

Lehigh County Authority:  
2021-2025  
Allentown Capital Plan

*Preliminary Plan:* Board Presentation – February 10, 2020

# Capital Plan Components

- ADMINISTRATION
  - presented at the January 27 Board Meeting
- SUBURBAN DIVISION WATER AND WASTEWATER
  - presented at the January 27 Board Meeting
- ALLENTOWN DIVISION WATER AND WASTEWATER
  - presented at the February 10 Board Meeting

# 2020- 2024 Capital Plan Timeline

- SD Capital Plan board presentation – 1/20/20
- AD Capital Plan board presentation – 2/10/20
- AD and SD Capital Plan public comment posting – 2/10/20
- End of preliminary plan public comment period – 3/11/20
- Final Plan (AD & SD) Approval and Distribution – 3/23/20

# Allentown Division Water – 2020 and 5-Year Projects

<b>CP#</b>	<b>Project</b>	<b>2020 \$</b>	<b>2021-2025 \$</b>
AD-W-A	ANNUAL PROJECTS <i>(breakdown of projects on following slide)</i>	\$972,500	\$9,850,000
AD-W-9	VARIOUS WATER SYSTEM RELATED STUDIES	0	150,000
AD-W-15	ITRON/AMR METER PROJECT (City funded)	85,000	0
<b>TOTAL</b>		<b>1,057,500</b>	<b>10,000,000</b>

# Allentown Division Annual Water Projects

- Distribution Mains – Development & Upsizing
- WFP General Improvements (raw water pump area painting, arc flash study, filter study in 2020)
- General Water System Improvements (D&C, highest cost component)
- Mobile Equipment
- New & Replacement Meter Installation
- Other Equipment
- Reservoir Rehabilitation & Maintenance
- Capital Management
- Capital Works Miscellaneous

# Allentown Division Wastewater – 2020 and 5-Year Projects

<b>CP#</b>	<b>Project</b>	<b>2020 \$</b>	<b>2021-2025 \$</b>
AD-S-A	ANNUAL PROJECTS <i>(breakdown of project on following slide)</i>	\$1,210,000	\$8,250,000
AD-S-9	VARIOUS WASTEWATER SYSTEM RELATED STUDIES	0	150,000
AD-S-11	REGIONAL FLOW MANAGEMENT STRATEGY	730,000	2,415,000
AD-S-16	WWTP INTERIM BLENDING PUMPING SYSTEM	1,500,000	0
<b>TOTAL</b>		<b>3,440,000</b>	<b>10,815,000</b>

# Allentown Division Annual Wastewater Projects

- Mobile Equipment
- Other Equipment
- Collection System - Development
- Capital Management
- Sanitary Sewer Main Replacements & Rehab
- WWTP General Improvements (hypo conversion project 2020)
- Capital Works Miscellaneous

# City Division – Financial Analysis

SOURCES	
Cash from operations and reserves	\$20,815,000
New Borrowing	\$ <u>0</u>
Total Sources	<u>\$20,815,000</u>
USES	
Capital project spending	<u>\$20,815,000</u>

- Cash from operations includes \$2,724,000 of non-operating revenues
- Project reimbursement from COA amounts to \$2,500,000 for the Regional Flow Management Strategy and the AMR Project
- No borrowing for this plan



# City Division– Financial Analysis

Dollars	2021	2022	2023	2024	2025
User Charges	39,206,889	40,231,087	41,286,011	42,372,583	43,491,752
Other Operating Revenues	499,966	499,966	499,966	499,966	499,966
Non-Operating Revenues	1,230,544	844,066	702,094	1,119,613	326,607
Operating expenses	(19,872,804)	(20,568,351)	(21,288,244)	(21,288,244)	(21,501,126)
Debt Service - Current Debt	(15,901,170)	(16,401,170)	(16,916,171)	(17,451,170)	(18,001,170)
Debt Service - NEW Debt	-	-	-	-	-
Investments Converting to Cash	-	-	-	-	-
Proceeds From NEW Debt	-	-	-	-	-
Capex - Admin Paygo	(250,000)	(225,000)	(212,500)	(187,500)	(137,500)
Capex - Paygo	(3,335,000)	(3,115,000)	(3,990,000)	(5,575,000)	(4,800,000)
Capex - NEW Borrowing	-	-	-	-	-
<b>NET FUND FLOWS</b>	<b>1,578,425</b>	<b>1,265,598</b>	<b>81,156</b>	<b>(509,752)</b>	<b>(121,471)</b>
User Charge Revenue Increase %	3.0%	3.0%	3.0%	3.0%	3.0%
Operating Cash Balance	9,800,287	10,143,297	10,498,312	10,498,312	10,603,295
Days on Hand	180	180	180	180	180
Project Reserve Balance	1,089,851	1,664,665	1,030,859	521,107	188,212
DEBT SERVICE COVERAGE RATIO	1.27	1.25	1.23	1.26	1.27

# Summary

- 2020 Capital Budget
- Total 5-Year Capital Budget 2021-2025

	<u>2020</u>		<u>2021-2025</u>
Allentown Water	\$1,057,500		\$10,000,000
Allentown Wastewater	3,440,000		10,815,000
TOTAL	4,497,500		20,815,000

# Allentown Division Water – UNFUNDED Projects

CP#	Project	LCA Priority Ranking *	Budget Approved 2020 \$	2021-2025 \$
AD-W-24	HIGH LIFT VFD/PUMP REPLACEMENTS	1	0	1,900,000
AD-W-23	INTAKE UPGRADES	2	0	2,000,000
AD-W-22	FILTER UPGRADES	3	0	6,000,000
AD-W-7	WATER MAIN REPLACEMENTS	4	0	19,000,000
AD-W-25	TANK AND RESERVOIR REHABILITATION	5	0	1,500,000
AD-W-G	GENERAL IMPROVEMENTS	6	0	\$1,250,000
AD-W-I	INDENTURE REPORT IMPROVEMENTS	7	0	2,500,000
AD-W-21	FIXED-BASE METER READING SYSTEM	8	0	1,700,000
<b>TOTAL</b>			<b>0</b>	<b>35,850,000</b>

\* Ranking taken from LCA-City collaborative prioritization process conducted in 2019; 1 is highest priority

# Allentown Division Wastewater – UNFUNDED Projects

CP#	Project	LCA Priority Ranking *	Budget Approved 2020 \$	2021-2025 \$
AD-S-5A	WWTP ELECTRICAL SUBSTATION REPLACEMENTS PHASE 2	1	0	3,250,000
AD-S-G	GENERAL IMPROVEMENTS	2	0	\$3,125,000
AD-S-19	WWTP MAIN PUMP STATION IMPROVEMENTS	3	0	2,600,000
AD-S-21	WWTP 480V MCC REPLACEMENT	4	0	3,250,000
AD-S-20	WWTP SLUDGE THICKENING/DIGESTION IMPROVEMENTS	5	0	1,500,000
AD-S-22	WWTP FINAL CLARIFIER 1-4 REHABILITATION	6	0	1,800,000
AD-S-I	INDENTURE REPORT IMPROVEMENTS	7	0	3,500,000
<b>TOTAL</b>			<b>0</b>	<b>19,025,000</b>

\* Ranking taken from LCA-City collaborative prioritization process conducted in 2019; 1 is highest priority

# Discussion

Questions?