



LEHIGH COUNTY AUTHORITY

LCA Main Office:
1053 Spruce Road
Wescosville, PA 18106
610-398-2503

Agendas & Minutes Posted:
www.lehighcountyauthority.org

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BOARD MEETING AGENDA – May 24, 2021 – 12:00 p.m.

Notice of COVID-19 Pandemic Meeting Format: Effective March 23, 2020 and until further notice, meetings of the LCA Board of Directors will be held virtually using the Zoom Meetings application, to avoid risk of infection during the national COVID-19 pandemic emergency. Public participation is welcomed via Zoom, and instructions for joining the meeting online or by phone are posted on the LCA website in the morning on the day of the meeting, prior to the start of each meeting. You may also issue comment to LCA via email to LCABoard@lehighcountyauthority.org in advance of any meeting or view the meeting at a later time by visiting the LCA website. Please visit <https://www.lehighcountyauthority.org/about/lca-board-meeting-videos/> for specific instructions to join the meeting.

1. Call to Order

• NOTICE OF MEETING RECORDINGS

Meetings of Lehigh County Authority's Board of Directors that are held at LCA's Main Office at 1053 Spruce Road, Wescosville, PA, may be recorded for viewing online at lehighcountauthority.org. Recordings of LCA meetings are for public convenience and internal use only and are not considered as minutes for the meeting being recorded, nor are they part of public record. Recordings may be retained or destroyed at LCA's discretion.

• *Public Participation Sign-In Request*

2. Review of Agenda / Executive Sessions

3. Approval of Minutes

• *May 10, 2021 Board meeting minutes*

4. Public Comments

5. Action / Discussion Items:

FINANCE AND ADMINISTRATION

WATER

WASTEWATER

- *Allentown Division – Kline's Island WWTP: Solids Process Boiler and HVAC System Upgrade Project – Design Phase Authorization (Approval) (**purple**) (digital Board packet, page 9-13)*

6. Monthly Project Updates / Information Items (1st Board meeting per month)

7. Monthly Financial Review (2nd Board meeting per month) – **April report attached**

8. Monthly System Operations Overview (2nd Board meeting per month) – **April report attached**

9. Staff Comments

10. Solicitor's Comments

11. Public Comments / Other Comments

12. Executive Sessions

13. Adjournment

UPCOMING BOARD MEETINGS

June 14, 2021

June 28, 2021

July 12, 2021

PUBLIC PARTICIPATION POLICY

In accordance with Authority policy, members of the public shall record their name, address, and discussion item on the sign-in sheet at the start of each meeting; this information shall also be stated when addressing the meeting. During the Public Comment portions of the meeting, members of the public will be allowed 5 minutes to make comments/ask questions regarding non-agenda items, but time may be extended at the discretion of the Chair; comments/questions regarding agenda items may be addressed after the presentation of the agenda item. Members of the public may not request that specific items or language be included in the meeting minutes.

REGULAR MEETING MINUTES

May 10, 2021

The Regular Meeting of the Lehigh County Authority Board of Directors was called to order at 12:03 p.m. on Monday, May 10, 2021, Chairman Brian Nagle presiding. The meeting was held via video and audio advanced communication technology ("ACT"), using the Zoom internet application, including telephone option, due to the COVID-19 pandemic emergency. Each Board member and other attendees of the meeting were able to hear each other attendee and be heard by each other attendee. The public could also participate in the meeting via ACT, using the Zoom internet application, including telephone option. A Roll Call of Board members present was taken. Chairman Brian Nagle, Richard Bohner, Norma Cusick, Ted Lyons, Linda Rosenfeld, Jeff Morgan, and Amir Famili were present for the duration of the meeting.

Solicitor Michael Gaul of KingSpry was present along with Authority Staff, Liesel Gross, Ed Klein, John Parsons, Chris Moughan, Chuck Volk, Andrew Moore, Phil DePoe, Lisa Miller and Todd Marion.

Kevin Reid and Kent Herman from KingSpry were present along with Chris Gibbons from Concord Public Financial Advisors, Inc.

Chairman Nagle stated that the Board received their electronic copy of the Board packet in advance and asked if anyone did not receive their hard copy of the packet. No Board members indicated they had not received their packet by mail.

REVIEW OF AGENDA

Liesel Gross stated there are no changes to the agenda and there is one brief item for Staff Comments. There are no items for Executive Session.

APPROVAL OF MINUTES

April 26, 2021 Meeting Minutes

Richard Bohner noted some grammatical errors. On a motion by Richard Bohner, seconded by Linda Rosenfeld, the Board approved the minutes of the April 26, 2021 Board meeting as corrected (6-0). Norma Cusick abstained.

PUBLIC COMMENTS

None.

ACTION AND DISCUSSION ITEMS

Suburban Water Bond Financing – Resolution No. 05-2021-1

Ed Klein explained that the Authority is seeking approval of the Resolution for the purpose of interest rate savings by refinancing the Water Revenue bonds Series A of 2010, Series A of 2015 and the Pennworks Loan Series of 2007. The refinancing will generate a net present value savings and will relieve some of the Suburban Division rate pressure by lowering the annual debt service. Chris Gibbons from Concord Public Financial Advisors, Inc. noted that the proposed refinancing will not extend the maturity of the outstanding debt. Both a bank loan and a bond financing were researched and analyzed. A request for bids was issued for bank financings, with five bids received. Mr.

Gibbons explained the best bank bid received offered approximately \$250,000 less savings than the current bond market would provide. Therefore, a bond issue is the better financial alternative. The Authority is scheduled to conduct an internet bond sale on June 2nd, with expected settlement on June 30th. Kevin Reid commented that the required savings amount is net cost of issuance, which is true savings realized by the Authority, and can be utilized to ease rate pressure. Also, if the Resolution is approved, it will direct the stated officials of the Authority to take certain steps to complete the financing.

Ted Lyons asked for a description of the process of the internet sale of bonds. Chris Gibbons stated that the internet auction is set up to maximize the number of underwriters bidding on the bonds. A request for proposals is sent out to more than 100 underwriters across the country. The lowest bid on the interest rate secures the bond issue. The whole process takes approximately 15 to 20 minutes.

Amir Famili asked how confident Mr. Gibbons is on the savings that will be achieved. Mr. Gibbons said he is very confident, and the opportunity for savings is currently higher than what is listed in the Resolution.

On a motion by Linda Rosenfeld, seconded by Richard Bohner, the Board approved Resolution No. 05-2021-1 (7-0).

A roll call vote was taken with the following votes cast:

Brian Nagle – yes
Richard Bohner – yes
Norma Cusick – yes
Ted Lyons – yes
Linda Rosenfeld – yes
Jeff Morgan – yes
Amir Famili – yes

Real Estate Transaction: Reservoir 1/Lehigh Hills – Resolution No. 5-2021-2

Chuck Volk explained the proposed real estate land swap by Jaindl Land Company and the Authority in the area of the Authority's Reservoir 1 and the Lehigh Hills development. The land swap will allow for the Authority to potentially add a second reservoir on the site in the future if the need arises. Jaindl Land Company has agreed to provide landscape screening at the site of the second reservoir. A letter was received from Upper Macungie Township stating that the Authority's proposed second reservoir would be approved and meets the setback requirements. Kent Herman commented that the agreement and deeds were prepared by his office, noting that there are no out-of-pocket costs to the Authority, as Jaindl Land Company will bear any costs.

Amir Famili asked what the square footage of the land exchange will be and if an appraisal was done. Mr. Herman commented the Authority will receive 19,401 square feet and Jaindl Land Company will receive 15,755 square feet. No appraisal was done.

Jeff Morgan asked how many additional customers the Authority will gain. Liesel Gross stated that the Authority will gain approximately 200 additional customers due to the Lehigh Hills development.

Chairman Nagle asked what will prompt the Authority to install a second reservoir. Mr. Volk explained that if the Authority needs additional fire flow storage to serve the current or future customers in the area, a second tank would be necessary. The existing tank is currently adequate.

On a motion by Linda Rosenfeld, seconded by Richard Bohner, the Board approved Resolution No. 05-2021-2 (7-0).

A roll call vote was taken with the following votes cast:

Brian Nagle – yes
Richard Bohner – yes
Norma Cusick – yes
Ted Lyons – yes
Linda Rosenfeld – yes
Jeff Morgan – yes
Amir Famili – yes

Allentown Division – Water Filtration Plant: 2021 Indenture Upgrades – Construction Phase Authorization

Chuck Volk explained that a report is prepared annually by Arcadis regarding the condition of the water and wastewater facilities in the Allentown Division as a condition of the Bond Indenture for the Lease Bonds. The report outlines the Authority's performance on the requirements of the Lease Agreement with Allentown, along with any maintenance requirements observed at the facilities. This particular project consists of addressing structural deficiencies at the Water Filtration Plant with work located at the intake structure, filter tanks, administration building, railing mounts, miscellaneous concrete walls and walkways around the facility. The work includes repairs to concrete cracks, spalling, crazing, delamination, and general deterioration.

Mr. Volk noted that the project bids came in over budget. However, the bid form is structured according to unit costs for various types of concrete repair work to be performed as directed. As a result, the Authority is not committed to spending the total base bid amount. The installed quantities will be tracked to stay within budget.

Amir Famili asked if the Quinn Construction will add a polymeric additive to prevent cracking and shrinking in the future. Mr. Volk said he is unsure of the specific additives to be used, but noted that the contractor is required to provide shop drawings which will include a listing of concrete additives prior to construction.

Chairman Nagle commented that the upgrades have been noted in the Arcadis report for several years, and there are other critical system projects that address actual water treatment processes that are a high priority to complete. He asked if this project is prioritized properly and whether the work addresses safety, aesthetic or structural issues versus critical treatment processes. Mr. Volk stated the project is to address structural issues that are part of the Authority's asset management plan and are necessary repairs to avoid further degradation of the various concrete structures. Mr. Nagle asked if there are other improvements to treatment processes that will be necessary when this project is complete. Mr. Volk stated there are numerous needs related to treatment processes already included in the capital plan. Jeff Morgan added that the scope of work may seem minor when compared to treatment process improvements, but it will be much more cost effective to make these repairs now instead of in the future, after further degradation has taken place.

On a motion by Jeff Morgan, seconded by Norma Cusick, the Board approved the Capital Project Authorization for the Construction Phase in the amount of \$398,075.00 which includes the Professional Services Authorization to D'Huy Engineering, Inc. in the amount of \$11,000.00 and the General Construction Contract award to Quinn Construction in the amount of \$372,575.00 (7-0).

Suburban Division – Arcadia West Water Storage Tank Replacement – Construction Phase Authorization

Chuck Volk described the project, which is located in Weisenberg Township, and serves 24 commercial/industrial customers and the Weisenberg Elementary School. The tank is a 280,300-gallon bolted steel tank that was built in 1999. An evaluation of the tank was performed by Suez in 2018 which noted corrosion of the tank on both the interior and exterior surfaces and provided recommendations for improvements necessary for regulatory compliance and also recommended a new coating system. The inspection also noted two leaks under the tank floor. In 2019, the Authority contracted with Entech Engineering to perform a condition assessment and feasibility study to evaluate options for the repair or replacement of the tank, while maintaining service and fire protection to customers.

Mr. Volk introduced the Authority's project engineer, Amy Kunkel, who explained that Entech designed the concrete tank which will be installed adjacent to the existing tank, so that customers can remain in service during the construction of the new tank. The existing tank will be dismantled and removed. The reason for only two bids is because the tank manufacturers opted to bid directly as the general contractor. The tank construction is the largest portion of the overall project. Ms. Kunkel is recommending awarding the bid to DN Tanks, LLC and Entech for the construction engineering and part-time inspection services.

Amir Famili asked how many steel tanks the Authority has that are over 20 years old. John Parsons stated that the Authority has approximately six steel tanks more than 20 years old, but they are all welded steel tanks, not bolted. Chuck Volk added that the welded steel tanks last longer than the bolted steel tanks, which are susceptible to damage due to the overtightening of the bolts. All of the Authority's other tanks are under a maintenance contract with Suez, but because the Arcadia West tank is a bolted steel tank it was not included in the maintenance contract.

Jeff Morgan stated that he will abstain from the vote on the project because his wife works for Entech, although she is not working on this project. Liesel Gross added that Mr. Morgan has provided documentation on this potential conflict of interest previously.

On a motion by Ted Lyons, seconded by Linda Rosenfeld, the Board approved the Capital Project Authorization for the Construction Phase in the amount of \$1,176,670.00 that includes the General Construction Contract to DN Tanks in the amount of \$1,027,670.00 and the Professional Services Authorization for Construction Phase Engineering and Inspection to Entech Engineering in the amount of \$69,000.00 (6-0). Jeff Morgan abstained due to potential conflict of interest.

Suburban Water Division Emergency Declaration – Water Main Relocation

John Parsons described the water main break that occurred at Meadowyck Townhouse development in the Central Lehigh Division. Due to the significant depth of the water main and close proximity to building structures, the water main needed to be relocated to a more suitable location. This work needed to be completed quickly to avoid any additional property damage. The water main relocation was complicated by the discovery of unmarked stormwater and electrical lines that needed to be worked around. The total cost for the emergency declaration is \$100,192.33.

Chairman Nagle stated his concern regarding the location and depth of the original water line and improper backfill material used and inquired about the original inspection of the installation. Liesel Gross said that installation records were not reviewed, although the Authority most likely acquired this system from the developer, as is the case with most of the systems in the Central Lehigh Division.

On a motion by Jeff Morgan, seconded by Amir Famili, the Board approved the Emergency Declaration for Meadowyck Townhouse development - Central Division in the amount of \$100,192.33 (7-0).

Allentown Division – Kline’s Island WWTP: 2021 Indenture Upgrades – Construction Phase Authorization

Chuck Volk described the background of the project, stating that this project is also a result of the annual Arcadis report conducted as a condition of the Bond Indenture related to the Lease Bonds. This project will address those structural deficiencies at the Kline’s Island Wastewater Treatment Plant including roof coping and flashing repairs, masonry repointing and injection grouting, door and window lintel replacement, concrete crack repair and resurfacing, and primary clarifier effluent pipe painting. Mr. Volk is recommending awarding the bid to Blooming Glen Contractors because of their significant experience in water and wastewater facility construction and previous work done with the Authority. AFN USA Inc. was the only bidder for the painting contract but also has significant experience in water and wastewater facilities and Authority projects.

On a motion by Norma Cusick, seconded by Richard Bohner, the Board approved the Capital Project Authorization for the Construction Phase in the amount of \$538,778.00 which includes the Professional Services Authorization to D’Huy Engineering Inc. in the amount of \$15,000.00, the award of Contract No. 1 for General Construction to Blooming Glen Contractors in the amount of \$386,923.00, and the award of Contract No. 2 for Painting to AFN USA, Inc. in the amount of \$71,855.00 (7-0).

MONTHLY PROJECT UPDATES / INFORMATION ITEMS

Liesel Gross noted that most of the highlighted items on the May report have been covered at today’s meeting. The Solids Process Boiler and HVAC system upgrade project at Kline’s Island Wastewater Treatment Plant is scheduled for review and approval at the May 24th meeting. Also, although not listed, either at the May 24 meeting or sometime in June, Staff will provide an update to the Act 537 plan and the Trexlertown conveyance project.

STAFF COMMENTS

Liesel Gross reported that restrictions related to the COVID-19 pandemic are being lifted throughout Pennsylvania on Memorial Day, except for the wearing of a mask. Authority staff are reviewing what this means for the organization and also how to conduct meetings after the restrictions are lifted. Ted Lyons commented that the Board should discuss how to make a decision about conducting in-person meetings. Ms. Gross noted that the on-line virtual meetings have been going well but there is also a benefit to meeting in-person. Chairman Nagle asked if there have been any changes to the air filtration system in the offices. Ms. Gross stated there has been some changes as to the amount of fresh air that is circulated into the building through the HVAC system, but there has been no ultraviolet system added to the air-handling system. Ted Lyons commented that there is limited information available as to whether ultraviolet systems are effective against the COVID-19 virus.

Linda Rosenfeld asked how many employees have been vaccinated. Ms. Gross replied that the Authority has asked employees to report if they have been vaccinated, but it is not mandatory to be vaccinated or report it. Solicitor Gaul stated that issues regarding employee privacy should not be discussed at a public meeting.

Jeff Morgan asked if Pennsylvania had made permanent changes to the Sunshine Act regarding virtual meetings for municipalities. Solicitor Gaul explained some of the requirements under the Sunshine Act and the Pennsylvania Municipality Authorities Act regarding the rules for virtual meetings. He also noted that while the restrictions may be lifted, Pennsylvania is still operating under a declared emergency, which offers flexibility in how meetings are conducted. Ms. Gross stated that the Authority will continue to monitor and evaluate the situation and will develop recommendations for the Board.

SOLICITOR'S COMMENTS

None.

PUBLIC COMMENTS / OTHER COMMENTS

None.

EXECUTIVE SESSION

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 1:20 p.m.

Richard Bohner
Secretary



Lehigh County Authority

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MEMORANDUM

Date: May 24, 2021

To: Lehigh County Authority Board of Directors
From: Charles Volk, P.E., Chief Capital Works Officer
Subject: Allentown Division – KIWWTP Solids Process Boiler and HVAC System Upgrade Project – Design Phase

MOTIONS /APPROVALS REQUESTED:

No.	Item	Amount
1	<u>Capital Project Authorization – Design Phase:</u>	\$175,159
2 **	<u>Professional Services Authorization:</u> <ul style="list-style-type: none"> • Design Phase Engineering - GHD, Inc. 	\$147,659

*(**) Included in the Capital Project Authorization*

PROJECT OVERVIEW:

The solids process boiler system is over 25 years old and provides critical heat to the anaerobic digesters, which is essential for the anaerobic breakdown and stabilization of sewage sludge, which then enables the dewatering of the sludge. The boilers and associated HVAC equipment also provide heat to the solids dewatering and processing buildings. The majority of the HVAC equipment is located in a corrosive environment, which accelerates the aging of the equipment.

PROJECT OBJECTIVE:

The purpose of this project is to replace the boilers and associated solids processing HVAC equipment, which have reached the end of their service lives. This project was identified in the KIWWTP Master Plan as a 0 – 5 year upgrade prioritization.

The existing digester boilers have been problematic since their installation in 1995 due to improperly selected burners that do not efficiently run on digester gas due to pressure issues. The new boilers will be dual fuel type and will be sized appropriately to be capable of heating two primary digesters, the dewatering building, and the digester control building.

The upgrade work will have a positive impact on operation and maintenance costs, as the new heating system will require minimum maintenance and eliminate system failure related staff time and call-outs. The life expectancy of the new equipment is projected to be minimum 20 years.

PROJECT STATUS:

In summer 2020, LCA authorized GHD to perform preliminary engineering work to develop a conceptual Basis of Design Report (“Report”) for the replacement of the boilers and associated HVAC equipment. GHD was selected based on their prior experience with anaerobic digester rehabilitation projects at KIWWTP, and their knowledge of the solids processing system.

The GHD Report provides an overview of the existing primary digesters, presents solids process sludge characteristics, details existing heating equipment, quantifies biogas production, and identifies the system heating requirements. The engineer and LCA staff investigated various types of boilers with respect to performance requirements at KIWWTP. Based on the engineer’s calculations of heating requirements, the Report recommends a type, size and number of boilers specific to this application and adequate to serve the plant’s needs. The report also recommends associated solids processing HVAC upgrades that complete the basis of design. The Report was submitted to the City Office of Compliance in January 2021, and received conceptual design approval in March 2021.

FUNDING:

As the project has received conceptual design approval from the City, it is considered a Major Capital Improvement (MCI), and therefore costs will be recovered in Capital Cost Recovery Charges (CCRC).

THIS APPROVAL: DESIGN PHASE:

GHD, Inc. submitted a proposal to Capital Works dated April 29, 2021 which outlines design phase services. GHD completed several solids process improvement projects at KIWWTP, most recently the rehabilitation of Primary Digester No. 2. The consultant performed well and has acquired detailed knowledge related to the anaerobic digesters and solids processing systems at the facility. As such, we believe GHD is well qualified for this project and Capital Works recommends approval of GHD’s design phase proposal.

PROFESSIONAL SERVICES:

Design and Bid Phase Services

GHD will provide design and bid phase services for the project. The design work and bid documents will be based on the following components:

- New boiler building addition on west side of No. 3 boiler, to provide a new at-grade boiler room, including slab/foundation, brick façade, insulation, pitched roof, rollup access door, and man-door.
- Extension of sprinkler system into building addition and insure code compliance for fire suppression
- Two new dual fuel boilers appropriately sized, including dual burner controller, chimney breeching and flues, to be installed in the new building addition
- New methane booster pumps and natural gas piping
- New hot water circulation pumps with expansion tank and associated piping
- New hot water air handling units (AHUs) and circulators in digester control building
- New hot water AHUs in existing boiler room

- New rooftop AHU for belt press room
- New water treatment system for boilers
- New unit heaters in belt press room
- New unit heaters in #3 boiler room, thickening odor control unit, polymer room, and dewatering garage; new hot water baseboard heater in dewatering hallway
- New PLC with SCADA integration of boiler controls and entire new heating system
- Demolition and removal of Nos. 1, 2 and 3 boilers and associated mechanical equipment; area restoration

SCHEDULE

Assuming approval of design phase at the May 24, 2021 Board meeting, the Capital Cost Recovery submission will be made to the City in October 2021, with design work completed by the end of 2021. The project is anticipated to be advertised for bid in early 2022.

CAPITAL PROJECT AUTHORIZATION

PROJECT NO.:	AD-S-20	BUDGET FUND:	Allentown Div\WW\Capital
PROJECT TITLE:	Allentown Division – KIWWTP Solids Process Boiler & HVAC System Upgrade Project Design Phase	PROJECT TYPE:	<input type="checkbox"/> Construction <input checked="" type="checkbox"/> Engineering Design <input type="checkbox"/> Equipment Purchase <input type="checkbox"/> Amendment No. 1
THIS AUTHORIZATION:	\$175,159		
TO DATE (W/ ABOVE)	\$215,118		

DESCRIPTION AND BENEFITS:

The purpose of this project is to replace the boilers and associated solids processing HVAC equipment, which have reached the end of their service lives. This project was identified in the KIWWTP Master Plan as a 0 – 5 year upgrade prioritization. GHD will provide design and bid phase services for the project, including DEP Water Quality Management Permit administration. GHD completed several solids process improvement projects at KIWWTP, and has acquired detailed knowledge related to the anaerobic digesters and solids processing systems at the facility. .

AUTHORIZATION STATUS:

Prior Authorizations	
<i>Preliminary Engineering – GHD</i>	\$39,959
Requested This Authorization – Construction Phase	
Design and Bid Phase Engineering:	
GHD	\$147,659
Staff	\$15,000
Other – Permits, etc.	\$2,500
Contingencies	\$10,000
Total This Authorization	\$175,159

Future Authorizations	
Construction phase	

Total Estimated Project	\$2,000,000
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REVIEW AND APPROVALS:

Project Manager	Date	Chief Executive Officer	Date
Chief Capital Works Officer	Date	Chairman	Date



Lehigh County Authority

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PROFESSIONAL SERVICES AUTHORIZATION

Professional: GHD INC.
3655 East Swamp Road
Doylestown, PA 18902

Date: May 24, 2021

Requested By: Charles Volk

Approvals

Department Head: _____

Chief Executive

Officer: _____

Allentown Division – KIWWTP: Solids Process Boiler & HVAC System Upgrade Project - Design Phase

GHD Inc. will perform the design and bid phase related services outlined below for the above project at the KIWWTP.

This Authorization

Professional Services Authorization: ***\$147,659***

Professional Services
1. Attend design phase kickoff meeting; issue meeting minutes including basis of design
2. Perform site investigations as required
3. Provide 60% and 90% design documents for review; attend design review meetings; incorporate LCA comments
4. Provide estimates of probable construction cost at 60%, 90% and final design stages
5. Prepare and submit DEP Part 2 Water Quality Management Permit; address DEP review comments
6. Provide final design drawings and specifications suitable for bidding
7. Provide bid phase administration services, including responding to bidder questions, issuing addenda as required, review of bids and recommendation of bid award

Not to be exceeded without further authorization: ***\$147,659***

Time Table and Completion Deadline: As required to meet various critical deadlines as set forth in the proposal.

(For Authority Use Only)

Authorization Completion:

Approval: _____ **Actual Cost:** _____ **Date:** _____

**LEHIGH COUNTY AUTHORITY
FINANCIAL STATEMENTS
APRIL 2021**

LEHIGH COUNTY AUTHORITY
 FINANCIAL STATEMENTS - SUMMARY
 For the Period Ended April 30, 2021

	Consolidated Financial Statements														
	Month					Year To Date					FULL YEAR				
	Actual	Q2 FC	Prior Year	FC Var	PY Var	Actual	Q2 FC	Prior Year	FC Var	PY Var	Q2 FC	Budget	Prior Year	Bud Var	PY Var
Income Statement															
Suburban Water	307,923	308,200	268,555	(277)	39,368	304,396	305,000	414,923	(604)	(110,527)	842,455	183,548	262,090	658,907	580,365
Suburban Wastewater	596,082	596,000	275,956	82	320,126	1,369,681	1,369,800	3,267,176	(119)	(1,897,495)	1,863,600	1,175,879	2,681,321	687,721	(817,721)
City Division	175,678	176,100	(448,074)	(422)	623,752	1,086,722	1,087,000	(548,495)	(278)	1,635,216	187,639	865,692	(1,104,731)	(678,053)	1,292,370
Total LCA	1,079,684	1,080,300	96,438	(616)	983,246	2,760,799	2,761,800	3,133,605	(1,001)	(372,806)	2,893,694	2,225,119	1,838,681	668,575	1,055,014
Cash Flow Statement															
Suburban Water	(77,015)	(76,900)	605,327	(115)	(682,342)	(133,672)	(133,600)	843,668	(72)	(977,340)	(2,877,731)	(3,490,153)	(3,945,823)	612,422	1,068,092
Suburban Wastewater	246,207	246,200	1,550,957	7	(1,304,750)	106,550	106,612	1,586,625	(62)	(1,480,075)	2,806,161	2,321,828	409,330	484,333	2,396,831
City Division	1,127,861	1,127,861	796,375	(0)	331,486	6,509,268	6,509,268	5,070,051	-	1,439,217	4,351,639	4,663,547	2,118,999	(311,908)	2,232,641
Total LCA	1,297,053	1,297,161	2,952,659	(108)	(1,655,606)	6,482,146	6,482,280	7,500,344	(134)	(1,018,198)	4,280,070	3,495,222	(1,417,494)	784,847	5,697,564
Debt Service Coverage Ratio															
Suburban Water	2.15	2.15	1.93	(0.00)	0.22	1.36	1.36	1.41	(0.00)	(0.05)	1.37	1.20	1.21	0.17	0.16
Suburban Wastewater	16.36	16.36	11.48	0.00	4.88	12.19	12.19	20.67	0.00	(8.48)	9.15	8.17	12.49	0.97	(3.34)
City Division	1.52	1.52	1.52	(0.00)	(0.00)	1.59	1.59	1.84	(0.00)	(0.25)	1.57	1.62	1.59	(0.05)	(0.02)

**LEHIGH COUNTY AUTHORITY
VARIANCE ANALYSIS - MONTH
For the Period Ended April 30, 2021**

Suburban - Water				
STATEMENTS OF ACTIVITIES	Actual	Q2 FC	FC Var	Comments
Operating Revenues:				
User Charges	1,161,727	1,161,700	27	
Connection & System Charges	91,572	91,600	(28)	
Other Miscellaneous Revenues	5,215	5,200	15	
Total Operating Revenues	1,258,514	1,258,500	14	No major variances
Operating Expenses:				
Personnel	236,160	236,200	40	
Shared Services - General & Administrative	36,353	36,400	47	
Utilities	33,164	33,200	36	
Materials and Supplies	29,610	29,400	(210)	
Miscellaneous Services	299,830	299,800	(30)	
Treatment and Transportation	-	-	-	
Depreciation and Amortization	217,141	217,100	(41)	
Major Maintenance Expenses	242	200	(42)	
Other Miscellaneous	-	-	-	
Total Operating Expenses	852,500	852,300	(200)	Slightly higher materials & supplies
Net Operating Profit	406,014	406,200	(186)	Slightly higher operating expenses
Non-Operating Income (Expense)				
Interest Income	3,962	4,000	(38)	
Interest (Expense)	(100,573)	(100,600)	27	
Other Miscellaneous	(1,480)	(1,400)	(80)	
Net Non-Operating Income (Expense)	(98,091)	(98,000)	(91)	Lower investment income
Net Income (Loss)	307,923	308,200	(277)	Higher operating expenses and lower investment income
CASH FLOW STATEMENT				
Cash Flows From Operating Activities				
Operating Revenues	1,258,514	1,258,500	14	
Operating Expenses (ex D&A)	(635,359)	(635,200)	(159)	
Non-Cash Working Capital Changes	(373,591)	(373,800)	209	
Net Cash Provided by (Used in) Operating Activities	249,564	249,500	64	Slightly higher cash from operations
Cash Flows From Financing Activities				
Capital Contributions	-	-	-	
Proceeds New Borrowing	-	-	-	
Interest Payments	(14,235)	(14,200)	(35)	
Principal Payments	(31,398)	(31,400)	2	
Net Cash Provided by (Used in) Financing Activities	(45,632)	(45,600)	(32)	
Cash Flows from Capital and Related Activities				
Non-Operating Income (Expenses)	(1,480)	(1,400)	(80)	Lower investment income
Capital Expenditures, net	(283,429)	(283,400)	(29)	Slightly higher capex
Net Cash Provided By (Used In) Capital and Related Activities	(284,909)	(284,800)	(109)	
Cash Flows From Investing Activities				
Investments Converting To Cash	-	-	-	
Purchased Investments	-	-	-	
Interest Income	3,962	4,000	(38)	
Net Cash Provided By (Used In) Investing Activities	3,962	4,000	(38)	
FUND NET CASH FLOWS	(77,015)	(76,900)	(115)	Higher cash from operations more than offset by lower investment income and slightly higher capex

LEHIGH COUNTY AUTHORITY
VARIANCE ANALYSIS - MONTH
For the Period Ended April 30, 2021

Suburban - Wastewater				
STATEMENTS OF ACTIVITIES	Actual	Q2 FC	FC Var	Comments
Operating Revenues:				
User Charges	1,886,619	1,886,600	19	
Connection & System Charges	103,205	103,200	5	
Other Miscellaneous Revenues	15	-	15	
Total Operating Revenues	1,989,839	1,989,800	39	Higher operating revenues
Operating Expenses:				
Personnel	102,166	102,200	34	
Shared Services - General & Administrative	19,428	19,400	(28)	
Utilities	24,629	24,600	(29)	
Materials and Supplies	39,330	39,400	70	
Miscellaneous Services	545,941	546,000	59	
Treatment and Transportation	230,001	230,000	(1)	
Depreciation and Amortization	384,727	384,700	(27)	
Major Maintenance Expenses	35,555	35,600	45	
Other Miscellaneous	-	-	-	
Total Operating Expenses	1,381,777	1,381,900	123	Lower material, supplies, and services
Net Operating Profit	608,062	607,900	162	higher operating revenues along with lower operating expenses
Non-Operating Income (Expense)				
Interest Income	6,366	6,400	(34)	
Interest (Expense)	(15,717)	(15,700)	(17)	
Other Miscellaneous	(2,629)	(2,600)	(29)	
Net Non-Operating Income (Expense)	(11,980)	(11,900)	(80)	Lower investment income
Net Income (Loss)	596,082	596,000	82	Higher net operating income offset partly by lower investment income
CASH FLOW STATEMENT				
Cash Flows From Operating Activities				
Operating Revenues	1,989,839	1,989,800	39	
Operating Expenses (ex D&A)	(997,050)	(997,200)	150	
Non-Cash Working Capital Changes	10,007	10,100	(93)	
Net Cash Provided by (Used in) Operating Activities	1,002,796	1,002,700	96	Higher cash from operations
Cash Flows From Financing Activities				
Capital Contributions	-	-	-	
Proceeds New Borrowing	-	-	-	
Interest Payments	(12,873)	(12,900)	27	
Principal Payments	(45,508)	(45,500)	(8)	
Net Cash Provided by (Used in) Financing Activities	(58,380)	(58,400)	20	Lower interest payments
Cash Flows from Capital and Related Activities				
Non-Operating Income (Expenses)	(2,629)	(2,600)	(29)	
Capital Expenditures, net	(456,945)	(456,900)	(45)	
Net Cash Provided By (Used In) Capital and Related Activities	(459,574)	(459,500)	(74)	Lower investment income and slightly higher capex
Cash Flows From Investing Activities				
Investments Converting To Cash	248,000	248,000	-	
Purchased Investments	(493,000)	(493,000)	-	
Interest Income	6,366	6,400	(34)	
Net Cash Provided By (Used In) Investing Activities	(238,634)	(238,600)	(34)	Lower interest income
FUND NET CASH FLOWS	246,207	246,200	7	

LEHIGH COUNTY AUTHORITY
 VARIANCE ANALYSIS - MONTH
 For the Period Ended April 30, 2021

City Division				
	Actual	Q2 FC	FC Var	Comments
STATEMENTS OF ACTIVITIES				
Operating Revenues:				
User Charges	3,310,196	3,310,300	(104)	
Connection & System Charges	132,797	132,900	(103)	
Other Miscellaneous Revenues	8,600	8,600	-	
Total Operating Revenues	3,451,593	3,451,800	(207)	Lower user and system revenues
Operating Expenses:				
Personnel	913,479	913,500	21	
Shared Services - General & Administrative	125,649	125,600	(49)	
Utilities	147,798	147,800	2	
Materials and Supplies	116,605	116,500	(105)	
Miscellaneous Services	88,483	88,400	(83)	
Treatment and Transportation	-	-	-	
Depreciation and Amortization	491,154	491,200	46	
Major Maintenance Expenses	10,672	10,700	28	
Other Miscellaneous	-	-	-	
Total Operating Expenses	1,893,841	1,893,700	(141)	Higher materials, supplies, and services
Net Operating Profit	1,557,752	1,558,100	(348)	Lower operating revenues along with higher operating expenses
Non-Operating Income (Expense)				
Interest Income	661	700	(39)	
Interest (Expense)	(1,382,735)	(1,382,700)	(35)	
Other Miscellaneous	-	-	-	
Net Non-Operating Income (Expense)	(1,382,074)	(1,382,000)	(74)	Lower investment income
Net Income (Loss)	175,678	176,100	(422)	Lower net operating profit along with lower investment income
CASH FLOW STATEMENT				
Cash Flows From Operating Activities				
Operating Revenues	3,451,593	3,451,800	(207)	
Operating Expenses (ex D&A)	(1,402,687)	(1,402,500)	(187)	
Non-Cash Working Capital Changes	(416,151)	(416,584)	433	
Net Cash Provided by (Used in) Operating Activities	1,632,755	1,632,716	39	Slightly higher cash from ops
Cash Flows From Financing Activities				
Capital Contributions	-	-	-	
Proceeds New Borrowing	-	-	-	
Interest Payments	-	-	-	
Principal Payments	-	-	-	
Net Cash Provided by (Used in) Financing Activities	-	-	-	
Cash Flows from Capital and Related Activities				
Non-Operating Income (Expenses)	-	-	-	
Capital Expenditures, net	(505,555)	(505,555)	-	No capex variance
Net Cash Provided By (Used In) Capital and Related Activities	(505,555)	(505,555)	-	
Cash Flows From Investing Activities				
Investments Converting To Cash	-	-	-	
Purchased Investments	-	-	-	
Interest Income	661	700	(39)	
Net Cash Provided By (Used In) Investing Activities	661	700	(39)	Lower investment income
FUND NET CASH FLOWS	1,127,861	1,127,861	(0)	Higher cash from operations offset by lower investment income

**LEHIGH COUNTY AUTHORITY
CASH & INVESTMENT SUMMARY
For the Period Ended April 30, 2021**

	Suburban Water				Suburban Wastewater				City Division				Total			
	4/30/2021 Actual	2021 Forecast	2021 Budget	2020 Actual	4/30/2021 Actual	2021 Forecast	2021 Budget	2020 Actual	4/30/2021 Actual	2021 Forecast	2021 Budget	2020 Actual	4/30/2021 Actual	2021 Forecast	2021 Budget	2020 Actual
Cash																
Operating																
Unrestricted	6,434,777	4,312,712	1,173,430	5,472,832	(2,397,530)	302,136	4,315,728	(124,835)	6,758,692	11,151,433	19,638,366	1,461,088	10,795,939	15,766,281	25,127,525	6,809,085
Restricted	-	-	2,532,181	-	-	272	0	272	17,072,132	12,907,766	1,614,754	23,992,617	17,072,132	12,908,037	4,146,935	23,992,689
Total Operating	6,434,777	4,312,712	3,705,611	5,472,832	(2,397,530)	302,408	4,315,728	(124,563)	23,830,824	24,059,198	21,253,120	25,453,705	27,868,071	28,674,319	29,274,460	30,801,974
Capital																
Unrestricted	319,637	319,637	2,037,248	2,037,248	10,051,209	10,051,209	7,672,019	7,672,019	5,157,759	5,157,759	169,980	169,980	15,528,605	15,528,605	9,879,247	9,879,247
Restricted	95,417	-	-	-	338,259	337,932	337,932	337,932	7,500,064	7,500,064	7,500,000	7,500,000	7,933,740	7,837,996	7,837,932	7,837,932
Total Capital	415,055	319,637	2,037,248	2,037,248	10,389,468	10,389,141	8,009,951	8,009,951	12,657,822	12,657,822	7,669,980	7,669,980	23,462,345	23,366,600	17,717,179	17,717,179
Other Restricted																
Debt Reserves	2,026,397	1,499,820	1,043,094	1,499,820	-	-	-	-	31,598,976	29,212,973	37,684,197	28,454,669	33,625,373	30,712,793	38,727,291	29,954,489
Escrow	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Restricted	2,026,397	1,499,820	1,043,094	1,499,820	-	-	-	-	31,598,976	29,212,973	37,684,197	28,454,669	33,625,373	30,712,793	38,727,291	29,954,489
Total Cash	8,876,228	6,132,169	6,785,954	9,009,900	7,991,938	10,691,549	12,325,679	7,885,388	68,087,622	65,929,994	66,607,297	61,578,354	84,955,789	82,753,712	85,718,930	78,473,642
Investments																
Operating																
Unrestricted	1,984,430	1,742,749	2,136,930	1,742,749	-	5,387,745	6,757,276	5,387,745	-	-	-	-	1,984,430	7,130,494	8,894,206	7,130,494
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating	1,984,430	1,742,749	2,136,930	1,742,749	-	5,387,745	6,757,276	5,387,745	-	-	-	-	1,984,430	7,130,494	8,894,206	7,130,494
Capital																
Unrestricted	1,000,049	1,000,000	1,000,000	1,000,000	7,136,409	1,000,000	1,000,000	1,000,000	-	-	-	-	8,136,458	2,000,000	2,000,000	2,000,000
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital	1,000,049	1,000,000	1,000,000	1,000,000	7,136,409	1,000,000	1,000,000	1,000,000	-	-	-	-	8,136,458	2,000,000	2,000,000	2,000,000
Other Restricted																
Debt Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Escrow	5,561,798	4,474,010	4,236,279	4,474,010	-	-	-	-	-	-	-	-	5,561,798	4,474,010	4,236,279	4,474,010
Total Other Restricted	5,561,798	4,474,010	4,236,279	4,474,010	-	-	-	-	-	-	-	-	5,561,798	4,474,010	4,236,279	4,474,010
Total Investments	8,546,276	7,216,759	7,373,209	7,216,759	7,136,409	6,387,745	7,757,276	6,387,745	-	-	-	-	15,682,685	13,604,504	15,130,485	13,604,504
Total Cash and Investments	17,422,505	13,348,928	14,159,163	16,226,659	15,128,347	17,079,294	20,082,955	14,273,133	68,087,622	65,929,994	66,607,297	61,578,354	100,638,474	96,358,216	100,849,415	92,078,146
Summary																
Cash																
Unrestricted	6,754,414	4,632,350	3,210,679	7,510,080	7,653,678	10,353,345	11,987,747	7,547,184	11,916,450	16,309,191	19,808,346	1,631,068	26,324,543	31,294,886	35,006,772	16,688,333
Restricted	2,121,814	1,499,820	3,575,275	1,499,820	338,259	338,204	337,932	338,204	56,171,172	49,620,802	46,798,951	59,947,286	58,631,245	51,458,826	50,712,158	61,785,310
Total Cash	8,876,228	6,132,169	6,785,954	9,009,900	7,991,938	10,691,549	12,325,679	7,885,388	68,087,622	65,929,994	66,607,297	61,578,354	84,955,789	82,753,712	85,718,930	78,473,642
Investments																
Unrestricted	2,984,479	2,742,749	3,136,930	2,742,749	7,136,409	6,387,745	7,757,276	6,387,745	-	-	-	-	10,120,887	9,130,494	10,894,206	9,130,494
Restricted	5,561,798	4,474,010	4,236,279	4,474,010	-	-	-	-	-	-	-	-	5,561,798	4,474,010	4,236,279	4,474,010
Total Investments	8,546,276	7,216,759	7,373,209	7,216,759	7,136,409	6,387,745	7,757,276	6,387,745	-	-	-	-	15,682,685	13,604,504	15,130,485	13,604,504
Total Cash and Investments	17,422,505	13,348,928	14,159,163	16,226,659	15,128,347	17,079,294	20,082,955	14,273,133	68,087,622	65,929,994	66,607,297	61,578,354	100,638,474	96,358,216	100,849,415	92,078,146

Lehigh County Authority

System Operations Review - April 2021

Presented: May 24, 2021

<u>Critical Activities</u>	<u>System</u>	<u>Description</u>	<u>Apr-21</u>	<u>2021 Totals</u>	<u>2020 Totals</u>	<u>Permit</u>
			<u>Daily Avg (MGD)</u>	<u>Daily Avg (MGD)</u>	<u>Daily Avg (MGD)</u>	<u>Daily Max (MGD)</u>
Water Production	Allentown	Total	21.62	21.33	21.37	39.0
		Schantz Spring	7.77	7.73	7.31	9.0
		Crystal Spring	3.75	3.71	3.80	4.0
		Little Lehigh Creek	10.06	9.84	10.17	30.0
		Lehigh River	0.04	0.06	0.09	28.0
	Central Lehigh	Total	10.94	10.29	10.24	19.04 MGD Avg
		Feed from Allentown	7.23	6.96	6.71	7.0 MGD Avg 10.5 MGD Max
		Well Production (CLD)	3.71	3.32	3.53	8.54 MGD Avg
		Sum of all (12) other Suburban Water Systems	0.13	0.13	0.15	1.71 Sum of all wells
Wastewater Treatment		Kline's Island	31.82	33.67	32.27	40.0
		Pretreatment Plant	5.26	5.25	4.94	5.75 (design capacity)
		Sum of all (5) other Suburban WW Systems	0.18	0.22	0.21	0.36
			<u>Apr-21</u>	<u>2021 Totals</u>	<u>2020 Totals</u>	<u>2019 Totals</u>
Precipitation Totals (inches)			1.22	11.35	49.57	60.66
Compliance Reports Submitted to Allentown			35	120	275	278
Notices of Violation (NOVs)		(Allentown + Suburban)	0	0	2	1
Sanitary Sewer Overflows (SSOs)/Bypasses		(Allentown + Suburban)	1	5	44	37
Main Breaks Repaired		Allentown	0	15	19	20
		Suburban	2	6	17	12
Customer Service Phone Inquiries		(Allentown + Suburban)	1,699	6,526	16,772	22,992
Water Shutoffs for Non-Payment		(Allentown + Suburban)	228	228	280	1,956
Injury Accidents		(Allentown + Suburban)	1	6	10	10
Emergency Declarations		Allentown	0	0	(4)@\$750,058	(2)@ \$152,053
		Suburban	0	0	(1)@\$110,000	(1) @ \$19,335

Significant Repairs/Upgrades: Nothing to report.

Description of NOVs and/or SSOs: There was one bypass in April. The bypass occurred at the new Sand Spring WWTP, and resulted because of some start-up problems with the filter disk. From 4/29/2021 to 4/30/2021, a unit process was bypassed because of the issues with the filter disk. PaDEP classifies this type of situation as a plant bypass, and as such, the episode had to be officially reported.

Other Highlights: After many years of efforts to do so, the disinfection process at KIWWTP has finally been transformed from chlorine to sodium hypochlorite. The system start-up occurred in late April. There were some relatively minor problems that has warranted the need to take the effluent disinfection system back to chlorine for the very short term until some mixers are installed. Stations throughout the remainder of the plant are all using sodium hypochlorite. Once final changeover occurs, significant public health and employee safety concerns while using chlorine will be eliminated. KIWWTP Staff thanks everyone involved for making this happen.