

REGULAR MEETING MINUTES
January 23, 2017

The Regular Meeting of the Lehigh County Authority was called to order at 12:00 p.m. on Monday, January 23, 2017, Chairman Brian Nagle presiding. Other Members present at the commencement of the meeting were: Linda Rosenfeld, Richard Bohner, Norma Cusick, and Scott Bieber. Deana Zosky was on the conference phone and did not participate in any discussion or vote. Authority Staff present were Liesel Gross, Ed Klein, Pat Mandes, Brad Landon, John Parsons, Chuck Volk, Phil DePoe and Lisa Miller.

REVIEW OF AGENDA

Liesel Gross stated there are no changes to the Agenda; however, there will be two items for Executive Session. One item regarding potential litigation and another item regarding personnel.

Chairman Nagle stated that LCA received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for its Comprehensive Annual Financial Report for the Fiscal Year ended December 31, 2015.

Kevin Baker arrived at 12:03 p.m.

APPROVAL OF MINUTES

January 9, 2017 Regular Meeting Minutes

Richard Bohner suggested a correction on the first page, under Public Comments, that after Mike Siegel's name it be noted that he is a resident of Lower Macungie Township since he is giving detailed information and there is no indication of his status. Also under Public Comments, second paragraph, third sentence, the word *by* should be added after the word *on*. Mr. Bohner also asked to have the words *and sitting in the room* be removed from the first sentence under Union Contracts & Employee Manual Updates since it is obvious from the rest of the sentence and, on Page 2, the last sentence, the word should be *flows* not flow.

On a motion by Richard Bohner, seconded by Norma Cusick, the Board approved the Minutes of the January 9, 2017 meeting as revised with the above noted changes (6-0).

PUBLIC COMMENTS

Janet Persing, resident of Lower Macungie Township, commented that she is concerned about the groundwater levels. She also commented on an event that will be hosted by the Lower Macungie Library called Cherries, Chocolates & Jazz on February 25, 2017. Ms. Persing suggested someone from the Authority attend as this may be a networking opportunity for the Authority to meet individuals interested in local groundwater issues. She will provide Ms. Gross with the information on the event.

ACTION AND DISCUSSION ITEMS

Ted Lyons and Tom Muller arrived at 12:10 p.m.

Allentown Division – Water Filtration Plant / Water Distribution: Flood Pump Replacement

Phil DePoe gave an overview of the project which consists of the installation of a new submersible flood pump at the Allentown Division Distribution & Collection Building parking lot. In addition, a new magmeter and two new chemical feed tanks will be replaced and installed at the Water Filtration Plant. This project will be funded by the LCA Allentown Division. Mr. DePoe is requesting Board approval of the Capital Project Authorization – Construction Phase in the amount of \$329,500.00 which includes the Professional Services Authorization to D'Huy Engineering in the amount of \$28,200.00 and awarding the General Contract to Zimmerman Environmental in the amount of \$221,300.00.

The Board questioned the purpose of the the flood pump and asked for an explanation of the magmeter. John Parsons explained that the flood pump is needed to remove water from the Distribution & Collection parking lot during heavy rains as the parking lot acts like a stormwater retention area. The magmeter is an

electromagnetic meter used to measure the volume of water at the Little Lehigh Creek intake at the water filtration plant.

Kevin Baker questioned how the Authority takes care of spare parts when a pump is ordered. John Parsons explained that the manufacturer will provide some parts which are then inventoried as they are used.

On a motion by Norma Cusick, seconded by Linda Rosenfeld, the Board approved the Capital Project Authorization – Construction Phase in the amount of \$329,500.00 which includes the Professional Services Authorization to D'Huy Engineering in the amount of \$28,200.00 and awarding the General Contract to Zimmerman Environmental in the amount of \$221,300.00. (8-0).

Ted Lyons asked if all projects are bonded with a Bid and Performance bond to which Mr. DePoe replied yes.

Employee Compensation Study – Review & Discussion of Preliminary Results

Liesel Gross introduced Kathy Martin, Human Resources Manager for the Authority, and also Chet Mosteller of Mosteller & Associates. Mr. Mosteller conducted a preliminary compensation study in 2016 for the Authority and was present to report on those preliminary results and also get direction from the Board on the future of the Authority's compensation program. Ms. Gross reported that the Authority's current compensation program and pay ranges have been in place since 2011 with one minor adjustment in 2016. Mr. Mosteller distributed a report showing an overview of the study results and reviewed it with the Board. In response to a question from the Board, Kathy Martin explained the components of the Authority's compensation program including base pay, benefits, pension and time off. Liesel Gross reviewed the Authority's annual performance review system and explained that pay increases for all non-union employees are determined based on results of the performance evaluation along with general guidelines provided to managers about awarding merit increase for employees in different segments of the pay range.

Regarding the future adjustments to the compensation program, Mr. Mosteller recommended that the Authority's pay ranges be designed around the 50th percentile of the market-based survey results. Board discussion followed, with most Board members agreeing that a 50th percentile target is appropriate for the Authority, since employee expenses are paid through rates to water and sewer customers. Scott Bieber suggested that the Authority's wage structure may need to be adjusted upward in order to retain and attract the best employees. He also commented that no employee should be paid below the 25th percentile.

Kevin Baker asked about the wage compression that may exist between union and non-union pay scales. Mr. Mosteller explained in more detail how wage compression impacts the Authority and offered several solutions which will be considered in the final report to be prepared and delivered within the next two months.

Allentown Division – Wastewater Treatment Plant: WWTP Security Upgrades

Phil DePoe gave an overview of the project. The equipment will be purchased through the COSTARS program which is a cooperative purchasing program through the Commonwealth of Pennsylvania. The work is an Uncompleted Work (UW) project under the lease agreement and will be paid by the City of Allentown. The City has reviewed and approved the project. Mr. DePoe is requesting awarding the contract for the purchase of security equipment through PA COSTARS program supplier – Tyco Integrated Security in the amount of \$68,980.70.

On a motion by Tom Muller, seconded by Norma Cusick, the Board approved award of the contract for the purchase of security equipment through PA COSTARS program supplier – Tyco Integrated Security in the amount of \$68,980.70 (8-0).

MONTHLY FINANCIAL REVIEW

Ed Klein gave an overview of the December 2016 Financial Report.

SYSTEM OPERATIONS OVERVIEW

John Parsons reviewed the December 2016 Operations report that was attached to the Board agenda. The report noted that Lehigh County is still under a Drought Warning. Chuck Volk explained the sanitary sewer overflow that occurred in Lower Macungie Township in December was a result of a contractor losing a long cable inside the Western Lehigh Interceptor, which then formed a blockage in the line near Krick Lane. Authority crews were dispatched to assist the contractor with removing the blockage, and the Authority will seek compensation from the contractor for expenses incurred.

STAFF COMMENTS

Liesel Gross commented on the video equipment being installed in the conference room. Installation is expected to be complete by the next Board meeting at which time a trial run of the system will occur. Also, the public opinion survey received 33 responses so far and the results will be discussed at a future Board meeting.

SOLICITOR'S COMMENTS

Brad Landon reminded the Board that reorganization will need to be addressed at the February meeting. Brian Nagle reported that Tom Muller has been appointed to address the officer nomination process. Tom Muller said that he will be contacting Board members asking for their interest in either maintaining their current position or seeking another position on the Board.

PUBLIC COMMENTS / OTHER COMMENTS

Art Persing, resident of Lower Macungie Township, asked if the number of injury accidents listed on the December System Operations report are all lost time reportable. John Parsons said the Authority reports all accidents whether they are incidental or lost time. Neither of the incidents reports for December were lost time accidents. Liesel Gross stated that the annual Risk Management report will be on the agenda in February, which will provide details and breakdowns of the Authority's accident experience in 2016.

Chairman Nagle called a break at 1:56 p.m. The meeting reconvened at 2:00 p.m.

EXECUTIVE SESSION

Chairman Nagle called an Executive Session at 2:00 p.m. to discuss potential litigation and personnel. No motions were expected.

Authority Staff were excused prior to the discussion regarding personnel.

The Executive Session ended at 3:02 p.m.

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 3:02 p.m.

Richard H. Bohner
Secretary