

REGULAR MEETING MINUTES

July 9, 2018

The Regular Meeting of the Lehigh County Authority was called to order at 12:01 p.m. on Monday, July 9, 2018, Chairman Brian Nagle presiding. Other Members present at the commencement of the meeting were: Linda Rosenfeld, Jeff Morgan, Richard Bohner, Norma Cusick, Scott Bieber and Deana Zosky. Authority Staff present were Liesel Gross, Ed Klein, Chuck Volk, Chris Moughan, Susan Sampson, John Parsons, Phil DePoe 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 said the two items under Finance and Administration on the agenda would not be discussed because all the information was not yet available. There will also be an executive session at the end of the regular meeting regarding potential litigation. Deana Zosky asked that any material to support Board agenda items be provided to the Board in advance to allow time for review. Ms. Gross agreed and explained that was the reason for removing the two items from the agenda.

APPROVAL OF MINUTES

June 25, 2018 Regular Meeting Minutes

The Board noted minor corrections to the Minutes of June 25, 2018.

On a motion by Richard Bohner, seconded by Norma Cusick, the Board approved the Minutes of June 25, 2018 meeting as corrected (6-0). Jeff Morgan abstained.

PUBLIC COMMENTS

None.

ACTION AND DISCUSSION ITEMS

Liesel Gross clarified that the two items under Water are actually items for Wastewater.

Allentown Division – Kline's Island WWTP: Electrical Substation Replacement

Chuck Volk summarized the project and noted there was an irregularity in the bidding process which Phil DePoe will discuss in his overview of the project. Mr. DePoe stated that there are two primary transmission line feeds going into the primary switch gear at the Kline's Island Wastewater Treatment Plant. Based on a 2005 report recommending that Substation No. 2 be replaced, the Authority engaged Keystone Engineering in 2016 to do full design. This report was submitted to and approved by the City as a Major Capital Improvement, allowing for cost recovery through the rates. Mr. DePoe explained that the bid for BSI Electrical Contractors (BSI) needs to be rejected because they deviated from the engineer's design as it related to providing temporary power to the plant during construction. It was requested that the contractor tap the existing power line and provide a temporary substation with a backup power generator. Mr. Volk informed the Board that Authority Solicitor Brad Landon was consulted on this, reviewed the bids/contract documents and advised that the BSI bid was non-responsive because they did not follow the contract documents.

Mr. DePoe is asking for approval of the Capital Project Authorization for the Construction Phase in the amount of \$2,638,500.00 which includes the Professional Services Authorization to Keystone Engineering Group in the amount of \$136,500.00 and the Electrical Contract Award to Phillips Brothers Electrical Contractors, Inc. in the amount of \$2,382,000.00.

Deana Zosky asked about the budgeting process for this project. Mr. Volk said the majority of the contract will be billed in 2019 and will be taken into account for the 2019 capital plan budgeting process. Chairman Nagle asked if BSI's plan would have worked but been a risk on our part. Mr. Volk said it was plausible that BSI's plan would work, but it did not provide the level of assurance that is needed for such a critical project. Norma Cusick asked what BSI's response was as to why they bid this way. Mr. Volk replied that they chose an alternate means and method which the Authority feels is too risky.

On a motion by Linda Rosenfeld, seconded by Norma Cusick, the Board formally rejected the non-responsive bid from BSI Electrical Contractors and approved the Capital Project Authorization for the Construction Phase in the amount of \$2,638,500.00 which includes the Professional Services Authorization to Keystone Engineering Group in the amount of \$136,500.00 and the Electrical Contract Award to Phillips Brothers Electrical Contractors, Inc. in the amount of \$2,382,000.00 (7-0).

Allentown Division – Kline's Island WWTP: Primary No. 2 Digester Cleaning (Change Order #1)

Chuck Volk explained that when cleaning Digester No. 2, more dry tons of residual sludge were removed than originally estimated in the bid documents. The underestimation of dry tons was due to the accumulation of snail shells and the amount of time from the last cleaning. Mr. Volk noted that the additional quantity of dry tons will be paid at the unit price per the contract.

Robert Kerchusky was present and explained the difficulties of calculating the volume of snail shells and debris that sloughs off during the cleaning process of the rock media trickling filters, which were installed in 1931.

Jeff Morgan ask for clarification that the contractor brought in their own dewatering equipment during the cleaning process; therefore, all the debris that was left behind stayed out of the Authority's system. Mr. Volk confirmed that was correct.

Mr. DePoe is asking for approval of the Capital Project Authorization – Construction Phase Amendment No. 1, Change Order No. 1 to Denali in the amount of \$95,173.00.

On a motion by Jeff Morgan, seconded by Norma Cusick, the Board approved the Capital Project Authorization for the Construction Phase Amendment No.1, Change Order No. 1 to Denali in the amount of \$95,173.00 (7-0).

MONTHLY PROJECT UPDATES / INFORMATION ITEMS

Liesel Gross highlighted items on the July 2018 report including today's items under Finance and Administration which will now be discussed at the July 23rd meeting. The Auditors will be present at the July 23rd meeting to discuss the 2017 Audit and Financial Statements. A copy of the Comprehensive Annual Financial Report, which the Board received today, will be posted on the website. Ms. Gross noted there are three items under Water requiring Board action at the next meeting. The Water Main Replacement project for the Suburban Division has a bid opening on July 18th. Because the Board packet is mailed on July 16th, the information about the project will be included but the bid results won't be published until after that date.

STAFF COMMENTS

None.

SOLICITOR'S COMMENTS

Not present.

PUBLIC COMMENTS / OTHER COMMENTS

None.

Chairman Nagle called a recess at 12:28 p.m. The meeting reconvened at 12:32 p.m.

EXECUTIVE SESSION

An Executive Session was held at 12:32 p.m. to discuss potential litigation. The Executive Session ended at 12:55 p.m.

Chairman Nagle asked for an update to the proposed land development plan in Lower Macungie Township regarding the truck depot. Liesel Gross stated that both the Authority and the Township have opposed the plan.

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 12:55 p.m.

Richard H. Bohner
Secretary