

Lehigh County Authority Board of Directors

Governance Committee

Meeting Agenda

Meeting Date & Time: Monday, April 13, 2026 at 10:45 a.m.

Meeting Location: Lehigh County Authority, 1053 Spruce Road, Allentown, PA 18106

Agenda:

1. Call to Order
2. Roll Call
Committee Chair – Peter Dent
LCA Board Chair – Amir Famili
Linda Rosenfeld
Ted Lyons
LCA Staff: Liesel Gross, CEO (non-voting)
3. Approval of Minutes – January 12, 2026 meeting minutes (attached)
4. Board Vacancies
5. Peer Authority Benchmarking
 - a. Review of January 2026 report from CEO
6. Finance Committee – Draft Charter
7. Board of Directors Efficacy
 - a. 2026 Off-Site Meeting / Tour
8. New Business
9. Public Comment
10. Committee Meeting Schedule
 - July 13, 2026
 - October 12, 2026
11. Adjourn

Lehigh County Authority Board of Directors

Governance Committee

Meeting Minutes – DRAFT

Meeting Date & Time: Monday, January 12, 2026 at 10:45 a.m.

Meeting Location: Lehigh County Authority, 1053 Spruce Road, Allentown, PA 18106

Agenda:

1. Call to Order

Committee Chair Peter Dent called the meeting to order at 10:45 a.m.

2. Roll Call

Committee Chair – Peter Dent

LCA Board Chair – Amir Famili

Linda Rosenfeld

LCA Staff: Liesel Gross, CEO (non-voting)

Ted Lyons – Absent

3. Approval of Minutes

Peter Dent approved the minutes to the October 27, 2025 Governance Committee meeting following no objections.

4. Board Vacancies

The Committee reviewed the status of the two vacancies on the Authority’s Board of Directors. Due to the change in administration at the County of Lehigh, one appointment was delayed in December. Liesel Gross will discuss the Board appointments with the new County administration and County Executive in January.

5. Peer Authority Benchmarking (report from CEO)

Liesel Gross had solicited feedback from five municipal authority executives regarding Board governance topics, roles and responsibilities of committees, and executive performance evaluation processes. A review of this feedback was provided to the Committee, with some discussion. Peter Dent noted that the committee structure described by other similar organizations appears to add value, but there is a concern about wanting to avoid adding work for the staff rather than adding value to the organization. The Committee will review the information and plan for more discussion at the next Committee meeting.

6. Finance Committee – Draft Charter

A draft Finance Committee charter was distributed and discussed. The Committee discussion focused on the lack of financial expertise on the current Board of

Directors, which should be a primary consideration for the County's appointment of new Board members. Until this occurs, the formation of a Finance Committee may not be as beneficial as it could be otherwise.

The Committee members agree that the audit process is likely the top priority for the Finance Committee, including reviewing the process for hiring a new auditor every three to five years.

The Committee asked Liesel Gross to review the draft Finance Committee charter and peer authority feedback on their finance committee structures with the CFO to determine which duties of the Committee would be most valuable to the organization in the near-term horizon.

7. CEO Review Process

The Committee reviewed the current process for evaluating the CEO's performance, which includes an annual report of achievements and development opportunities, followed by review of any salary adjustments. The peer authority feedback gathered included some additional ideas and examples of performance evaluation forms that are in use by other similar organizations. Peter Dent provided an example of an executive performance evaluation form that may be useful. Amir Famili suggested this responsibility generally falls to the Authority Board Chair to coordinate and manage. For the current year, the existing process will continue, and Liesel Gross will plan to provide a report of goal achievement at the next regular Board meeting in January.

8. Board of Directors Efficacy

a. 2026 Off-Site Meeting / Tour

Due to the current vacancies on the Authority Board and the winter weather, the Committee agreed to postpone discussion of an off-site meeting and/or system tour until the Committee meeting scheduled for April 2026.

9. New Business

None.

10. Public Comment

None.

11. Committee Meeting Schedule

- April 13, 2026
- July 13, 2026
- October 12, 2026

12. Adjourn

Peter Dent adjourned the meeting at 11:35 a.m.

Lehigh County Authority – Finance Committee Charter

DRAFT – 1/12/2026

This is a standing committee of the Lehigh County Authority (LCA) Board of Directors that meets monthly or as otherwise scheduled.

COMMISSION OF THE LCA GOVERNANCE COMMITTEE:

The LCA Finance Committee is commissioned by and is responsible to the LCA Board of Directors to provide leadership to ensure that the LCA is properly reporting, addressing, and advancing the Authority in all things related to the LCA's finances and practices.

Committee Responsibilities:

1. Oversee financial planning
2. Monitor that adequate funds are available for financial management tasks
3. Ensure that assets are protected
4. Draft organizational fiscal policies
5. Anticipate financial problems
6. Oversee financial record
7. Help the full Board understand the organization's financial health
8. Ensure all legal reporting requirements are met
9. Recommend potential Auditor changes periodically
10. Review draft annual audits

AUTHORITY OF THE LCA GOVERNANCE COMMITTEE:

The Board Finance Committee must bring all recommendations to the Board of Directors for approval. Minutes of all meetings should be documented and presented to the LCA Board of Directors.

COMPOSITION OF THE LCA GOVERNANCE COMMITTEE:

The Chair of the LCA Finance Committee is appointed by the Chair of the LCA Board of Directors. No less than 50% of the members of the committee will be members of the LCA Board of Directors. The Committee shall have no more than **three / twelve** members; however, the LCA Board Chair may serve as a voting member of the Committee. Members of the Committee are appointed by the LCA Board Chair. The LCA CEO and/or CFO may participate as non-voting ex-officio members of the Committee. Committee members have no terms but must be reappointed concurrently with the annual election of officers.

COMMITTEE MEMBER EXPECTATIONS:

- Attend at least 90% of the regularly scheduled Committee meetings each year.
- Be actively engaged in the work of the Committee.
- Come prepared to Committee meetings.
- Since the LCA Governance Committee is providing leadership to advance the LCA through Board engagement, education, and effectiveness, Committee members are expected to lead by example.

LCA Governance Committee

Peer Authority Benchmarking – December 2025

Participating Municipal Authorities:

LCA – Regional water & sewer authority serving 20 municipalities, 55,000 customers.

Utility A – Regional water & sewer authority serving 26 municipalities, 30,000 customers.

Utility B – Regional water, sewer & stormwater authority serving 7 municipalities, 20,000 customers.

Utility C – Regional water authority serving 20 municipalities, 36,000 customers.

Utility D – Regional water authority serving 10 municipalities, 52,000 customers.

Utility E – Regional water & sewer authority serving 83 municipalities, 300,000 customers.

1. Board Committee Structure: Does your Board have committees and if so can you share a little bit about them, such as:

- a. What committees do you have?

LCA – Governance Committee & ad hoc Executive Committee

Utility A – Operating (kind of the Power Committee; can meet on much more than Ops such as potential acquisitions, major Manager or Exec. Hires, etc.), Finance (Budget, Audit approvals), and Pension.

Utility B – We have five committees: Budget & Finance, Operations & Engineering, Legal & Risk Management, Personnel & Shared Services, and Public Outreach.

Utility C – Engineering, Finance, and Executive

Utility D – Finance, Capital Improvements, HR & Public Information, and Pension

Utility E – Executive Committee (Board officers – Chair, Treasurer and Vice Chair), Environmental Compliance & Ethics, Safety & Security, Water Quality Advisory, Stormwater, and Finance.

- b. How many Board members are on each committee?

LCA – 3, plus Chair as ex-officio, and CEO as staff representative (other staff as needed)

Utility A – 3, plus Chairman can attend as ex-officio. 7 member Board total.

Utility B – Only two members can serve on a committee without making the committees open to the public and meeting the requirements of the Sunshine Act. One board member serves as chair of the committee. Because we have five board members, they each serve on two committees. The committee members are appointed each year during the reorganization meeting in January. Generally, the members stay the same unless we have new board members appointed.

Utility C – 4, out of 10 total Board members

Utility D – 3 or 4 members on each committee with the exception of Pension (3 Board Members and 4 Employees; 1 Mgmt, 1 Teamster, 1 AFSCME and 1 At-Large). Finance currently has 3, Capital Improvements has 3, and HR and Public Information currently have 4. I would recommend 3 as it makes a quorum easier which we require for a recommendation/resolution to leave that committee. With 4 on a committee, you need 3 to attend.

Utility E – Executive – 3; Environmental Compliance & Ethics – 3; Safety & Security – 3; Water Quality Advisory – 4; Stormwater – 3; Finance – 3.

c. Any non-Board members serving on your committees?

LCA – No

Utility A – Yep, Exec Dir on Pension.

Utility B – Legal & Risk Management has our general counsel serving on the committee. That is the only non-board member that serves on a committee.

Utility C – Top members of the management team.

Utility D – Yes, the Pension Committee as described above.

Utility E – No.

d. How often do they meet?

LCA – Quarterly, or as needed.

Utility A – Finance twice a year for annual salary increases during budget; and required audit fraud interview/audit summary.

Utility B – These committees meet monthly ahead of the board meeting. All board agenda items run through the appropriate committee for vetting. The committee does not formally use Roberts Rules but do give a thumbs up if

they agree with an agenda item going before the full board before the item is placed on the board agenda.

Utility C – 2 or 3 times per year for each committee.

Utility D – Finance & Capital Improvements (monthly). HR and Public Information (every 2 months as there is less change monthly). Pension mtgs are quarterly.

Utility E – The Executive Committee of the Board, which includes the board chair, vice chair and treasurer, meet bi-weekly with the CEO and executive leadership to discuss key issues such as legal and personnel matters, and safety/security matters. Environmental Compliance & Ethics - monthly. Safety & Security - quarterly. Finance - monthly. Water Quality Advisory - quarterly. Stormwater - quarterly.

e. Your opinion on the effectiveness of having committees?

LCA – Limited experience, but would say that the ad hoc Executive Committee is extremely helpful in exploring new topics that are time sensitive or potentially controversial. Governance Committee is new and just getting started on its mission. Having an established committee charter is helpful to guide the work of the committee.

Utility A – Effective more so due to “requirement” to meet for audit and fraud interview. Otherwise, they meet very infrequently. Operating is like and Executive Committee. Truth be told, our Chairman tries to force things to committee level, however, 100% track record of then requesting exact meeting to be held with entire board, so we do everything twice.

Utility B – The committee structure is very effective and saves a lot of time at the board meeting discussing each item. Minutes are taken by two primary staffers that are assigned to the committees and back each other up in case of vacations. Senior leadership “staff” the committees and are responsible for pulling together the committee agenda packet of information including issue briefs describing each agenda item and what action is being requested of the board, background information, and budget impacts. Other staff attend as needed if they have an agenda item to present to the committee or report out on a special project, etc. Each month’s minutes and agenda packets are shared with the full board before the board meeting so that board members can read the other committees’ content to familiarize themselves before the board meeting. Each committee has a standing agenda of things that are reported out, such as the following for each committee:

- Budget & Finance:

- Monthly financials & YTD financial position
- Budget process/presentation debrief (*this is an opportunity to allow the committee to suggest changes to process or presentation for next year*)
- Review of 2026 PENNVEST financing projects
- Municipal partners negotiations
- Non-compliant accounts - termination status
- Operations & Engineering:
 - Capital Project change orders for board approval
 - Procurement/bids needing board approval
 - Project report outs
- Legal & Risk Management:
 - Insurance claims tracker report
 - Updates on lawsuits
 - Municipal partners negotiations
 - Property/ROW acquisitions
 - Cybersecurity risk management workgroup report
- Personnel & Shared Services:
 - IT update
 - Customer service update
 - Retention & recruitment report
 - New hire orientation workgroup report
 - Union matters report
 - Employee engagement committee report
- Public Outreach
 - Community outreach activities report
 - Lead & Copper Rule Revisions risk mitigation measures report
 - Media report

Utility C – Works out very well. The Committee can dive into the details of topics to be covered, separate from the full Board's monthly meetings. The Committee Chairman gives a verbal report to the rest of the Board members, and meeting minutes are shared with all. It prevents long, drawn-out Board meetings in which a large group (we have 10 total) would have debated all the intricate details in a less efficient manner.

Utility D – Our structure is very effective. The committees do the heavy lifting and usually the Board takes their recommendation. The following Senior Staff participate in the committees as well as generating the agenda/content:

- Finance (CEO and Senior Mgr. of Finance)
- Capital Improvements (CEO and Senior Mgr. of Engineering)
- HR (CEO and Senior Mgr. of HR)

Specific roles and agendas covered by each committee include:

- Finance:
 - Monthly financials & YTD financial position
 - Budget process/presentation debrief
 - Review of 2026 PENNVEST financing projects
 - Municipal partners negotiations
 - Non-compliant accounts - termination status
- Capital Improvements:
 - Capital Project change orders for board approval
 - Procurement/bids needing board approval
 - Project report outs
- HR and Public Info:
 - Retention & recruitment report
 - New hire report
 - Union matters report
 - Employee engagement committee report
 - Safety
 - Public Information / Community outreach activities report

Any other items would be communicated to all committees or a committee would be assigned the item where it makes the most sense.

Utility E – I feel the Board is very well-informed of every major decision that is considered by the Management Team. We structure our communication with the Board with a goal to empower them with more than enough information to make informed votes on the issues before them and to provide guidance on or long-term vision. In addition to the above committees, Board Education Sessions are organized to increase board awareness on topics such as the annual operating and capital budget, program areas including the Water Reliability Plan or stormwater management, and topics associated with environmental and regulatory compliance. Staff provides the board with a thorough overview of these matters and time is made available for discussion. No votes or decisions are made in these settings

2. Finance Committee Roles: If you have a finance committee, what are their primary responsibilities, roles, etc.? If your Finance Committee has a charter or formal adopted policy of any kind, can you share?

LCA – n/a – No Finance Committee (yet)

Utility A – Staff prepares budget, they stamp it. Auditors complete audit, they approve it.

Utility B – See above.

Utility C – Annually review new capital and operating budgets recommended by management; occasionally review finance policy changes, customer rate change proposals, bond financing, etc. as needed. We have no charter or formal policy for the committee.

Utility D – See above.

Utility E – The Finance Committee reviews and provides comment on our annual budgeting (Operating and Capital) before going to the full Board, and also are briefed directly by our independent auditor annually. They are also involved in monthly update meetings to review expenditures and any notable items for discussion. There is no formal charter or policy.

3. **Board Effectiveness:** Does your Board ever evaluate their own effectiveness as a Board, establish goals for the Board, etc.? Do you conduct Board planning retreats of any kind to discuss Board-specific things like effectiveness, roles & responsibilities, etc.? Do you do any Board surveys to evaluate their opinions on Board effectiveness?

LCA – Our Board held an off-site meeting / retreat 3 years ago to discuss Board effectiveness and strategies to improve. We have been working on aspects of this since then, including a survey / input gathering process conducted earlier this year. The primary focus is on ensuring Board members understand their roles and responsibilities, and developing ideas to increase Board member engagement. Since our Board is not currently very structured in terms of committees and specific Board member assignments, this exploration has been helpful in solidifying ideas for what committees we might need or how to think about Board member expectations to ensure an effective and engaged governing body.

Utility A – No.

Utility B – No they do not evaluate effectiveness, establish goals or conduct surveys. They do take part in our strategic planning retreats when we update our plan or yearly strategic priorities.

Utility C – No to all questions, although I think something like this occasionally would be helpful.

Utility D – The Board does NOT evaluate their effectiveness or goals. No retreats to date but it's been discussed. And they will participate in the Strategic Plan in 2026.

Utility E – We conducted our first-ever board engagement survey to ensure that all members were receiving sufficient information from staff to fulfill their responsibilities. Each board member completes comprehensive annual ethics

training and agrees to our code of conduct and ethics policies, as well as state financial disclosure requirements. There is not a formal process for Board-specific goals, nor do we hold a retreat of any kind. We hold established committee meetings as noted above and then meet monthly in Executive Session (with Executive Leadership Team) and Public Board meetings.

4. Executive Performance: How does your Board evaluate the top executive's performance? If there is a form they use, would you mind sharing? What does the process look like? Do you have an employment contract?

LCA – No contract in place for the CEO. Goals are established annually based on the strategic plan, and progress updates are provided throughout the year. Annually in the first quarter, a review of the prior year's goals and progress is given by the CEO, along with a general presentation of key achievements, concerns, or development needs. The Board typically uses that information as the basis to establish any pay adjustments that are offered for that year. Separately, the CEO has completed 360-degree reviews to seek feedback from various levels of staff management. This feedback is for professional development only, and has been conducted only occasionally (once every 2-3 years).

Utility A – We have unsuccessfully “attempted” to do this for over a decade and we are not too much further along. We've tried many different ways, and can't seem to come up with a solid process since it requires Board Member work and deliverables. We now have a Board Member performing monthly “coaching” meetings with Exec, and Asst. Exec. Director since he does independent consulting for a living. He has initiated a 360-Evaluation, whereas, Exec's are evaluated through an electronic process of questions (55) with a 1-5 ranking (strongly disagree to strongly agree). Similarly, all Managers are evaluated by Exec, as well as their peer Managers, which now puts that data at like 2500 data points. A program summarizes the responses. The Board and this particular member strongly suggest that this process is for Professional Development and not Performance Evaluation. In summary, we still have essentially no formal Performance Evaluation.

Utility B – I do not have an employment contract (wish I did). My evaluation used to be handled by the Personnel & Shared Services chair and was conducted yearly at the same time as our management/professional team evaluations. With a change in the board members that serves as the chair of that committee, it has been handled by the board chairman and has been inconsistent the last three years. We use the same form as our management/professional evaluations. See attached along with a self-evaluation and goal-setting form that we complete before the formal evaluation takes place. We also conduct anonymous 360 evaluations with peer and direct reports randomly selected to complete a survey.

Utility C – We have no employment contract. The Executive Director's performance is reviewed annually by each Board member using a form (see attached) and vetted/discussed with the Executive Committee, which then brings a recommendation to the full Board for a decision annually on compensation and recommendations for performance improvement, where needed.

Utility D – The CEO does have an employment contract. Previous CEO also had a contract with multiple extensions. The CEO's evaluation is to be completed by the Board per our Bylaws. Historically the Chair does it with the same form that is used for all of management.

Utility E – I have an employment agreement which outlines the annual performance evaluation process for the CEO. I submit proposed goals and performance measures to the Board of Directors in mid-January for the following calendar year. By mid-December I provide a self-evaluation for those goals to the Executive Committee, who addresses and evaluates the performance. And by January 31 of each year, the Board of Directors meets to discuss any additional merit-based salary adjustments or bonus.