



LEHIGH COUNTY AUTHORITY

LCA Main Office:
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Agendas & Minutes Posted:
www.lehighcountyauthority.org

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BOARD MEETING AGENDA – FEBRUARY 22, 2016

1. Call to Order
 - *Public Participation Sign-In Request*
2. Review of Agenda / Executive Sessions
4. Approval of Minutes
 - *February 8, 2016 Board Meeting Minutes*
5. Public Comments
6. Action / Discussion Items:

FINANCE AND ADMINISTRATION

- *Board Officer Election*
 - *Report of Nominating Committee*
 - *Other Nominations*
 - *Election*
- *2016 Goals - (Discussion) (Blue)*

WATER

- *Allentown Division – Water Filtration Plant: A/C Unit and chiller Replacement (Green)*
- *Allentown Division – Water Booster Stations: Portable Generator (Yellow)*

WASTEWATER – No Action or Discussion Items

7. Monthly Project Updates / Information Items (1st Board meeting per month)
8. Monthly Financial Review (2nd Board meeting per month)
9. Monthly System Operations Overview (2nd Board meeting per month)
10. Staff Comments
11. Solicitor's Comments
12. Other Comments
13. Executive Sessions
14. Adjournment

UPCOMING BOARD MEETINGS

Meetings begin at Noon at LCA's Main Office, unless noted otherwise below.

March 14, 2016
March 28, 2016
April 11, 2016

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.



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MEMORANDUM

TO: LCA Board of Directors & Executive Staff
FROM: Liesel Gross
DATE: February 15, 2016
RE: New LCA Board Agenda

As we discussed at the February 8, 2016 LCA Board meeting, we have begun to use the new Board meeting agenda format, which you will see in the enclosed packet. I am writing to draw your attention to three key items on the agenda since this is the first time they are appearing:

Agenda Item # 7 – Monthly Project Updates / Information Items – This item was attached to your February 8, 2016 meeting packet (the first meeting of the month of February), and is therefore not included with this packet. You will see this report again at our first meeting in March.

Agenda Item # 8 – Monthly Financial Review – This item is intended to be a monthly report of financial data from Ed Klein, our CFO. However, he is still working on finalizing the format of his proposed presentation, and the timing of pulling prior-month data together. Therefore, this document will be distributed separately either by email or at the meeting directly on February 22nd. Following review and discussion of the data presented in this report, this will become a regular agenda item for the second meeting of each month, with all attempts made to include the report with the regular packet mailing.

Agenda Item # 9 – Monthly Systems Operations Overview – This item is also intended to be a monthly report presented to the Board at the second meeting each month. Our COO, John Parsons, is working on finalizing the format of this proposed report, which will be distributed separately either by email or at the meeting directly on February 22nd. Following review and discussion of the data presented in this report, this will become a regular agenda item for the second meeting of each month, again with all attempts made to include the report with the regular packet mailing.

I appreciate your patience and understanding as we work to implement these changes, which we feel will enhance the level of information, accountability and transparency LCA offers to the Board and the public.

REGULAR MEETING MINUTES
February 8, 2016

The Regular Meeting of the Lehigh County Authority was called to order at 12:10 p.m., on Monday, February 8, 2016, Chairman Brian Nagle presiding. Other Members present at the commencement of the meeting were: Linda Rosenfeld, Tom Muller, Richard Bohner, Norma Cusick, Scott Bieber and Ted Lyons. Authority Staff present were Liesel Gross, Ed Klein, Pat Mandes, Frank Leist, Brad Landon, John Parsons, Chuck Volk, Jennifer Montero, Phil DePoe and Lisa Miller.

REVIEW OF AGENDA

Liesel Gross announced that there be an Executive Session following the regular meeting to discuss two topics of potential litigation.

APPROVAL OF MINUTES

October 26, 2015 Regular Meeting Minutes

Richard Bohner said that there needs to be a correction to the Minutes. On page 2 under Allentown Division – Miscellaneous Water Filtration Plan/Water Distribution, paragraphs 1 and 2 should say *Project*, not *Projection*.

On a motion by Richard Bohner, seconded by Norma Cusick, the Board unanimously approved the Minutes of the October 26, 2015 Regular meeting with the noted correction (7-0).

November 9, 2015 Workshop Meeting Minutes

Tom Muller said that under Review of Agenda the word needs to be *Session*, not *Sessions*. Chairman Nagle noted that under Public Comment, Joe Hilliard requested that the word *personal* be stricken because he did not ask for the Board members' personal email.

On a motion by Richard Bohner, seconded by Linda Rosenfeld, the Board approved the Minutes of the November 9, 2015 Workshop meeting as corrected (7-0).

December 14, 2015 Regular Meeting Minutes

On a motion by Richard Bohner, seconded by Norma Cusick, the Board unanimously approved the Minutes of the December 14, 2015 Regular meeting (7-0).

January 11, 2016 Workshop Meeting Minutes

On a motion by Richard Bohner, seconded by Norma Cusick, the Board unanimously approved the Minutes of the January 11, 2016 Workshop meeting (7-0).

PUBLIC COMMENTS

Joe Hilliard of Allentown was present to comment on transparency and also to request that the Board consider adopting a formal Lehigh County Authority email address for each member. Chairman Nagle said that the Board will be addressing transparency issues in the near future.

ACTION AND DISCUSSION ITEMS

2016 Goals

Liesel Gross presented a timeline of the 2016 Goals for discussion. The 4 goal areas that are being worked on and developed are #4 – Organizational Development, #3 – Environmental/Regional Leadership, #2 – Asset Management, and #1 – Financial Health. The ultimate object is to finalize the goals with detail plans by the March 28th meeting and to establish a process for a quarterly review. The Board asked that the goals be provided prior to the meeting and that they have a brief comparison of the old goals as compared to the new goals. Ms. Gross presented the detail developed by staff for Goal #4. The Board will review the details of Goal #4 and submit any questions or comments to Ms. Gross.

Board Meeting Designation

Liesel Gross presented the Board with a sample Board Meeting Agenda. She is asking the Board to consider the following: eliminating the Workshop meeting designation and title all meetings as a Regular Board Meeting, keeping the Monthly Project Updates/Information Items to the first meeting of the month, adding a Monthly Financial Review, which Ed Klein will begin presenting at the second Board meeting of the month, and the System Operations Overview become a formatted written report that will also be provided at the second Board meeting of the month. The Board asked that "No Activity" be added in bold to the Monthly Project Updates/Information report for any items that do not have any current activity. Ted Lyons said that he would like the Staff members that attend the meeting to have nameplates.

On a motion by Scott Bieber, seconded by Tom Muller, the Board unanimously approved changing the name of all meetings to Regular Board Meetings (7-0).

Suburban Division – Facility Condition Assessment

Chuck Volk gave an overview of the study that includes 11 sewer and 16 water facilities in the Suburban Division. The Study is comprised of a detailed evaluation of the structure, roof, HVAC and electrical system at each facility. D'Huy Engineering was selected as the most qualified firm based on the following factors: demonstrated project understanding and approach, prior similar project experience, experience with asset management program development, strength of project team, adequate man hours budgeted to perform comprehensive evaluation, and familiarity with LCA and track record. He is asking for approval of the Capital Project Authorization – Study Phase in the amount of \$120,000.00 which includes the Professional Services Authorization to D'Huy Engineering in the amount of \$72,220.00. Some discussion followed primarily asking for explanation of why D'Huy was being recommended for the award when there are two lower cost proposals, which Mr. Volk provided.

On a motion by Scott Bieber, seconded by Norma Cusick, the Board approved the Capital Project Authorization – Study Phase in the amount of \$120,000.00 which includes the Professional Services Authorization to D'Huy Engineering in the amount of \$72,220.00. Tom Muller opposed (6-1).

Boston Beer Amendment

Liesel Gross introduced Jennifer Montero, LCA Contract Administrator, to the Board, who attended to present on this topic with Pat Mandes, Chief Compliance Officer. Ms. Mandes presented a PowerPoint presentation on Boston Beer's Wastewater Renewal Agreement for the 2016-2020 period and the 2016 rate. It highlighted the history, and summary and comparison of the agreement terms. Many of the terms and conditions in Amendment #1 carry over to Amendment #2 with some changes. New language was added to address Boston Beer's energy conservation efforts that may include some wastewater pretreatment onsite and certain water reuse. Pat Mandes asked the Board for approval of Amendment #2 and the increased 2016 allocation rate.

On a motion by Ted Lyons, seconded by Richard Bohner, the Board unanimously approved the Boston Beer Amendment #2 and the 2016 Rate (7-0).

Allentown Division – Wastewater Treatment Plant: Digester Cover Replacements

Frank Leist gave an overview of the project which consists of the phasing and replacement of two anaerobic digester covers at the Kline's Island Wastewater Treatment Plant. The project is identified as a Schedule 7 Project in the Allentown Lease agreement which means it is a required project. In addition, it is considered to be a Major Capital Improvement as defined by the lease and will therefore have costs recovered through the customer rates. He is asking for approval of the Capital Project Authorization Amendment No. 1 – Construction Phase in the amount of \$2,982,156.00 which includes the Professional Services Authorization Amendment No. 1 – Construction Phase: GHD in the amount of \$91,988.00; awarding the General Contract – Construction Phase to Quad Construction in the amount of \$2,754,750.00; and awarding the Electrical Contract – Construction Phase to Diefenderfer Electric in the amount of \$15,418.00.

On a motion by Tom Muller, seconded by Linda Rosenfeld, the Board unanimously approved the Capital Project Authorization Amendment No. 1 – Construction Phase in the amount of \$2,982,156.00 which includes the Professional Services Authorization Amendment No. 1 – Construction Phase: GHD in the amount of \$91,988.00, awarding the General Contract – Construction Phase to Quad Construction in the amount of \$2,754,750.00 and awarding the Electrical Contract – Construction Phase to Diefenderfer Electric in the amount of \$15,418.00 (7-0).

SYSTEM OPERATIONS OVERVIEW

John Parsons gave a summary of the systems. He reported that there were no major operational episodes resulting from the snowstorm on 1/23/16 and both Suburban and City operations had all facilities cleared by the following Tuesday. The rain event on 2/2/16, however, stressed some operational activities. Kline's Island Wastewater Treatment Plant went from a normal 31 MGD to 75 MGD. No bypasses or sewer overflows were recorded at the plant or associated collector systems as a result of this event. The Suburban Division did experience a sewage bypass at the Heidelberg Heights facility resulting from the increased flows.

Due to the milder winter, main breaks are down. In January, there have been 5 main breaks in the City Division and 1 break in the Suburban Division.

The SCADA (supervisory control and data acquisition) and MCC (motor control center) installations at Kline's Island Wastewater Treatment Plant are near completion. Proposals for the City of Allentown Water System Master Plan are being reviewed. The testing period for the City of Allentown Water Coagulant Study is also near completion.

John Parsons commented on the articles regarding the levels of lead in Allentown. Some articles have noted the levels are from airborne lead resulting from lead paint in older homes, and not a water problem. He said that the Lead and Copper Rule states 90 percentile limits of 15 ppb lead and 1.3 ppm copper. The City Division has never had any problems meeting the limits of the Lead and Copper Rule. The Suburban Division had only one problem in Washington Township which was decades ago and rectified the issue by connecting with Slatington's filtered water system in combination with other remediation work and eliminated the issue. The Allentown Division has a zinc ortho-phosphate tank that is ready to be put in operation should the lead and copper levels ever increase to the regulatory limit. Some discussion followed regarding the process of lead testing and sampling. Ted Lyons stated that he would like to see information on the process for testing sites. Joe Hilliard suggested that LCA expedite the testing schedule. He said LCA may also want to test residents with water softeners. Liesel Gross stated that the testing schedule is mandated by DEP. In conclusion, the Board stated that they will revisit the sampling process at the next meeting.

STAFF COMMENTS

None.

SOLICITOR'S COMMENTS

None.

OTHER COMMENTS

None.

EXECUTIVE SESSION

The Chairman called an Executive Session at 1:58 p.m. to discuss potential litigation.

The Executive Session ended at 2:28 p.m.

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 2:35 p.m.

Richard H. Bohner
Secretary



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MEMORANDUM

TO: LCA Board of Directors & Executive Staff
FROM: Liesel Gross
DATE: February 15, 2016
RE: 2016 Goals

Attached to this memo, per your request, is a 3-page bulleted listing of the 2015 goals that were presented to the Board in early 2015. As you can see, there are many individual goals listed (47 of them!) and no specific tracking mechanism to show progress on these goals. While many of these goals were tracked internally and achieved in 2015 to the credit of our staff, managers and supervisors, it is difficult to digest this volume of information in order to determine what the most important goals are.

As we discussed at two earlier LCA Board meetings this year, Lehigh County Authority staff members are developing details for our 2016 organizational goals using a new format, and focusing on just four critical areas to our organization. These four areas were selected to address LCA's most pressing needs to address our weaknesses/threats and leverage our strengths/opportunities.

The new goal format was presented at our February 8, 2016 Board meeting. The purpose of the new format is to provide a link between organizational goals and LCA's strategic plan / mission statement, and to provide some details of quarterly milestones we hope to achieve, which will help to facilitate discussions at LCA Board meetings about our progress in these critical areas.

For additional discussion at our February 22, 2016 Board meeting, three of the four organizational goals for 2016 are attached. They are:

Goal # 2 – Asset Management

Goal # 3 – Environmental / Regional Leadership

Goal # 4 – Organizational Development

No action is required to adopt or approve annual goals; however, we believe these goals are critical to LCA's success. We encourage and welcome discussion among Board and staff about the priorities and plans that are presented, to ensure our path forward is clear for this year.

Missing from this packet is our Goal # 1 – Financial Health. This is an important topic that requires some additional time to prepare, and a dedicated discussion, which will be beneficial to ensure LCA's new leadership team and new Board members are fully engaged in how we measure and achieve financial success. We anticipate preparing for this discussion in March.

Lehigh County Authority – 2015 Goals – Organizational & Individual

The following goal listing has been developed through a series of meetings among all LCA executives, managers and supervisors to generate a comprehensive view of our priorities for the 2015 calendar year. The goals were developed specifically to align with LCA's new (draft) Strategic Plan and the Critical Goal Categories that have been developed to support the achievement of LCA's mission.

Critical Goal Category: Organizational Synergy

Executive Goals:

- Develop opportunities to generate synergy among employees across diverse operational groups (*Liesel Adam, Chief Administrative Officer*)
- Develop organizational benchmarking program to capture organization-wide performance (*Ed Bielarski, Chief Financial Officer/Chief Operating Officer*)

Other Goals:

- Develop Capital Works & Distribution/Collections interdependence & synergy
- Implement SharePoint for enhanced document sharing & knowledge management
- Develop organization-wide Emergency Response Plan
- Conduct training/table-top exercises for new Emergency Response Plan
- Develop 5-year strategic Human Resources plan
- Develop & standardize Human Resources policies & processes
- Compliance department document management / organization
- Organization-wide document management
- Simplify wastewater signatory billing process

Critical Goal Category: Capital Asset Management

Executive Goals:

- Develop strategies for water supply optimization (*Aurel Arndt, Chief Executive Officer*)
- Develop marketing strategies to attract new industrial users (*Aurel Arndt, Chief Executive Officer*)
- Standardize capital project management approach / process (*Frank Leist, Chief Capital Works Officer*)
- Develop future wastewater capacity to serve planned growth in Western Lehigh County (*TBD*)
- Standardize capital project forms, policies & new employee training (*John Parsons, Capital Works Manager*)

Other Goals:

- Electronically manage and track sewer line preventive maintenance
- Manage D&C preventative maintenance program through the use of new technology (CityWorks)
- Update WWTP plant procedures with new information from new valves, equipment, etc.
- Update WFP plant operations procedure documents
- Locate and mark all Allentown Division transmission mains

Critical Goal Category: Operations & Financial Management

Executive Goals:

- Simplify processes and procedures in accounting and operational areas (*Ed Bielarski, Chief Financial Officer/Chief Operating Officer*)
- Facilitate organization-wide CityWorks adoption (*Bob Kerchusky, Plant Operations Director*)
- Leverage LCA labs to improve efficiency (*Pat Mandes, Compliance Director*)

Other Goals:

- Internalize pipe procurement process
- Develop and implement a materials management process/system
- Develop Emergency Response Plan for Kline's Island Wastewater Treatment Plant
- Facilitate employee training and data transition for CityWorks implementation
- Evaluate future of Pretreatment Plant operations
- Develop large metering program to right-size, test and replace larger meters for improved billing accuracy across all LCA divisions

Critical Goal Category: Workforce Sustainability

Executive Goals:

- Reduce turnover rate of Treatment Plant Operator position (*Bob Kerchusky, Plant Operations Director*)

Other Goals:

- Update Accounting Department manuals and increase cross-training of department staff
- Develop enhanced safety training for Residuals program employees
- Cross-train lab staff on all instrumentation
- Conduct quarterly IPP staff meetings & training sessions
- Cross-train new / existing D&C staff on water / sewer functions
- Identify succession planning needs and develop programs to address them
- Standardize, catalog and organize all operational Standard Operating Procedures (SOP) documents
- Develop a more robust / consistent Employee Training & Development program

Critical Goal Category: Environmental & Regulatory Compliance

Executive Goals:

- Develop a Fats, Oils & Grease program for the Allentown Division sewer collection system (*Pat Mandes, Compliance Director*)
- Facilitate efforts to comply with EPA Administrative Order to eliminate sanitary sewer overflows (*TBD*)

Other Goals:

- Obtain GHS compliance at Water Filtration Plant & Wastewater Treatment Plant
- Maintain sewer system to ensure compliance with Allentown Agreement & USEPA Administrative Order
- Source Water Protection program consolidation / coordination

Critical Goal Category: Community & Customer Relations

Executive Goals:

- Enhance and standardize customer payment options across all divisions. (*Liesel Adam, Chief Administrative Officer*)

Other Goals:

- Develop alternative / advanced collections processes.
- Allentown Division customer service training on operational / service issues to improve first-call response

Leadership Development Goals

In addition to developing the 2015 business goals outlined above, aligned with LCA's new (draft) Strategic Plan, all executives, managers and supervisors were charged with the task of developing a goal for 2015 that focused on enhancing their individual leadership within the organization. During the summer and fall of 2014, all LCA executives, managers and supervisors completed a leadership training course based on material covered in Dr. Stephen Covey's "The Seven Habits of Highly Effective People."

While each manager has a defined purpose or leadership development goal they wish to focus on in 2015, they have been summarized below into categories, with the "7 Habits" concept they embody noted parenthetically.

- Department teambuilding, training & planning – ***shared by 5 managers***
- Increasing positivity in communications – ***1 manager***
- Interdepartmental teambuilding – ***shared by 6 managers***
- Listen more & enhance employee communication to generate shared goals – ***shared by 4 managers***
- Planning/Organization/Time Management. Increase focus on important & not urgent work – ***shared by 5 managers***
- Train more to increase delegation – ***shared by 5 managers***
- Facilitate organizational transitions to position LCA for the future – ***1 manager***

2016 Organizational Goal # 2 – Asset Management

LCA Strategic Plan Components:

1. **Goal Category – Capital Asset Management:** Manage our assets to maintain an acceptable level of service and plan for the future, by prioritizing projects and evaluating ways to enhance and perpetuate performance and quality at the lowest life cycle cost.
2. **Goal Category – Organizational Synergy:** Create a dynamic and unified organizational culture that drives performance and teamwork.

2016 Vision / Goal(s):

- Create an organizational vision to guide the future of our asset management program, including how we prioritize work and the desired level of service we seek to provide.
- Develop an inventory of our physical assets, including an assessment of their condition and probability and consequence of failure, in order to assign criticality and establish a risk ranking system. (*Suburban Division focus*)
- Use the risk ranking system to prioritize the critical maintenance, rehabilitation and/or replacement activities (across Capital Works and Operations) required to maintain our desired level of service at the lowest life-cycle cost.
- Collaborate with others to develop shared understanding of the level of funding available for asset management activities, in order to strategize capital renewal/replacement improvements.
- Leverage successful programs already in place in the Allentown Division to build similar successes in the Suburban Division and generate an LCA standard for asset management.
- Define our next steps.

Critical Milestones:

1 st Quarter 2016	<ul style="list-style-type: none"> ● Internal asset management team assembled to develop program goals and definitions. ● Review Allentown Division (AD) use of CityWorks and lease Operating Standards; develop similar goals/concepts for Suburban Division.
2 nd Quarter 2016	<ul style="list-style-type: none"> ● Suburban Division (SD) facility mechanical inventory completed. ● Collaborate with finance to develop timelines for capital plan / budget preparation, to incorporate funding availability into asset management planning / prioritization. ● Initiate asset management programming for SD linear assets (water mains) to parallel similar work already in place in AD.
3 rd Quarter 2016	<ul style="list-style-type: none"> ● SD facility condition assessment project completed. Incorporate results from mechanical inventory. ● Initial development of 10-year Capital Plan utilizing preliminary recommendations from condition assessment.
4 th Quarter 2016	<ul style="list-style-type: none"> ● Populate SD data into CityWorks, including facility data, operating standards and weekly preventive maintenance tasks to parallel similar features already in place in AD. ● Develop asset management program goals for 2017, including review of SOPs and development of LCA standard for risk-based project prioritization.

2016 Organizational Goal # 3 – Environmental / Regional Leadership

LCA Strategic Plan Components:

1. **Goal Category – Environmental & Regulatory Compliance:** Serve as a steward of our water resources, protect the public’s health and promote resource conservation and protection.
2. **Goal Category – Community & Customer Relations:** Actively engage the community and our customers in our plans and programs.

2016 Vision / Goal(s):

- Collaborate with the City of Allentown and all municipal signatories to track completed and planned system improvements required to address the US EPA Administrative Order (AO) to eliminate sewer system overflows.
- Lead collaborative efforts with the Western Lehigh Sewerage Partners (WLSP) to develop and present a Sewer Capacity Assurance and Rehabilitation Program (SCARP) Implementation Plan.
- Collaborate with WLSP municipal leaders to develop a Memorandum of Cooperation to formalize our shared responsibility for implementing and paying for the capital improvement plan (CIP) outlined in the SCARP Implementation Plan.
- Develop a shared understanding with the City of Allentown and the City municipal signatories about the synergies between their CIP and the WLSP plans, and the associated impact to costs and cost allocation.
- Collaborate with Allentown and the City signatory municipal leaders to develop a Memorandum of Cooperation to formalize our shared responsibility for implementing and paying for capital improvements associated with AO compliance via the City’s CIP.
- Develop timeline of next steps that are required to achieve compliance with the AO.

Critical Milestones:

1 st Quarter 2016	<ul style="list-style-type: none"> ● Establish calendar of meetings to collaborate with the City of Allentown, City signatories and WLSP on AO corrective action planning work. ● Develop communications strategy to ensure public has access to information regarding past and future AO efforts and decisions.
2 nd Quarter 2016	<ul style="list-style-type: none"> ● Finalize planning-level cost estimates for each WLSP for the preferred alternative, inclusive of LCA portion of City CIP costs. Discuss alternatives for cost allocation, cash-flow planning and financing. ● Facilitate meetings with City representatives to develop agreement on cost allocation to the City signatories for City CIP.
3 rd Quarter 2016	<ul style="list-style-type: none"> ● Discuss project implementation options with WLSP to define how projects will be coordinated, financed and costs allocated. Provide support as needed for individual WLSP bond and rate evaluations. ● Support the City in their presentation of cost allocation for the City CIP to the City signatories.
4 th Quarter 2016	<ul style="list-style-type: none"> ● Develop draft of Memorandum of Cooperation among the WLSP. Collaborate with the City on the development of a draft of Memorandum of Cooperation among the Allentown signatories. ● Develop timeline of next steps to ensure delivery of all detailed corrective action plans to EPA by December 31, 2017.

2016 Organizational Goal # 4 – Organizational Development

LCA Strategic Plan Components:

1. **Goal Category – Organizational Synergy:** Create a dynamic and unified organizational culture that drives performance and teamwork.
2. **Goal Category – Workforce Sustainability:** Create a supportive and empowering work environment where employees actively seek to contribute toward LCA’s mission.

2016 Vision / Goal(s):

- We have established organizational goals for 2016 and methods to communicate / engage with all employees about our progress.
- We know what the next wave of retirements looks like and have plans to address the gaps they will create.
- Our managers and supervisors have resources, training and tools needed to be effective in their people-management roles.
- We have successful union contract negotiations that result in enhanced collaboration and teamwork across all of LCA.
- We know what the next steps are to advance our organizational development program goals.

Critical Milestones:

1 st Quarter 2016	<ul style="list-style-type: none"> ● Organizational goals defined. Calendar established for employee / manager / Board review of goals & progress. ● Focused discussion with managers: Development needs & training required.
2 nd Quarter 2016	<ul style="list-style-type: none"> ● Internal contract negotiation team & goals established. Data gathered to support salary/benefits discussions during contract negotiations. ● Focused discussion with managers: Identifying & planning for retirements. ● Management development/training program kicks off.
3 rd Quarter 2016	<ul style="list-style-type: none"> ● Any special topics identified as requiring extended discussion/research are discussed in advance of union contract negotiations. ● Retirements in 1-3 year timeframe are identified.
4 th Quarter 2016	<ul style="list-style-type: none"> ● Union contracts negotiated and approved. ● Future retirement gaps outlined with knowledge gaps identified. ● Focused discussion with managers: What’s next?



MEMORANDUM

Date: February 22, 2016

To: Authority Board

From: Phil DePoe

Subject: Lehigh County Authority: Allentown Division – Water Filtration
Plant: 20 Ton A/C and 40 Ton Chiller Replacement

MOTIONS /APPROVALS REQUESTED:

No.	Item	Amount
1	<u>Contract Awards:</u> <ul style="list-style-type: none"> • PA Costars Program Supplier: <i>Trane</i> 	\$45,165

PROJECT OVERVIEW:

The Project consists of purchasing one 20 Ton A/C unit and one 40 Ton Chiller unit for the Allentown Division Water Filtration Plant. The 20 Ton A/C unit, which is over 20 years old, provides cool air to the adjacent Variable Frequency Drive (VFD) electrical room. In addition to reaching the end of its useful life as numerous mechanical parts are no longer functional, the R-22 coolant being used in the unit will no longer be available in three to four years due to environmental reasons. New units use R-410A coolant. Replacing the unit will provide a reliable cool air source for this important electrical equipment.

The 40 Ton Chiller, also over 20 years old, provides air conditioning to the Water Filtration Plant. As with the 20 Ton A/C unit, the R-22 coolant being used in the unit will no longer be sold in the near future. New units use R-410A coolant. In addition, the barrel (a vital piece of equipment on the unit) is beyond reasonable repair and causes the unit to trip out on overload limits. This causes constant resetting of the unit.

Construction bid documents will then be prepared to ensure proper equipment installation by a contractor.

PROJECT STATUS:

Pending Board approval for equipment purchase.

PROCUREMENT:

The equipment will be purchased by LCA directly through Pennsylvania's cooperative purchasing program, "COSTARS", which is managed by the Department of General Services Bureau of Procurement and is in compliance with all bidding laws. The purchase will replace aging equipment that has reached its use lifespan.

After negotiations with the equipment manufacturer, the COSTARS price is as follows:

TRANE: \$45,165

We recommend awarding the contract for the purchase of 20 Ton A/C unit and the 40 Ton Chiller unit generator through the COSTARS Program to Trane.

FIELD INSPECTION:

The equipment will be delivered to the Allentown Division Water Filtration Plant and will have periodic field inspection by Plant staff during contractor installation.

SCHEDULE:

Assuming procurement approval at the February 22, 2016 Board meeting, the lead time for delivery is anticipated to be 5-6 weeks. Therefore delivery and installation is expected in April of 2016.

FUTURE AUTHORIZATIONS:

Construction phase approval at the 3/28/16 Board Meeting (for the equipment installation by a contractor).



MEMORANDUM

Date: February 22, 2016

To: Authority Board

From: Phil DePoe

Subject: Lehigh County Authority: Allentown Division – Water Booster Stations: Mobile Generator

MOTIONS /APPROVALS REQUESTED:

No.	Item	Amount
1	<u>Contract Awards:</u> <ul style="list-style-type: none"> • PA Costars Program Supplier: <i>Winter Engine-Generator Service, Inc.</i> 	\$75,700

PROJECT OVERVIEW:

The Project consists of purchasing one mobile generator for the Allentown Division water booster stations. The four locations in question are the Halstead Street Pump Station, the 16th Water Pump Station, the 19th Ward Pump Station, and the 28th Street Pump Station. Prior to the Lease, City staff completed a project that included the installation of manual transfer stations at each location.

During normal operations, the stations operate off the electrical power grid. However, if power is lost at one of the stations, the pumps do not operate and the system must rely on the existing water storage tanks for pressure and fire flows. With this purchase, LCA staff can tow this generator to the relevant water booster station to supply power during long power outages. This purchase thereby assures the reliability of water service for our customers.

The generator will utilize a staged electrical load start up sequence and has been sized to operate any of the four facilities. The generator will be stored at the Allentown Division Distribution and Collection facility until needed at a station.

PROJECT STATUS:

Pending Board approval for purchase.

PROCUREMENT:

The mobile generator will be purchased by LCA directly through Pennsylvania's cooperative purchasing program, "COSTARS", which is managed by the Department of General Services Bureau of Procurement and is in compliance with all bidding laws. The mobile generator will provide flexibility in emergency situations if needed by LCA.

After negotiations, the COSTARS prices are as follows:

Allentown Division – Booster Station Mobile Generator			
Company	Generator		
	Manufacturer	Size (KW)	Price
<i>Winter Engine-Generator Service, Inc.</i>	<i>Kohler</i>	<i>145</i>	<i>\$75,700</i>
PALCO	Kohler	145	\$75,796
Ransome	Caterpillar	200	\$125,330

We recommend awarding the contract for the purchase of the 145 kilowatt (Kw) mobile generator through the COSTARS Program to Winter Engine-Generator Service, Inc.

FIELD INSPECTION:

The generator will be delivered to the Allentown Division Distribution and Collection site.

SCHEDULE:

Assuming approval at the February 22, 2016 Board meeting, the lead time for delivery is anticipated to be 14-16 weeks. Therefore delivery is expected in June of 2016.

FUTURE AUTHORIZATIONS:

None Anticipated.



MEMORANDUM

TO: LCA Board of Directors
FROM: Liesel Gross
DATE: February 22, 2016
RE: Non-Union Employees – Annual Performance Evaluation & Merit Increases

Each year, Lehigh County Authority (LCA) offers pay increases for all employees as follows:

- Union Employees – SEIU (78 employees)** – per contract, mix of step & general increases
 - 2016 = minimum 1.5% general increase plus step of approximately 4% for employees below top of range (varies based on step)
- Union Employees – Sheet Metal Workers (16 employees)** – per contract, mix of general, career path & merit-based increases
 - 2016 = minimum 1% general increase plus career path increases of 2.5% each for milestone achievement; or 1.75% minimum merit-based increase for non-career path employees
- Non-Union Employees (59 employees)** – merit-based increases following annual performance evaluation process, utilizing budgeted salary pool
 - 2016 = budget assumptions included pool of 3% for merit-based increases

LCA’s standard process has been to include this information with the preparation of the annual budget so that funds are included and approved with the budget. Then, following completion of the annual performance evaluations, a summary of results is shared with the Board of Directors. This process is scheduled to be completed by the end of the first calendar quarter every year, so that non-union employees receive pay increases with the first paycheck in the second calendar quarter of the year.

	Total	Eligible Employees*
Non-Union Employees	59	48
Base Salaries	\$3,792,294	\$3,007,852
Salary Increase Pool (3%)	\$113,769	\$90,236

** Employees who were hired, promoted, or received a pay increase within the past 6 months (since October 1, 2015) are not eligible to receive a pay increase as part of this annual process. However, a pay increase may be awarded six months after such action occurred, upon recommendation of the employee’s manager, prior to being incorporated into the standard annual evaluation process.*

In February, LCA managers began annual performance evaluations for all non-union employees, and the resulting merit-based pay increases will go into effect in April 2016. At the April 11, 2016 Board meeting, following completion of this process but prior to entering these pay increases into LCA’s payroll system, I will provide a report on the results of this process including the proposed utilization of the current pool of \$90,236 shown above.

In a related matter, please see the attached article from the American Water Works Association regarding salaries for employees of large water utilities like LCA. This is for your information only, as I thought it was timely information to share with this memo.

Large utility salaries revealed

February 18, 2016

By Ann Espinola

Second of two parts

Salaries at large water and wastewater utilities remained relatively stable last year, although distribution operators nabbed better-than-average pay increases and intermediate wastewater treatment workers got less.

Senior engineers approached the \$100,000 figure, while top executives earned just over \$189,000.

So what's it mean for the big picture? AWWA's 2015 Compensation Survey reveals that salary increases at large utilities averaged 2.5 percent across the board, slightly higher than among all jobs nationally. And that's a good place to be.



“This is what we would call competitive,” said Nicole Roach, survey administrator for Verisight, the consulting company that analyzed surveys from 556 utilities of all sizes, representing 14,000 employees. “A lot of organizations don't have the ability to pay market rate, but you're going toe-to-toe with the market.”

The results come as a “silver tsunami” begins to wash over the water sector, potentially leaving many vacancies in the coming decades. As utility leaders shore up their staffs, AWWA's Compensation Surveys for small, medium and large utilities reveal salaries for more than five dozen positions, including water and wastewater operators, plant managers, engineers and top executives, as well as accountants, human resources managers and customer service workers.

“To recruit and retain talent, it is absolutely critical for those who make hiring and salary decisions to have the best and most current compensation information,” said AWWA President Gene Koontz. “I know of no other place where such extensive compensation information for water professionals is available.”

Large utilities serve populations above 100,000 and typically pay higher wages than small- and medium-sized utilities. Take the case of water operations managers. They earned an average of \$82,309 last year at utilities serving 25,000 to 50,000 customers, while their counterparts at large utilities received \$99,913.

Copies of the [2015 Compensation Surveys](#) for rural, small, medium and large utilities are available through AWWA. In the past, the surveys included a CD with the PDF version of the survey. This year, the PDF is delivered by electronic download upon purchase of the survey.

The 2016 Compensation Survey is now open. Utilities can participate by forwarding contact information

to Nicole.Roach@verisightgroup.org. Participants receive a free executive summary of the report.

Last year's 300-page report breaks down salary information by type of utility ownership and number of employees, and includes a detailed description of duties for each position. It also addresses staffing levels, cost-control initiatives, employee benefits and projected 2016 salary increases.

Among the salary revelations:

- Water distribution operators' salary increases surpassed the sector as a whole. Senior water distribution operators earned an average of \$60,013 last year, a 6.4 percent year-to-year bump.
- Wastewater operator salaries trailed those of water treatment operators by several thousand dollars, and their salaries were less on average than the previous year. Entry-level wastewater operators earned \$37,232, while beginning water treatment operators got \$40,362.
- Engineers earned \$64,741 at the associate level, while intermediate engineers got \$77,187, and senior engineers, \$94,315. Verisight also compared 2014 and 2015 salaries for the 39 utilities that responded to the survey both years. That analysis showed year-to-year salaries for associate, intermediate and senior engineers rising more than 6 percent.
- Top executives scored 3 percent in increases to hit \$189,411, surpassing all other large utility salaries. Many others also topped 100K, including the information services manager at \$113,726; water resources planning manager, \$113,119; and the top legal executive at \$179,962.
- While the sector as a whole far outpaced the Consumer Price Index, some positions tracked lower than the 1.8 percent increase among all jobs nationally from June 2014 to June 2015, as reported by the U.S. Bureau of Labor Statistics. Salary increases for pipefitters, conservation managers, associate chemists and leak survey specialists trailed the national average. Senior accountant salaries rose just 1.5 percent to bring their pay to \$71,819 annually.

The senior accountants' modest jump surprised Tim Wilson, a member of the Water Utility Council and director of water production at Marshalltown Water Works in Marshalltown, Iowa.

“So much of what we do, and have always been forced to do – the idea of more with less -- is made possible by sound financial decisions and positioning,” Wilson said. “Higher pay for accountants and financial people would be beneficial in attracting and retaining the next generation of highly skilled professionals.

“They help management teams prioritize not just day-to-day expenditures and asset management, but long-range capital improvement and replacement projects. They research and discover new funding mechanisms.”

Salary decreases for associate and senior water treatment operators coincided with hefty pay boosts for distribution system operators. Intermediate distribution operators earned 3 percent, while associate and senior operators landed more than 6 percent.

“I hope this increase for water distribution system operators is real and sustainable,” Koontz said. “The salary levels at these positions have traditionally lagged behind positions in other industries that require equivalent education and skills, like oil and gas, but do not directly impact public health.”



As the water sector faces challenges posed by an aging work force, 44 percent of utilities added full time staff over the last year. At the same time, a majority – 57 percent – said they have no plan in place to handle the impending exodus of Baby Boomer professionals.

“Makes me wonder what they are doing,” Wilson said. “I think the amount of cross training is going to be important to be sure that each of these positions is handled, and the survey reflects a growth in that area. However, I wonder if there is too much of a reliance on cross training, rather than hiring new employees.”

Former AWWA President Charlie Anderson cheered the bigger-than-average increases in some of the engineering and technical positions.

“The technical jobs of running a utility are all tracking at rates double what the moving average is,” said Anderson, the former head of the water utility in Arlington, Texas. “It indicates that utilities are actually recognizing and placing greater value on their need for technical, customer service and water resource planning than ever before. They need people to help them in those areas.”

The small, medium and large utility surveys show actual salary increases for 2015 were higher than anticipated. When respondents from large utilities filled out the survey in mid-2014, they projected staff increases at 2.3 percent, but they actually came in at 2.8 percent. Overall salaries for executives, managers and supervisors were higher than anticipated as well.

And Anderson said that’s the way it should be.

“It makes sense,” Anderson said. “Everybody talks about police and fire and how important they are. They are extremely important, don’t get me wrong. But there is a third leg to that stool and it is the water utility professional. They fill a very valuable role in people’s lives and they should be justly compensated for that.”

**LEHIGH COUNTY AUTHORITY
COMPARATIVE STATEMENT FORMAT
CITY DIVISION**

\$000's	December 2015			YTD 2015		
	Actual	Budget	Prior Yr	Actual	Budget	Prior Yr
Operating Revenues	2,438	2,584	2,549	29,440	31,005	30,780
Operating Expenses	(1,437)	(1,263)	(1,835)	(15,061)	(15,160)	(17,411)
Operating Income (Loss)	1,001	1,321	714	14,379	15,845	13,369
Non-Operating Revenues (Expenses)	10	-	9	336	-	176
Earnings Before Interest	1,011	1,321	723	14,715	15,845	13,545
Interest Income	-	-	-	573	-	113
Interest (Expense)	(1,001)	(963)	(1,001)	(12,014)	(11,552)	(17,941)
Net Income (Expense)	10	358	(278)	3,274	4,293	(4,283)
 DEBT SERVICE COVERAGE RATIO						
Earnings Before Interest	1,011	1,321	723	14,715	15,845	13,545
Depreciation Expense	40	26	-	797	317	-
Interest Income	-	-	-	573	-	113
Total	1,051	1,347	723	16,085	16,162	13,658
 Interest Expense	1,001	963	1,001	12,014	11,552	17,941
Principal Payments	-	-	-	-	-	-
Total	1,001	963	1,001	12,014	11,552	17,941
 DSCR	1.05	1.40	0.72	1.34	1.40	0.76

**LEHIGH COUNTY AUTHORITY
COMPARATIVE STATEMENT FORMAT
CITY DIVISION**

	December-15			2015 YTD		
	Actual	Budget	Prior Yr	Actual	Budget	Prior Yr
OPERATING REVENUES						
Customer Charges	2,425,708	2,579,995	2,512,594	29,205,213	30,959,935	30,520,662
Rental Income						
Other Operating Income	12,121	3,750	36,676	235,258	45,000	259,813
Total Operating Revenues	2,437,829	2,583,745	2,549,270	29,440,471	31,004,935	30,780,475
OPERATING EXPENSES						
Salaries & Wages	312,082	366,841	328,207	4,278,081	4,402,096	4,321,948
Overtime	52,449	56,124	64,243	604,537	673,487	730,856
Employee Benefits	151,025	156,636	296,792	1,954,407	1,879,630	2,986,007
Utilities	186,367	141,146	146,144	1,934,817	1,693,752	1,833,072
Maintenance	149,391	99,481	142,596	730,591	1,193,766	751,903
Engineering	-	4,625	630	16,492	55,500	34,758
Lab Analysis	850	1,667	1,750	7,100	20,000	9,873
Supplies & Equipment	193,767	124,438	215,527	1,301,301	1,493,252	1,776,108
Other Outside Services	32,994	24,400	246,607	284,835	292,800	1,931,842
Treatment & Transportation	5,742	-	-	11,043	-	5,502
Miscellaneous Operating Expenses	35,687	15,507	28,021	242,181	186,083	156,808
Overhead	277,089	246,126	364,047	2,899,140	2,953,511	2,872,608
Depreciation & Amortization	40,000	26,385	-	796,620	316,622	-
Total Operating Expenses	1,437,442	1,263,375	1,834,563	15,081,145	15,160,499	17,411,285
OPERATING INCOME(LOSS)	1,000,386	1,320,370	714,707	14,379,326	15,844,436	13,369,190
NON-OPERATING REVENUES (EXPENSES)						
Tapping & Connection Fees	1,760	-	3,654	250,500	-	84,425
Meter Sales	860	-	1,491	13,272	-	10,794
Inspection & Plan Reviews	4,716	-	600	32,326	-	43,626
Other Non-Operating Income	3,105	-	3,315	39,930	-	37,500
Other Non-Operating Expense						
Total Non-Operating Income (Expenses)	10,441	-	9,060	336,029	-	176,345
INCREASE (DECREASE) IN NET POSITION BEFORE INTEREST AND CAPITAL CONTRIBUTIONS	1,010,828	1,320,370	723,767	14,715,355	15,844,436	13,545,535
INTEREST INCOME (EXPENSES)						
Interest Income	285	-	289	573,425	-	113,360
Interest Expense	(1,001,195)	(962,654)	(1,001,195)	(12,014,340)	(11,551,844)	(17,940,740)
Total Interest Income (Expenses)	(1,000,910)	(962,654)	(1,000,906)	(11,440,915)	(11,551,844)	(17,827,380)
CAPITAL CONTRIBUTIONS						
Capital Grants						
Capital Assets Provided						
Total Capital Contributions	-	-	-	-	-	-
INCREASE (DECREASE) IN NET POSITION	9,917	357,716	(277,139)	3,274,440	4,292,592	(4,281,845)
CAPITAL EXPENDITURES						
Contractor/Other Costs (1)	(2,464,559)	(1,212,927)	(399,192)	(8,913,179)	(14,555,126)	(4,909,053)
LCA Costs	(81,646)			(1,111,993)		
Total Capital Expenditures	(2,546,205)	(1,212,927)	(399,192)	(10,025,172)	(14,555,126)	(4,909,053)
PRINCIPAL REDUCTION						
KEY METRICS						
Operating Income (Expense) Before Depreciation	1,040,386	1,346,755	714,707	15,175,946	16,161,058	13,369,190
Operating Income (Expense) Before Depreciation / Operating Revenues (%)	42.7%	52.1%	28.0%	51.5%	52.1%	43.4%
Operating Income (Expense) / Operating Revenues (%)	41.0%	51.1%	28.0%	48.8%	51.1%	43.4%
Net Position Before Interest & Capital Contrib. / Operating Revenue (%)	41.5%	51.1%	28.4%	50.0%	51.1%	44.0%
Interest Coverage Ratio	1.010	1.372	0.723	1.273	1.372	0.761
Debt Service Coverage Ratio	1.010	1.372	0.723	1.273	1.372	0.761
Debt Service Coverage Ratio (excluding depreciation)	1.050	1.399	0.723	1.339	1.399	0.761

(1) Capital costs budgeted as total LCA and Contractor Costs

**LEHIGH COUNTY AUTHORITY
COMPARATIVE STATEMENT FORMAT
SUBURBAN DIVISION**

\$000's	December 2015			YTD 2015		
	Actual	Budget	Prior Yr	Actual	Budget	Prior Yr
Operating Revenues	2,122	2,103	1,382	26,641	25,231	25,653
Operating Expenses	(2,354)	(2,219)	(2,136)	(24,395)	(26,629)	(23,888)
Operating Income (Loss)	(232)	(116)	(754)	2,246	(1,398)	1,765
Non-Operating Revenues (Expenses)	142	118	639	2,257	1,422	1,837
Earnings Before Interest	(90)	2	(115)	4,503	24	3,602
Interest Income	9	2	2	45	27	25
Interest (Expense)	(107)	(118)	(196)	(1,340)	(1,412)	(1,515)
Net Income (Expense)	(188)	(114)	(309)	3,208	(1,361)	2,112
 DEBT SERVICE COVERAGE RATIO						
Earnings Before interest	(90)	2	(115)	4,503	24	3,602
Depreciation Expense	580	580	575	6,970	6,963	6,988
Interest Income	9	2	2	45	27	25
Total	499	584	462	11,518	7,014	10,615
 Interest Expense	107	118	196	1,340	1,412	1,515
Principal Payments	211	201	198	2,262	2,415	2,377
Total	318	319	394	3,602	3,827	3,892
 DSCR	1.57	1.83	1.17	3.20	1.83	2.73

**LEHIGH COUNTY AUTHORITY
COMPARATIVE STATEMENT FORMAT
SUBURBAN DIVISION**

	December-15			2015 YTD		
	Actual	Budget	Prior Yr	Actual	Budget	Prior Yr
OPERATING REVENUES						
Customer Charges	1,984,733	2,058,576	1,346,992	25,887,732	24,702,906	25,329,662
Rental Income	9,980	10,000	12,915	126,340	120,000	110,396
Other Operating Income	127,663	34,008	22,196	626,997	408,093	213,396
Total Operating Revenues	<u>2,122,376</u>	<u>2,102,583</u>	<u>1,382,103</u>	<u>26,641,066</u>	<u>25,230,999</u>	<u>25,653,454</u>
OPERATING EXPENSES						
Salaries & Wages	115,062	129,269	107,358	1,454,713	1,551,232	1,451,059
Overtime	9,458	9,297	5,588	123,002	111,567	95,755
Employee Benefits	40,950	38,877	73,075	584,196	466,521	462,026
Utilities	51,301	60,621	40,512	685,175	727,450	653,903
Insurance	181	17,834	-	210,196	214,008	154,968
Maintenance	107,418	86,654	82,278	398,841	1,039,850	427,833
Engineering	11,667	12,708	3,520	72,101	152,500	100,779
Legal	11,707	8,792	11,178	81,320	105,500	24,897
Lab Analysis	6,626	13,621	15,400	92,073	163,450	153,489
Supplies & Equipment	116,731	69,991	57,364	495,341	839,888	453,307
Other Outside Services	854,064	637,540	596,660	7,889,774	7,650,481	7,315,543
Treatment & Transportation	448,181	553,610	587,350	5,338,380	6,643,319	5,606,885
Miscellaneous Operating Expenses						
Depreciation & Amortization	580,226	580,239	575,335	6,969,708	6,962,866	6,987,637
Total Operating Expenses	<u>2,353,571</u>	<u>2,219,053</u>	<u>2,135,616</u>	<u>24,394,821</u>	<u>26,628,630</u>	<u>23,888,081</u>
OPERATING INCOME(LOSS)	<u>(231,195)</u>	<u>(116,469)</u>	<u>(753,514)</u>	<u>2,246,247</u>	<u>(1,397,631)</u>	<u>1,765,373</u>
NON-OPERATING REVENUES (EXPENSES)						
Water Tapping Fees	13,420	22,617	107,855	276,202	271,400	351,871
WW Capacity & Capital Recovery Fees	96,499	81,875	40,311	1,746,983	982,500	780,716
Meter Sales	5,701	6,250	12,808	88,926	75,000	81,781
Inspection & Plan Reviews	25,125	6,250	475,829	189,347	75,000	572,708
Other Non-Operating income	2,680	2,125	2,210	41,561	25,500	58,766
Other Non-Operating Expense	(1,347)	(625)	(115)	(86,078)	(7,500)	(9,128)
Total Non-Operating Income (Expenses)	<u>142,077</u>	<u>118,492</u>	<u>638,899</u>	<u>2,256,941</u>	<u>1,421,900</u>	<u>1,836,715</u>
INCREASE (DECREASE) IN NET POSITION BEFORE INTEREST AND CAPITAL CONTRIBUTIONS	<u>(89,117)</u>	<u>2,022</u>	<u>(114,615)</u>	<u>4,503,188</u>	<u>24,269</u>	<u>3,602,087</u>
INTEREST INCOME (EXPENSES)						
Interest Income	9,499	2,277	2,302	44,555	27,325	25,054
Interest Expense	(107,118)	(117,668)	(196,194)	(1,340,442)	(1,412,017)	(1,514,972)
Total Interest Income (Expenses)	<u>(97,619)</u>	<u>(115,391)</u>	<u>(193,892)</u>	<u>(1,295,887)</u>	<u>(1,384,692)</u>	<u>(1,489,918)</u>
CAPITAL CONTRIBUTIONS						
Capital Grants						
Capital Assets Provided						
Total Capital Contributions	-	-	-	-	-	-
INCREASE (DECREASE) IN NET POSITION	<u>(186,737)</u>	<u>(113,369)</u>	<u>(308,507)</u>	<u>3,207,301</u>	<u>(1,360,423)</u>	<u>2,112,169</u>
CAPITAL EXPENDITURES						
Contractor/Other Costs (1)	(67,489)	(429,794)	(75,118)	(755,100)	(5,157,524)	(696,649)
LCA Costs	(549,085)	(136,771)	(564,696)	(2,874,327)	(1,641,250)	(3,366,931)
Total Capital Expenditures	<u>(616,574)</u>	<u>(566,565)</u>	<u>(639,814)</u>	<u>(3,629,427)</u>	<u>(6,798,774)</u>	<u>(4,063,580)</u>
PRINCIPAL REDUCTION	<u>(211,075)</u>	<u>(201,208)</u>	<u>(198,286)</u>	<u>(2,262,215)</u>	<u>(2,414,500)</u>	<u>(2,376,800)</u>
KEY METRICS						
Operating Income (Expense) Before Depreciation	349,031	463,770	(178,179)	9,215,955	5,565,235	8,753,010
Operating Income (Expense) Before Depreciation / Operating Revenues (%)	16.4%	22.1%	-12.9%	34.6%	22.1%	34.1%
Operating Income (Expense) / Operating Revenues (%)	-10.9%	-5.5%	-54.5%	8.4%	-5.5%	6.9%
Net Position Before Interest & Capital Contrib. / Operating Revenue (%)	-4.2%	0.1%	-8.3%	18.9%	0.1%	14.0%
Interest Coverage Ratio	(0.743)	0.037	(0.572)	3.393	0.037	2.394
Debt Service Coverage Ratio	0.766	(0.051)	53.701	(4.934)	(0.051)	(4.209)
Debt Service Coverage Ratio (excluding depreciation)	1.573	1.833	1.174	3.197	1.833	2.727