

REGULAR MEETING MINUTES
August 8, 2016

The Regular Meeting of the Lehigh County Authority was called to order at 12:15 p.m. on Monday, August 8, 2016, Chairman Brian Nagle presiding. Other Members present at the commencement of the meeting were: Linda Rosenfeld, Kevin Baker, Richard Bohner, Norma Cusick, Scott Bieber, Ted Lyons and Deana Zosky. Authority Staff present were Liesel Gross, Ed Klein, Pat Mandes, Frank Leist, Brad Landon, Phil DePoe and Lisa Miller.

REVIEW OF AGENDA

Liesel Gross stated that there will be one item under Staff Comments and two items under Executive Session. One regarding potential litigation and one regarding real estate acquisition.

APPROVAL OF MINUTES

July 11, 2016 Regular Meeting Minutes

The Board asked that the July 11 Minutes reflect that Ted Lyons was unable to vote because he was not on the phone for the duration of the meeting.

On a motion by Richard Bohner, seconded by Linda Rosenfeld, the Board approved the Minutes of the July 11, 2016 Regular meeting as corrected (7-0).

PUBLIC COMMENTS

None.

ACTION AND DISCUSSION ITEMS

2017-2021 Capital Plan

Frank Leist presented the draft 2017-2021 Suburban Division, Allentown Division, and Administrative Capital Plans to the Board for their review. Questions and concerns will be addressed at the August 22, 2016 meeting, with final approval requested at the September 12, 2016 meeting. The plans are being mailed to the City of Allentown, Lehigh Valley Planning Commission and the Lehigh County Board of Commissioners for comments. Any comments received will be distributed to the Board for their consideration. Mr. Leist noted that the format of the project detail sheets has been changed giving much more detail of the projects. A glossary has also been added to the plans.

Deana Zosky asked if a process overview memo was included explaining what changes were made to the process. Liesel Gross said that a process overview can be prepared and distributed to the Board prior to the next meeting.

Mr. Leist noted the following projects that require special attention: Upper Milford Central Division - replacement of two existing well stations with a new well station; City Division - emergency generation at the water filtration plant and the change in disinfectant at the Kline's Island wastewater treatment plant.

The Board will review the draft Capital Plans and discuss in more detail at the August 22, 2016 meeting.

2015 Audit & Financial Statement

Ed Klein reported that the 2015 Comprehensive Annual Financial Report (CAFR) was sent out on July 29, 2016. He also reported that the Finance Committee met on August 3, 2016 to review the audit and the audit process. Mr. Klein also reported that there are no issues with the statements. He recommended the Board review the Management Discussion and Analysis (MDA) which is an introduction to the Authority's basic financial statements. He gave a brief overview of the net position and income statements. The Board stated their concerns regarding understanding of the Audit and financial statements and would like to see a

summary or dashboard for clarification. The Auditors will be attending the August 22, 2016 meeting to address any questions from the Board.

Rainstorm Ready – Administrative Order Planning

Liesel Gross said the purpose of today's discussion is to provide more information on the flow credit process, to update the Board on how the municipal meetings are going, and to request feedback on any additional topics or information the Board would like to discuss at future meetings. Pat Mandes presented a PowerPoint presentation regarding the flow credit process. Ms. Mandes explained how new connections to the system are allowed as measurable reductions in wet-weather flows are achieved. Some discussion followed. The Board requested a copy of the chapter in report to the Department of Environmental Protection that explains the flow credit process in detail.

Liesel Gross gave an overview of the municipal meetings that have been taking place. The purpose of the meetings is to give communities a more focused look at costs for their Administrative Order work. Some general comments included EPA's authority for the Administrative Order and how some of the common projects costs will be shared amongst municipalities. There were a lot of questions about future cost allocations and how they will work. In general, the municipalities are committed to moving forward with the work.

Ed Klein explained that the Authority is exploring financing strategies for the first phase of Administrative Order work. The municipalities are exploring financing on their own or joining with the Authority's financing to determine how they can achieve the best interest rates.

Liesel Gross said that the Authority will be presenting the Board with a financing request in the upcoming months to begin work on the Park Pump Station projects that are outlined in the plan. She asked if the Board would like to see any additional information provided at a future meeting to help the Board learn more or feel confident in approving such future funding requests. Deana Zosky requested a special meeting with the project engineer to understand more details, and said she would provide a more detailed listing of data requests. Other Board members declined such a meeting, and Liesel Gross said she would set up a special meeting for Ms. Zosky to meet with the Authority's engineer.

PROJECT UPDATES/INFORMATION ITEMS

Liesel Gross brought to the attention of the Board items listed in the report for upcoming meetings.

FINANCIAL REVIEW

2016 Q3 Forecast

Ed Klein reviewed the 2016 Q3 Forecast report as attached and presented to the Board.

SYSTEM OPERATIONS REVIEW

Liesel Gross informed the Board that John Parsons was on vacation and that any questions regarding the June 2016 report can be forwarded to him. The Board had no specific questions. Pat Mandes noted that the Notice of Violation (NOV) listed in the report regarding a fuel tank registration fee was similar to the NOV in May. Precautions are being set up to prevent additional similar NOVs. Liesel Gross noted that the two injury accidents reported in June were slip and falls.

STAFF COMMENTS

Liesel Gross explained that the Authority's employee manual has some deficiencies and does not include certain detailed policies that the Authority is required to adopt to meet regulatory requirements such as the Family Medical Leave Act and other employment legislation. Ms. Gross recommended that the Board authorize the Staff to develop and implement such policies that are required by law without Board approval.

Board approval would continue to be required for employee policies that have a discretionary economic impact to the Authority, change the general scope, philosophy or terms of Authority employment that are not legislated, or which deviate from legislative requirements. Discussion followed. The Board asked that a resolution be drafted that outlines Authority staff recommendations for policies for consideration at a future meeting.

SOLICITOR'S COMMENTS

None.

PUBLIC COMMENTS / OTHER COMMENTS

Scott Bieber asked for an update on the injection wells proposed in Upper Macungie Township. Frank Leist said the Authority has not received a plan submittal and so no additional comments have been submitted to the township.

EXECUTIVE SESSION

Chairman Nagle called an Executive Session at 2:05 p.m. to discuss potential litigation and real estate acquisition.

Liesel Gross left the meeting at 3:00 p.m.

The Executive Session ended at 3:30 p.m.

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 3:30 p.m.

Richard H. Bohner
Secretary