

WORKSHOP MEETING MINUTES
July 13, 2015

The Workshop Meeting of the Lehigh County Authority was called to order at 12:11 p.m., on Monday, July 13, 2015, Chairman Brian Nagle presiding. Other Members present at the commencement of the meeting were: Linda Rosenfeld, Emrich Stellar, Tom Muller, Richard Bohner, and Norma Cusick. Authority Staff present were Aurel Arndt, Liesel Adam, Pat Mandes, Frank Leist, John Parsons, Bob Kerchusky, Chuck Volk and Lisa Miller.

REVIEW OF AGENDA

Aurel Arndt stated that he has two additional items to address under Information Items.

Public Comment

None.

ACTION AND DISCUSSION ITEMS

Allentown Division – Sanitary Sewer Manhole Lining, Cycle 2 Approval

Frank Leist gave an overview of the project that will install a lining system to eliminate infiltration and will provide additional structural reinforcement to the manholes. This project will be funded by the City with the intent to utilize a total sum of \$295,000. The City will provide authorization to line additional manholes if necessary to reach their targeted goal. He is requesting approval of the Capital Project Authorization Amendment No. 1 – Construction Phase for \$263,654 which includes the Professional Services Authorization Amendment No. 1 – Construction Phase to Barry Isett & Associates in the amount of \$24,080 and the Contract Award – Construction Phase to National Water Main Cleaning Company in the amount of \$163,455.

Scott Bieber arrived at 12:16 pm.

On a motion made by Linda Rosenfeld, seconded by Tom Muller, the Board unanimously approved the Capital Project Authorization Amendment No. 1 – Construction Phase in the amount of \$263,654 which included the Professional Services Authorization Amendment No. 1 – Construction Phase to Barry Isett & Associates in the amount of \$24,080 and the Contract Award – Construction Phase to National Water Main Cleaning Company in the amount of \$163,455 with an additional authorization of \$58,619 if the City provides authorization to line additional manholes if necessary to reach their targeted budget goal (7-0).

Allentown Division – Manhole Covers with Water Tight Frame and Covers, Cycle 2 Approval

Frank Leist gave an overview of the project that will install a frame and cover anchoring system that is intended to eliminate sewage overflows during high flow events. He is requesting approval for the Capital Project Authorization Amendment No. 1 – Construction Phase in the amount of \$317,522 which included the Professional Services Authorization Amendment No. 1 – Construction Phase to Barry Isett & Associates in the amount of \$23,100 and the Contract Award – Construction to Joao & Bradley in the amount of \$276,560.

On a motion by Brian Nagle, seconded by Linda Rosenfeld, the Board unanimously approved the Capital Project Authorization Amendment No. 1 – Construction Phase in the amount of \$317,522 which included the Professional Services Authorization Amendment No. 1 – Construction Phase to Barry Isett & Associates in the amount of \$23,100 and the Contract Award – Construction to Joao & Bradley in the amount of \$276,560 (7-0).

Allentown Division – Roof Rehabilitation and Replacements Approval

John Parsons gave an overview of the project which consists of replacing 26 facility roofs as identified in the Roof Evaluation report by D'Huy Engineering. He is requesting approval for the Capital Project Authorization in the amount of \$1,485,500 which includes the Professional Services Authorization Amendment No. 3 in the amount of \$34,600 to D'Huy Engineering. As discussed with the Board at its 26 May 2015 Board meeting, a Project Labor Stabilization Study was performed and it was determined that a PLA was not appropriate for

this project. The City of Allentown has not determined that this project is not a Major Capital Project. Aurel Arndt said that there is a process for appealing the City's determination, which the Authority plans to do. This could result in arbitration of the issue. The issue is that the City has said that the roof replacement projects are single projects and that Authority cannot aggregate the projects to meet the \$1 million threshold that entitles the Authority to implement a special capital cost recovery charge for that major capital improvement.

On a motion made by Richard Bohner, seconded by Scott Bieber, the Board unanimously approved the Capital Project Authorization in the amount of \$1,485,500 which includes Professional Services Authorization Amendment No. 3 in the amount of \$34,600 to D'Huy Engineering (7-0).

Aurel Arndt requested that the Board authorize the Staff to proceed with filing the Arbitration. On a motion by Scott Bieber, seconded by Tom Muller, the Board approved authorizing the Staff to proceed with filing the Arbitration (7-0).

Wastewater Capital Recovery Fees

Aurel Arndt provided the Board with a handout of the revised Schedule D which has the 2015 justifications on it. He gave an overview and background of the Capital Recovery fees. These fees affect 3 general areas. The first set relates to customers who connect to any of the wastewater systems that are tributaries of the Western Lehigh Interceptor. The second set relates to the Arcadia or Weisenberg and the third one is Upper Milford Township. He is requesting approval of Resolution 7-2015-1 that establishes the Capital Recovery Fees for these wastewater systems. Some discussion followed. It was noted that in Exhibit B, Maximum charge per gallon should read Maximum charge per EDU.

On a motion made by Norma Cusick, seconded by Linda Rosenfeld, the Board unanimously approved Resolution 7-2015-1 (7-0).

INFORMATION ITEMS

Aurel Arndt discussed the following two items with the Board:

2016 Budget Timeline

Aurel Arndt presented the Board with a schedule for the Budget. According to the timeline, the Board will be presented with the Budget two months earlier than it has been presented in the past. This change in the Authority's traditional timeline is to meet schedule requirements as a result of the City Concession and financing.

Audit

Aurel Arndt stated that Zelenkofske Axelrod LLC have completed all of their obligations under the current contract. He suggested extending the contract for one additional year with the understanding that this would be the final year. LCA will bid for new Auditors which will go into the 2016 Budget. The Board was in agreement with this recommendation, with no action necessary.

Norma Cusick asked if the Budget must go before the City of Allentown. Aurel Arndt explained that under the Concession Agreement, there is a submission requirement but they have no rights of approval. He explained that the Capital Plan does go before them because some projects are funded by them. Some discussion followed. Chairman Nagle asked about the recovery costs on Major Capital projects. Liesel Adam explained how the costs are capitalized over the life of the asset. Aurel Arndt said that there will be three added charges to the bills. One is the normal base rate, one is the Capital Cost Recovery Charge, and the other one is the Administrative Order costs. This will be discussed further at the July Board meeting.

SYSTEM OPERATIONS OVERVIEW

None.

STAFF COMMENTS

None.

SOLICITOR'S COMMENTS

None.

OTHER COMMENTS

None.

EXECUTIVE SESSION

The Chairman called an Executive Session at 12:50 p.m. to discuss a personnel matter at which time all Staff were excused.

The session ended at 1:25 p.m.

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 1:25 p.m.

Richard H. Bohner, Secretary