



LEHIGH COUNTY AUTHORITY

January 28, 2012

BOARD MEETING AGENDA

1. Call to Order
2. Review of Agenda
 - *Public Participation Sign-In Request*
3. Executive Sessions
4. Approval of Minutes
 - *December 10, 2012 Regular Meeting Minutes (to be sent via email prior to meeting)*
5. Public Comments
6. Action / Discussion Items

FINANCE AND ADMINISTRATION

- *Knowledge Sharing Skills Development Project, Amendment # 1 – Operations Department Career Path Program (Approval)*
- *2012 Bonus Benchmark Program (Approval)*
- *Water Rate Increases (Approval)*

WATER

- *None*

WASTEWATER

- *None*

7. System Operations Overview
8. Staff Comments
9. Solicitor's Comments
10. Other Comments
11. Adjournment

FEBRUARY MEETINGS

Workshop Meeting
Board Meeting

February 11 – 12:00 p.m.
February 25 – 12:00 p.m.

PUBLIC PARTICIPATION POLICY

In accordance with Authority policy, members of the public shall record their name, address, and discussion item on the sign-in sheet at the start of each meeting; this information shall also be stated when addressing the meeting. Members of the public will be allowed 5 minutes to make comments/ask questions regarding non-agenda items, but time may be extended at the discretion of the Chair; comments/questions regarding agenda items may be addressed after the presentation of the agenda item. Members of the public may not request that specific items or language be included in the meeting minutes.

FINANCE & ADMINISTRATION

ACTION ITEMS

1. **Knowledge Sharing Skills Development Project, Amendment # 1 – Operations Department Career Path Program** (Approval)

As discussed in December 2012, several needs were identified via the Knowledge Sharing Skills Development Project, as well as the April 2012 Personnel Study, regarding the development of a more structured career path program for the operations department. In particular, a full catalog of skills is required, with definitions for each skill, and a program designed to support both organizational and employee needs for training and advancement as skills are acquired. Board memo, Capital Project Authorization and Professional Services Authorization are attached (**yellow**) for Board review and approval.

2. **2012 Bonus Benchmark Program** (Approval)

The 2012 Bonus Benchmark Program Executive Summary is attached for review (**green**). A presentation will be provided at the meeting to explain the details of each criterion. Approval of the 2012 Bonus Payout amount is requested.

3. **Water Rate Increases** (Approval)

The Authority's 2013 Budget included an approximate 3% water rate increase, which is needed to keep pace with increasing costs and maintain adequate debt coverage on the outstanding bonds financing our water infrastructure. The proposed increases are highlighted on the excerpt for the Authority's Water Schedule of Rates and Charges (**blue**).

DISCUSSION ITEMS

1. **None.**

INFORMATION ITEMS

1. **Recently Purchased Investments – Certificates of Deposit (CDs)**

Fund	Bank	Location	Gross Amount	Date of Purchase	Date Due	Net Rate %
Cons Wtr (2)	Ally Bank	Midvale, Ut	48,000.00	12/5/12	12/5/14	0.750
LLRI CR	Mizuho Corporate Bank	New York, NY	245,000.00	12/5/12	6/5/13	0.400
LLRI CR	Plainscapital Bank	Dallas, Tx	98,000.00	12/14/12	12/13/13	0.300
WW Capac	Conestoga Bank	Chester Springs, Pa	240,000.00	12/17/12	12/17/13	0.350
Cons Wtr (2)	Marlin Business Bank	Salt Lake City, Ut	155,000.00	12/24/12	12/24/13	0.400
2010 Wtr Cons A	PSDLAF Flex Pool		4,200,000.00	12/31/12	2/12/13	0.150
Cons Wtr (2)	Cardinal Bank	McLean, Va	99,000.00	12/31/12	6/28/13	0.350
Cons Wtr (2)	Apple Bank for Savings	Manhasset, NH	240,000.00	12/26/12	4/28/14	0.350
LLRI CR	Triumph Bank	Germentown, TN	148,000.00	12/28/12	6/30/14	0.350

Fund Descriptions for Investments:

Cons Wtr (2)	Consolidated Water 2
WW Capac	Wastewater Capacity
LLRI CR	Little Lehigh Relief Interceptor Capital Reserves
2010 Wtr Cons A	Water Construction, Series A Bonds

2. **New Hire**

A new addition to the LCA team, Tony Oswald started work with LCA on January 2, 2013 as an Operations Technician. Tony comes highly recommended and brings 28 years of electrical construction, trouble shooting and instrumentation experience to the job. He will be working

with Bob Andrew and Tom Williams over the next nine months to learn LCA's system to take over the lead on electrical work when Mr. Andrew retires.

3. Customer Growth

Customer Growth

Figures for customer growth through December 2012 are indicated below:

	As of 12/31/11	As of 12/31/12	2012 Additions	2012 Projections	2011 Additions
<u>Water</u>					
<u>Central Lehigh (A)</u>					
Residential	17,085	17,274	189	205	365
Commercial/Industrial	600	603	3	9	7
<u>Emmaus</u>					
Residential	410	410	-	1	1
Commercial/Industrial	9	9	-	-	-
<u>North Whitehall</u>					
Residential	1,085	1,085	-	3	7
Commercial/Industrial	53	54	1	1	-
<u>Washington Twp</u>					
Residential	431	431	-	-	5
Commercial/Industrial	15	15	-	1	-
<u>Northampton County SA</u>					
Residential	67	67	-	-	-
<u>Lynn Twp</u>					
Residential	176	176	-	-	-
<u>Heidelberg Htgs</u>					
Residential	190	190	-	-	-
<u>Beverly Hills</u>					
Residential	44	44	-	-	-
Total Water	20,165	20,358	193	220	385
<u>Wastewater</u>					
<u>Upper Milford</u>					
Residential (B)	501	739	238	285	36
Commercial/Industrial (B)	31	42	11	23	-
<u>Weisenberg Twp</u>					
Residential	146	146	-	-	-
Commercial/Industrial	13	13	-	-	-
<u>Heidelberg Heights</u>					
Residential	145	145	-	-	-
<u>North Whitehall Twp</u>					
Residential	248	248	-	-	-
Commercial/Industrial	9	9	-	-	-
<u>Lynn Township</u>					
Residential	-	403.0	403	403	-
Commercial/Industrial	-	21	21	26	-
<u>Washington Twp</u>					
Residential	596	596	-	-	4
Commercial/Industrial	22	22	-	-	-
<u>WTP Direct Customer</u>					
	1	1	-	-	-
Total Wastewater	1,712	2,385	673	737	40
Wastewater Allocation (gals) *	10,677,301	10,781,870	104,569	275,000	49,879

* Additions include allocation purchased net of allocation returned (223 gals) to the general pool.

(A) Includes Upper Milford Divisions, Arcadia and Buss Acres systems.

(B) 2011 Projection includes Vera Cruz connections

WATER

ACTION ITEMS

1. *None.*

DISCUSSION ITEMS

1. *None.*

INFORMATION ITEMS

1. **Phase 2 Interconnection with Allentown**

We are waiting for Livengood Excavators to give us a schedule to address the punch-list items.

The City and LCA have settled on a new rate for the City's water based on the 2009 contract. The Rate will increase 1.49% (\$0.470 to \$0.0477/100gallons) from the original rate set for years 2011 and 2012.

2. **Water Main Relocation Project – Slatedale**

Our water facilities on West Grant Street were successfully relocated in June of 2011. Work on Main Street was completed in May 2012. Staff is assembling costs for presentation to PaDOT in consideration of the cost sharing agreement. Our exposure, by PaDOT Agreement, is about \$25,000. ***No current activity***

3. **Water Main Replacement Project – Oakland Park**

DOLI resumed work on January 7 and anticipates completing all work and temporary restoration by January 23. Final paving, lawn and driveway restoration will be completed by May 15.

4. **Arcadia West Pumping Station Modifications**

T&M continues to complete the bidding documents. T&M is addressing comments received from DEP on the application for a public water supply permit. Dale Whitner with DEP toured the wells and pump station on January 15. The water tank was inspected using a remotely operated vehicle on January 14. Some corrosion was noted. The inspection report is not expected to recommend any rehabilitation at this time, but to wait until another inspection can be conducted in approximately five years.

5. **Route 309 Crossing @ Sand Spring Road (formerly @ Education Park Drive)**

A Pre-Construction meeting was held in December. The casing, associated with this crossing, should be installed in March 2013. This cost will be a direct pay to PaDOT and should be about \$25,000. Staff is scoping the remainder of the project, extension of a 12" water main, and will be seeking project approval for all design, bidding and construction in February.

6. **Sand Spring Road Waterline Relocation**

A Pre-Construction meeting was held in December. The relocation effort is cost shared with PaDOT with LCA exposure at about \$13,310. Project approval will be requested at the Board Meeting in February 2013.

7. Upper Milford Central Division Radon Mitigation Study

Board authorized this project in June and our consultant Cowan Associates (CA) is currently evaluating the existing wells in Buss Acres. A Draft report was received in late December. A meeting with CA to discuss the Draft report occurred on January 15th and the final report is anticipated by March 4th.

8. LCA Facilities Emergency Power Project- PLC Design & Construction Phase

The Board authorized the design phase of this project in May 2012 and the PLC control for staged electrical load starting at the January 2013 workshop meeting. The project will provide emergency standby power at 12 satellite facilities and the Office Operations Center. Our design consultant Hanover Engineering Associates (HEA) has provided us with 90% preliminary plans for the project and is currently in the process of preparing the construction bidding documents. The facilities that do not require zoning and/or other Township approvals are expected to be bid by the end of January. We are reviewing final plans and specs.

9. Developments

Water system construction is occurring at the following developments:

- Trexler Fields, Phases 2, 3, 4 & 5 (Partial), 28 residential lots (sfa & sfd), UMT
- Valley West Estates, Phases 4, 5 & 6, 46 residential lots (sfd), UMT (*There has not been any construction activity at this development in over three years.*)

Water system plans are being reviewed for the following developments:

- Above & Beyond (personal care facility), 2 commercial lots, UMT
- Diocesan Pastoral Center, 2 commercial lots, 3 additional lots, & residual lot for existing cemetery, LMT
- Grant Street Townes, 18 sfa residential lots, WashT
- Hamilton Crossings, 2 commercial lots with 20 buildings having retail, financial, convenience and restaurant uses, LMT
- Hickory Park Estates, 3 residential lots (sfd), UMT
- Hillview Farms, 31 residential lots (sfd), LMT/SWT
- Indian Creek Industrial Park, 6 commercial lots, UMiIT, water and sewer
- Lehigh Hills, 247 residential lots (sfa/sfd), UMT
- Liberty at Mill Creek, 2 industrial lots, UMT
- Morgan Hills, 40 residential lots (sfd), Water & Sewer, WeisT
- North Whitehall Commercial Center (Walmart), 5 commercial lots, NWT, water & sewer
- Rabenold Farms II, 288 apartment units and clubhouse, (Portion north of I-78), UMT
- Route 100 Bypass & Cetronia Road Proposed Commercial Development, 1 commercial lot with 4 buildings having auto, convenience, financial and day care uses, UMT
- Shepherd's Corner, 1 commercial lot, LMT
- Spring Creek Properties Subdivision 1, 14 commercial and industrial lots, LMT
- Trexler Business Center, Lot 1, 1 commercial building, LMT
- Trexler Senior Living Center, 2 commercial lots, LMT (*In bankruptcy*)
- Weilers Road Twins, 82 residential lots (sfa), UMT
- West Hills Business Center, 8 industrial lots, WeisT
- Woodmere Estates, 60 residential units (sfd), UMT

WASTEWATER

ACTION ITEMS

1. *None.*

DISCUSSION ITEMS

1. *None.*

INFORMATION ITEMS

1. **Infiltration and Inflow (I&I) Program Update**

The following is work planned for 2013:

- Submission of reports to EPA and DEP.
- CCTV work in areas identified as have high leakage to determine the extent of the leakage. Malcolm Pirnie will review the CCTV video and determine a Basis of Rehab.
- Keystone Consulting Engineers (KCE) is generating the population projections for the LCA service area to be used in the Level of Service modeling.
- Completion of the Level of Service Modeling for future growth.
- Rehab effectiveness metering in Phase 1 pipe lining project areas to determine the reduction in peak flows as a result of the rehab work.
- Phase 2 of Signatory pipe lining projects as determined by KCE.
- Rehab effectiveness metering in Phase 2 pipe lining project areas.
- Alternative Modeling and feasibility analysis to evaluate the various alternatives to achieve the preliminary objectives. The alternatives will include various combinations of I & I elimination, storage and capacity increases.
- Long term flow meters will continue on a limited basis. Two rain gauges and meters remain in the system.
- Preliminary Program Objectives Evaluation Report will be submitted to DEP by the end of 2013. This document will define the current system performance and assess what it will take to achieve the system preliminary objectives. The report will include a discussion of the investigation and evaluation work completed including flow evaluation, SSES prioritization, modeling, current and future level of service, current and future system sizing requirements, and will propose the Level of Control for system operation.
- The development of the Capital Improvements Plan is scheduled to begin by the end of the year. This will identify the rehab needs, replacement needs, expansion requirements, costs of improvements and schedule for implementation to achieve the program objectives. **No Current Activity.**

2. **Wastewater Treatment Capacity**

The Memo of Understanding (MOU) regarding working together on a joint Act 537 Plan with the City has not been received to date.

A kick-off meeting with the City and LCA 537 Plan team was held in late October. The team also had a meeting with the DEP to discuss the requirements of the Study. DEP is pleased that the City and LCA are working together.

The Task Activity Report is being drafted and will include costs from the prior flow studies.

A Communications Plan was developed by the consultant with input from LCA and the City. A stakeholder's group has been formed and the kick-off meeting was held in mid-January at the Lehigh County Administration Building. The stakeholders Advisory Committee (SAC) consists of either Municipal Managers or Municipal Officials from each of the City and LCA Signatories. It is expected that there will be 5 meetings with the SAC during the Study to keep the Committee up to date on Plan with the expectation that the adoption of the plan with the various Signatories will be completed in a short period of time.

Talks with Coplay-Whitehall Sewer Authority and Salisbury Townships may result in the sale and/or lease of allocation. An offer was presented to Salisbury for consideration several months ago and LCA received a counter offer from the Manager from Salisbury. A meeting is scheduled with the Salisbury Manager to discuss LCA's final counter-offer.

3. **Northern Lehigh Wastewater System**

The project is composed of the following:

Wastewater Treatment Plant (on a 5 acre tract at Kids Peace)

In March, LCA representatives met with NWT Supervisor, Steve Panny; Solicitor, Lisa Young; and Township Manager, Jeff Bartlett to discuss the Act 537 Plan. In summary, for the westside of Rt. 309 (the 1-5 year service area) LCA has agreed to limit the size of the WTP to 200,000 GPD which in essence reflects the need for this area. Any expansion beyond 200,000 GPD would require NWT approval).

September 18, 2012 after 6-months of Hearings the Supervisors granted approval of the Conditional Use for the proposed WTP with nine conditions. We have received the written decision from the Township and have accepted all conditions. In late November 2012, the opposition, the Friends of the Jordan, have appealed the Township decision to Lehigh County Court of Common Pleas. We expect arguments to take place in April or May. The Township will bear the burden of defending their decision; however LCA support will probably be necessary.

The total cost of the WTP including soft costs and Kids-Peace acquisition costs is estimated at \$4.69 million.

Offsite Conveyance Facilities (OSCF)

- a) Wal-Mart has stopped design of the necessary conveyance facilities, which includes gravity sewers, a pump station and force main to deliver the wastewater from their proposed development and other future wastewater customers to the wastewater treatment facilities until a cost sharing agreement is reached with LCA. Wal-Mart has proposed that LCA assume the responsibility of designing, permitting and constructing the OSCF, which is a change from the previous plan where Wal-Mart had the responsibility. Ongoing cost-sharing negotiations are still on hold while Wal-Mart internally reevaluates the proposed store's financial viability. - **No current activity**

The construction cost of the conveyance facilities is estimated at \$1.354 million.

Kids Peace Agreement

- b) A revised amendment to the Agreement has been sent to KidsPeace. It primarily focuses the financial impact on the Jordan Creek Wastewater system because of KidsPeace's sale of the 101 Acre parcel to LCCC. The 101 Acre parcel was an integral economic component for LCA in the 2006 Agreement. We hope to resolve this issue by the end of December 2012. – **No current activity**

Act 537 Revision

NWT continues to work on developing an alternate a solution for the wastewater treatment needs for a revised 1-5 year service area which would include a WTP located on the eastside of Route 309 that would discharge to the Coplay Creek. LCA has agreed to provide support and expertise. If determined to be financially viable NWT would amend the Act 537 Plan.

4. Park Pump Station Improvements

Fuel Tank Replacement – Staff has received and is reviewing the plans for replacement of the fuel tank at the Park Pump Station. We are in the process of acquiring additional easement area from the COA for the tank. The project is anticipated to go to bid in 2013. **No current activity.**

5. LCA WTP- Truck Waste Receiving Station

Truck Waste Receiving Station (TWRS):

The Board awarded the General and Electrical construction contracts at the January workshop meeting. Letters of Intent to Award have been sent to the contractors. We expect that the respective Notices to Proceed will be issued within 30-days. Construction is expected to start in March 2013.

Digester Mixer Replacements:

Notice to Proceed for the Construction Phase of the project was issued to both the General and Electrical contractors on October 8, 2012. OMI our WTP contract operator has encountered difficulty in draining the contents of first digester to facilitate mixer installation; as such the start of project has been tentatively delayed until February 2013 until the mixer can be properly drained. A non-monetary change order for extended time for the contractors will be executed. **No current activity.**

PPL E-Power Customizable Energy Program:

Applications have been submitted for energy savings rebates and verification methodologies for both the Digester Mixer Replacements and Truck Waste Receiving Station. We are awaiting PPL approval of the methodologies for verifying electrical savings. **No current activity.**

6. Wynnewood Terrace Pump Station Replacement

Cowan Associates, Inc. anticipates a draft of the Technical Memorandum with recommendations by the end of January 2013. They are evaluating pumping station design options as well as force main sizing and locations.

7. **Vera Cruz Area Sewer Project**

Construction was complete in June. PACT has closed out their portion of the project for a total earned amount of \$2.47 million, as approved by the Board in November. All 262 pumps for the project have been delivered to the project area. Six of these currently stored at the township building. As of the end of December, 250 out of 261 properties to be served have connected.

8. **Western Lehigh Interceptor Leak**

A structural leak in the Western Lehigh Interceptor (WLI) near Trexlertown was repaired on December 18, 2012 for \$5,600 utilizing a stainless steel 24 inch diameter by 16 inch wide Rauch Quicklock repair band. The leak was classified a gusher; between 30 and 50 gallons per minute (gpm). At 50 gpm, that is 28 million gallons per year charged to LCA. At the City flows component charge rate, that is \$6,360; therefore, the return on investment for this repair is less than one year.

MEMORANDUM

Date: January 21, 2013

To: Authority Board
From: Liesel Adam
Subject: Knowledge Management Program Development
Capital Project Authorization – Amendment # 1
Professional Services Authorization

Operations Department Career Path Program

MOTIONS /APPROVALS REQUESTED:

No.	Motion /Approval Item	Amount
1	Capital Project Authorization (CPA) Amendment # 1– Operations Department Career Path Program	\$ 202,448
2	Professional Services Authorization (PSA) - GHD (1)	\$ 170,948

(1) The amount listed for the PSA is also included within the CPA amount.

PROJECT OVERVIEW: Lehigh County Authority (LCA) kicked off a “Knowledge Sharing Skills Development” project in July 2012 to assist with capture and transfer of institutional knowledge held by long-tenured employees to newer employees. The need for this program was well established through the work that was completed on LCA’s 2007 workforce plan, and further defined in 2011 through a KM needs assessment project. The project focused on developing a series of tools for capturing employee knowledge through documentation of our processes, and sharing knowledge via mentoring and coaching programs.

Significant progress has been made on the original project scope, with all employees being involved in the work to some degree.

One area that has required the most attention to date is the documentation of operational processes via Standard Operating Procedures (SOPs). The work in this area has yielded some findings that are critical to address to ensure the future success of the program, and for the sustainability of LCA’s operations. They are:

- Significant variation among field employees regarding the “standard” methods of operating and maintain LCA systems
- Lack of shared understanding of skill levels required to complete operational work
- No clear-cut set of expectations against which employees are evaluated for job task performance
- Wide range of skill level among employees, with no formal process for training newer employees

As a result, the SOP development process has exposed current practices that pose safety risks, system risks and compliance risks for LCA, many of which are attributed to the lack of clear definitions around employee skills requirements and unstructured training for newer employees. Because the SOP structure requires standard definition of skills, we cannot proceed with SOP development in an efficient manner until this issue is addressed.

In addition, the Personnel Study completed in April 2012 created a new pay system that included new broad-banded multi-skilled job classes for workers, technicians, specialists and foremen. These job classes were designed to allow movement among and through the overlapping pay bands, but are not currently defined. This outstanding issue has caused significant dissatisfaction among operational employees.

To resolve these issues, LCA proposes to initiate a new project to fully catalog the skill requirements for operational work, define each skill, and develop a Career Path Program to clarify how decisions will be made regarding employee training and compensation adjustments as employees acquire new skills.

PROJECT SCOPE: The following primary project activities will be required to complete the development of a Career Path Program for LCA's operations department:

** Tasks marked with an asterisk (*) will require significant involvement from a core team of LCA operations department employees, technical support from in-house Subject Matter Experts (SMEs), and program validation by all department employees.*

1. Create the O&M Work Catalog*

- Based on work completed during SOP development, create a draft of the Operations and Maintenance catalog of work. Contained in this catalog is a listing of all work processes completed by the department, their frequency of occurrence (daily, weekly, monthly, annually), and the SME for each process. This catalog informs the remaining tasks in program development.

2. Design a Skill Matrix*

- By analyzing the documented SOPs and work catalog, define a Master Skills List which represents every skill used to complete the work processes contained in the work catalog. This is a process of segmenting each SOP into the discrete groupings of steps that represent a single skill that can be trained, evaluated and certified and of defining the skills required to complete the work catalog.
- Place the skills into specific categories defined by level of difficulty and content. The product of this exercise informs the number of Utility Technician levels that support progression from the entry level hire through the master level of expertise.
- As a final step, conceptualize the process for progressing through the skill matrix identifying requirements for promotion to the next level of Utility Technician, significant steps of accomplishment and associated rewards during progression.

- 3. Develop the Skill Competency Evaluation Guide***
 - For each skill in the skill matrix, create a competency evaluation guide. This becomes the guide used to train an employee in that skill and is the guide used to evaluate an employee's competency in the skill.
 - At a macro level, define the requirements for the overall skill evaluation process including the standards for frequency of evaluation, required number of signatures per evaluation, the process for re-evaluation, and the expectations for evaluator performance.
 - Identify and implement a format for storage of training and evaluation records maintaining a training record for each employee in the program. Additionally, identify an individual or position responsible for record maintenance.
- 4. Review the Utility Technician Position Description(s)**
 - Review LCA's current Utility Technician position descriptions and create a recommended position description for the number of levels defined by the skill matrix. The differentiator for each position is the level of mastery and experience required determined by the skills assigned to that level in the matrix. Suggested salary levels will be associated with each position.
- 5. Create the O&M Career Path Manual**
 - Compile all program components – policies, procedures, training record forms, assessment guide, etc. – into the O&M Career Path Manual.
- 6. Conduct a Training Needs Assessment***
 - Using the Master Skill List, create a training needs assessment document, deliver the assessment to all eligible employees, and compile results. This assessment is completed by the employee, by the employee's supervisor, and by a co-worker of the employee. The results reflect a rating of the employee's ability to complete each skill in the matrix. The purpose of the assessment is to:
 - Determine the training needs for each employee (which forms the basis for building individual development plans described in task 7).
 - Determines the anticipated placement of employees within the skill matrix.
- 7. Conduct a Field Assessment***
 - Based on the results of the training needs assessment, conduct a field assessment of each employee. The intent of this step is to verify in the field or simulated field conditions, the capability of each employee to perform at the level rated in the training needs assessment. Assessments are conducted using the Skill Competency Evaluation process developed in an earlier task.
 - Supervisors will review assessment results with each employee. Based on the field assessment results, each O&M employee is placed at the appropriate level in the skill matrix.
 - Ideally an individual development plan is created with each employee that documents their interest and intent for progression through the O&M career path.

This work is typically supervised by the Department Manager or a designated Learning and Development Coordinator.

NOTE: Field assessments will be conducted primarily by LCA staff based on the Skill Competency Evaluation Guides developed in Task 3. Review of the assessment results and development of individual development plans for each employee would be the responsibility of designated LCA staff. Consultant involvement in this task is for support and a “hand-off” of the Career Path Program to LCA for ongoing administration.

CONSULTANT SELECTION & PROJECT COST: Due to their work already under way on the Knowledge Sharing Skills Development project, the primary consultants from GHD, Inc. are uniquely positioned to begin the work immediately. Their primary project consultants, Marcia Isbell and Brad Jurkovic, have already established strong rapport with operations department employees, and have a strong understanding of LCA’s needs and the positive outcomes desired for this project. LCA has already dedicated significant project resources toward ensuring GHD’s success in this work via sharing a high volume of data on LCA’s operational history, personnel policies and programs, and organizational strategies.

LCA’s internal KM Team reviewed GHD’s proposal for this work, as summarized above, and recommend moving forward. GHD has provided the following breakdown of hours and costs for each task, shown below:

Task	HOURS	FEE
Task 1: Create the O&M Work Catalog	40	\$8,000
Task 2: Design a Skill Matrix	140	\$28,000
Task 3: Develop the Competency Evaluation Guide	408	\$81,600
Task 4: Create the UT Position Description	24	\$4,800
Task 5: Create the O&M Career Path Manual	50	\$6,250
Task 6: Conduct a Training Needs Assessment	60	\$12,000
Task 7: Conduct a Field Assessment	40	\$8,000
Total Hours/Fees:	834	\$148,650
Travel Expenses:		\$22,298
Total:	834	\$170,948

PROJECT SCHEDULE: This project will kick off immediately upon approval by the LCA Board of Directors. It will be important to begin this work as soon as possible in order to address the outstanding personnel and pay plan issues identified above. The project is tentatively scheduled to kick off the week of February 18, 2013, with completion of all tasks outlined in the scope of work within 18 months.

Because the intent of the project is to incorporate the Career Path Program into the ongoing management of the operations department, no additional future phases of work are envisioned.

Concurrent to this work, GHD will continue to work with LCA on other aspects of the Knowledge Sharing Skills Development Project, including continued development of SOPs, process maps and training and support for the mentoring and coaching program.

CAPITAL PROJECT AUTHORIZATION Amendment No. 1

PROJECT NO.: W-12-5 BUDGET FUND: ADMINISTRATION - WATER CAPITAL

PROJECT TITLE: Knowledge Sharing Skills Development
- Operations Department Career Path Program

PROJECT TYPE:
 Construction
 Engineering Study
 Design
 Amendment

THIS AUTHORIZATION \$ 202,448
TO DATE (w/ ABOVE) \$ 596,248

DESCRIPTION AND BENEFITS

The need for an Operations Department Career Path Program has been identified through work completed to date via the Knowledge Sharing Skills Development project, which was initiated in July 2012. In particular, the work completed in the area of standard operating procedures has yielded some findings that are critical to address to ensure the future of the Knowledge Sharing program, and the sustainability of Lehigh County Authority's operations. They are:

- Significant variation among field employees regarding the "standard" methods of operating and maintain LCA systems
- Lack of shared understanding of skill levels required to complete operational work
- No clear-cut set of expectations against which employees are evaluated for job task performance
- Wide range of skill level among employees, with no formal process for training newer employees
- Some current practices pose safety risks, system risks and compliance risks for LCA, many of which are attributed to the lack of clear definitions around employee skills requirements and unstructured training for newer employees

The Career Path Program work will develop structure for the operations department to use to address these areas and to move forward with other areas of the Knowledge Sharing program. LCA intends to retain the services of a management consulting firm to fully catalog the skill requirements for operational work, define each skill, and develop a Career Path Program to create structure for how decisions will be made regarding employee training and compensation adjustments as employees acquire new skills.

Previous Authorization	
Knowledge Sharing Skills Development	\$ 393,800
Requested This Authorization	
Payroll (includes application training and testing)	\$ 31,500
Professional Services	\$ 170,948
Contingency	\$ -
Total This Authorization	\$ 202,448
Future Authorization	
None anticipated.	\$ -
Total Estimated Project	\$ 596,248

REVIEW AND APPROVALS

Project Manager	Date	General Manager	Date
Capital Works Manager	Date	Chairman	Date



Lehigh County Authority

1053 Spruce Street * P.O. Box 3348 * Allentown, PA 18106-0348
(610)398-2503 * FAX (610)398-8413

PROFESSIONAL SERVICES AUTHORIZATION

Professional: GHD
16701 Melford Boulevard,
Suite 330
Bowie, MD 20715
240.206.6852 (office)
240.206.6811 (fax)

Date: January 28, 2013
Requested By: Liesel Adam

Approvals
Department Head: _____
General Manager: _____

Description of Services (Work Scope, Steps, Check Points, etc.):

GHD will provide management consulting services to conduct the Operations Department Career Path Program with Lehigh County Authority. This project is intended to develop structure for LCA’s use in cataloging the skill requirements for operational work, define each skill, and develop a Career Path Program to clarify how decisions will be made regarding employee training and compensation adjustments as employees acquire new skills.

The technical and cost proposal submitted by GHD, and the agreement between LCA and GHD are all included as part of this authorization, as they provide greater detail of the work that is expected by LCA, and the approach GHD intends to take to achieve LCA’s project objective. These documents are available for viewing by any Board or staff member upon request.

The following task breakdown shows the project tasks and GHD’s proposed hours and costs:

Task	HOURS	FEE
Task 1: Create the O&M Work Catalog	40	\$8,000
Task 2: Build the Skill Matrix	140	\$28,000
Task 3: Develop the Competency Evaluation Guide	408	\$81,600
Task 4: Create the UT Position Description	24	\$4,800
Task 5: Create the O&M Career Path Manual	50	\$6,250
Task 6: Conduct a Training Needs Assessment	60	\$12,000
Task 7: Conduct a Field Assessment	40	\$8,000
Travel Expenses:		\$22,298
Total:	834	\$170,948

This authorization is a not-to-exceed contract. GHD shall submit invoices to LCA on a monthly basis, with invoices including a breakdown of activities, hours and costs.

Cost Estimate (not to be exceeded without further authorization): \$170,948

Time Table and Completion Deadline: This project will begin immediately and shall be completed in no more than 18 months. Assuming a project start date of February 1, 2013, this project shall be completed by July 31, 2014.

(For Authority Use Only)

Authorization Completion :

Approval : _____ **Actual Cost:** _____ **Date:** _____

MEMORANDUM

Date: January 24, 2013

To: LCA Board of Directors
From: Edward Bielarski, Aurel Arndt
CC: LCA Staff
Re: 2012 Bonus Benchmark Criteria

2012 Bonus Benchmark Program
Executive Summary

Under the Bonus Benchmarks program, the Authority has established four principal criteria needed to be reached before any performance bonus is awarded for exceeding the Reliability, Customer Satisfaction, Efficiency, Safety, and Capital Project bonus criteria levels. The following table illustrates the actual achievement results over the past five years.

<u>Year</u>	<u># of Bonus Benchmarks Met</u>	<u>% Payout to Base Salary*</u>	<u>\$ Payout</u>
2012	8	1.46%	\$35,142
2011	7	1.32%	\$29,853
2010	8	1.44%	\$32,083
2009	10	1.85%	\$41,062
2008	8	1.45%	\$30,804

**Represents base salary at year-end*

**LEHIGH COUNTY AUTHORITY
SCHEDULE OF WATER RATES AND CHARGES**

**CENTRAL LEHIGH, NORTH WHITEHALL, WASHINGTON TOWNSHIP,
HEIDELBERG HEIGHTS, ARCADIA, PINE LAKES, MILL CREEK, BEVERLY HILLS,
CLEARVIEW FARM ESTATES, UPPER MILFORD CENTRAL, EMMAUS CONSECUTIVE,
AND MADISON PARK NORTH DIVISIONS**

I. Schedule of Water Rates

A. Metered Water Use

**Central Lehigh, North Whitehall, Washington Township, Heidelberg Heights,
Arcadia, Pine Lakes, Mill Creek, Beverly Hills, Emmaus Consecutive
Divisions & Clearview Farm Estates**

(adopted 3/12/12; effective 4/1/12); (Mill Creek added 4/1/05); (Beverly Hills added 3/1/09);
(Emmaus added 3/1/09); (Clearview Farm Estates added 5/1/09)

Fixed Charges	
Meter Size	Fixed Charge
<i>Quarterly</i>	
5/8" & 3/4" *	\$ 11.70
1"	21.60
<i>Monthly</i>	
1-1/2"	14.10
2"	21.00
3"	43.80
4"	64.20
6"	120.30
8"	186.90
10"	263.10

*Typical residential.

Volume Charges			PROPOSED
Quarterly Usage (gal.)	Monthly Usage (gal.)	Rate per 1,000 Gal.	EFFECTIVE 4/1/2013
First 120,000	First 0 - 40,000	\$ 2.17	\$ 2.25
Next 2,880,000	Next 960,000	1.99	2.06
Next 24,000,000	Next 8,000,000	1.65	1.70
Next 147,000,000	Next 49,000,000	1.43	1.47
Over 174,000,000	Over 58,000,000	1.26	1.26

Welshtown Road (Washington Township Division)

(adopted 9/19/95; effective 10/1/95)

Volume		Rate per 1,000 Gal.
First 8,000 gal./qtr.		*Minimum Charge/Quarter
All over 8,000 gal./qtr.		\$ 5.50
Meter Size	*Minimum Charge/Quarter	
5/8" & 3/4"	\$ 60.00	
1"	72.00	
1-1/4"	84.00	
1-1/2"	108.00	
2"	133.00	
3"	169.00	
4"	266.00	
6"	459.00	