

REGULAR MEETING MINUTES

June 25, 2018

The Regular Meeting of the Lehigh County Authority was called to order at 12:00 p.m. on Monday, June 25, 2018, Chairman Brian Nagle presiding. Other Members present at the commencement of the meeting were: Deana Zosky, Scott Bieber, Norma Cusick, Richard Bohner, and Linda Rosenfeld. Ted Lyons was on the conference phone until 1:35 p.m. and did not vote on any Authority business. Authority Staff present were Liesel Gross, Pat Mandes, Charles Volk, John Parsons, Chris Moughan, Phil DePoe, Brad Landon, and Ed Klein.

REVIEW OF AGENDA

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

Liesel Gross noted that one additional item would be offered under Staff Comments, and an Executive Session would be held at the end of the meeting to discuss matters of potential litigation.

Mr. Nagle also clarified that the agenda item listed as "Suburban Division – SCARP" should have been entitled as a presentation of the Regional Flow Management Strategy, of which the SCARP is a subset.

APPROVAL OF MINUTES

June 11, 2018 Regular Meeting Minutes

On a motion by Richard Bohner, seconded by Norma Cusick, the Board approved the Minutes of the June 11, 2018 meeting (4-0). Deana Zosky and Scott Bieber abstained.

PUBLIC COMMENTS

None.

ACTION AND DISCUSSION ITEMS

Regional Flow Management Strategy Presentation

Liesel Gross, Pat Mandes and Jim Shelton of Arcadis presented an update on the regional effort to develop a Regional Flow Management Strategy (RFMS) for management of sewer flows in the Kline's Island Wastewater Treatment Plant sewer service area. The PowerPoint presentation covered the history of the U.S. Environmental Protection Agency (EPA) Administrative Order (AO) to eliminate sanitary sewer overflows that was issued in 2009 and the events leading to the August 1, 2018 deadline to submit the RFMS to EPA. The details of the draft RFMS were reviewed, as well as the Authority's roles and responsibilities as the operator of the City of Allentown sewer system, and the Authority's roles and responsibilities as the owner / operator of the Western Lehigh Interceptor facilities and facilitator of the Western Lehigh Sewerage Partnership (WLSP).

Ms. Gross, Ms. Mandes and Mr. Shelton reviewed that the Authority is one of 14 municipalities named in the AO, and all municipalities must develop and submit their own operations and maintenance (O&M) plan and inflow and infiltration (I&I) source reduction plan. These plans are in addition to the RFMS, which is an umbrella strategy on which all municipalities are agreeing to work together. Key elements of the RFMS include evaluating sewage billing meters for accuracy, flow

reporting after wet-weather events, and a flow metering and modeling program to develop an updated flow characterization for the system in approximately 2019 and again in approximately 2026. The flow characterization updates are needed so the region can learn how dry- and wet-weather sewage flows are being impacted by the municipalities' O&M and I&I reduction work, and to plan for capital improvements needed to address conveyance capacity needs for current and future flows.

Mr. Shelton reviewed rehabilitation and conveyance capacity projects the Authority will be directly responsible for in the next 10 years, including manhole rehabilitation in the Western Lehigh Inceptor system, upgrades to the Park Pump and Spring Creek pumps stations and force mains, installation of parallel interceptors in the Trexlertown area, and planning for a future regional pump station.

Ms. Gross explained that the EPA had indicated the AO might be terminated if the RFMS is adequate to illustrate regional collaboration on the management of flows, and enforcement will fall to the Pennsylvania Department of Environmental Protection (DEP). She stated that the WLSP service area is under a DEP action and connection management plan, but the entire Kline's Island service area faces hydraulic restrictions in certain flow conditions. The Authority is responsible for reviewing and approving all sewage planning modules for new connections in the region. As a result, the Authority will plan to approach DEP to discuss how these planning modules should be addressed moving forward as the municipalities are working on implementing their I&I reduction plans.

Discussion followed, focusing primarily on how the RFMS will be enforced if the EPA AO is terminated. Deana Zosky noted that the signatories are stating commitment in the RFMS and need to be held accountable for continuing their commitment to collaborating on flow monitoring and I&I reduction. Brian Nagle stated that EPA provided some incentive for the signatories to collaborate via the RFMS, as the municipalities would all like the AO to be terminated and the cooperation must continue for that to happen. Scott Bieber commented that if the AO is terminated and the municipalities are all reporting their progress to the DEP annually, then the Authority has some responsibility to review the reports and make sure the work is being done that the region has committed to completing.

Some additional discussion followed regarding technical details of the WLSP capacity projects. Brian Nagle asked about the Trexlertown Interceptor project and the impact of constructing the project in an environmentally sensitive area, and whether the former Iron Run Pump Station project that was not constructed would be an alternative. Jim Shelton explained that an evaluation of both projects would be completed to quantify environmental impact, social impact, carbon footprint and other factors along with construction and operational costs.

Deana Zosky thanked the Authority staff and consultants for the efforts over a long period of time to develop solutions that are data-driven and regional in nature, and asked for continued commitment to holding the municipalities accountable for doing the work that is needed to address the sewer overflows. She asked for a copy of the full submission to EPA when it is available. Liesel Gross noted that although very lengthy, the full submission would be made available on the Authority's website after all the municipalities have submitted their portions of the plan.

MONTHLY FINANCIAL REVIEW

Ed Klein gave an overview of the May 2018 financial report that was sent out with the Board packet, highlighting variances between budgeted expenses and actual or forecasted expenses for the calendar year. Most notable is the difference in budgeted versus actual expenses for capital improvements. Charles Volk highlighted various capital improvements that have faced scheduling challenges due to delays in permitting and other delays. He explained these projects will still be completed, but the construction schedule may move into 2019.

Liesel Gross stated that the financial statements as presented did not include adjustments to the budget or forecast to reflect the budget amendment approved by the Board in May 2018 reflecting changes to revenues or expenses in the City Division as a result of monthly billing implementation. These changes would be incorporated into the next forecast update, to be completed with the June financial statements.

Deana Zosky stated that the monthly financial report does not provide adequate information about the true nature of the variances the Authority is experiencing from budget, and that she would provide additional feedback to Ed Klein about her observation and suggestions.

Chairman Nagle asked about the timeline for the 2017 audit, and Mr. Klein explained the audit financial statements were received the week prior and are being reviewed for distribution to the Board for the next meeting. The primary reason for the delay in completing the audit was the early implementation of new reporting requirements for the Government Accounting Standards Board, which required an actuarial study of outstanding retirement benefits, and this actuarial study was significantly behind schedule.

MONTHLY SYSTEM OPERATIONS OVERVIEW

John Parsons reviewed the Monthly System Operations Overview report for May 2018. He highlighted that the three injuries noted on the report involved an employee suffering a pinched finger in an equipment accident and two employees facing exposure to black mold at an Authority facility that is being remediated and monitored.

Richard Bohner asked about the apparent increase in sewage flows to the Authority's industrial pretreatment facility. Charles Volk explained that sewage flows have increased over the past several months and the cause of this increase has not been identified yet, although it appears that it cannot be fully explained by rainy weather. The Authority is working with Upper Macungie Township to investigate the source of the higher flows.

Chairman Nagle asked about the ongoing bypasses at the Heidelberg Heights wastewater treatment plant. Mr. Volk explained the May 2018 bypass occurred due to a water main break that was discharging water leakage into an area directly within the construction area for a sewer rehabilitation project, causing potable water to enter the open sewer lines and discharging to the wastewater treatment plant and causing a bypass condition for a period of several days while the repair was being completed.

STAFF COMMENTS

Liesel Gross noted that the Lehigh County Board of Commissioners had appointed Brad Osborne and Geoff Brace to serve on a working team to review the Authority, its financial position and other items of concern, with the goal of understand how the County may support the extension of the Authority's charter. The County administration will be represented on the working team by Rick Molchany, Director of General Services. Ms. Gross noted that a kick-off meeting was held on June 20, 2018, at which time the team's overall purpose was discussed along with what information the Commissioners were most interested in learning from the Authority. Ms. Gross will provide regular updates to the Board at future meetings.

SOLICITOR'S COMMENTS

None.

PUBLIC COMMENTS / OTHER COMMENTS

None.

Chairman Nagle called a recess at 1:35 p.m. The meeting reconvened at 1:42 p.m.

EXECUTIVE SESSION

An Executive Session was held at 1:42 p.m. to discuss potential litigation. The Executive Session ended at 2:13 p.m.

Mr. Nagle asked about an apparent sewage overflow that occurred within the past week in the vicinity of Lone Lane and Schantz Road in Upper Macungie Township. John Parsons explained that would be within the township's collection system, not an issue for the Authority to address, but he would follow-up with the township to learn more about the incident.

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 2:15 p.m.

Richard H. Bohner
Secretary