# Lehigh County Authority

# Strategic Plan: 2022-2027
**Adopted December 13, 2021**

## Progress Report: 2nd Quarter 2022

# Plan Overview
## Mission, Vision & Strategic Priorities

### Our Mission:
To protect public health and the environment by providing high-quality, safe, and reliable water and wastewater services.

- Regional Collaboration and Leadership
- Operational Excellence
- Financial Stewardship
- Customer Engagement and Support
- System Capacity and Reliability
- Employee Engagement and Safety

### Our Vision:
To be a trusted and engaged community partner, advancing the vitality of our region through exceptional water and wastewater services.

# STRATEGIC FRAMEWORK

**Lehigh County Authority**

## VISION

To be a trusted and engaged community partner, advancing the vitality of our region through exceptional water and wastewater services.

## MISSION

To protect public health and the environment by providing high-quality, safe, and reliable water and wastewater services.

## VALUES

Service
Engagement
Dedication
Positivity
Excellence

## PRIORITIES

### Operational Excellence
To proactively ensure safe and reliable service delivery, regulatory compliance, and resilient operations through streamlined processes, best practices, and data-driven decision-making

### Financial Stewardship
To cost-effectively serve our community, now and in the future, by managing funds effectively and responsibly to support debt commitments, operational needs, and asset management

### Regional Collaboration and Leadership
To help our region to thrive by growing community confidence in LCA, advancing collaborative efforts, and demonstrating operational excellence

### System Capacity and Reliability
To dependably meet current and future community needs and achieve optimal levels of service by effectively managing assets and implementing projects to ensure sufficient system capacity

### Customer Engagement and Support
To create an exceptional customer experience and build trust and understanding of LCA's essential services

### Employee Engagement and Safety
To build a safe, cohesive, and engaging workplace in which employees feel personally connected to their work, each other, and LCA's commitment to excellence

## STRATEGIES

1. Establish and implement plans to meet or exceed all regulatory requirements
2. Participate in the legislative and regulatory review process to prepare for new regulations and ensure LCA's interests are considered
3. Develop strategies to enhance organizational resiliency, especially in the areas of cyber security, emergency preparedness, system redundancy, and climate change.
4. Leverage technology, industry best practices, and continuous improvement initiatives to ensure efficient and effective operations and internal practices.
5. Sustainably support LCA's water and wastewater systems through responsible financial management.
6. Develop decision-making criteria for supporting growth opportunities.
7. Establish rates that balance affordability with achieving required revenue targets that support the financial needs of LCA.
8. Collaborate with municipalities, stakeholders, and community groups to increase our understanding of the region's goals and strengthen the role LCA plays in supporting them.
9. Advance LCA's position in the region as the leading resource on water- and wastewater-related issues.
10. Support environmental sustainability and water equity initiatives through partnerships, education, and policy.
11. Increase our systems' capacity to address economic development needs in our region.
12. Define and establish plans to meet LCA's targeted levels of service.
13. Standardize and implement a comprehensive asset management program to ensure infrastructure reliability, guide investment, and support data-driven decision-making.
14. Enhance customer engagement and experience through process improvements and adoption of new technology.
15. Improve our responsiveness to customers' needs.
16. Grow customer awareness and support for LCA's goals and direction.
17. Ensure a safe working environment for all employees.
18. Standardize and enhance our approaches to succession planning, knowledge management, and performance management.
19. Expand opportunities for employee and leadership development, technical training, and certification.
20. Openly explore the diversity, equity, and inclusion issues that are important to LCA and our employees.
21. Engage employees in LCA's work through collaboration, communication, and cooperation.

## MEASURES

- Number of permit violations
- Number of boil advisories
- Average time to address service disruptions

- Capital coverage ratio
- Collections program performance
- CIP program performance (on time, on budget)

- Progress reporting on strategies & milestones

- Percentage completion toward developing LCA's asset management program
- Percentage completion toward developing a regional Act 537 Plan
- Planned vs. unplanned maintenance

- Percentage change in call volume
- Customer service complaints per 1,000 accounts

- Employee safety incident rate
- Full-time employee voluntary & total turnover rate

# Metrics to illustrate progress

✓ **Reporting on 2022 Milestones**
- Asset management program development
- Water & sewer capacity projects
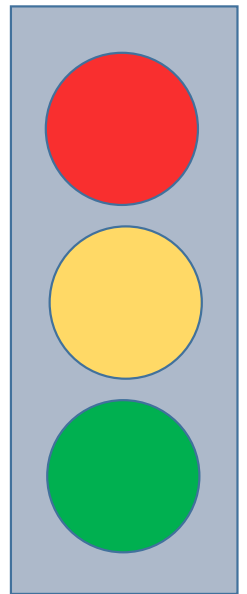- Process efficiency improvements

✓ **Reportable employee safety incidents**

✓ **Capital program management (on time / on budget)**

✓ **Planned vs. unplanned maintenance**

✓ **Other metrics:**
- Monthly financial reporting
- Regulatory compliance
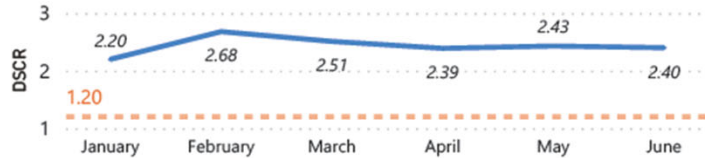- Customer responsiveness
- Employee turnover

# LCA Strategic Plan Metrics

Lehigh County Authority

## Financial

### 2022 Debt Service Coverage Ratio - Total LCA

DSCR

2.20   2.68   2.51   2.39   2.43   2.40

1.20

January  February  March  April  May  June

### Debt Service Coverage Ratio - Current

| City Division | Suburban Wastewater | Suburban Water |
|---|---|---|
| 2.15 | 9.06 | 1.97 |

### Unrestricted Days Cash On Hand

| City Division | Suburban Wastewater | Suburban Water |
|---|---|---|
| 254 | 150 | 217 |

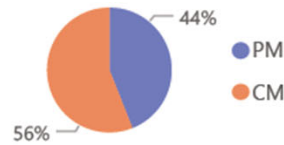*Target of 180 days.*

## Customer Care

DEVELOPING METRIC

## Capital Program

DEVELOPING METRIC

## Asset Management

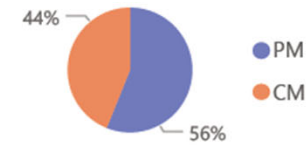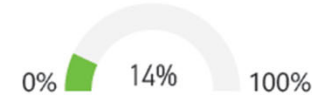### 2022 Corrective Maintenance vs. Preventive Maintenance Hours

**Field Services**

44% PM
56% CM

**Plants**

44% CM
56% PM

**Field Services Program Design**

0%   68%   100%

**Plant Program Design**

0%   14%   100%

*Metric to show 2022 progress on preventive program redesign and implementation.*

## Environmental Compliance

| Year | Boil Water Advisories | Bypasses | DEP NOV | Permit Exceedances | SSOs |
|---|---|---|---|---|---|
| 2017 | | 19 | | | 22 |
| 2018 | | 28 | | 22 | 47 |
| 2019 | 8 | 19 | | 45 | 20 |
| 2020 | | 14 | | 33 | 31 |
| 2021 | 9 | 11 | | 38 | 15 |
| 2022 | | | | 47 | 10 |

● Boil Water Advisories  ● Bypasses  ● DEP NOV  ● Permit Exceedances  ● SSOs
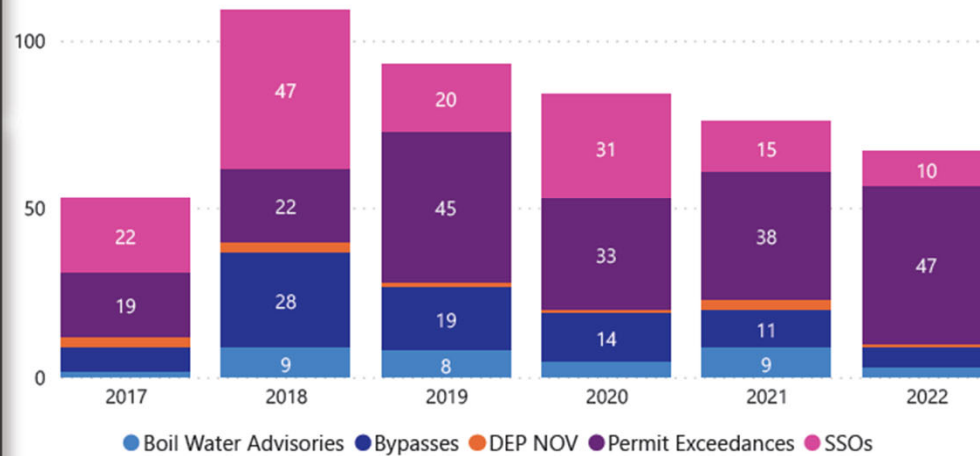
## Safety

**# Days No Vehicle Accident**

97

**# Days No Lost Time**

116

**# Of Recordable Injuries YTD**

2

## Employees

**Total Employees**

158

**Average Age**

46.8

**Average Yrs of Service**

11.8

**Total Vacancies**

13

# Asset Management

## 2022 Focus:

1. Develop multi-year approach / roadmap to developing LCA's Asset Management (AM) program
2. Track all maintenance activities in a standard Computerized Maintenance Management System (CMMS) platform

## 2022 Milestones:

- Staffing assessment & organization structure for AM
- Develop 3-year roadmap of AM activities
- Identification and definition of all Preventive Maintenance (PM) and Corrective Maintenance (CM) programs within CMMS
- Develop standardized inventory list
- Identify and implement project management system

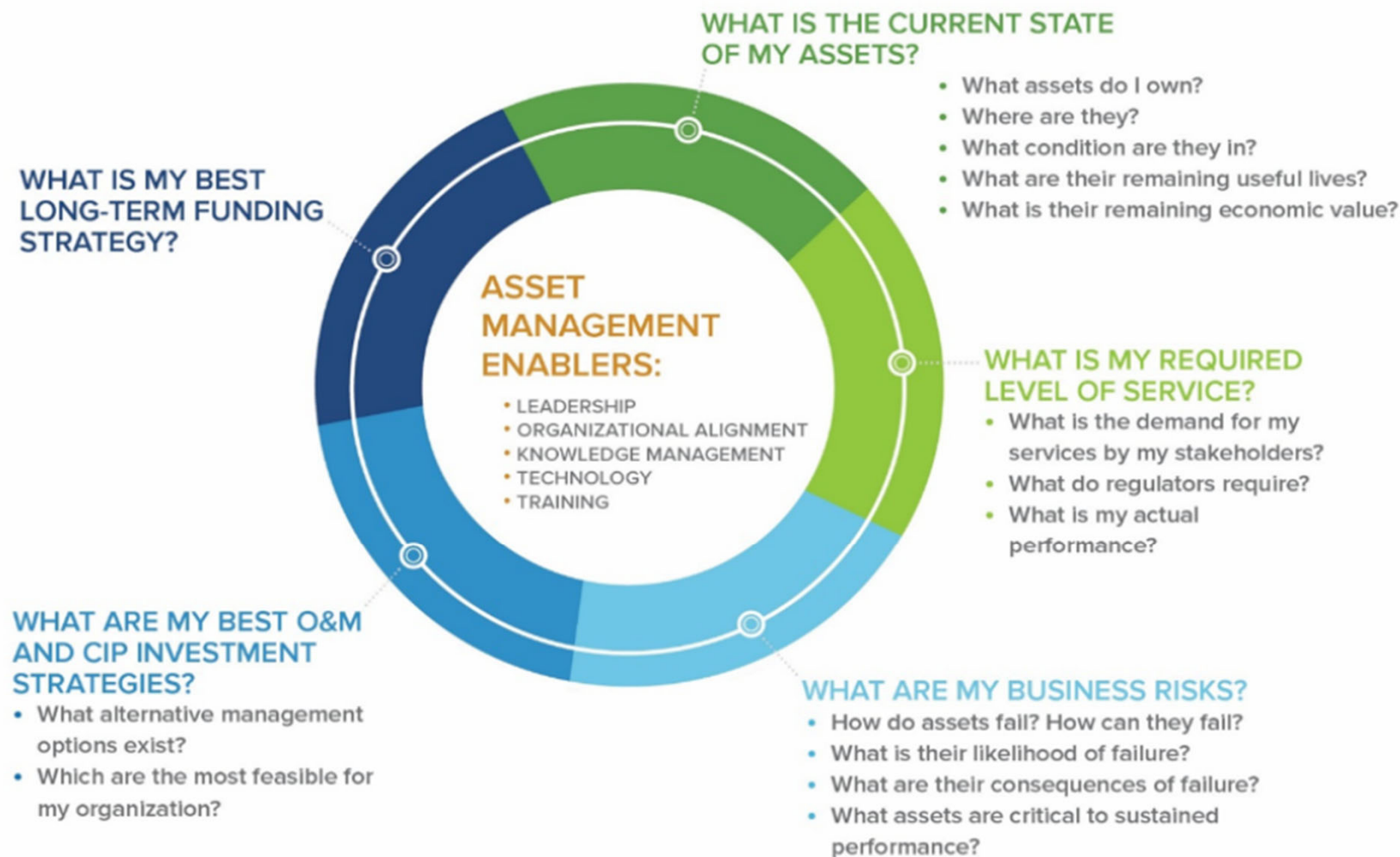# January – June 2022

Asset Management (AM) team development

Hiring / reorganization of maintenance leadership

Learning more about AM from industry experts

Assessing gaps in LCA's capacity to develop a strategic AM plan

Maintain focus on work we can achieve today (technology focus)

# OVERVIEW OF ASSET MANAGEMENT PLANNING



**WHAT IS THE CURRENT STATE OF MY ASSETS?**
- What assets do I own?
- Where are they?
- What condition are they in?
- What are their remaining useful lives?
- What is their remaining economic value?

**WHAT IS MY BEST LONG-TERM FUNDING STRATEGY?**

**ASSET MANAGEMENT ENABLERS:**
- LEADERSHIP
- ORGANIZATIONAL ALIGNMENT
- KNOWLEDGE MANAGEMENT
- TECHNOLOGY
- TRAINING

**WHAT IS MY REQUIRED LEVEL OF SERVICE?**
- What is the demand for my services by my stakeholders?
- What do regulators require?
- What is my actual performance?

**WHAT ARE MY BEST O&M AND CIP INVESTMENT STRATEGIES?**
- What alternative management options exist?
- Which are the most feasible for my organization?

**WHAT ARE MY BUSINESS RISKS?**
- How do assets fail? How can they fail?
- What is their likelihood of failure?
- What are their consequences of failure?
- What assets are critical to sustained performance?

*Source: American Water Works Association, Asset Management Committee*

# Team Assessment: Help Needed!

## Strategic Asset Management Plan:

- What is an "asset"?
- What is the desired/current level of service for each asset type?
- How will we gather data on condition and risk associated with each asset?
- What is the best way to sequence our work to develop our AM program?

## Director of Engineering & Asset Management

- Job description under development
- 6-12 month timeline for recruiting and full on-boarding

## External Support

- Fast-track our progress & facilitate AM plan development
- RFP to be released next week

# Process Improvement

## 2022 Focus:

1. Evaluate long-term viability of current Enterprise Resource Planning (ERP), Munis, and decide next steps for enhancement
2. Process improvements in Customer Care and Employee Time Recording

## 2022 Milestones:

- ERP needs assessment & road map
- Simplify & improve time recording process within existing system
- Improved delinquency tracking program
- Enhanced customer self-service tools

# Process Improvement: Primary "Pain Point"

Manual / spreadsheet-based financial processes

Financial software challenges (root cause)

| Implemented in 2007 | Customized around LCA processes vs. best practices | Does not work for today's scope of business | Inhibits automation and integration with other systems |

More than 50% of staff-identified process improvement "wish list" items tied to financial processes

# Project Approach

**RAFTELIS**

LCA Board authorization: April 11, 2022

| **Task 1** | **Begin Engagement** |
|---|---|

| **Task 2** | **Assess Current State & Requirements** |
|---|---|

| **Task 3** | **Solution Roadmap** |
|---|---|

**Key Activities:**
- Document Request
- Interview Guide
- Project Kickoff Meeting
- Group Kickoff Meeting

**Key Activities:**
- Individual Interviews
- Group Interviews
- Needs Assessment
- Validation Meeting

**Key Activities:**
- Solution Roundtable Workshops

**Completed: July 2022**

**Deliverables:**
- ✓ Project Plan
- ✓ Project Schedule
- ✓ Monthly Project Reports

**Deliverables:**
- ✓ Draft Current State Report
- ✓ Final Current State Report
- ✓ Quick Wins

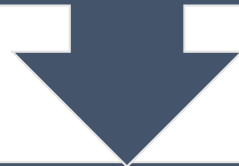**Deliverables:**
- Draft ERP Roadmap
- Roadmap Workshop
- Final ERP Roadmap

# Next Steps

Raftelis summary presentation: August 8, 2022

Current project assumptions:

| 18 months | $1.5 million | Organizational effort |

# Discussion / Questions?

## Thank you!