



Lehigh County Authority

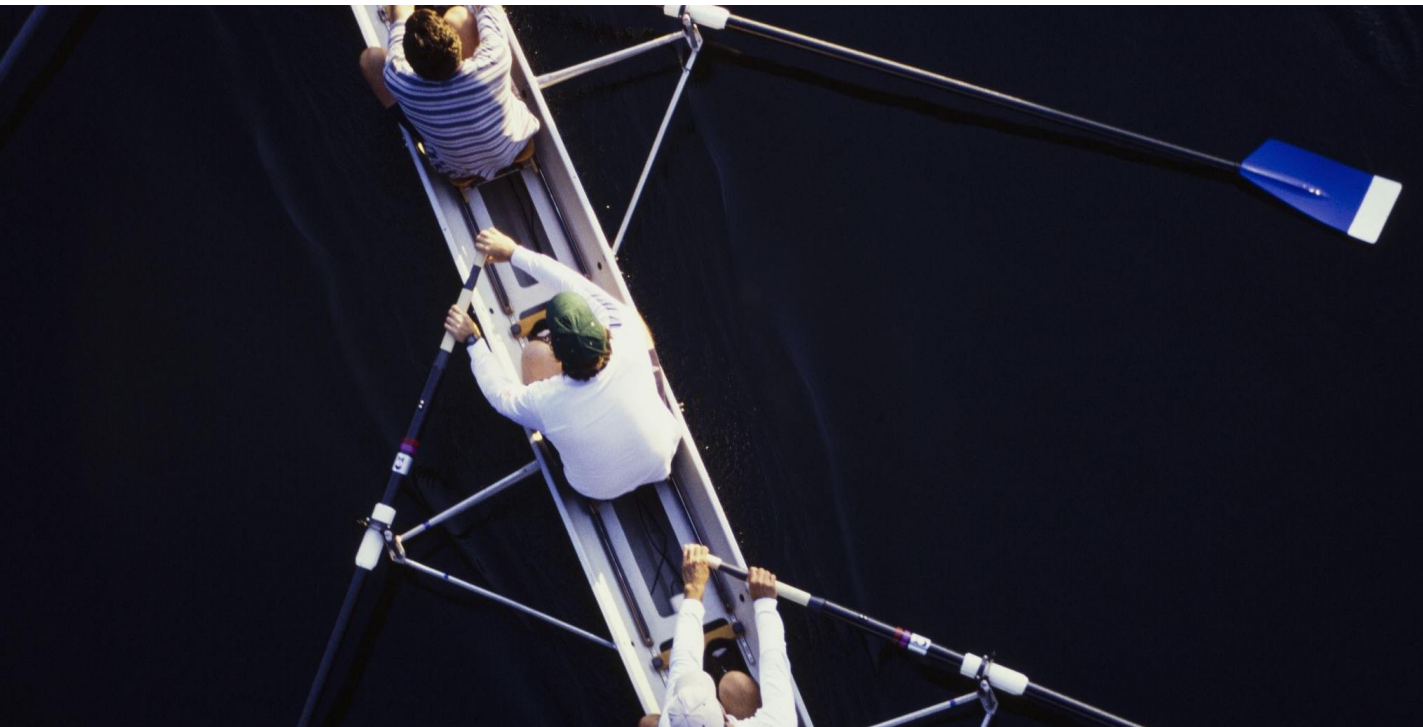
Workforce Strategies

Creating teamwork, balance & forward motion

Liesel Gross, CEO

Lehigh County Authority

November 2, 2023



First, a quick
story...



When Worlds Collide...

An LCA Retrospective



Lehigh County Authority



Picture this... July 2012

- A small organization with big dreams, facing challenges of our own

July 19, 2012 – The Bombshell...

- Allentown issues a Request for Qualifications for a 50-year lease of their water and sewer systems
- Competitive process
- Highest bid wins



**As a public,
non-profit,
municipal
authority...**

Why compete?

- Adjacent systems
- Common issues / challenges
- Intimate / historical knowledge of City facilities and personnel
- Opportunities for economies of scale
- Eliminate duplication of effort
- Builds upon LCA's existing regional utility perspective



Emotional Responses

What's going to happen?

What if we're not successful?

How will it change our organization?

Why not LCA?
It's the right thing to do!
We can do this!



LCA's Core Principles If we're going to bid...

- Protect existing LCA assets & customers
- Transaction must stand on its own

Long story short... we did it!

2012

- July 19 – City announces plan to lease water and sewer systems
- August 31 – City qualifies LCA to bid along with 6 other private entities

2013

- February 27 – City issues invitation to bid
- March 21– LCA submits initial bid (\$205 million)
- March 28 - City invites LCA to submit “Best and Final Offer”
- April 1 - LCA submits Best and Final Offer bid (\$220 million)
- April 2 - City declares intent to award bid to LCA
- **May 1 – City and LCA sign Concession Agreement – 90 day “transition madness” begins**
- July 31– LCA sells \$308 million bond issue to finance the lease
- August 8 – LCA begins operation of City Systems

Transition Madness

May 1 – August 7, 2013

Start a new business from the ground up!

- Recruit & onboard employees
- Finance the deal
- Implement business & operational functions
- React to the unexpected



Transition Madness

Leadership	Hard Hats	Helping Hands
Legal	System Operations	Public Relations
Project Financing	Municipal Services	Human Resources
Permit Review/Transfers	Capital Planning	Information Technology
Contract Review/Transfers	AMR Project Transition	Procurement/Accounting
Ordinance Review	Risk Mgmt & Emergency Response	Customer Service / Billing / Collections
	Regulatory/Compliance	Insurance
	Distribution & Collection	
	Water Plant Operations	
	Wastewater Plant Operations	
	Vehicles	
	Operations Communications	



Transition Madness

Transition Madness

Day 1 Goals: Keep it simple!

- Keep the water flowing
- Make sure employees can get paid
- We will figure everything else out!



By the Numbers: 2013 & Today

	August 7, 2013	August 8, 2013	TODAY
# of Employees	39	151	174
# of Water Customers	20,358	52,385	54,695
# of Sewer Customers	2,385	35,533	36,194
Municipal Customers	10	17	17
Miles of Water Main	311	615	657
Annual Operating Budget	\$ 22.3 Million	\$ 42.2 Million	\$ 48.1 Million
Water Production (Avg. GPD)	8 Million	22 Million	27 Million
Authority Debt	\$ 40 Million	\$ 349 Million	\$384 Million



August 8, 2013



Realities of Operating an Old, Urban System

- Some infrastructure is 100+ years old
- Significant low-income customer base
- History of under-investment in system upgrades
- Historically contentious relationships
- Large bureaucracy & strong union environment
- VERY different organizational cultures

Wow!
10 Years Later...

Why am I telling this story?

*The most important
characters in the story
were (and still are) the
employees!*



Elements of a Workforce Strategy

Basics:

- Organizational Structure
- Staffing Plan
- Compensation Plan
- Recruiting & Selection
- Training
- Retention
- Succession Planning

Expanded Approach:

- Performance Management
- Cross-Training
- Career Development
- Leadership Development
- Diversity & Inclusion
- Employee Engagement

Elements of a Workforce Strategy

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Expanded Approach:

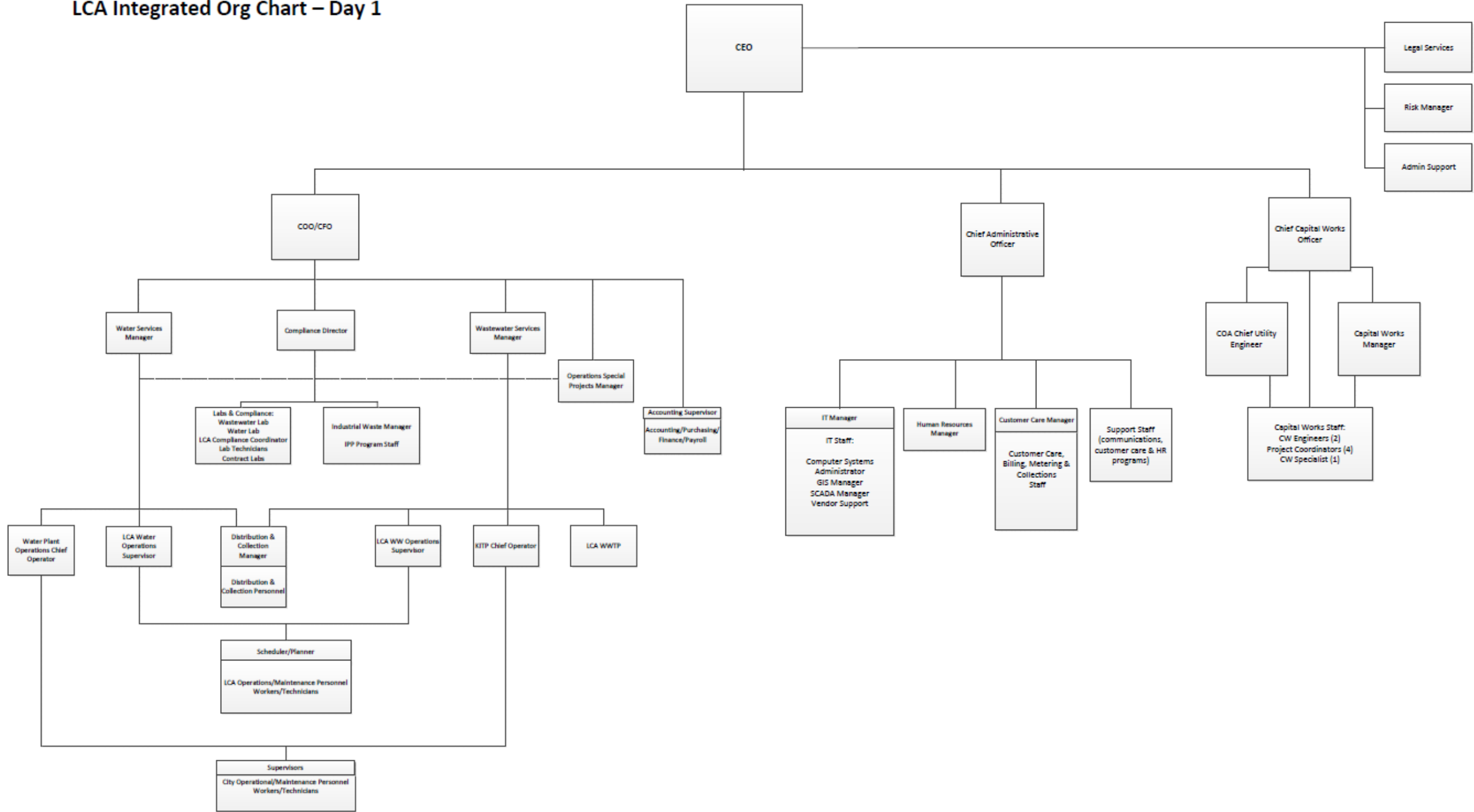
- Performance Management
 - Cross-Training
 - Career Development
 - Leadership Development
 - Diversity & Inclusion
- ### ▲ **Employee Engagement**

Organization Structure

- “Right seats → right people” or “Right people → right seats”?
- Vertical, horizontal, matrixed, mosh pit?
- Promote teamwork vs. autonomy?
- CEO role: focused internally vs. externally?

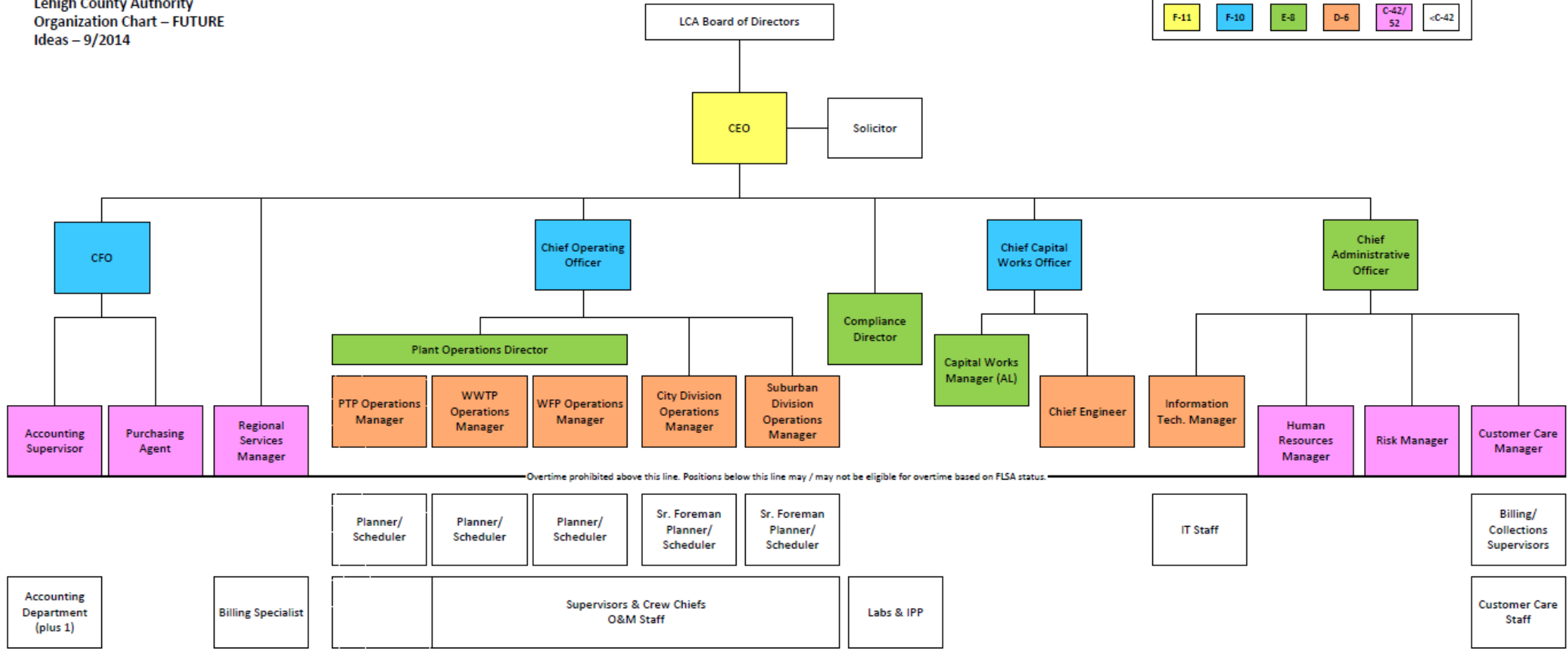
This is not easy!

LCA Integrated Org Chart – Day 1



Color Key: Pay Grade Groups

F-11	F-10	E-8	D-6	C-42/ 52	<C-42
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Overtime prohibited above this line. Positions below this line may / may not be eligible for overtime based on FLSA status.

Regional Services Manager (replaces Special Projects Manager)
 Coordinate AO Project Reporting / Tracking
 Manage Municipal Signatory Agreements / Relationships (W & WW)
 Manage Municipal W & WW Billing
 Manager COA Concession Reporting / Tracking
 Billing Specialist (already envisioned) would support this position

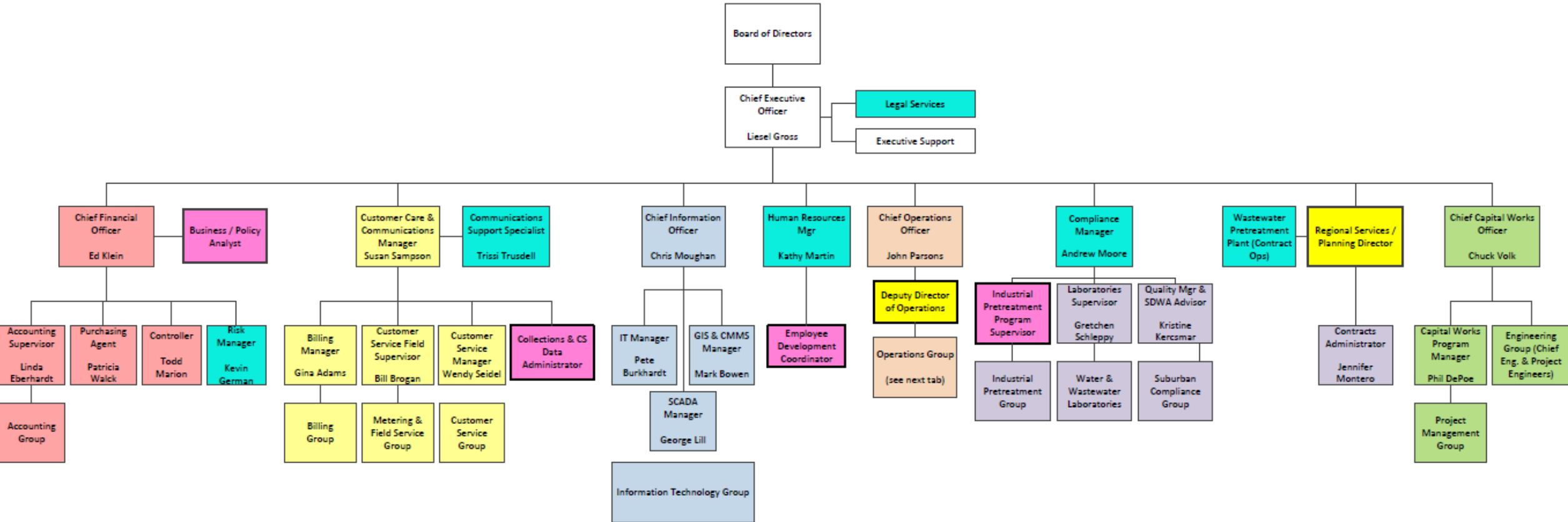
Operational Staffing Changes:
 Operations Manager positions – same pay level (salaried, no OT)
 Chief Operator becomes plant operations manager;
 Plant Maintenance Supervisor becomes Planner/Scheduler, in charge of asset management
 Future pooling of O&M Staff shown here, with implementation to be determined upon discussion/negotiation with unions and management.

Other Changes:
 Move Risk Management to Administration
 Elevate Customer Care Manager to cover AL & SB Divisions - requires addition of a Billing/Collections Supervisors to support Customer Care Manager (could be done with existing staff)
 Approximately 2-3 admin support positions may be desirable in Operations and Capital Works groups

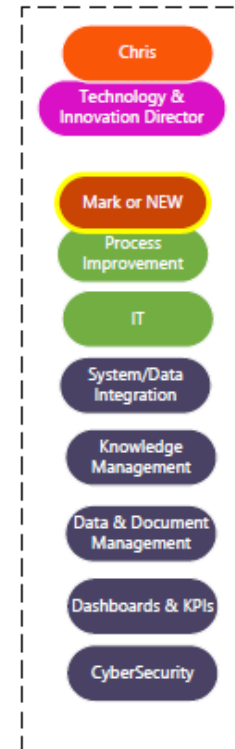
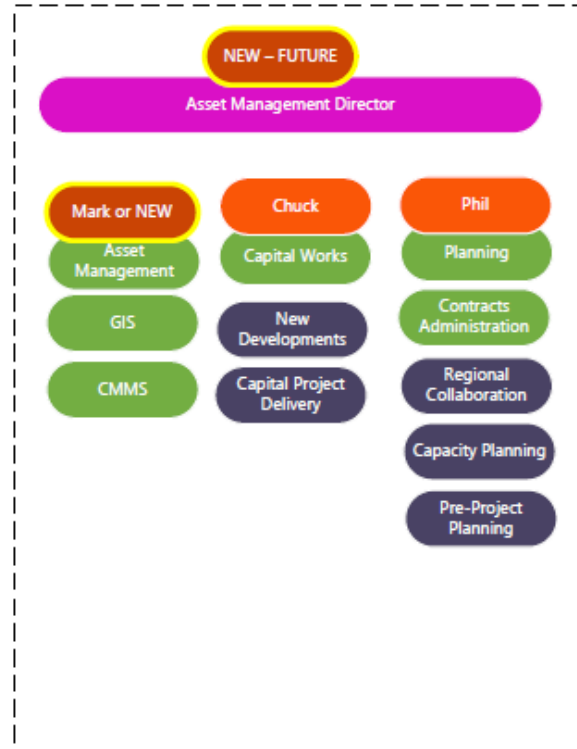
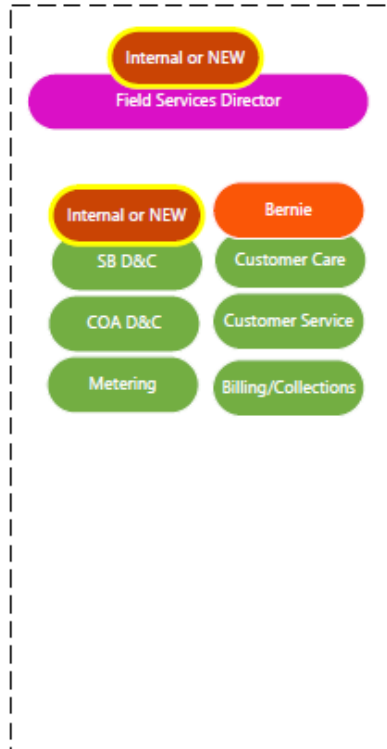
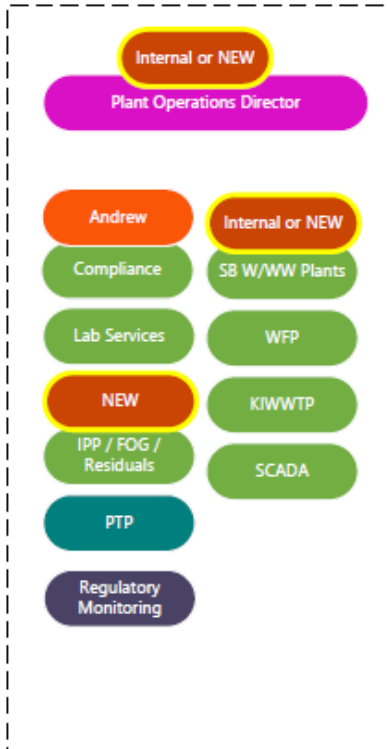
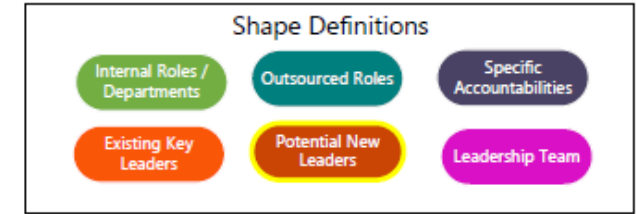
Overall Results:

- Flatten management structure where possible
- Eliminate dual reporting to water/wastewater services managers
- Provide additional assistance / management of complex wastewater operations / municipal agreements
- Provide greater oversight/management of daily, monthly, annual business matters
- Provide clarity for OT eligibility of operational managers
- No net change in employee count, unless admin support is added.

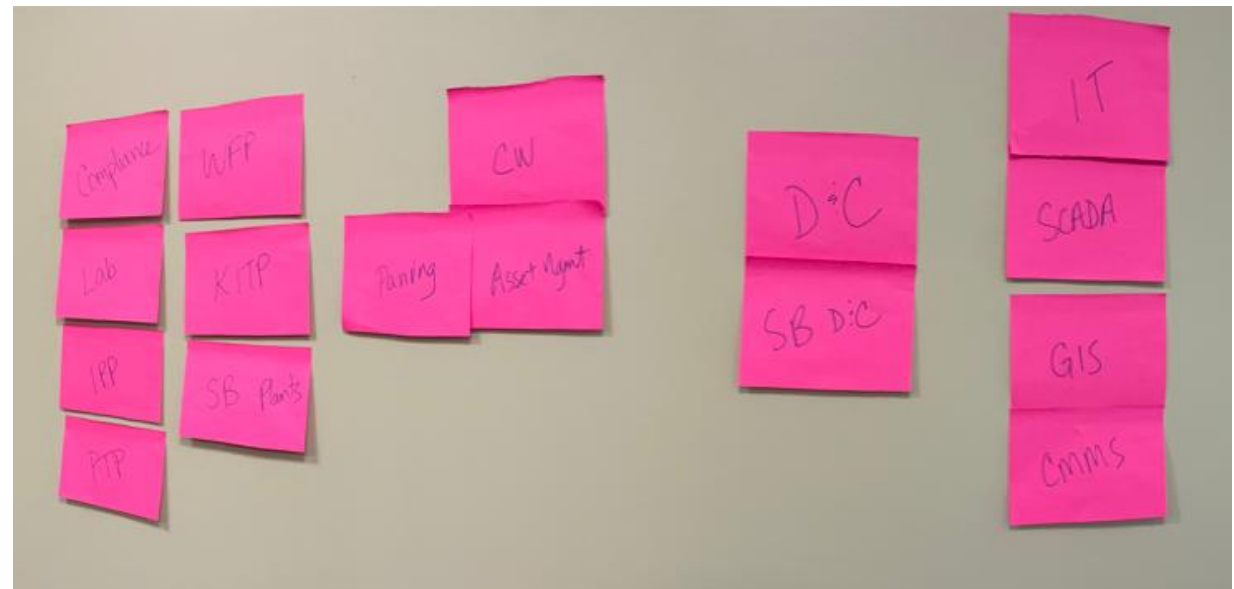
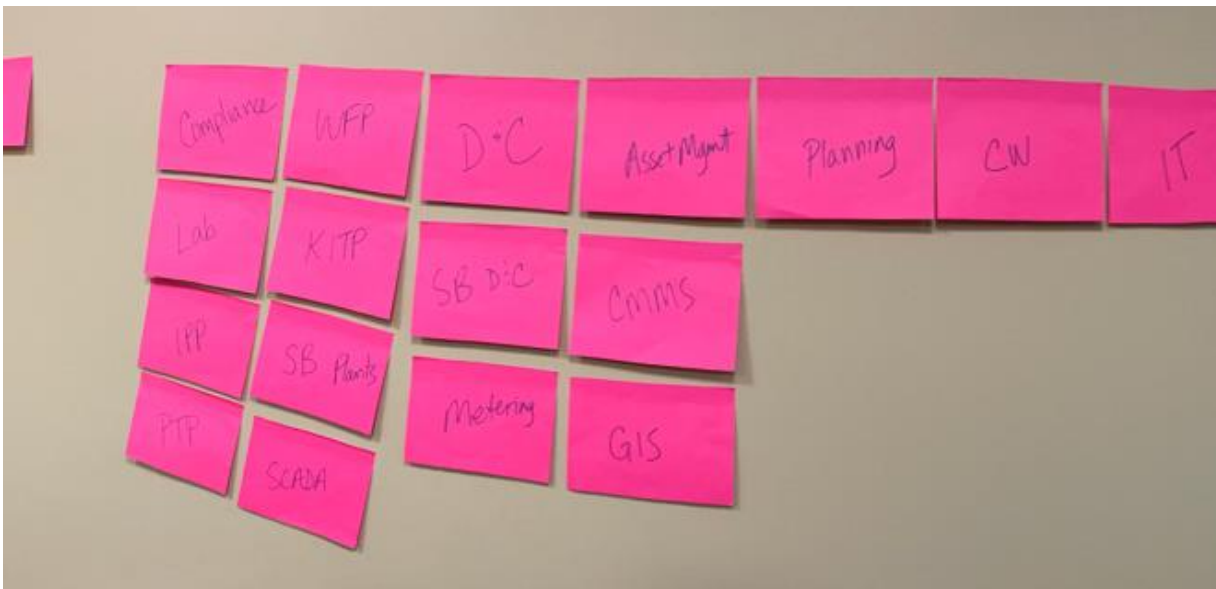
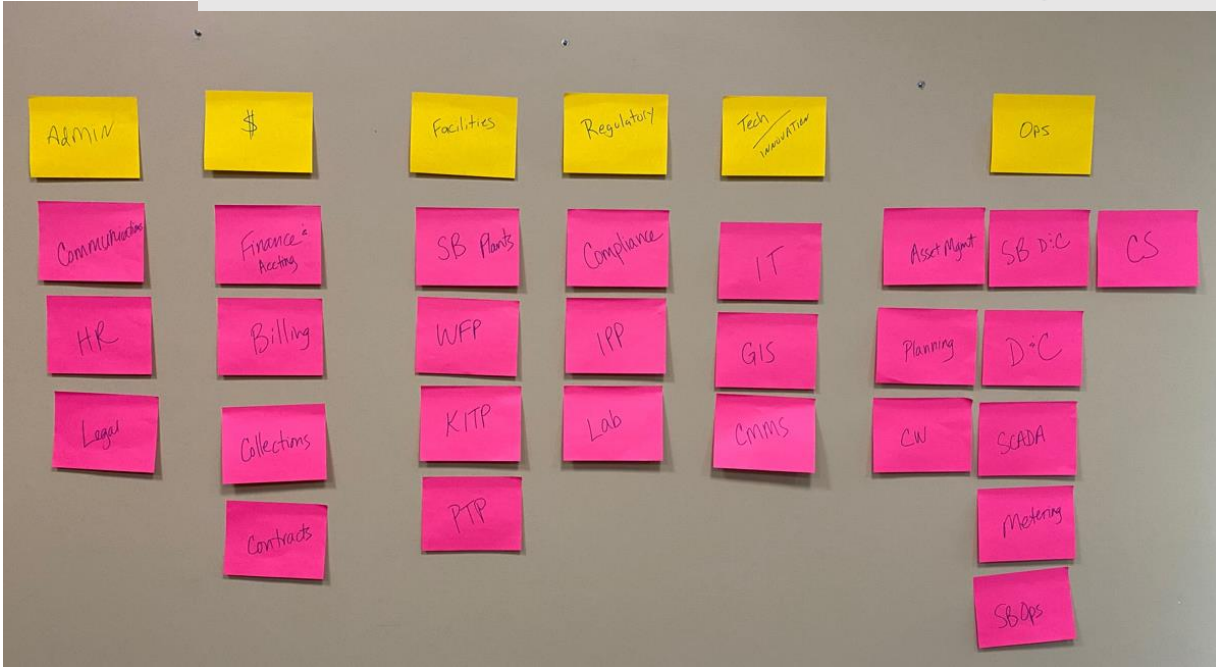
Lehigh County Authority – Organization Structure – FUTURE



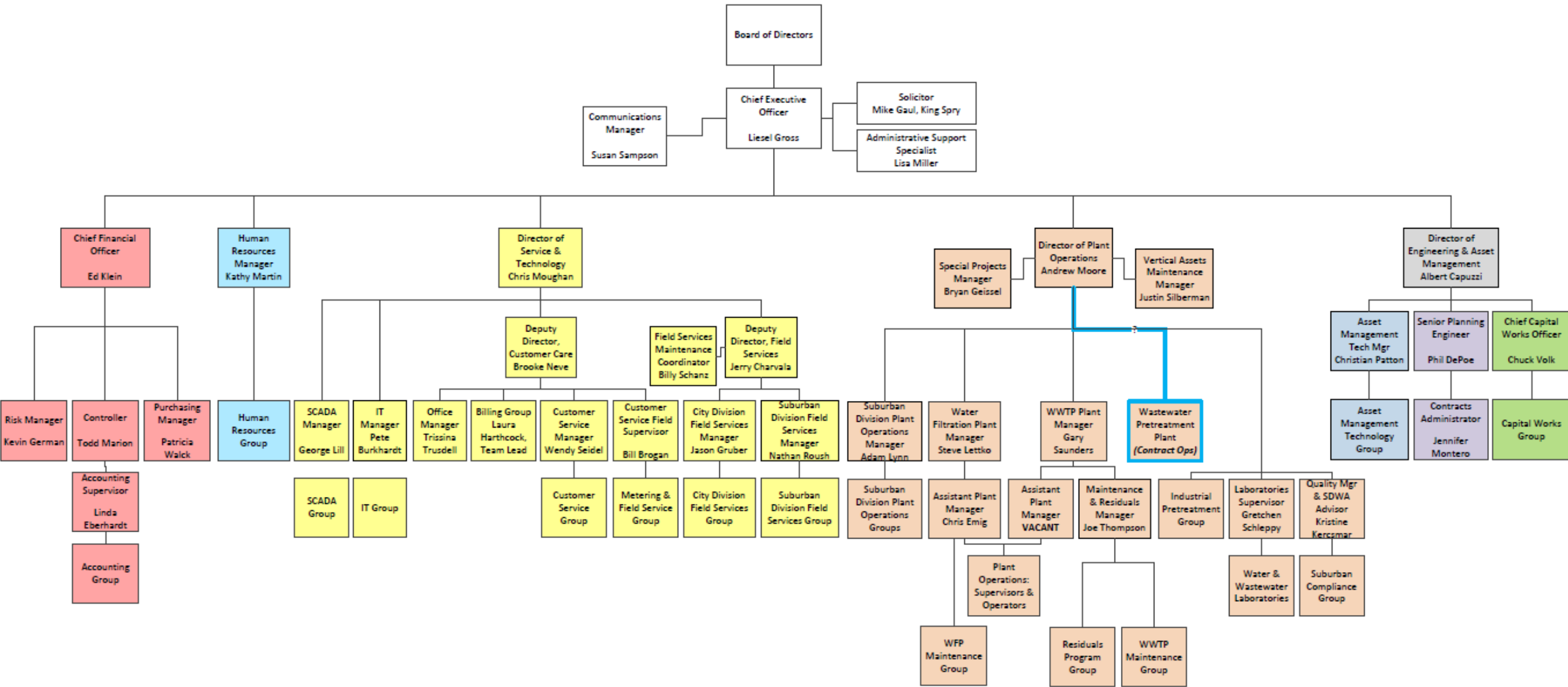
Lehigh County Authority
Draft Organization Chart – July 2021



Asking for input helps!



Lehigh County Authority – Organization Structure – January 2023



Recruiting: No more “help wanted” ads!

Multi-faceted approach needed:

- Traditional job postings on recruiting websites
- Industry association websites
- Your utility’s website
- Social media (LinkedIn, X, Facebook)



Recruiting: No more “help wanted” ads!

[Multi-faceted approach needed:](#)

AND...

- Word of mouth
- Employee referrals
- Job fairs
- Summer help / internships
- Personal outreach
- Cold calling / targeted outreach



Audience Question

Does your utility post the pay range in your job ads? Pros & Cons?

Recruiting: Outsourcing is an Option!

- Meet with hiring manager to understand needs
- Write job ads
- Help with compensation analysis for new positions
- Develop & implement advertising plan
- Monitor success of different ads, job titles, trends
- Targeted cold-calling
- Track applicants
- Screening & selection process

LCA's Recruiting Partner



Candidate Selection: Screening Options

- Phone screen (very basic→very detailed)
- Video screen
- Individual interview
- Group interview
- Skill-based test
- Other job-related assessments
- Reference check
- Drug screen, background check, physical, credit check



Audience Question

How long does it take to hire someone at your utility (from job ad to first day)?

Average Length of the Interview Process in the US

Industry	Number of Days
Government	53.8
Aerospace & Defense	32.6
Energy & Utilities	28.8
Internet & Tech	24.4
Consulting	24.4
Civil Engineering	23.6
IT Staffing	22.2
Transportation & Logistics	19.3
Construction	19.3
Consumer Services	13.5
Automotive	12.7



Keeping good employees is hard!

Most utilities offer:

- Competitive pay & very good benefits
- Strong mission & sense of purpose
- Generally, lots of training opportunities

So why do employees leave?

**“Culture eats strategy
for breakfast.”**

Peter Drucker

Agree or disagree?

What is employee engagement?



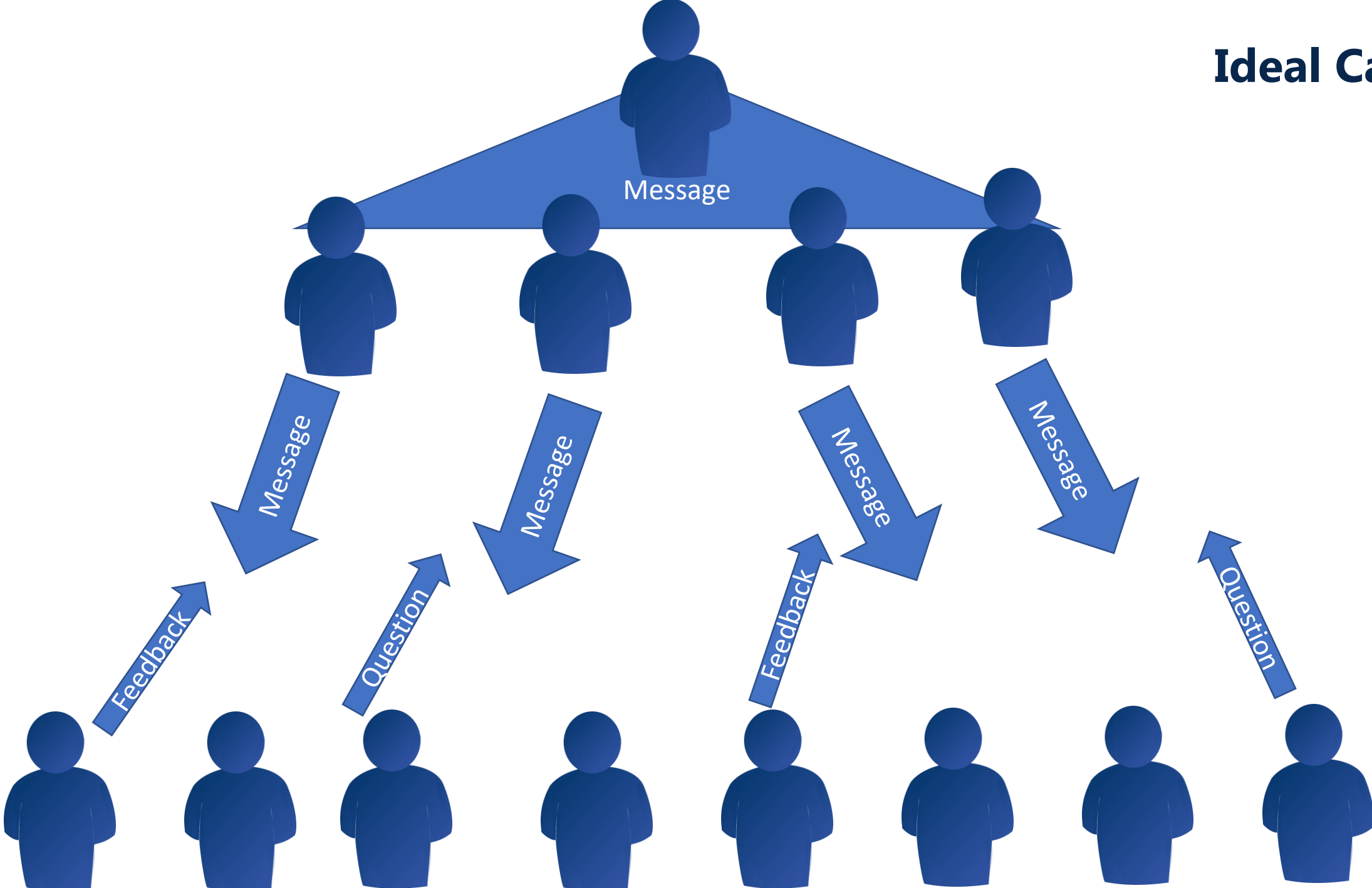
Managers make a huge difference!

“Every conversation a manager has with an employee affects their engagement -- and engaged employees perform better, which differentiates you from your competitors.”

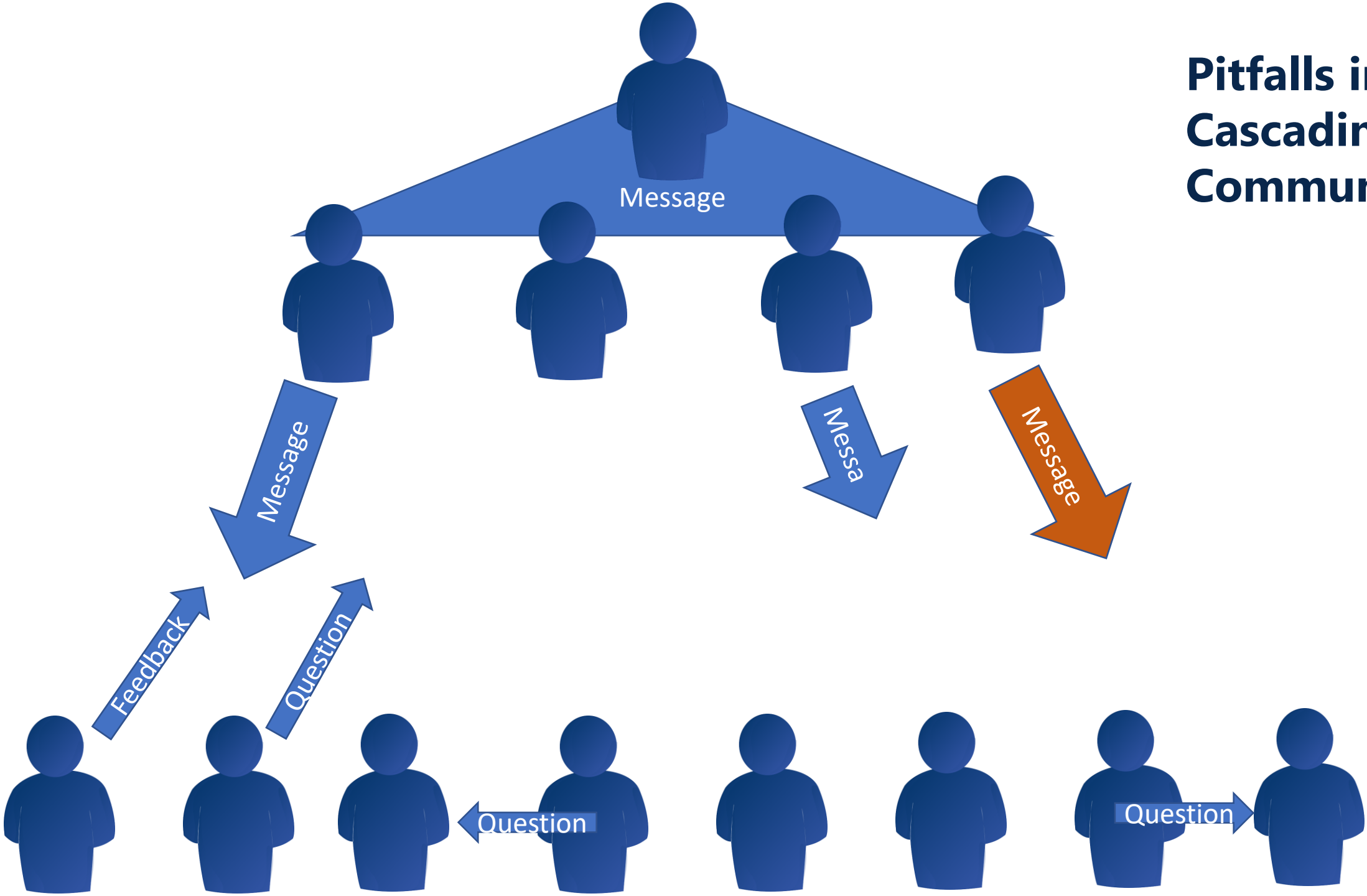


Cascading Communication

Ideal Cascade



Pitfalls in Cascading Communication



How to Measure Employee Engagement With the Q¹²®

There are 12 needs that managers can meet to improve your employees' productivity. This approach to engagement is simple, and it works. These are the 12 employee needs that make up the items on Gallup's engagement survey:

- <https://www.gallup.com/workplace/356045/q12-question-summary.aspx>

Q12 Survey of Employee Engagement

GALLUP®

1. I know what is expected of me at work.
2. I have the materials and equipment I need to do my work right.
3. At work, I have the opportunity to do what I do best every day.
4. In the last seven days, I have received recognition or praise for doing good work.
5. My supervisor, or someone at work, seems to care about me as a person.
6. There is someone at work who encourages my development.
7. At work, my opinions seem to count.
8. The mission or purpose of my organization makes me feel my job is important.
9. My co-workers are committed to doing quality work.
10. I have a best friend at work.
11. In the last six months, someone at work has talked to me about my progress.
12. This last year, I have had opportunities at work to learn and grow.

Q01. I know what is expected of me at work.



What the Numbers Say

“Globally, one in two employees strongly agree that they know what is expected of them at work. By increasing that ratio to eight in 10, organizations could realize a 22% reduction in turnover, a 29% reduction in safety incidents and a 10% increase in productivity.”

Why It's Important

“In many cases, employees are held accountable for work that doesn't match their job description, which can confuse and frustrate them as they try to do their job and make decisions every day.”

What the Best Managers Do

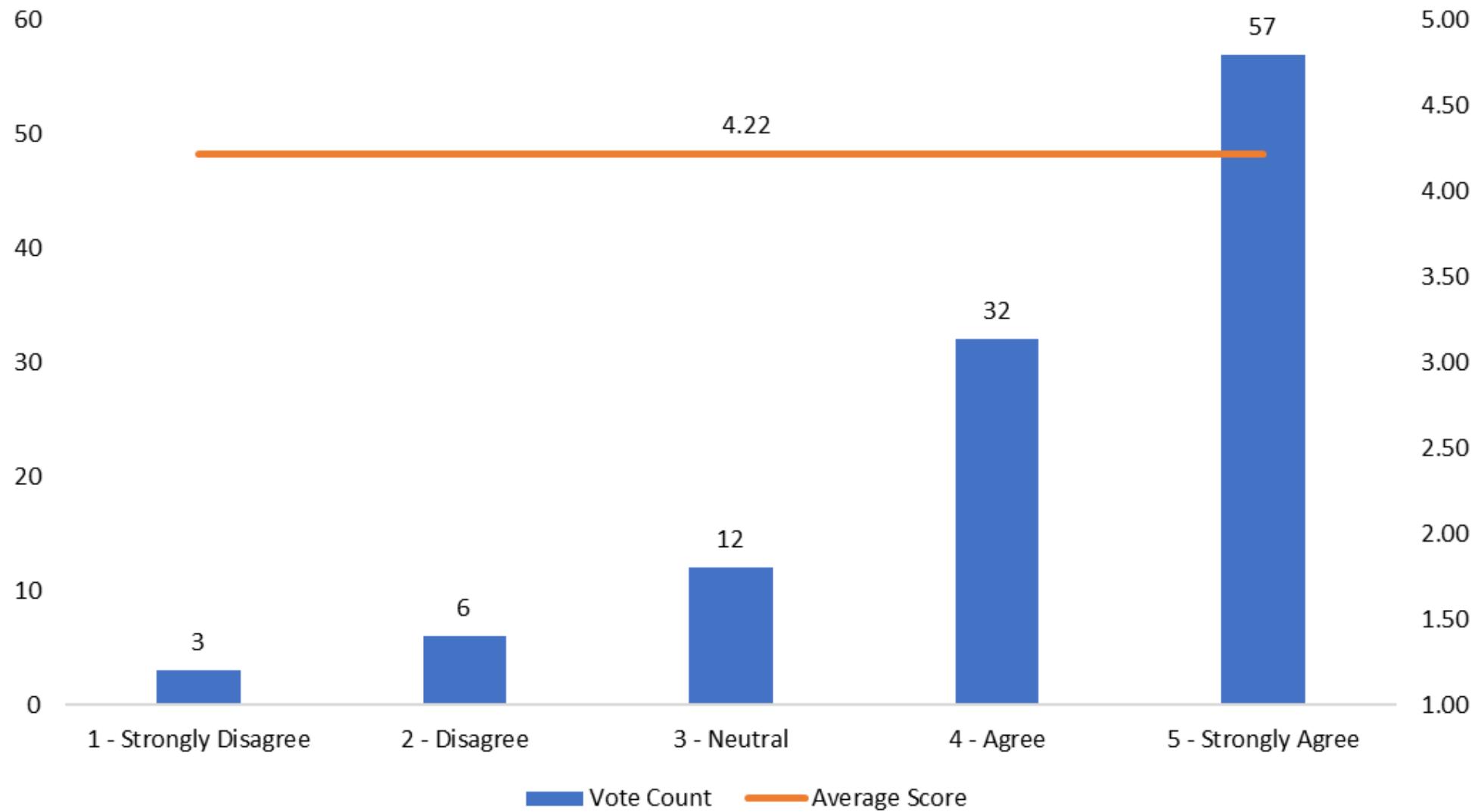
“... helping employees understand what their manager and organization expect from them requires much more than just telling them what to do.”



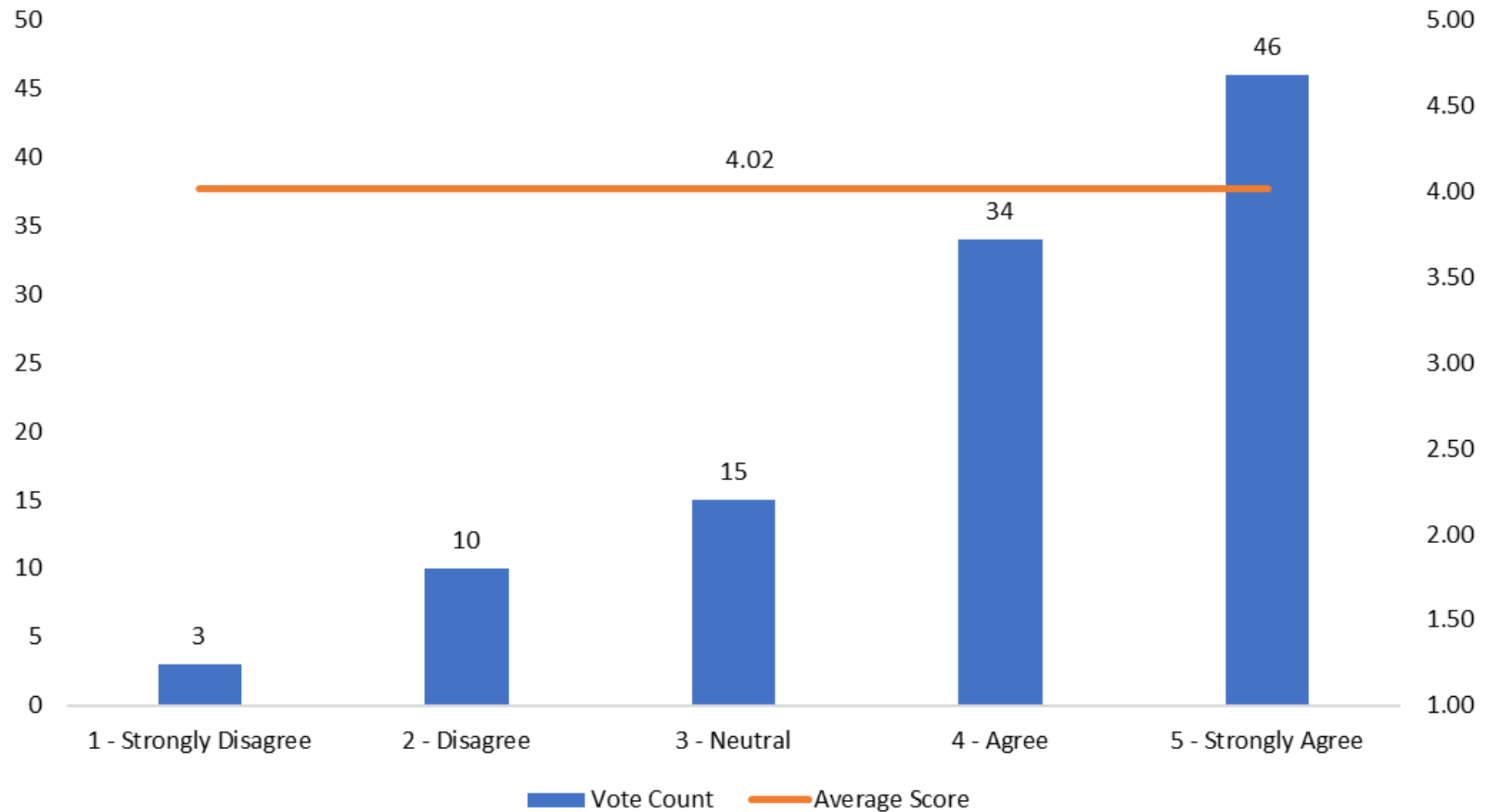
LCA Employee Feedback

Employee Meetings: June 2023

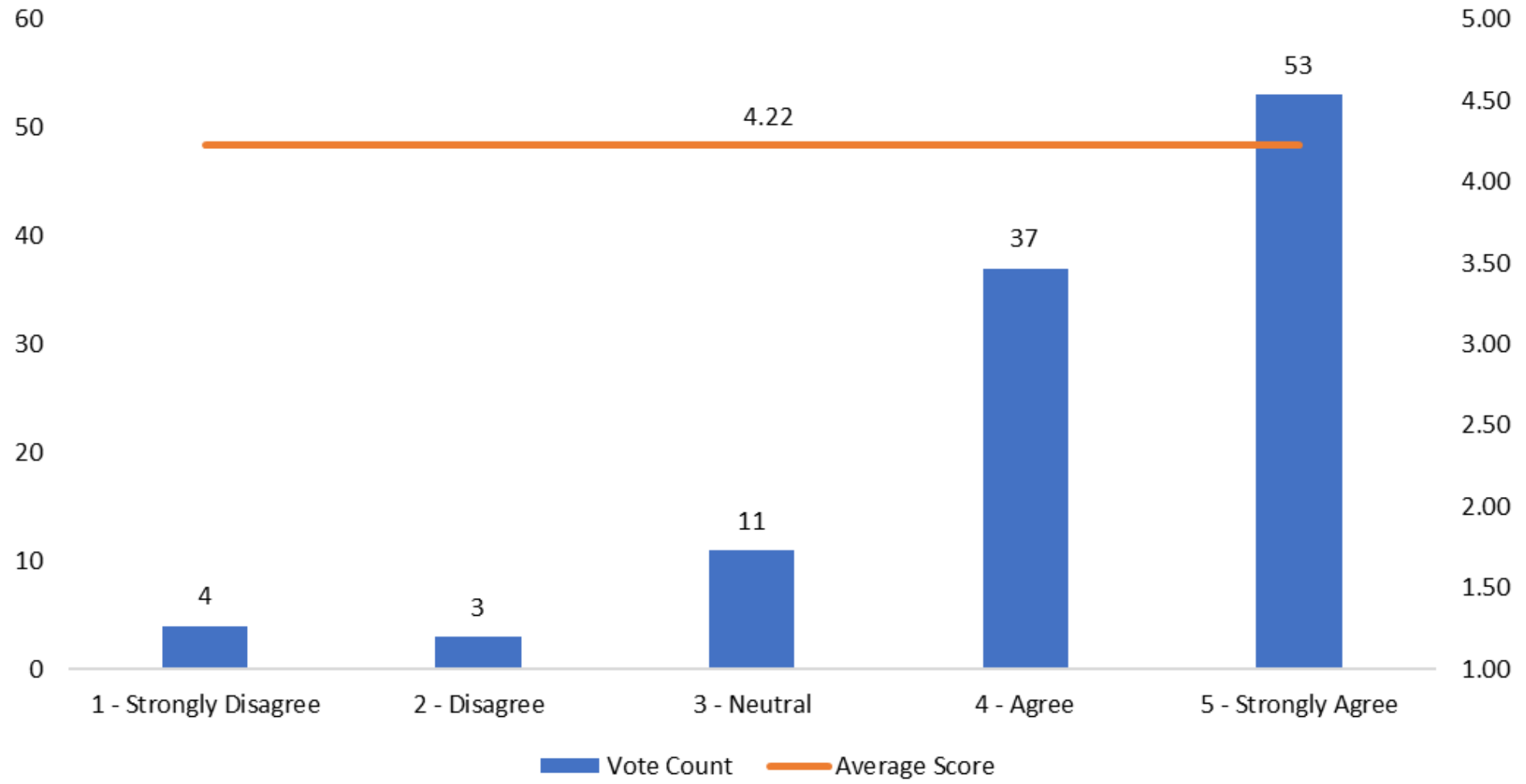
Q1: I know what is expected of me at work.



Q2: I have the materials & equipment I need to work safely every day.



Q8: The mission or purpose of my company makes me feel my job is important.



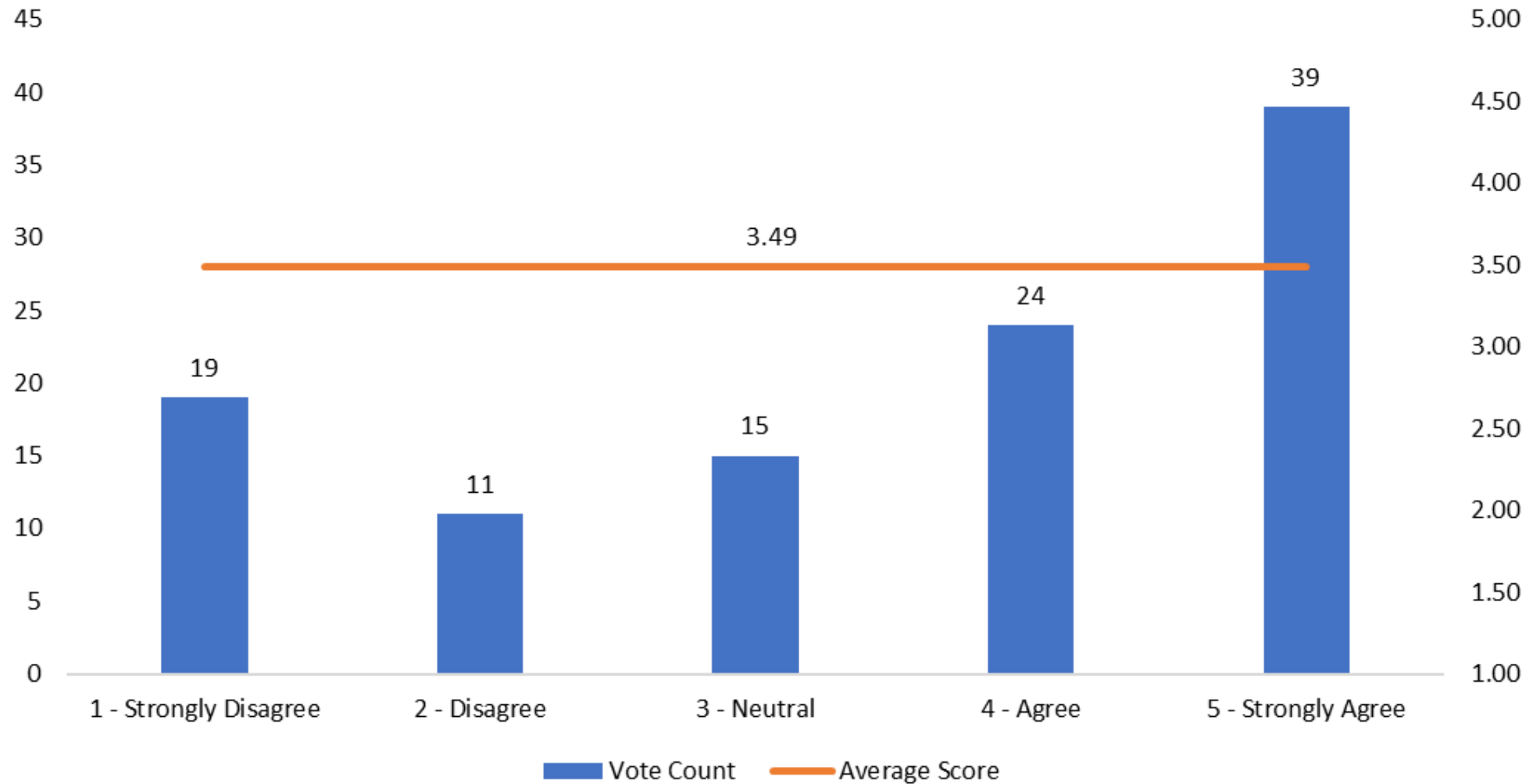
Observation on LCA Mission

- Employees seem to be conceptually motivated by LCA's mission and purpose
- However, very few employees (including managers!) remember the words/phrases we use in our mission statement!

“protect public health & the environment”

“high-quality, safe, and reliable...”

Q11: In the last six months, someone at work has talked to me about my progress.



LCA Employee Engagement Survey Results

- Strong scores on baseline questions (Q1 and Q2)
- Some opportunity to ask what tools/equipment needed to address safety needs?
- Strong score on LCA's mission (Q8), despite lack of awareness of LCA's mission statement language
- Lower scoring on higher-level question (Q11) suggests more work needed to provide feedback to employees on their performance and progress

Does employee engagement really work?

Employee-driven design
of customer payment
plan program



Does employee engagement really work?

Employees embrace
equipment sharing
program to reduce
capital costs



Does employee engagement really work?

Employees rally around major strategic initiatives that will promote data-driven decision making on system investments



Process Improvement

Does employee engagement really work?

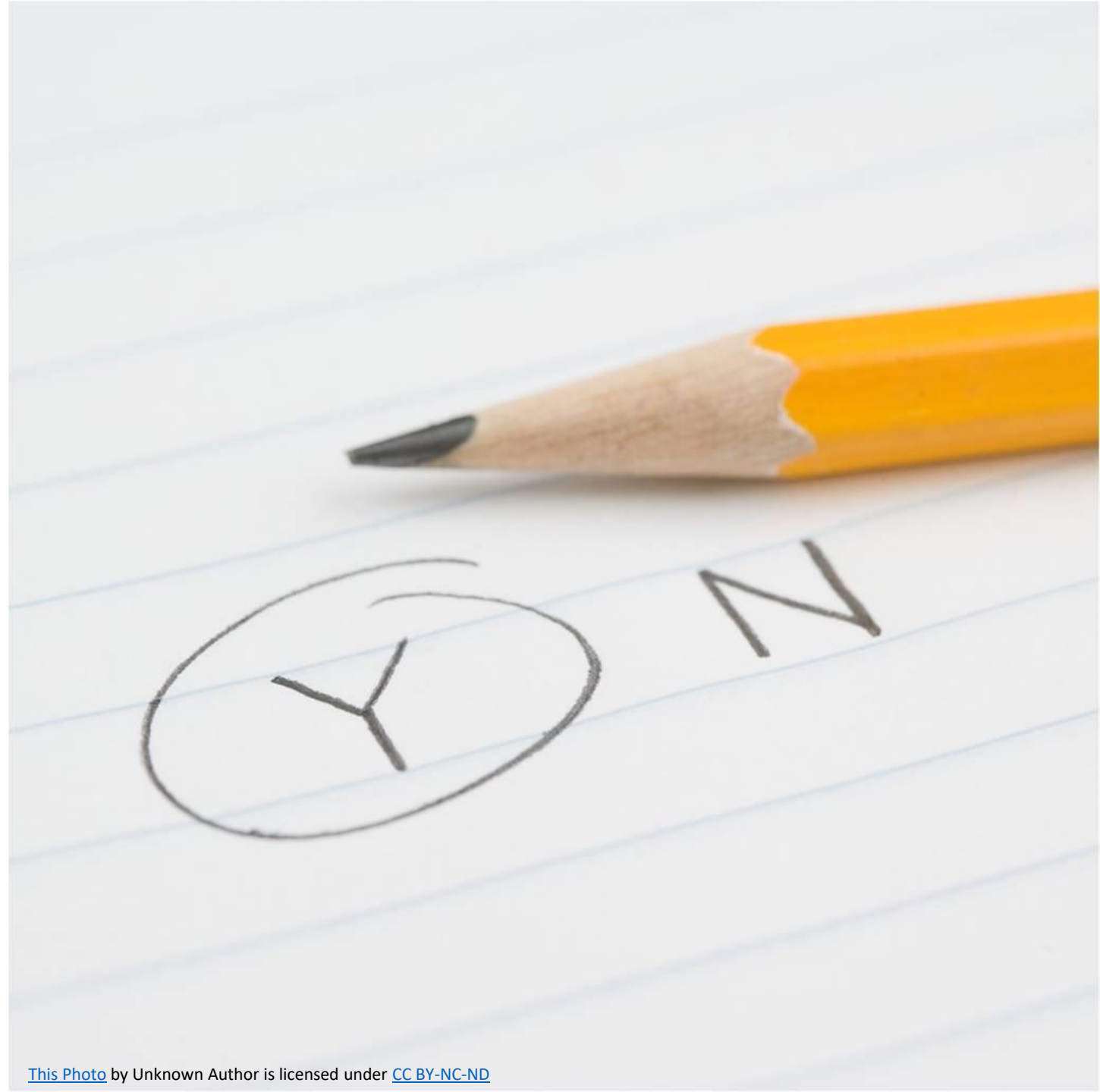
Two unions work toward improved process for after-hours emergency response



Does employee engagement really work?

Yes, engagement can be a major driver for change, efficiency, and cost savings!

But ...



LCA's lessons learned

- Employee engagement is not a “project”
- Leadership alignment is critical
- Cascading communication is hard to achieve
- Be prepared to repeat yourself (Be prepared to repeat yourself)
- Having a clear mission and vision is everything


Mission

Who is Lehigh County Authority? Why do we exist?

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

Vision

What does LCA aspire to become in the future?



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

Discussion / Questions?

Thank you!



Lehigh County Authority

Liesel Gross, CEO

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