

REGULAR MEETING MINUTES
May 9, 2016

The Regular Meeting of the Lehigh County Authority was called to order at 12:17p.m. on Monday, May 9, 2016, Chairman Brian Nagle presiding. Other Members present at the commencement of the meeting were: Linda Rosenfeld, Kevin Baker, Tom Muller, Richard Bohner, Norma Cusick, Scott Bieber and Deana Zosky. Authority Staff present were Liesel Gross, Ed Klein, Pat Mandes, Frank Leist, Brad Landon, John Parsons, Chuck Volk, and Lisa Miller.

REVIEW OF AGENDA

Liesel Gross stated that there will not be an Executive Session after the regular meeting.

APPROVAL OF MINUTES

April 25, 2016 Regular Meeting Minutes

Chairman Nagle said there is one correction on page 2, paragraph 4, the word *in* should be added after *included*.

On a motion by Richard Bohner, seconded by Norma Cusick, the Board approved the Minutes of the April 25, 2016 Regular meeting as corrected (8-0).

PUBLIC COMMENTS

None.

ACTION AND DISCUSSION ITEMS

Ted Lyons arrived at 12:20 p.m.

Suburban Division – Western Weisenberg Wastewater Treatment Plant Improvements

Frank Leist gave an overview and background of the project which implements the Gannett Fleming, Inc. recommendations to correct the cold weather nitrification issue at the Western Weisenberg wastewater treatment plant. The improvements will include insulating the exposed exterior reactor walls, covering the two reactor tanks and insulating the blower piping. Submersion heaters will also be installed in the reactor tanks. This project will be funded by the LCA Suburban Western Weisenberg division.

Mr. Leist is asking for approval of the Budget Amendment in the amount of \$251,095.00, Capital Project Authorization – Amendment No. 1 for the Construction Phase in the amount of \$529,595.00 which includes the Professional Services Authorization – Amendment No. 1 for construction and engineering to Gannett Fleming, Inc. in the amount of \$9,600.00, Professional Services Authorization – Amendment No. 3 for management and inspection to Cowan Associates, Inc. in the amount of \$31,000.00, awarding of the construction contracts to JEV Construction LLC for the general contract in the amount of \$394,500.00 and Albarell Electric for the electrical contract in the amount of \$37,494.00.

The reason for the budget amendment request is that originally, the emersion heaters were to be installed in 2017 but after re-evaluation of the inhibitory impact that the elevated levels of cooper, zinc and quaternary ammonia in the wastewater influent had on the nitrification process during cold weather, it was moved up to 2016. Also, the general contract bid prices exceeded the engineer's estimate, and some expenditures anticipated for 2015 were actually spent in early 2016.

Scott Bieber questioned if the designer of the project, or the Authority, overlooked the specifications on this project when it was designed. Mr. Leist explained that standard assumptions were made by the design engineer as to how the plant would operate properly, but those are in question because of the unique characteristics of the waste stream for this plant.

Deana Zosky said that she is not supportive of budget amendment approvals until we know where we are with the budget. Mr. Leist explained that without approval of this project, the Authority will likely be in violation of the NPDES permit during periods of cold weather, as it has been in the past, so it is important to implement the changes now during the construction season before winter arrives.

The Board had a discussion regarding performance guarantee and the original plant design specifications.

On a motion by Linda Rosenfeld, seconded by Tom Muller, the Board approved the Budget Amendment in the amount of \$251,095.00, Capital Project Authorization – Amendment No. 1 for the Construction Phase in the amount of \$529,595.00 which includes the Professional Services Authorization – Amendment No. 1 for construction and engineering to Gannett Fleming, Inc. in the amount of \$9,600.00, Professional Services Authorization – Amendment No. 3 for management and inspection to Cowan Associates, Inc. in the amount of \$31,000.00, awarding of the construction contracts to JEV Construction LLC for the general contract in the amount of \$394,500.00 and Albarell Electric for the electrical contract in the amount of \$37,494.00 (9-0).

Additional discussion occurred regarding a performance guarantee for design and other engineering work performed by consultants. Brad Landon explained that the Authority typically does not request a performance guarantee in the fashion suggested by various board members, per se, from professionals, only contractors. With professionals, the requirements are that the engineers shall perform their services at the level customary for competent and prudent engineers performing such services at the time and place where the services are provided. Any issues that may arise would be worked out either through the errors and omissions language in the contract or through their professional insurance coverage. Frank explained that the plant performs adequately when the waste stream is within the design specifications. He agreed to look at future engineering contracts to determine when a performance guarantee would be desired.

Suburban Division – SCARP – Western Lehigh Interceptor Test and Seal Project

Pat Mandes reviewed the project and informed the Board that in June, the Authority will be prepared to give a more detailed status report presentation on the work completed to date and future work planned to address the USEPA Administrative Order. Ms. Mandes provided a handout regarding costs to date on the project. Chuck Volk, Project Manager on this project, described the project, which consists of sanitary sewer cleaning, inspections via closed circuit TV, cured-in-place point repairs, pressure testing and chemical grout sealing of pipe joints, and post construction inspection for sanitary sewer lines located in western and central Lehigh County previously identified as areas subjected to infiltration leakage. The sewer pipeline areas included in portions of the Western Lehigh Interceptor are Alburdis/Macungie Trunk line, Breinigsville Trunk lines and several additional sections of pipe at the connection to the WLI, all totaling 10.4 miles. The project will be funded by the LCA Suburban Division.

Discussion followed regarding quantifying the results of this project. Chuck Volk and Pat Mandes explained the difficulty in quantifying how much infiltration will be removed from a system due to the many variables. A large amount of data was collected from the predesign studies and will be used as a baseline for the projects. This project does have a performance criteria with strict specifications and a rigorous schedule. The Board asked, upon completion of the project and to satisfy the EPA regarding the EPA Administrative Order, will the Authority be able to quantify the amount of infiltration and inflow (I&I) that was removed. Pat Mandes said that the Authority's consultant, Arcadis, will use the hydraulic model and additional flow metering data to provide more comprehensive data to EPA.

Mr. Volk is asking for approval of the Capital Project Authorization for the construction phase in the amount of \$1,828,500.00 which includes Contract Award for the Test & Seal contract (AMB trunk lines and SAPR lines) to Video Pipe Services, Inc. in the amount of \$1,590,000.00 and the Professional Services Authorization – Amendment No. 24 for construction engineering, management and inspection to Arcadis in the amount of \$198,500.00.

On a motion by Scott Bieber, seconded by Linda Rosenfeld, the Board approved the Capital Project Authorization for the construction phase in the amount of \$1,828,500.00 which includes Contract Award for the Test & Seal contract (AMB trunk lines and SAPR lines) to Video Pipe Services, Inc. in the amount of

\$1,590,000.00 and the Professional Services Authorization – Amendment No. 24 for construction engineering, management and inspection to Arcadis in the amount of \$198,500.00 (9-0).

Suburban Division – Wynnewood Terrace Test and Seal Project

Chuck Volk informed the Board that this is part of the previous bid for the Western Lehigh Test and Seal project, and there is a budget amendment request for this project to be completed in the Wynnewood Terrace system. The reason for the budget amendment request is that upon completion of the design by Arcadis, the scope increased because of what was found in the system and also because of the rigorous schedule required by the contractor. Also, the bid prices exceeded the engineer's estimate. The goal of this project is to reduce infiltration leakage into the sewage collection system for Wynnewood Terrace and reduce hydraulic overload conditions at the wastewater treatment plant and preserve capacity in the sewage collection system. Ed Klein stated that the costs for this project will come out of project reserves.

Mr. Volk is asking for approval of the Budget Amendment in the amount of \$144,895.00, the Capital Project Authorization – Construction Phase in the amount of \$319,895.00 which includes the Professional Services Authorization to Arcadis, Inc. for construction, inspection, and engineering in the amount of \$40,630.00 and awarding the construction contract to Video Pipe Services, Inc. in the amount of \$261,765.00.

On a motion by Ted Lyons, seconded by Norma Cusick, the Board approved the Budget Amendment in the amount of \$144,895.00, the Capital Project Authorization – Construction Phase in the amount of \$319,895.00 which includes the Professional Services Authorization to Arcadis, Inc. for construction, inspection, and engineering in the amount of \$40,630.00 and awarding the construction contract to Video Pipe Services, Inc. in the amount of \$261,765.00 (9-0).

PROJECT UPDATES/INFORMATION ITEMS

Liesel Gross said that the Monthly Project Update currently shows only one action item for the May 23, 2016 Board meeting.

FINANCIAL REVIEW

Ed Klein presented the Board with updated financial sheets for March 2016. He explained the new format of the report that is similar to audited statements, which was requested by the Finance Committee. He informed the Board that he spent time reviewing the past two years of the budget and is in the process of re-phasing it. He said that the revenues are close to what was budgeted if it were phased correctly. The next step is to complete a second quarter forecast. Deana Zosky thanked Ed for moving the Authority forward on the process of monthly financials and would like consideration to be given to the reserves regarding what they are and what we are using them for both operating and long term. She suggested that the reserve roll-forward should be provided with the monthly financial analysis along with sources and uses of reserves. Liesel Gross agreed that the reserve balances and remaining bond funds are important components to this ongoing discussion. She explained that the ongoing investigation and discussion about the Authority's long-term financial health is an evolving process as we learn more about industry best practices, and more detail will be brought to the Board as this information is gathered.

SYSTEM OPERATIONS OVERVIEW

None.

STAFF COMMENTS

Liesel Gross informed the Board about the Authority's annual drinking water week event, HydroMania, which takes place on May 12th, and invited them to attend the event.

Ms. Gross also stated that we need to bring the email usage issue to a close. Two Board members require hand-on instruction, which will be done at the end of the meeting. At that time, Authority issues

communicated through email will be migrated from Board member's personal email address to solely the Board member's LCA address.

SOLICITOR'S COMMENTS

Brad Landon stated that closing on the Lowhill Township Sewer System Acquisition will be June 8, 2016.

PUBLIC COMMENTS / OTHER COMMENTS

Frank Leist informed the Board that the Wastewater Transportation Agreement with Lower Macungie Township has been approved and signed by Lower Macungie Township and will be provided to the Board for consideration at the next Board meeting.

Scott Bieber inquired about the Authority's response to the Lehigh County Commissioners regarding the Resolution on lead. Liesel Gross said that the Authority is following the path that was discussed at the April Board meeting and that has generated some interest from customers in the water testing program. The Authority is continuing to develop its own educational materials and have updated the website with the information. June will mark the beginning of the three-year lead and copper required monitoring and testing period and the next two quarters of customer newsletters will also include educational information on lead.

EXECUTIVE SESSION

None.

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 1:39 p.m.

Richard H. Bohner
Secretary