

REGULAR MEETING MINUTES

August 27, 2018

The Meeting of the Lehigh County Authority was called to order at 12:05 p.m. on Monday, August 27, 2018, Chairman Brian Nagle presiding. Other Members present at the commencement of the meeting were: Linda Rosenfeld, Jeff Morgan, Richard Bohner, Norma Cusick, Scott Bieber and Ted Lyons. Authority Staff present were Liesel Gross, Chuck Volk, Ed Klein, Pat Mandes, Susan Sampson, Chris Moughan, John Parsons, Kevin German, Mark Bowen and Lisa Miller.

REVIEW OF AGENDA

Chairman Nagle announced that today's Board meeting is being videotaped and streaming live and recordings will be posted to the Authority's website.

Liesel Gross stated there are no changes to the agenda but there are two items for Executive Session at the end of the meeting to discuss matters of real estate and potential litigation.

APPROVAL OF MINUTES

August 13, 2018 Regular Meeting Minutes

Richard Bohner noted a minor correction to the Minutes of August 13, 2018.

On a motion by Richard Bohner, seconded by Norma Cusick, the Board approved the Minutes of the August 13, 2018 meeting as corrected (5-0). Scott Bieber and Norma Cusick abstained.

PUBLIC COMMENTS

None.

ACTION AND DISCUSSION ITEMS

Chairman Nagle announced that the Board received their packets of meeting information prior to the meeting.

2017 Annual Risk Management Report

Liesel Gross gave a brief overview of the 2017 Annual Risk Management Report as presented for information only. Kevin German, Risk Manager for the Authority was also present to answer any questions. Ted Lyons asked about the drug testing policy. Mr. German and Ms. Gross explained the drug testing is done randomly to CDL drivers while all other employees would only be tested if there was cause such as an accident which would require towing or cause an injury.

Kevin Baker arrived at 12:10 p.m.

Richard Bohner congratulated Mr. German on another good year. Norma Cusick asked about insurance premium costs and if they have been lowered due to our good performance. Mr. German replied the Authority has received credits for strong performance in the workers compensation area. Mr. German also noted that the Authority's highest risk is at the wastewater treatment plant regarding environmental hazards, employee safety issues, small accidents, and cuts.

LCA 2020 Strategy – 2018 Action Plan Update & Key Performance Indicators

Liesel Gross gave an overview of the 2018 Action Plan as it pertains to the Authority's strategic goals. Mark Bowen was present to give a brief presentation and review of what the new key performance indicators (KPI) dashboard looks like. Ms. Gross reviewed the highlights of all four goal areas, Product Quality, Financial Viability, Infrastructure Stability, and Employee/Leadership Development. Scott Bieber asked about the status of the program regarding the loss of institutional knowledge under Employee/Leadership Development. Ms. Gross explained that the program is working but is constantly evolving as retirement risk changes for the mix of employees. In addition, because the Authority has many individual contributors on the team, internal candidates are not always available to fill open positions when they become available, and planning for retirements in those cases take a long lead time that is not always available.

Mark Bowen presented the draft of the KPI dashboard to highlight the program's capabilities. The KPI dashboard is a customizable system using live data capturing all work performed in all divisions, and static data in other cases as provided by managers. The KPIs are focused on measuring and displaying performance related to the four primary goal areas. For the Product Quality goal, the dashboard displays information on compliance incidents such as notices of violation and sewer system overflows. For the Financial Viability goal, the dashboard displays key indicators drawn from the monthly financial report. For the Infrastructure Stability goal, the dashboard displays data from the work order management system on preventive and corrective maintenance and asset condition scores. For the Employee/Leadership Development goal, the dashboard displays key employee statistics and a qualitative scoring of the Authority's implementation of best practices. The plan is to have a final dashboard format accessible for all employees on SharePoint.

Allentown Division – Water Filtration Plant: SCADA System Replacement

Chris Moughan gave an overview of the Allentown Division – Water Filtration Plant SCADA Upgrade project that will replace the existing SCADA application with Dynac ES SCADA application, providing a plant-wide control system. This project is part of the Water Master Plan. Approximately \$280,000.00 will be spent this year for equipment with the program closing out by October 2019. Mr. Moughan is asking for approval of the Capital Project Authorization in the amount of \$697,559.00 which included the Professional Services Authorization to Kapsch TrafficCom USA, Inc. in the amount of \$667,559.00.

Mr. Moughan explained that this upgrade will allow the Authority to make in-place upgrades to the system and equipment. Kapsch is a good choice because of the work history and their programming language is comparable to what is already in place at the other plants. Board discussion followed.

On a motion by Norma Cusick, seconded by Linda Rosenfeld, the Board approved the Capital Project Authorization in the amount of \$697,559.00 which included the Professional Services Authorization to Kapsch TrafficCom USA, Inc. in the amount of \$667,559.00 (8-0).

MONTHLY FINANCIAL REVIEW

Ed Klein gave an overview of the July 2018 financial report, highlighting variances between budgeted expenses and actual or forecasted expenses.

MONTHLY SYSTEM OPERATIONS OVERVIEW

John Parsons reviewed the Monthly System Operations Overview report for July 2018. Richard Bohner asked if the people who get shut off for non-payments get reconnected. Sue Sampson replied that most customers pay the same day or the next day to have their service restored.

STAFF COMMENTS

Ed Klein updated the Board on the status of the 2013C Bond refinancing efforts. After pursuing a number of institutions regarding bank loans or bonds, there are two interested parties, M & T Bank and Lafayette Ambassador Bank. The City is currently reviewing an amendment to the existing consent agreement that would allow the refinancing to occur on a parity basis, which would be favorable for the Authority. Mr. Klein stated that the Authority is going to start the process of pursuing a bond in case the efforts to secure a bank loan are not successful. The Board questioned what the difference would be between the bank loan and a bond. Mr. Klein said the optimum would be the bank loan because the bonds would require a lengthy process and a higher interest rate and financing fees.

SOLICITOR'S COMMENTS

None.

PUBLIC COMMENTS / OTHER COMMENTS

Jennifer McKenna, City of Allentown Compliance Office, thanked the Board and Staff for the City Works presentation and asked what the field inspections and staff assessment ratios would be between preventative maintenance and corrective maintenance. Chris Moughan responded by explaining that there will be dashboards that will be evaluated by upper management to make weighted calculations.

Ms. McKenna also asked for an update on the County Task Force meetings regarding the Authority's charter extension request. Liesel Gross gave an update regarding a meeting with the team last week. Copies of the Authority's audit were provided and there was a positive discussion regarding the Authority's finances. She explained that the County Commissioners will get back to her about what they recommend as the next step to requesting a charter extension.

Chairman Nagle called a recess at 1:25 p.m. The meeting reconvened at 1:30 p.m.

EXECUTIVE SESSION

An Executive Session was held at 1:30 p.m. to discuss real estate and potential litigation. The Executive Session ended at 2:18 p.m.

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 2:18 p.m.

Richard Bohner
Assistant Secretary