

**REGULAR MEETING MINUTES**  
**February 22, 2016**

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The Regular Meeting of the Lehigh County Authority was called to order at 12:20 p.m., on Monday, February 22, 2016, Acting Chairman Tom Muller presiding. Other Members present at the commencement of the meeting were: Richard Bohner, Norma Cusick, Scott Bieber, Ted Lyons, and Deana Zosky. Authority Staff present were Liesel Gross, Ed Klein, Frank Leist, Brad Landon, John Parsons, Phil DePoe and Lisa Miller.

Members of the public, Joe Hilliard and John Donches were also present.

**REVIEW OF AGENDA**

Liesel Gross announced that there will be an Executive Session following the regular meeting to discuss potential litigation. There will also be two additional comments under Staff comments.

**APPROVAL OF MINUTES**

**February 8, 2016 Regular Meeting Minutes**

Richard Bohner said that there are two corrections to the Minutes. One, on page 1 under Review of Agenda, the word *will* needs to be added after the word *there*. Second, same page under 2016 Goals, the words *as compared* shall be removed.

On a motion by Richard Bohner, seconded by Norma Cusick, the Board approved the Minutes of the February 8, 2016 Regular meeting with the noted corrections (5-0). Deana Zosky abstained.

**PUBLIC COMMENTS**

None.

**ACTION AND DISCUSSION ITEMS**

**Election of Officers**

Tom Muller, serving as the Nominating Committee, indicated he had polled the Board members to determine what capacity they are willing to serve on the Board. He then offered the following slate of nominations for 2016:

Brian C. Nagle, Chair

Richard H. Bohner, Secretary

Scott Bieber, Vice Chair

Norma A. Cusick, Assistant Secretary

Ted Lyons, Treasurer

He stated that the Assistant Treasurer position is vacant and also a vacancy on the Board which he hopes to have filled soon. Mr. Muller asked if there were any other nominations, which there were not. Norma Cusick made a motion to close the nominations, which was seconded by Richard Bohner. With no additional nominations from the floor, the nominations were closed and the slate of officers elected by acclamation. The term of the officers elected will begin on March 1, 2016.

**2016 Goals**

As requested by the Board at the February 8, 2016 meeting, Liesel Gross presented a memorandum and listing of the 2015 goals along with a more detailed presentation of three of the four 2016 organizational goals. The three organizational goals for discussion and comment were: Goal #2 – Asset Management, Goal #3 – Environmental / Regional Leadership, and Goal #4 – Organizational Development. The purpose of the new format is to provide a link between organizational goals and LCA's strategic plan, and provide some details of quarterly milestones. Goal #1 – Financial Health is being prepared for an anticipated discussion at the March Board meeting. Norma Cusick asked about LCA's next wave of retirements and what that looks like. Ms. Gross explained that we know the demographics of our employee base, we have

an aging workforce, and across the organization, our management staff has a high percentage of retirement risk in the 1 to 5 year category. The concern is the institutional and historical knowledge transfer, not the technical training. Deana Zosky commented that even though we have tightened our goals, they do not include key performance indicators that link to our overall strategy. Ms. Gross explained that developing these indicators will be part of the Financial Health goal that has not been presented yet. Moving forward with the goals, the staff will prepare a quarterly report to track progress on each of the goal's milestones.

### **Allentown Division – Water Filtration Plant: A/C Unit and chiller Replacement**

Frank Leist reviewed the project which consists of purchasing a 20 ton A/C unit and one 40 ton chiller unit for the Allentown Division Water Filtration Plant. In addition to reaching the end of their useful lives, numerous mechanical parts are no longer functional, and the coolant being used will no longer be available in three to four years. He recommends awarding the contract for the purchase of the 20 ton A/C unit and the 40 ton chiller unit generator through the COSTARS Program to Trane in the amount of \$45,165.00.

On a motion by Richard Bohner, seconded by Norma Cusick, the Board unanimously approved awarding the contract for the purchase of the 20 ton A/C unit and the 40 ton chiller unit generator through the COSTARS Program to Trane in the amount of \$45,165.00 (6-0).

### **Allentown Division – Water Booster Stations: Portable Generator**

Frank Leist reviewed the project which consists of purchasing one mobile generator for the Allentown Division water booster stations. The generator will be based at the Distribution and Collection office until needed at a station. He is asking for award of the contract for the purchase of the 145 kilowatt (Kw) mobile generator through the COSTARS Program to Winter Engine – Generator Service, Inc. in the amount of \$75,700.00.

On a motion by Norma Cusick, seconded by Scott Bieber, the Board unanimously approved awarding the contract for the purchase of the 145 kilowatt (Kw) mobile generator through the COSTARS Program to Winter Engine – Generator Service, Inc. in the amount of \$75,700.00 (6-0).

## **FINANCIAL REVIEW**

Liesel Gross explained that this report will now be presented to the Board at the second meeting of the month and will be attached to the Board packet in the future rather than being handed out at the meeting. Ed Klein gave a PowerPoint presentation highlighting the 2015 year-end financials in both the City Division and Suburban Division. He also distributed a handout showing the new comparative statement format with revenues and expenses for both divisions. After some discussion, Deana Zosky suggested adding variance analysis to the statement format and Tom Muller asked that commercial vs. residential be broken out on the revenue side. Mr. Klein noted that he will address the suggestions from the Board in the next monthly financial report that he prepares.

## **SYSTEM OPERATIONS OVERVIEW**

Liesel Gross explained that this report will now be presented to the Board at the second meeting of the month and will be attached to the Board packet in the future rather than being handed out at the meeting. John Parsons reviewed the new report which listed any critical activities, the systems with description, the current month daily average, year to date daily average, and the prior year totals. Liesel Gross stated that there are smaller systems but for reporting purposes, only the larger ones are highlighted. Scott Bieber suggested that the report be modified to show totals for the small systems and the total capacities of the system. Deana Zosky asked for the report to include some aspect of compliance with the Administrative Order (AO). Ms. Gross explained that the reporting of sanitary sewer overflows on this report is the key compliance component of the AO, and that other aspects of progress on the AO would be reported with the quarterly report on Goal #3 – Environmental / Regional Leadership.

## **STAFF COMMENTS**

Liesel Gross updated the Board regarding Aurel Arndt's time and assistance with a few key issues. A bill for his services has not yet been submitted but his time has been minimal. She also provided a memo to the Board regarding non-union employees' annual performance evaluation and merit increases. The 2016 Budget included a 3% pool for merit-based increases. At the April 11, 2016 meeting, following completion of the evaluations and prior to entering the increases into LCA's payroll system, Ms. Gross will provide a report on the results of the process and utilization of the pool.

**SOLICITOR'S COMMENTS**

None.

**OTHER COMMENTS**

None.

**EXECUTIVE SESSION**

The Acting Chairman called an Executive Session at 1:25 p.m. to discuss potential litigation.

The Executive Session ended at 2:29 p.m.

On a motion by Norma Cusick, seconded by Richard Bohner, the Board approved engaging the law firm of McNees Wallace & Nurick LLC to represent the Authority in several pending and emerging matters pertaining to the City of Allentown Concession, and authorized the management staff to institute the dispute resolution process set forth in the Concession Agreement. McNees Wallace & Nurick LLC are to be retained at a monthly rate to be negotiated by the CEO, with a settlement against actual costs based on the firm's normal rates and terms & conditions following resolution to such disputes (5-0). To avoid the appearance of a conflict-of-interest, Deana Zosky abstained.

On a motion by Norma Cusick, seconded by Scott Bieber, the Board approved engaging the law firm of McNees Wallace & Nurick LLC to represent the Authority, at a rate to be negotiated by the CEO, in the arbitration process set forth in the 1981 Agreement amongst the City and its sewer Signatories based on suspected past overcharging to the Signatories due to budgetary practices that pre-existed the Authority's concession lease agreement with the City (5-0). To avoid the appearance of a conflict-of-interest, Deana Zosky abstained.

**ADJOURNMENT**

There being no further business, the Acting Chairman adjourned the meeting at 2:33 p.m.

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Richard H. Bohner  
Secretary