

REGULAR MEETING MINUTES
July 24, 2017

The Regular Meeting of the Lehigh County Authority was called to order at 12:01 p.m. on Monday, July 24, 2017, Chairman Nagle presiding. Other Members present at the commencement of the meeting were: Linda Rosenfeld, Jeff Morgan, Richard Bohner, Scott Bieber, Ted Lyons and Deana Zosky. Authority Staff present were Liesel Gross, Brad Landon, Ed Klein, Pat Mandes, Chris Moughan, John Parsons, Susan Sampson, Phil DePoe, Amy Kunkel, and Lisa Miller.

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 there are no Agenda changes but there will be an Executive Session regarding potential litigation.

APPROVAL OF MINUTES

July 10, 2017 Regular Meeting Minutes

On a motion by Richard Bohner, seconded by Linda Rosenfeld, the Board approved the Minutes of the July 10, 2017 meeting (5-0). Ted Lyons and Jeff Morgan abstained.

Kevin Baker arrived at 12:03 p.m.

PUBLIC COMMENTS

None.

ACTION AND DISCUSSION ITEMS

Allentown Division – Schantz Spring Main Replacement

Phil DePoe gave an overview of the project that involves the replacement of approximately 2,000 linear feet of 1903 vintage 30" diameter cast iron water main that conveys water from Schantz Spring to the water filtration plant for approximately 4.80 miles. The project also addresses approximately 15 leaks that were identified during the SmartBall leak detection work undertaken by the City prior to the lease. These leaks are located at various areas throughout the water main from Schantz Spring to Schribers Bridge. The project will be funded by the LCA Allentown Division and is identified in the lease in Schedule 7 as a Required Capital Improvement. The lowest responsible bidder was Michels Civil a Division of Michels Corporation (Michels). Mr. DePoe noted that the Authority has not previously worked with Michels but reference checks have identified no negative issues and the firm has completed numerous projects of similar size.

Mr. DePoe is asking for approval of the Capital Project Authorization for the Construction Phase in the amount of \$2,070,458.00 which includes the Contract Award for the General Construction to Michels in the amount of \$1,688,158.00 and the Professional Services Authorization for Construction Engineering, Management and Inspection Service Amendment No. 1 to Gannett Fleming, Inc. in the amount of \$130,300.00.

There was some discussion in regard to questions from the Board to understand details of the public bidding laws applicable to the Authority.

The Board inquired about additional projects regarding this Schantz Spring main. Mr. DePoe responded that a small section of piping that has become exposed by erosion will need to be taken care of later in the year, but is not related to this particular project. John Parsons commented that the Authority will be conducting a leak survey every few years due to the age of its piping.

On a motion by Linda Rosenfeld, seconded by Ted Lyons, the Board approved the Capital Project Authorization for the Construction Phase in the amount of \$2,070,458.00 which includes the Contract Award for the General Construction to Michels in the amount of \$1,688,158.00 and the Professional Services Authorization for Construction Engineering, Management and Inspection Service Amendment No. 1 to Gannett Fleming, Inc. in the amount of \$130,300.00 (8-0).

Suburban Division – Crestwood Alternate Water Supply

Amy Kunkel gave an overview of the project that consists of the abandonment of two existing wells and the construction of approximately 600 linear feet of 6" diameter water main in order to interconnect the primary North Whitehall Division system to the Crestwood Pumping Station. The existing groundwater supply source has low yields and high manganese levels, which cause operational problems and customer complaints. A SCADA system will also be installed to allow full remote control and monitoring of the facilities. This project will result in water being supplied to this development by the primary North Whitehall Division via interconnections with the Northampton Borough Municipal Authority and other Authority wells.

Deana Zosky asked how the rate structure is defined for Crestwood rate payers. Liesel Gross explained the common rate structure and how it is used and tied into the North Whitehall Division.

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 \$355,403.00 which includes the General Construction Contract award to Zimmerman Environmental, LLC in the amount of \$229,588.00, award of the Electrical Contract to Barry J. Hoffman Co., Inc. in the amount of \$48,000.00, the Professional Services Authorization – Construction Phase Engineering to JMT, Inc. in the amount of \$9,050.00, and a Professional Services Authorization – Construction Phase Inspection to Cowan Associates, Inc. in the amount of \$8,765.00 (8-0).

Suburban Division – Well Abandonments

Amy Kunkel provided an overview of the project which consists of the abandonment of six wells. The wells are no longer in use and have been listed as reserve or emergency status for many years. Upcoming DEP regulations will require that these wells must either be placed in permanent active status or abandoned. Well Nos. 4 and 7 in the Central Lehigh Division (CLD) are designated as groundwater under the influence of surface water and require filtration facilities in order to be used as a water source. Well Nos. 7, 8, 9, and 10 in the North Whitehall Division (NWD) have high levels of manganese which require treatment and is not cost effective based on their yields. Therefore, the Authority has no plans to use these wells in the foreseeable future and recommend that they be officially abandoned to comply with upcoming DEP regulations.

Scott Bieber asked for an explanation of how a well becomes designated as being "under the influence of surface water." Ms. Kunkel explained that the wells were tested years ago through a DEP-regulated process to identify water quality parameters that indicate influence from surface water or rain events and would require more stringent treatment or filtration.

Brian Nagle inquired if any of the wells are in buildings, and if so, what are the plans for them. Ms. Kunkel replied CLD Wells 4 and 7 are in buildings but buildings are not part of this contract. Removing the buildings is costly. The NWD wells are located on properties that could be evaluated for eventual sale for other uses. Ms. Gross said the Authority periodically reviews its properties and facilities no longer in use for determination of potential sale, and these six properties would be evaluated as part of that process in the future.

On a motion by Linda Rosenfeld, seconded by Ted Lyons, the Board approved the Capital Project Authorization – Construction Phase in the amount of \$95,766.00 which includes the Professional Services Contract to ARRO Consulting, Inc. in the amount of \$73,766.00 (8-0).

Suburban Division – Water Main Replacement Program Cycle 3

Phil DePoe gave an overview of the project that will replace approximately 1 mile of pipe and appurtenances within Lower Macungie Township. This project is part of the Authority's ongoing program to identify and replace aging and failing infrastructure to prevent excessive leakage or disruptive water main breaks. In one area, temporary water service will be needed to facilitate the "remove and replace" type construction of the main. The Authority will notify homeowners of the temporary water service prior to the construction.

On a motion by Ted Lyons, seconded by Scott Bieber, the Board approved the Capital Project Authorization for the Construction Phase, Cycle 3 in the amount of \$1,505,234.00 which includes the Professional Services Authorization Cycle 3 for Construction Engineering and Management Services, Amendment No. 2 to Gannett Fleming Inc. in the amount of \$51,100.00, the Construction Inspection Services Amendment No. 1 to Keystone Consulting Engineers in the amount of \$75,000.00 and Award of the Contract Cycle 3 for General Construction to JOAO & Bradley Construction Co., Inc. in the amount of \$1,157,134.00 (8-0).

MONTHLY FINANCIAL REVIEW

Ed Klein gave an overview of the June 2017 Financial Report, including a short PowerPoint presentation outlining key performance indicators. Deana Zosky stated concerns regarding budget sustainability and rate structure to address negative net income. Liesel Gross stated this will be discussed in more detail during the Suburban Water Division rate study which will kick off in August or September. Ted Lyons questioned how much of the capital budget is rolled from the previous year. Ed Klein explained that historically the Authority does not complete all the capital improvement projects that are budgeted each year, and the subsequent year's capital plan and budget are adjusted to reflect changed circumstances and refined project schedules. More discussion on this matter will be appropriate for the 2018-2022 Capital Plan presentation planned for August.

MONTHLY SYSTEM OPERATIONS OVERVIEW

John Parsons reviewed the June 2017 Operations Report that was attached to the Board agenda. Mr. Parsons explained the Sanitary Sewer Overflow (SSO) that occurred in the City of Allentown was a result of a blockage from grease and rags and the SSO in the Suburban Division at Heidelberg Heights was from 3" of heavy rain within a 12-hour period. Brian Nagle inquired about the SSOs at Heidelberg Heights and what work is being done to rectify them. Liesel Gross said that some significant investigation of inflow and infiltration has been done over the years, along with certain repair projects, but many more problems exist on the private customer-owned sewer laterals. Mr. Nagle asked for a more comprehensive update to be provided at an upcoming Board meeting.

STAFF COMMENTS

Liesel Gross brought to the Board's attention items for discussion coming up at the August and September meetings. The Administrative Order is slated to be discussed at the August 14th meeting, along with the draft Capital Plans and Budget discussions in August and September. The Suburban Water Rate Study will be coming up for discussion at a September meeting. Also, Ms. Gross will be on vacation for the August 28th Board meeting and Brad Landon will oversee the meeting from the management perspective in her place.

SOLICITOR'S COMMENTS

None.

PUBLIC COMMENTS / OTHER COMMENTS

None.

Chairman Nagle called a break at 1:08 p.m. The meeting reconvened at 1:11 p.m.

EXECUTIVE SESSION

Chairman Nagle called an Executive Session at 1:11 p.m. to discuss potential litigation.

The Executive Sessions ended at 1:46 p.m.

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 1:46 p.m.

Richard H. Bohner
Secretary