead Service Line Replacement Project Cycle 1**

Jason Peters provided an overview of the project to replace approximately 150 lead service lines and pot-holing investigation of approximately 450 services in the City of Allentown. Also included with the project is a final restoration cost-sharing agreement with the City of Allentown. The agreement contains clearly outlined procedures and responsibilities for each party regarding scheduling, payment, material handling, inspection and notification of completion. Mr. Peters reviewed the bidding process, professional services and the work included in the construction inspection. There was some discussion regarding the bids and the difference in cost proposals. Mr. Peters explained that the low bidder, Pact One LLC, participated in the pre-bid meeting and their bid package appears complete. Pact One has completed other projects for the Authority with satisfactory results.

On a motion by Amir Famili, seconded by Ted Lyons, the Board approved the Capital Project Authorization – Lead Services Replacement Program Cycle 1 Construction Phase in the amount of \$4,024,857.00 which includes the Professional Services Authorization for Construction Engineering and Administration Services to Gannett Fleming, Inc. in the amount of \$171,520.00 and Construction Inspection Services to Keystone Consulting Engineers in the amount of \$75,000.00, the General Construction Contract to Pact One LLC in the amount of \$2,376,445.00 and the Final Paving Restoration Contract Cost Sharing Agreement with the City of Allentown in the amount of \$701,892.00, with authorization for the Chief Executive Officer to finalize and execute the agreement following review by the Solicitor (8-0).

**Lead Service Line Replacement Project Cycle 2**

Jason Peters provided an overview of the project to replace approximately 1,000 private lead service lines in the City of Allentown that are currently connected to an existing ductile iron water main with a copper public lateral service line. The revised and amended project scope encompasses specialized assistance in detailed tasks and activities related to data management, door to door customer canvassing, field verification and inspections, and communications support. There was some discussion on the work volume associated with customer canvassing.

On a motion by Linda Rosenfeld, seconded by Sean Ziller, the Board approved the Professional Services Authorization – Design, Bid and Construction Phase Services Amendment to CDM Smith in the amount of \$214,055.00 (8-0).

**Water Filtration Plant: Fluoride System Upgrades**

Amy Rohrbach provided an overview of the project to upgrade the existing chemical feed system at the Water Filtration Plant which is past its useful life and in need of replacements. A conceptual design analysis was completed, which included an evaluation of different fluoride addition approaches and safety factors associated with each option. Two design proposals were provided, and staff recommend accepting the proposal from Verdantas. Ms. Rohrbach explained that Verdantas provided the higher cost proposal, but their proposal presented a better-defined approach with more detail, including automation of the process controls to improve employee safety.

On a motion by Norma Cusick, seconded by Jeff Morgan, the Board approved the Capital Project Authorization for the Design and Bidding Phase in the amount of \$96,769.00 which includes the Professional Services Authorization for Design and Bidding Phase to Verdantas in the amount of \$86,769.00 (8-0).

**MONTHLY FINANCIAL REVIEW**

Ed Klein gave an overview of the July 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 July as compared to forecast.

**MONTHLY SYSTEM OPERATIONS OVERVIEW**

Andrew Moore reviewed the July 2024 report and reported that there was one previous recordable incident in 2024 that resulted in five days of restricted duty, which was excluded from the prior month's report in error. He reviewed the remainder of the operations report and reviewed the notice of violation (NOV) received in July for the Wynnewood Terrace wastewater treatment plant. The NOV was related to various permit violations since 2021 when the new plant was placed in service. A copy of the NOV and the Authority's response are included in the report. There was some additional discussion about permit compliance.

Norma Cusick asked about the development report and commented about the amount of development going on in the Lehigh Valley and if the Authority has the capacity to address the requests. Liesel Gross and Phil DePoe explained that the development has been accounted for in the Authority's planning effort and there is capacity available.

#### **STAFF COMMENTS**

None.

#### **SOLICITOR'S COMMENTS**

None.

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

None.

#### **BOARD MEMBER COMMENTS**

None.

#### **EXECUTIVE SESSION**

There will be an Executive Session after the regular meeting to discuss potential litigation and property acquisition.

#### **ADJOURNMENT**

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

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Jeffrey J. Morgan  
Secretary