

REGULAR MEETING MINUTES

January 11, 2021

The Regular Meeting of the Lehigh County Authority Board of Directors was called to order at 12:01 p.m. on Monday, January 11, 2021, Chairman Brian Nagle presiding. The meeting was held via video and audio advanced communication technology ("ACT"), using the Zoom internet application including telephone option, due to the COVID-19 pandemic emergency. Each Board member and other attendees of the meeting were able to hear each other attendee and be heard by each other attendee. The public could also participate in the meeting via ACT, using the Zoom internet application including telephone option. Chairman Nagle announced that the Board received their packet via mail the previous week. A Roll Call of Board members present was taken. Chairman Brian Nagle, Richard Bohner, Norma Cusick, Ted Lyons, Kevin Baker, Linda Rosenfeld, Jeff Morgan, Amir Famili, and Scott Bieber were present for the duration of the meeting.

Solicitor Michael Gaul of KingSpry was present along with Authority Staff, Liesel Gross, Ed Klein, John Parsons, Chris Moughan, Chuck Volk, Susan Sampson, Andrew Moore, Phil DePoe, Lisa Miller, and Todd Marion.

REVIEW OF AGENDA

Liesel Gross stated there are no changes to the agenda as presented and there will be additional comments under the Staff Comments portion of the meeting regarding the main break on Devonshire Road in the City of Allentown during the week of December 27, 2020. There will also be an Executive Session after the regular meeting to discuss matters of potential litigation.

APPROVAL OF MINUTES

December 14, 2020 Meeting Minutes

Richard Bohner noted some grammatical errors. On a motion by Richard Bohner, seconded by Linda Rosenfeld, the Board approved the minutes of the December 14, 2020 Board meeting as corrected (8-0). Scott Bieber abstained.

PUBLIC COMMENTS

None.

ACTION AND DISCUSSION ITEMS

Union Contract & Employee Manual Update

Liesel Gross reviewed the memo regarding the draft Collective Bargaining Agreement between the Authority and the Service Employees International Union (SEIU) and the recommended updates to the Employee Manual. The SEIU contract expired on December 31, 2020 and through negotiations the parties agreed to many revisions to more accurately reflect the Authority's mission, work environment, and culture. Also, three modifications to the Employee Manual are recommended to apply certain benefits more uniformly across the Authority's employee base.

Ms. Gross reviewed key highlights of the revised SEIU contract relating to hours of work, overtime and emergency work. The contract terms were updated to reflect the 24/7 operation of the Authority facilities, and several provisions were added to address the work environment for the Authority's employees who must be available to work on an emergency basis to respond to system failures

such as main breaks. Regarding employee benefits, the proposed contract includes several terms that are focused on controlling costs during the four-year contract period. Health insurance benefits and premiums are pre-determined with an average annual premium increase of 4.5 percent, which is far below the national average of 8 percent. It was also noted that the Life Insurance benefit provided to employees is through the union and not the Authority.

Norma Cusick asked about the Authority's retiree health insurance program, and what happens when retirees reach age 65 and become eligible for Medicare. Liesel Gross explained retirees may opt into the retiree health insurance benefit for a maximum of three years and is only available to retirees until they reach age 65.

Ms. Gross reviewed the paid time off benefits to be offered under the terms of the revised contract with SEIU. The most significant change in the contract relates to sick time, with a reduction of days offered and revisions to the contract terms regarding how sick time is managed. Also, the provisions for employees to carry over unused vacation time has been updated to state that those days carried over must be used within the next calendar year. She noted this change is recommended to be reflected in the Employee Manual as well to ensure consistency for both union and non-union employees.

Ms. Gross reviewed wage provisions and other miscellaneous changes captured in the revised SEIU contract, as outlined in the memo distributed to the Board prior to the meeting. She noted that the Authority representatives and SEIU representatives negotiated in good faith. Discussions included a review of key issues of importance to the Authority, including potential financial difficulties in the years ahead as the pandemic situation is resolved over time. She also noted the Authority staff's overarching goal of creating more consistency among policies and benefits provided to all union and non-union employee groups.

Scott Bieber referred to a comment in the memo provided to the Board about positions that are difficult to fill and asked what those specific positions are. Ms. Gross explained that the treatment plant operator's positions have been challenging to fill at times due to the specific qualifications required and the night-shift work.

Amir Famili asked if the health care costs are negotiated annually or only during the contract negotiations. He also asked if employees pay all or a portion of the annual price increase each year, which is a common cost-sharing structure he is familiar with. Ms. Gross explained that for this SEIU contract, the cost is pre-determined for the first three years of the contract and the parties have agreed that benefit costs for the final year of the contract will be capped. Because the union administers the benefits and has a large pool of members in their health-insurance fund, the costs paid by the Authority are significantly lower than costs paid for its non-union employees. The benefit costs are pre-determined and capped, as outlined within the proposed SEIU contract, so there will be no additional cost increases beyond those listed in the contract.

Mr. Famili asked if the Authority had considered a wage program that is tied to safety performance. Ms. Gross noted that the Authority staff has discussed performance-based wage incentives or bonuses, but applying this kind of compensation program is not possible within the Authority's current union environment whereby all employees are treated the same from a pay perspective. Incorporating incentives for safety performance would need to occur outside the union contract terms and could be explored further.

Jeff Morgan asked if the Authority pays for licensing for its system operators and whether any incentives are offered to employees who achieve their operator's license. Ms. Gross said that the

Authority does pay for licensing as well as continuing education that is required for employees to maintain their licenses. While no direct incentives are offered for employees who achieve their licenses, the achievement of the licenses does qualify employees to advance into higher-paid positions either automatically or when new positions become available.

Ted Lyons commented that with 25 days of vacation time and 15 holidays, an employee with only 15 years of service has eight weeks or 40 days of paid time off each year, which is a lot. Ms. Gross agreed it is a generous amount of paid time off, but is generally in line with other municipalities and water utilities.

Liesel Gross then reviewed the proposed changes to the Employee Manual, including the addition of Martin Luther King Jr. Day as a paid company holiday, revision of the terms related to how unused vacation time may be carried over into the next calendar year, and the addition of a program to provide prescription safety glasses to those employees who are required to wear eye protection on the job. Ms. Gross noted that the SMART union employees who operate the Authority's Suburban Division systems fall under a separate collective bargaining agreement that expires in 2022. She recommended that the Employee Manual changes be reviewed with SMART and a side letter agreement developed to incorporate these changes into the SMART contract. These changes are being recommended to provide more consistent application of policies and benefits to all employees.

Ms. Gross explained that the contract before the Board is in final draft format and is being reviewed by the SEIU union representatives for completeness. No substantive changes are expected. The union membership will be voting on the contract as well, and the new contract will not go into effect until both the Authority and union have approved it. The union's ratification vote is expected to be taken by January 15, 2021.

Solicitor Mike Gaul recommended that the proposed Collective Bargaining Agreement between the Authority and SEIU be approved in the substantial form as presented, with any minor revisions as may be approved by the Chief Executive Officer in consultation with the Solicitor. He also recommended the Employee Manual changes be approved in the substantial form presented, with any minor revisions as may be approved by the Chief Executive Officer in consultation with the Solicitor.

On a motion by Richard Bohner, seconded by Norma Cusick, the Board approved the new Collective Bargaining Agreement with SEIU for the years 2021 through 2024 in the substantial form presented, with such minor revisions, if any, as approved by the Chief Executive Officer in consultation with the Authority Solicitor (9-0).

On a motion by Norma Cusick, seconded by Scott Bieber, the Board approved the proposed changes to the Employee Manual in the substantial form presented, with such minor revisions, if any, as approved by the Chief Executive Officer in consultation with the Authority Solicitor (9-0).

MONTHLY PROJECT UPDATES / INFORMATION ITEMS

Liesel Gross highlighted items for the January 25, 2021 meeting, including a staff proposal for the Customer Relief Fund. Richard Bohner commented that the Mayor of Allentown recently stated in the newspaper that the City will be receiving \$400,000.00 annually from the Authority due to the settlement of the lease dispute in 2020. He suggested the Authority request that some of this money be offered to assist with the elimination of customer overdue bills. Liesel Gross said that the Authority can discuss this with the City Compliance Office.

Jeff Morgan asked if the Allentown Division Water Main Replacement program will be looked at differently due to the recent main breaks that occurred on 17th Street and most recently on Devonshire Road. Liesel Gross said the Authority is waiting for a final report from Gannett Fleming regarding pipe condition assessment undertaken as a result of the main break on 17th Street, and that the results can be incorporated into the prioritization program for future main replacements. Chuck Volk added that, in the meantime, the 2021 main replacement program is moving forward and has been approved by the City.

STAFF COMMENTS

Liesel Gross commented on the main break on Devonshire Road that occurred on December 27, 2020. The event was significant, causing a boil advisory for the south side of Allentown and significant property and public infrastructure damage. A retroactive emergency declaration will be requested at the next meeting. The emergency response was quite challenging due to the size of the main, the number of valves that needed to be turned to isolate the leak, and the fact that a significant number of employees were on a quarantine order due to exposure to the COVID-19 virus. Ms. Gross offered recognition to John Parsons, Susan Sampson, Andrew Moore, Mark Bowen, and the D&C Department under the leadership of Jason Gruber and his three supervisors, as well as many others who participated in the response during the holiday season. Chairman Nagle asked if the staff will be reviewing the safety protocols used during the emergency response. Ms. Gross stated that an internal meeting is scheduled for the following week to discuss the emergency responses, lessons learned, and safety will be part of that discussion.

Jeff Morgan asked what type of pipe was involved in the main break. John Parsons replied that the pipe was cast iron installed in 1936 and was not the same as the pipe on 17th Street that broke earlier in the year.

SOLICITOR'S COMMENTS

Solicitor Mike Gaul asked about the appointment or re-appointment of members to the Board for the year 2021. Liesel Gross stated that she will reach out to the Lehigh County Executive regarding reappointments. Chairman Nagle noted the Board reorganization meeting typically takes place in February as well and asked Norma Cusick to serve as the Nominating Committee to poll the Board members for their interest in serving in various positions on the Board. Ms. Cusick noted that due to the pandemic, some boards she is familiar with are maintaining their current Board officers in order to ensure continuity during the emergency. Richard Bohner offered to remain as Secretary.

PUBLIC COMMENTS / OTHER COMMENTS

Jennifer McKenna, City of Allentown Office of Compliance, noted that the Authority's response to the main break on Devonshire Road was excellent, especially in light of the holiday schedule and the impact of the pandemic on the Authority's workforce. She also asked if the Customer Relief Fund will be extended to the Suburban ratepayers as well. Liesel Gross replied that the proposed Customer Relief Fund would be available to all customers.

EXECUTIVE SESSION

Chairman Nagle announced that an Executive Session will be held after the regular meeting to discuss matters of potential litigation.

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 1:01 p.m.

Richard Bohner
Secretary