



LEHIGH COUNTY AUTHORITY

LCA Main Office:
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Agendas & Minutes Posted:
www.lehighcountyauthority.org

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BOARD MEETING AGENDA – August 23, 2021 – 12:00 p.m.

In-Person or Virtual Meeting Attendance Options Available: Meetings of the LCA Board of Directors will be held at LCA's Main Office as well as online using the Zoom Meetings application, which includes a telephone option. Public participation is welcomed both in-person or virtually. 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 if you are attending virtually. If attending in-person at LCA's Main Office, please follow all safety and sanitation protocols posted.

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

- Additions to Agenda (vote required if action will be taken)

3. Approval of Minutes

- *July 26, 2021 Board meeting minutes*

4. Public Comments

5. Action / Discussion Items:

FINANCE AND ADMINISTRATION

- *Act 65 of 2021 – Review of Sunshine Law Update (Discussion) (gray) (digital Board packet, page 7-9)*

WATER

- *Readington Farms – Developer Cost-Sharing & Water System Contribution Agreement (Approval) (yellow) (digital Board packet, page 10-15)*

WASTEWATER

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

7. Monthly Financial Review (2nd Board meeting per month) – **July report attached** (digital Board packet, page 16-25)

8. Monthly System Operations Overview (2nd Board meeting per month) – **July report attached** (digital Board packet, page 26-32)

9. Staff Comments

10. Solicitor's Comments
11. Public Comments / Other Comments
12. Executive Sessions
13. Adjournment

UPCOMING BOARD MEETINGS		
September 13, 2021	September 27, 2021	October 11, 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

July 26, 2021

The Regular Meeting of the Lehigh County Authority Board of Directors was called to order at 12:00 p.m. on Monday, July 26, 2021, Chairman Brian Nagle presiding. The meeting was hybrid via in-person and video and audio advanced communication technology ("ACT"), using the Zoom internet application, including telephone option. 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 in-person or 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, Linda Rosenfeld, Jeff Morgan, and Amir Famili were present for the duration of the meeting. Kevin Baker arrived at 12:04 p.m. and was 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, Susan Sampson, Andrew Moore, Phil DePoe, Mark Bowen, Lisa Miller, Todd Marion, Ed Hoyle, and Jason Peters.

Chairman Nagle stated that the Board received their electronic copy of the Board packet in advance and asked if they also received their hard copy of the packet.

REVIEW OF AGENDA

Liesel Gross stated there are no changes to the agenda and no Executive Session is scheduled to follow the regular meeting. She noted that there was a copy of the Keystone Tap magazine, from the Pennsylvania Rural Water Association, that was included in the Board packet mailing. It has a nice article submitted by Sue Sampson regarding Kline's Island Wastewater Treatment Plant operations.

APPROVAL OF MINUTES

June 28, 2021 Meeting Minutes

On a motion by Richard Bohner, seconded by Linda Rosenfeld, the Board approved the minutes of the June 28, 2021 Board meeting as written (5-0). Amir Famili abstained.

PUBLIC COMMENTS

None.

ACTION AND DISCUSSION ITEMS

Suburban Division – Upper System Pump Station and Main Extension Design Phase Authorization (Approval)

Chuck Volk gave a brief background of the project noting that a conditional "will serve" letter was issued to Readington Farms in September 2020, subject to additional system evaluation and developer contribution for any necessary system improvements. Staff worked with the Authority's water system engineer to conduct a hydraulic analysis. Based on the findings, service to the development would be best achieved by a new Central Lehigh Division (CLD) Lower System interconnection and extension under I-78 via a steel casing pipe to be acquired from Upper Macungie Township. A new regional water booster station will also be required to meet the water needs in the Upper System. The dairy will require 335 gallons per minute (gpm) and the proposed

pump station will have a capacity of 1,000 gpm to allow for future growth, as determined based on planning data provided by Upper Macungie Township.

Mr. Volk recommended awarding the design contract to the Buchart Horn engineering firm. The firm has provided excellent service as the design and construction phase engineer for the Buss Acres Pump Station Upgrade Project. Buchart Horn's proposal was also the lowest cost of those received.

Amir Famili asked if Upper Macungie Township has approved the construction of the dairy. He would have a concern with the Authority outlaying funds for the project if the township has not yet approved it. Mr. Volk said that the dairy has preliminary plan approval from the township. Mr. Famili also asked how the Authority is protecting the rate payers if the dairy should go out of business. Mr. Volk explained that the need for water service to that area is growing, and the construction of a pump station is inevitable. As reviewed at the last meeting, Ed Klein's calculations also show that the project provides a positive net present value and a 7.1-year payback period. Those calculations are conservative. They do not assume a factor for additional growth in the area, even though such growth is likely. The new water main extension and regional pump station will also enhance system resiliency and redundancy, in the event of operational issues with the CLD auxiliary pump station or with the Upper System wells occur in the future.

Chairman Nagle asked if the Authority will have full or shared access of the casing running under I-78. Mr. Volk said that the Authority will have sole access of the casing. He stated that the township has approved the acquisition agreement for the casing pipe. The Authority is waiting on the highway occupancy permit from PennDOT. Ed Hoyle added that the casing is 36 inches in diameter, and a 20-inch diameter pipe will be installed inside the casing pipe, which will allow for additional water capacity to be conveyed in the future if needed. Richard Bohner asked if there will be a retail function at the dairy. Liesel Gross stated that the site is zoned for warehousing and light industrial. Solicitor Mike Gaul explained that, under the Pennsylvania Municipalities Planning Code, the developer of the dairy will be entitled to final plan approval, if the final plans are consistent with the approved preliminary plans. Typically, the preliminary plan approval is the most significant step in the land development approval process.

On a motion by Linda Rosenfeld, seconded by Richard Bohner, the Board approved the Capital Project Authorization for Design Phase in the amount of \$196,865.00 which included the Professional Services Authorization for Design Phase to Buchart Horn, Inc. in the amount of \$121,865.00 (7-0).

Suburban Division – Western Lehigh Interceptor Manhole Rehabilitation Project – Phase 2 Construction Phase Authorization (Approval)

Chuck Volk introduced the project that is Phase 2 of an annual upgrade project on key manholes in the Western Lehigh Interceptor (WLI). The project consists of rehabilitation and floodproofing of manholes. Jason Peters gave an overview, noting that an inspection of the WLI manholes was performed in 2015, which identified manholes that may be subject to inflow of flood water during heavy rain events. In 2019, Arcadis performed an updated inspection of the manholes identifying remaining deficiencies from the 2015 report. In early 2021, the Authority and Keystone Consulting Engineers performed an updated inspection revealing numerous additional deficiencies that include offset, loose, and damaged frames and covers; damaged, cracked, and missing exterior concrete; and manholes inundated with floodwater during and after significant storm events. The rehabilitation work proposed for this project will raise approximately 12 manhole tops up to 2 feet in height, so they lie at or above the floodplain elevation. The project will also include concrete repairs and installation of 49 new watertight frames and covers. The areas that have been identified as a priority are: an

area across from the pretreatment plant, the Breinigsville Line, Ancient Oaks, and the Winding Brook area over to the East Penn District Middle School. The watertight frames and covers were purchased from Hamilton Kent. The frames are made of a composite material, allowing for safety measures for the operators due to the lighter weight. The frames are bolted to the structure with the lids bolted down to the frame with a heavy gasket material to prevent inflow at the cover. Mr. Peters presented pictures of manholes that were rehabbed in 2020 with the new covers and frames during Phase 1 of the project. Mr. Peters recommends Scheuermann Excavating, Inc. for the construction phase of the project, and Keystone Consulting Engineers for the construction inspections.

Linda Rosenfeld commented on the significant differences in bid prices. She asked what the reason may be for the differences. Mr. Peters explained that the price differences may be impacted by the size of the company performing the work. Pricing can also be impacted by how busy each contractor is.

On a motion by Jeff Morgan, seconded by Kevin Baker, the Board approved the Capital Project Authorization for the Construction Phase in the amount of \$177,740.00, which includes award of the Construction Contract for General Construction to Scheuermann Excavating, Inc. in the amount of \$139,620.00 and the Professional Services Authorization for the Construction Inspection to Keystone Consulting Engineers in the amount of \$15,120.00 (7-0).

MONTHLY PROJECT UPDATES / INFORMATION ITEMS

Liesel Gross reported there are no highlights and asked if Board members had questions. Jeff Morgan asked about the status of the report for the Act 537 plan alternatives analysis regarding the pretreatment plant upgrade option and the report for the revenue planning tool. Phil DePoe stated that the revenue planning tool is complete and being evaluated by Authority staff. The results of the study on the pretreatment plant upgrade option are being finalized and will be presented to Authority staff this week.

MONTHLY FINANCIAL REVIEW

Ed Klein reviewed the June 2021 financial statement presentation, highlighting the variances between actual expenses and budgeted or forecasted expenses. Mr. Klein reported there is positive income and positive variances across all funds. This is due in part to the impact of the phasing in of the new rates which resulted from the amendment to the Allentown lease agreement that occurred last year. Liesel Gross clarified that the calculation of the operating ratio excludes debt service expenses.

Mr. Klein gave an update on the 2020 audit. The Authority recently received the required PMRS GASB disclosures. The Authority's final financial statements are expected to be completed by the end of August.

Richard Bohner asked how the customer payment assistance program is doing. Liesel Gross reported that customer applications for grant assistance are coming in slowly. She added that the federal coronavirus relief funding has offered supplemental support through an emergency rental assistance program (ERAP) which can be used toward customers' unpaid utility bills. The Authority has received funds through the ERAP program as well as through the Authority's own customer assistance program. The ERAP program is run through the County of Lehigh, and there is a deadline on the use of these funds, so the Authority is trying to support that program by first directing customers to use the ERAP program if they need assistance. Chris Moughan added that customers have been pushed more towards the ERAP program because of the available funds and once the

program ends in 2022, staff will need to re-evaluate the eligibility criteria for the Authority's customer assistance program.

MONTHLY SYSTEMS OPERATIONS OVERVIEW

John Parsons reviewed the June 2021 Monthly Systems Overview report. Kevin Baker asked about the impacts of lower rainfall. Mr. Parsons agreed that rainfall has been low, but water supplies remain adequate for customers' needs and above any drought trigger levels. Richard Bohner asked what the consequences are for the pretreatment plant if it exceeds its capacity. Liesel Gross explained that the pretreatment plant is not a direct discharge. As a result, the pretreatment plant does not have a specific discharge limit. The plant can pretreat an amount of wastewater well above the plant's designed capacity of 5.75 million gallons per day.

STAFF COMMENTS

Chairman Nagle asked about the reason for the boil water advisory in Buss Acres that just occurred. Liesel Gross noted that boil water advisories in small systems are somewhat routine because there is limited redundancy in pumping and supply. Even short-term outages or main breaks can cause a system-wide loss of pressure in a small system like this. John Parsons added that in this situation, a failure in one facility in the Buss Acres system caused significant pressure loss and some homes lost service completely, which triggered the boil water advisory. The cause and remedies for this recent situation are still being investigated.

SOLICITOR'S COMMENTS

Solicitor Gaul discussed Act 65 of 2021 which amends the Sunshine Act regarding publication of meeting agendas for public agencies, among other things. The Authority currently follows the agenda procedures, but some general exceptions may need to be reviewed in further detail for clarification.

PUBLIC COMMENTS / OTHER COMMENTS

Jennifer McKenna, City of Allentown Office of Compliance, asked about the water shutoffs and if the pandemic has had an impact on the number of shutoffs or the time period in which service is restored due to a customer's inability to pay. Chris Moughan said the number of shutoffs and timing of service restoration are consistent with the Authority's experience prior to the pandemic.

EXECUTIVE SESSION

None.

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 1:09 p.m.

Richard Bohner
Secretary



Municipal Minute

July 2021

A News Publication of KING, SPRY, HERMAN, FREUND & FAUL, LLC
MICHAEL A. GAUL, Esquire, Chair of Municipal Law Practice Group

Act 65 of 2021 Amends the Sunshine Act

By Elizabeth M. Kelly, Esquire | ekelly@kingspry.com



Some of you may have received updates from your State Representatives about Act 65, which was approved by Governor Wolf on June 30, 2021 and amends the Sunshine Act for public agencies. Below is a summary of the changes.

Act 65 of 2021 will amend the Sunshine Act, 65 Pa. C.S. §§701-716, to require the following:

1. All public agencies currently covered under the Sunshine Act must provide notice of agency business on an **Agenda**, which must include a **listing** of each **matter of agency business** that **will** or **may** be the subject of deliberation or official action at an agency's meeting. The Agenda must be **posted** on the agency's **public website** no later than **twenty-four (24) hours in advance of the scheduled start time of the meeting**. Public agencies that do not have a public website are not required to obtain one; this requirement applies only to agencies that have public websites.

2. Covered public agencies must also post the Agenda at the location of the meeting AND at the principal office of the agency.

3. Covered public agencies must make copies of the Agenda available to the individuals in attendance at the meeting.

NO AGENCY ACTION MAY BE TAKEN ON ANY MATTER NOT LISTED ON THE AGENDA

Act 65 includes the additional mandate that the covered public agency can take **no official action** of any matter of agency business that is **not listed** on the Agenda. Per-

haps unsurprising is the fact that the Pennsylvania News Media Association supported this legislation. See Senator Patrick J. Stefano's co-sponsorship memo, dated March 17, 2021.

As a reminder, the requirements described above are **in addition** to the public notice requirements already set forth in the Sunshine Act, which include publication of the place, date and time of the meeting in a newspaper of general circulation and posting of the place, date and time of the meeting at the agency's principal office or the building in which the meeting is held.

EXCEPTIONS

There are a few somewhat narrowly defined exceptions to the Agenda requirements described above:

1. Emergency business – A covered public agency is permitted to take official action on a matter of agency business that relates to a real or potential emergency involving a **"clear and present danger to life or property"** regardless of whether public notice was given for the meeting. Section 712.1(b).

2. Business arising 24 hours before the meeting – Act 65 sets forth two conditions that must exist for official action to be taken on business matters: (a) the matter

continued...

must have arisen within the last 24 hours and (b) the matter must be “de minimis” in nature, which means under Act 65 that the matter does not involve spending funds or entering into a contract or agreement.

3. Business arising during the meeting – If a business matter is brought up by a **resident** or **taxpayer** at the meeting, an agency is permitted to take official action limited to referring the matter to staff for researching for inclusion on a future meeting agenda. However, if the matter is “de minimis” in nature, as described in the previous paragraph, the agency may take official action on it at the same meeting.

CHANGES TO AN AGENDA

Under Act 65, an agency may add a matter of agency business to an Agenda by a majority vote of those voting members present at the meeting but must announce the reasons for the change(s) to the Agenda at the meeting **before** any vote is taken to make a change to the Agenda.

After announcing the reasons for the addition of a matter to the Agenda at the meeting and taking a vote supported by a majority of those voting officials present, the Agency may take official action on the matter added to the Agenda.

After the meeting, the agency must **amend** the **Agenda** and **post** the amended Agenda on their **public website**, if available. The agency must also **post** the amended Agenda at their **principal office location**. Both actions must be taken no later than the **first business day** following the meeting.

MINUTES OF THE MEETING AT WHICH AGENDA AMENDED

When agency action is taken on a matter that is added to an Agenda for the reasons permitted under Act 65, the minutes of the meeting must reflect the substance of the matter added, the announced reason for the addition, and the vote on the addition.

Act 65 becomes effective August 29, 2021.

Note: None of the above requirements apply to an executive session convened under the Sunshine Act, a working session with auditors as long as official action is taken at a public meeting or to a conference at which no deliberation of agency business may occur. 65 Pa. C.S. §§707, 708.

If you should have any questions, please contact your legal counsel or one of the attorneys at KingSpry.

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** Municipal Minute is meant to be informational and does not constitute legal advice.*

Posting Meeting Agendas Act 65 of 2021 Fact Sheet



Published July 2021

Act 65 of 2021 amends the Sunshine Law to create a new requirement that **all** local government boards and commissions (governing boards, planning commissions, zoning hearing boards, recreation committees, etc) must post meeting agendas for all advertised public meetings at least 24-hours before each meeting. The new provision takes effect August 29, 2021.

Where must we post our meeting agendas?

Meeting agendas must be posted at the meeting location and the principal office of the township and at least 24 hours in advance of each meeting and on the township's website, if the township has a website. The posting at the meeting location and the principal office can be placed in the same location, such as a bulletin board, where your township currently posts meeting notices as required by the Sunshine Law. **Note:** *Townships without websites are not required to create one.*

What must we include in the agenda?

The agenda must include a listing of each matter of agency business that the board or commission expects to act on, or deliberate, at the upcoming meeting.

At our meeting, can we add a new business item that wasn't included on the posted agenda?

Yes. Boards and commissions may add new items to the agenda by majority vote, after first stating the reason for the change. Note that a vote to add the item to the agenda will be required before the board, or commission, votes on the new issue. In addition, the amended agenda must be posted on the township's website, if it has one, and at the township office by the first business day following the meeting at which the agenda was changed. In addition, the minutes must include the substance of the item added to the agenda, the vote on adding the item to the agenda, the announced reasons for the addition, and the final vote on the item added.

Are there any items that we can add to the agenda without formally amending the agenda and posting an amended agenda after the meeting?

Yes. The following items can be voted on without the need to formally amend the agenda or post an amended agenda after the meeting:

- Action can be taken at an emergency or regularly scheduled meeting on a real or potential emergency involving a clear and present danger to life or property.
- Matters that arise or are brought to the attention of the board less than 24 hours prior to the meeting if they are de minimis in nature, do not spend funds, and do not require a contract or agreement.

- Matters brought up by a resident or taxpayer may be referred to staff for research or acted on by the board if it is de minimis, does not spend funds, and does not require a contract or agreement.

Can we discuss an item that comes up without amending the agenda?

Yes. The act specifically requires that the agenda be amended before the board or commission takes official action. Act 65 does not require that the agenda be amended to discuss an issue. However, if the board does discuss an issue that was not listed on the agenda and determines that official action cannot wait, then the board would need to first vote to amend the agenda and then vote to take the desired action.

Must we provide copies of the agenda to meeting attendees?

Yes. Act 65 requires all local government boards and commissions to provide copies of agendas to meeting attendees. This is currently a recommended practice and necessary to comply with existing Sunshine Law requirement that an opportunity for public comment be provided before the board discusses an agenda item.

Must we post an agenda before we hold an executive session?

No. Executive sessions are excluded from Act 65.



PENNSYLVANIA STATE ASSOCIATION OF TOWNSHIP SUPERVISORS

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LEHIGH COUNTY AUTHORITY
WATER PRESSURE BOOSTER PUMP STATION &
MAIN EXTENSION DEVELOPER CONTRIBUTION AGREEMENT

THIS AGREEMENT ("Agreement"), made as of the _____ day of August 2021, by and between:

READINGTON FARMS, INC., a New Jersey corporation, with its principal office at 12 Mill Road, Whitehouse Station, New Jersey, hereinafter referred to as "Developer", party of the first part;

and

LEHIGH COUNTY AUTHORITY, a municipal authority organized and existing under the Pennsylvania Municipality Authorities Act, with its principal office at 1053 Spruce Road, Wescosville, Pennsylvania, hereinafter referred to as "Authority", party of the second part.

WITNESSETH:

WHEREAS, the Authority has been formed by the Lehigh County Commissioners to develop and provide water and other services in the Lehigh Valley area; and

WHEREAS, Developer is in the process of subdividing and acquiring a certain tract of land located in Upper Macungie Township with a current address of 8130 Main St., Fogelsville, Pennsylvania and currently identified with Lehigh County Property Identification Number (PIN) 545661047192 1 which it intends to develop with a food products manufacturing facility in accordance with the Project Elsie Plans, prepared by The Pidcock Company, which plans are incorporated herein by reference throughout with the same effect as if attached ("Development"); and

WHEREAS, Developer requires water service to the buildings erected or to be erected within the Development and the Development is in an area served by the Authority; and

WHEREAS, it has been determined that the most beneficial manner of serving the Development with public water service as well as providing for improved public water service to existing and future Authority customers in that area is to construct a connection under I-78, by utilizing an abandoned sewer casing pipe that is owned by

Upper Macungie Township and which Authority is in the process of acquiring, to the Lower System in the Authority's Central Lehigh Division ("Main Extension") as shown in Exhibit A attached hereto; and

WHEREAS, this method of service will require the construction of a water pressure booster pump station ("Pump Station") along with the Main Extension (together known as the "Project"); and

WHEREAS, Authority shall construct the Project, but the cost of the Project ("Project Costs") will receive a contribution from the Developer in accordance with this Agreement;

Now Therefore, in consideration of their mutual promises and with the intention of being legally bound, the parties agree as follows:

1. The recitals set forth hereinabove are incorporated herein and shall be considered an integral part of this Agreement. This Agreement is contingent upon completion of the Development and shall be automatically terminated and deemed null and void in the event the Development is not completed, in which event the Authority shall have no further obligation under this Agreement to complete the Project.

2. The Developer shall provide the easements and/or fee simple property for access and on which the Authority will construct the portion of the Project situated on the north side of I-78 to be owned by Developer. Developer shall consult with Authority on whether the Pump Station will be situated on an easement or parcel subdivided from Developer's land holdings. Land rights free and clear of liens and encumbrances, as applicable to Developer, shall be provided to Authority within six 6 months of the date this Agreement is signed. Developer shall be responsible for obtaining and providing evidence of all necessary governmental approvals concerning the Development, which shall be a condition to Authority completing its obligations set forth in this Agreement.

3. The Authority shall be responsible for acquiring any easements necessary to construct the waterlines on the south side of I-78, as well as the Pump Station and waterlines on lands of current Lehigh County Property Identification Number (PIN) 545661047192 1 titled in the name of Fred J. Jaindl subsequent to completion of the Development. Notwithstanding any other provision herein, the obligations of the Authority are specifically conditioned upon the Authority entering into an agreement with Fred J. Jaindl (or the appropriate party) to construct the Pump Station and waterline on its property, and to acquire any easements necessary on the south side of I-78 in a manner acceptable to the Authority in its sole discretion. If an agreement to construct the Pump Station on property as contemplated herein cannot be accomplished, or if the Authority cannot obtain the necessary easements to construct the waterlines, then the Authority shall have the right to terminate this Agreement and have no further obligation to complete the Project thereafter.

4. The Authority shall construct the Project and have full control over the design specifications, but the cost of the Project ("Project Costs") shall be split between the Authority and the Developer as provided in this Agreement. The Developer shall pay the full cost (100%) of the Main Extension, the estimated cost of which is itemized in Exhibit C attached hereto.

The Developer shall contribute to the cost of the Pump Station based upon proportional shares of the designed capacity of the station for the Development versus existing or future Authority customers outside of the Development. In this case, the design capacity of the Pump Station will be 1,000 gallon per minute (gpm), therefore the Developer would be responsible for contributing 33.5% of the Pump Station Costs (representing an average day demand of 335 gpm in the Development) ("Developer's Contribution") and the Authority would be responsible for 66.5% of the Project Costs (representing the remaining capacity allotted for outside of the Development). If Developer should default on its obligations to pay its contribution under this Agreement, the Developer shall become responsible for all Authority costs associated with the Project, including Authority's costs to close out the uncompleted Project, and the Authority shall have no further obligation under this Agreement to complete the Project.

Project Costs shall be defined as all reasonable costs that the Authority would normally include in a project and include, but not be limited to, costs associated with Authority staff, professional services, design, permitting, advertising, construction contracts, property appraisals, real estate/easement acquisition, licensing and legal fees.

With estimated total Project Costs of \$1,683,600, the respective estimated dollar amounts and percentages of costs for each party are shown below:

IMPROVEMENT CATEGORY	ESTIMATED COST	CONTRIBUTED AMOUNTS			
		Developer		Authority	
		%	\$	%	\$
Pump Station	\$1,516,850	33.5%	\$508,145	66.5%	\$1,008,705
Main Extension	\$166,750	100%	\$166,750	0.0%	\$0

The basis for the estimate is set forth in Exhibit C, attached hereto and made a part hereof. This is, however, an estimate, but the Developer contribution will be based upon the actual percentages as set forth above where the dollar amount for each party will be the actual final Pump Station cost multiplied by the respective percentage of the contribution amount for each party.

The Authority shall reconcile the final Project Costs as soon as all the pertinent information is available and provide Developer documentation and notice of final Project Costs. If there is a dispute regarding the final Project Costs, Developer shall

pay the entire amount of its share of the final Project Costs with a written explanation of the disputed amount, indicating that that disputed amount is paid under protest. The Authority shall place the disputed amount in an interest-bearing escrow account until the matter is resolved.

5. Subsequent to completion of the Project, if Developer's water usage exceeds the demand provided for herein, Developer shall made an additional payment to Authority equal to the actual percentage usage above that contemplated herein. Developer will be billed in the future for water service in accordance with the Authority's Rules & Regulations.

6. With the execution of this Agreement, Developer shall furnish the Authority with performance security in a form acceptable to the Authority to provide security for performance of the Developer's payment of its estimated contribution amount of the Project Costs as set forth in §4 above. The amount of the security is based on one hundred ten percent (110%) of the estimated Project Costs.

The performance security is an irrevocable letter of credit, issued by [name of lending institute], which is a Federal or Commonwealth-chartered lending institution authorized to conduct the business of posting financial security within the Commonwealth of Pennsylvania, and expiring on [insert the date of expiration of the document]. The letter of credit must be automatically renewed before expiration if total payment of Developer's contribution has not been received before the expiration date. If at any time the issuer of this letter of credit shall have its Federal or Commonwealth charter and/or its authorization to conduct the business of posting financial security within the Commonwealth of Pennsylvania revoked, Developer shall immediately notify the Authority of such change; the Authority may, at its option, require Developer to promptly provide a substitute issuer or another form of performance security.

7. The Authority will periodically invoice Developer for Developer's contribution of the Project Costs. Developer shall pay said invoices within forty-five (45) days of receipt. If Developer fails to pay said invoices where an amount is due within forty-five (45) days of the date of such invoice, the Authority shall discontinue all activity associated with the Development, impose applicable penalties and interest as established in the Authority's Rules & Regulations for nonpayment of water bills and pursue other legal remedies it may have including the option of serving no more connections in the Development than those already connected and being served with Authority water.

8. There shall be no water service provided within the Development from the Project prior to the Authority receiving an operating permit for the Pump Station from the Pennsylvania Department of Environmental Protection ("DEP"). The Authority agrees to use its best efforts to substantially complete the Project in a timely manner; recognizing, however, that the Authority shall not be liable in damages for any delay or default in performing hereunder if such delay or default is caused by conditions beyond its control and occurring without its singular fault or sole negligence, including, but not limited to

Acts of God, force majeure, government restrictions including without limitation zoning requirements or denial of necessary permission or permits, legal suits or action, wars, insurrections, pandemics and/or any other cause beyond the reasonable control of the Authority. Notwithstanding the foregoing, the Authority agrees to provide water services prior to completion of the Project if needed by the Developer from the existing system which shall be billed at the normal rates as established in the Authority's Rules & Regulations.

9. It is hereby understood and agreed that the waiver of any of the provisions in this Agreement by the Authority in any instance shall not constitute waiver of the same or like provision with regard to any subsequent dealing with Developer.

10. This Agreement shall be binding upon the parties, their successors, heirs and assigns, and shall not be amended except by the expressed written consent of both parties.

11. Developer agrees that by the Authority entering into this Agreement the Authority is providing water services to Developer that benefits its property; therefore, delinquent fees or costs resulting from failure of Developer to perform satisfactorily under this Agreement shall constitute the basis for the filing of municipal liens against the subject property or properties. The Authority, solely at its discretion, may respond to such a failure to perform by filing a municipal lien, drawing on the performance security, and/or proceeding with any other legal options it may have available.

12. This Agreement shall be governed and construed in accordance with the laws of the Commonwealth of Pennsylvania. Jurisdiction over all matters concerning this Agreement shall lie exclusively with the Court of Common Pleas of Lehigh County, Pennsylvania.

13. The provisions of this Agreement shall extend, bind and inure to the benefit of the parties hereto and their respective successors and/or assigns.

14. This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which when taken together shall constitute one agreement. For purpose of execution, a facsimile or electronic signature shall be deemed an original.

15. This Agreement contains the entire agreement between Developer and Authority with respect to the subject matter hereof. This agreement cannot be modified except by a written instrument signed by Developer and Authority.

WITNESS their hands and seals the day and year first above written.

LEHIGH COUNTY AUTHORITY

ATTEST:

Lisa J. Miller
Executive Administrative
Support Specialist

ATTEST:

Name:
Title:

By: _____ (*Seal*)
Liesel M. Gross
Chief Executive Officer

READINGTON FARMS, INC.

By: _____ (*Seal*)
Name:
Title:

**LEHIGH COUNTY AUTHORITY
FINANCIAL STATEMENTS
JULY 2021**

LEHIGH COUNTY AUTHORITY
 FINANCIAL STATEMENTS - SUMMARY
 For the Period Ended July 31, 2021

	Consolidated Financial Statements														
	Month					Year To Date					FULL YEAR				
	Actual	Q3 FC	Prior Year	FC Var	PY Var	Actual	Q3 FC	Prior Year	FC Var	PY Var	Q3 FC	Budget	Prior Year	Bud Var	PY Var
Income Statement															
Suburban Water	361,246	247,616	295,901	113,630	65,345	722,233	889,849	1,008,037	(167,615)	(285,804)	864,455	183,548	456,932	680,907	407,523
Suburban Wastewater	148,857	23,100	125,596	125,757	23,261	1,912,101	1,606,100	3,474,603	306,001	(1,562,503)	1,863,600	1,175,879	2,724,420	687,721	(860,820)
City Division	488,081	312,647	(774,716)	175,434	1,262,798	2,562,613	1,881,599	(2,313,405)	681,014	4,876,018	187,639	865,692	(4,289,351)	(678,053)	4,476,991
Total LCA	998,184	583,363	(353,219)	414,821	1,351,403	5,196,947	4,377,548	2,169,235	819,400	3,027,712	2,915,694	2,225,119	(1,108,000)	690,575	4,023,694
Cash Flow Statement															
Suburban Water	625,332	510,549	(39,395)	114,783	664,727	280,132	307,149	(737,148)	(27,017)	1,017,281	(2,611,031)	(3,490,153)	(3,715,921)	879,123	1,104,891
Suburban Wastewater	106,115	(34,500)	(171,988)	140,615	278,103	(161,979)	(492,808)	1,031,684	330,829	(1,193,663)	3,082,070	2,321,828	398,089	760,243	2,683,981
City Division	994,572	792,647	817,990	201,925	176,582	6,973,815	11,984,552	1,274,722	(5,010,737)	5,699,093	1,146,078	4,663,547	2,036,187	(3,517,469)	(890,108)
Total LCA	1,726,020	1,268,696	606,608	457,323	1,119,412	7,091,968	11,798,894	1,569,258	(4,706,925)	5,522,710	1,617,118	3,495,222	(1,281,645)	(1,878,104)	2,898,763
Debt Service Coverage Ratio															
Suburban Water	2.33	1.91	1.99	0.42	0.34	1.60	1.65	1.47	(0.06)	0.12	1.48	1.20	1.26	0.28	0.21
Suburban Wastewater	9.02	6.86	8.93	2.16	0.09	11.06	10.30	15.23	0.76	(4.17)	9.15	8.17	12.54	0.97	(3.39)
City Division	1.99	1.84	1.19	0.15	0.80	1.89	1.81	1.64	0.08	0.25	1.57	1.62	1.40	(0.05)	0.18

LEHIGH COUNTY AUTHORITY
CONSOLIDATED FINANCIAL STATEMENTS
For the Period Ended July 31, 2021

STATEMENTS OF ACTIVITIES	Consolidated Financial Statements															
	Month				Year To Date				Q3 FULL YEAR FORECAST				Full Year Budget			
	Sub W	Sub WW	City	LCA	Sub W	Sub WW	City	LCA	Sub W	Sub WW	City	LCA	Sub W	Sub WW	City	LCA
Operating Revenues:																
User Charges	1,330,808	1,540,919	3,717,210	6,588,936	7,137,645	10,957,202	24,007,376	42,102,223	11,906,100	19,082,900	41,206,300	72,195,300	11,799,441	19,166,369	41,996,514	72,962,324
Connection & System Charges	56,850	111,587	292,686	461,123	472,321	553,114	1,653,309	2,678,743	1,045,900	1,030,300	4,135,900	6,212,100	912,039	865,588	3,947,981	5,725,607
Other Miscellaneous Revenues	3,555	126	5,024	8,705	30,260	1,946	48,359	80,565	35,200	1,700	61,000	97,900	30,944	628	59,249	90,821
Total Operating Revenues	1,391,213	1,652,631	4,014,920	7,058,764	7,640,226	11,512,261	25,709,044	44,861,531	12,987,200	20,114,900	45,403,200	78,505,300	12,742,423	20,032,585	46,003,744	78,778,752
Operating Expenses:																
Personnel	224,928	87,807	923,539	1,236,275	1,772,411	707,928	6,119,449	8,599,788	2,982,845	1,651,700	12,117,475	16,752,020	3,289,603	1,760,954	11,561,494	16,612,051
Shared Services - General & Administrative	43,732	17,074	138,467	199,272	304,988	121,730	898,109	1,324,827	593,100	173,700	1,642,900	2,409,700	663,734	155,415	1,739,417	2,558,565
Utilities	38,735	23,475	130,802	193,012	256,695	165,990	1,058,348	1,481,033	509,900	395,900	2,112,800	3,018,600	543,917	449,484	2,156,620	3,150,021
Materials and Supplies	19,630	14,251	79,510	113,391	204,365	84,687	768,532	1,057,585	531,100	386,500	1,672,500	2,590,100	501,582	500,563	1,765,642	2,767,787
Miscellaneous Services	308,744	620,609	86,000	1,015,352	1,990,763	3,613,810	648,341	6,252,914	3,450,600	6,199,800	1,791,200	11,441,600	3,564,076	6,358,021	1,979,996	11,902,093
Treatment and Transportation	-	332,377	-	332,377	-	2,051,594	5,813	2,057,407	-	3,761,000	8,000	3,769,000	-	3,977,539	12,000	3,989,539
Depreciation and Amortization	217,141	384,727	491,154	1,093,022	1,519,987	2,693,089	3,438,078	7,651,154	2,604,400	4,635,800	5,892,800	13,133,000	2,605,699	4,616,783	5,893,862	13,116,343
Major Maintenance Expenses	(101)	9,118	295,059	304,077	3,017	71,231	534,168	608,416	2,300	869,900	2,546,500	3,418,700	3,400	1,000,000	2,652,924	3,656,324
Other Miscellaneous	(6,107)	-	-	(6,107)	-	-	-	-	48,000	32,000	8,000	88,000	74,864	46,422	13,972	135,258
Total Operating Expenses	846,701	1,489,438	2,144,532	4,480,671	6,052,227	9,510,059	13,470,839	29,033,124	10,722,245	18,106,300	27,792,175	56,620,720	11,246,874	18,865,181	27,775,927	57,887,982
Net Operating Profit	544,512	163,194	1,870,388	2,578,093	1,587,999	2,002,202	12,238,206	15,828,407	2,264,955	2,008,600	17,611,025	21,884,580	1,495,549	1,167,404	18,227,817	20,890,770
Non-Operating Income (Expense)																
Interest Income	4,104	6,325	428	10,857	28,621	54,617	3,552	86,790	60,200	84,900	110,500	255,600	94,327	190,471	172,960	457,758
Interest (Expense)	(45,208)	(15,657)	(1,382,735)	(1,443,600)	(746,364)	(109,306)	(9,679,145)	(10,534,815)	(1,276,600)	(187,800)	(17,533,886)	(18,998,286)	(1,406,328)	(181,995)	(17,535,086)	(19,123,409)
Other Miscellaneous	(142,162)	(5,005)	-	(147,167)	(148,023)	(35,412)	-	(183,435)	(184,100)	(42,100)	-	(226,200)	-	-	-	-
Net Non-Operating Income (Expense)	(183,266)	(14,337)	(1,382,307)	(1,579,909)	(865,766)	(90,101)	(9,675,593)	(10,631,460)	(1,400,500)	(145,000)	(17,423,386)	(18,968,886)	(1,312,001)	8,475	(17,362,125)	(18,665,651)
Net Income (Loss)	361,246	148,857	488,081	998,184	722,233	1,912,101	2,562,613	5,196,947	864,455	1,863,600	187,639	2,915,694	183,548	1,175,879	865,692	2,225,119
CASH FLOW STATEMENT																
Cash Flows From Operating Activities																
Operating Revenues	1,391,213	1,652,631	4,014,920	7,058,764	7,640,226	11,512,261	25,709,044	44,861,531	12,987,200	20,114,900	45,403,200	78,505,300	12,742,423	20,032,585	46,003,744	78,778,752
Operating Expenses (ex D&A)	(629,560)	(1,104,711)	(1,653,378)	(3,387,649)	(4,532,240)	(6,816,970)	(10,032,761)	(21,381,970)	(8,117,845)	(13,470,500)	(21,899,375)	(43,487,720)	(8,641,176)	(14,248,398)	(21,882,064)	(44,771,639)
Non-Cash Working Capital Changes	(691,527)	(556,549)	(1,055,421)	(2,303,496)	(1,323,775)	(1,717,948)	525,899	(2,515,825)	(75,998)	821,030	(784,130)	(39,099)	3,418	(0)	50,001	53,419
Net Cash Provided by (Used in) Operating Activities	70,126	(8,628)	1,306,121	1,367,619	1,784,211	2,977,343	16,202,182	20,963,737	4,793,357	7,465,430	22,719,694	34,978,482	4,104,666	5,784,186	24,171,680	34,060,532
Cash Flows From Financing Activities																
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds New Borrowing	21,679,902	-	-	21,679,902	21,679,902	-	-	21,679,902	21,679,902	-	-	21,679,902	-	-	2,000,000	2,000,000
Interest Payments	(139,182)	(12,723)	-	(151,905)	(838,890)	(97,747)	(5,772,543)	(6,709,180)	(1,242,211)	(181,995)	(11,565,086)	(12,989,292)	(1,406,328)	(181,995)	(11,565,086)	(13,153,409)
Principal Payments	(20,537,344)	(45,786)	-	(20,583,129)	(20,725,570)	(319,042)	-	(21,044,612)	(23,649,095)	(549,034)	(2,660,831)	(26,858,960)	(2,092,818)	(549,034)	(2,660,831)	(5,302,683)
Net Cash Provided by (Used in) Financing Activities	1,003,377	(58,509)	-	944,868	115,442	(416,789)	(5,772,543)	(6,073,890)	(3,211,404)	(731,029)	(14,225,917)	(18,168,350)	(3,499,146)	(731,029)	(12,225,917)	(16,456,092)
Cash Flows from Capital and Related Activities																
Non-Operating Income (Expenses)	(142,162)	(5,005)	-	(147,167)	(148,023)	(35,412)	(615,300)	(798,735)	(184,100)	(42,100)	(1,230,600)	(1,456,800)	-	-	(1,230,600)	(1,230,600)
Capital Expenditures, net	(310,114)	(73,068)	(311,977)	(695,159)	(1,499,801)	(1,998,739)	(2,844,077)	(6,342,616)	(4,068,784)	(2,952,131)	(6,227,599)	(13,248,514)	(4,190,000)	(2,921,800)	(6,224,576)	(13,336,376)
Net Cash Provided By (Used In) Capital and Related Activities	(452,276)	(78,073)	(311,977)	(842,326)	(1,647,824)	(2,034,151)	(3,459,377)	(7,141,351)	(4,252,884)	(2,994,231)	(7,458,199)	(14,705,314)	(4,190,000)	(2,921,800)	(7,455,176)	(14,566,976)
Cash Flows From Investing Activities																
Investments Converting To Cash	-	245,000	-	245,000	244,682	1,729,000	-	1,973,682	244,700	1,729,000	-	1,973,700	-	-	-	-
Purchased Investments	-	-	-	-	(245,000)	(2,472,000)	-	(2,717,000)	(245,000)	(2,472,000)	-	(2,717,000)	-	-	-	-
Interest Income	4,104	6,325	428	10,857	28,621	54,617	3,552	86,790	60,200	84,900	110,500	255,600	94,327	190,471	172,960	457,758
Net Cash Provided By (Used In) Investing Activities	4,104	251,325	428	255,857	28,303	(688,383)	3,552	(656,528)	59,900	(658,100)	110,500	(487,700)	94,327	190,471	172,960	457,758
FUND NET CASH FLOWS	625,332	106,115	994,572	1,726,020	280,132	(161,979)	6,973,815	7,091,968	(2,611,031)	3,082,070	1,146,078	1,617,118	(3,490,153)	2,321,828	4,663,547	3,495,222
DEBT SERVICE RATIO																
Debt Service Ratio (Indenture Based)																
Total Operating Revenues	1,330,808	1,540,919	3,717,210	6,588,936	7,137,645	10,957,202	24,007,376	42,102,223	11,906,100	19,082,900	41,206,300	72,195,300	11,799,441	19,166,369	41,996,514	72,962,324
Total Operating Expenses (Cash Based)	(629,560)	(1,104,711)	(1,653,378)	(3,387,649)	(4,532,240)	(6,816,970)	(10,032,761)	(21,381,970)	(8,117,845)	(13,470,500)	(21,899,375)	(43,487,720)	(8,641,176)	(14,248,398)	(21,882,064)	(44,771,639)
Interest Income	4,104	6,325	428	10,857	28,621	54,617	3,552	86,790	60,200	84,900	110,500	255,600	94,327	190,471	172,960	457,758
Annual Lease Payment (City)	-	-	-	-	-	-	-	-	-	-	(1,230,600)	(1,230,600)	-	-	(1,230,600)	(1,230,600)
Total Non-Operating Revenues (Expenses)	(81,757)	106,708	297,710	322,661	354,558	519,647	1,701,668	2,575,874	897,000	989,900	4,196,900	6,083,800	942,983	866,216	4,007,230	5,816,428
Cash Available For Debt Service	623,595	549,241	2,361,970	3,534,806	2,988,584	4,714,496	15,679,836	23,382,917	4,745,455	6,687,200	22,383,725	33,816,380	4,195,575	5,974,657	23,064,040	33,234,271
Interest Paid	103,518	15,166	963,757	1,082,441	724,623	106,164	6,746,300	7,577,087	1,242,211	181,995	11,565,086	12,989,292	1,406,328	181,995	11,565,086	13,153,409
Debt Retirement (Principal Payments)	164,099	45,753	221,736	431,588	1,148,696	320,270	1,552,151	3,021,117	1,969,193	549,034	2,660,831	5,179,058	2,092,818	549,034	2,660,831	5,302,683
Total Debt Service	267,617	60,919	1,185,493	1,514,029	1,873,319	426,434	8,298,452	10,598,204	3,211,404	731,029	14,225,917	18,168,350	3,499,146	731,029	14,225,917	18,456,092
Debt Service Ratio	2.33	9.02	1.99	2.33	1.60	11.06	1.89	2.21	1.48	9.15	1.57	1.86	1.20	8.17	1.62	1.80

LEHIGH COUNTY AUTHORITY
FINANCIAL STATEMENTS - SUBURBAN WATER
For the Period Ended July 31, 2021

STATEMENTS OF ACTIVITIES	Suburban - Water														
	Month					Year To Date					Full Year				
	Actual	Q3 FC	Prior Yr	FC Var	PY Var	Actual	Q3 FC	Prior Yr	FC Var	PY Var	Q3 FC	Budget	Prior Yr	Bud Var	PY Var
Operating Revenues:															
User Charges	1,330,808	1,307,000	1,121,214	23,808	209,594	7,137,645	6,941,100	6,161,197	196,545	976,448	11,906,100	11,799,441	10,866,675	106,659	1,039,425
Connection & System Charges	56,850	15,000	45,038	41,850	11,812	472,321	670,900	447,606	(198,579)	24,714	1,045,900	912,039	860,596	133,861	185,304
Other Miscellaneous Revenues	3,555	5,000	2,440	(1,445)	1,115	30,260	20,200	13,085	10,060	17,175	35,200	30,944	105,508	4,256	(70,308)
Total Operating Revenues	1,391,213	1,327,000	1,168,692	64,213	222,521	7,640,226	7,632,200	6,621,888	8,026	1,018,338	12,987,200	12,742,423	11,832,779	244,777	1,154,421
Operating Expenses:															
Personnel	224,928	214,384	182,529	(10,544)	(42,399)	1,772,411	1,610,451	1,130,189	(161,959)	(642,222)	2,982,845	3,289,603	2,576,812	306,758	(406,033)
Shared Services - General & Administrative	43,732	55,000	96,531	11,268	52,800	304,988	318,100	476,294	13,112	171,306	593,100	663,734	300,465	70,634	(292,635)
Utilities	38,735	45,000	32,172	6,265	(6,563)	256,695	284,900	225,448	28,205	(31,247)	509,900	543,917	419,493	34,017	(90,407)
Materials and Supplies	19,630	27,000	14,859	7,370	(4,771)	204,365	188,100	132,030	(16,265)	(72,335)	531,100	501,582	279,430	(29,518)	(251,670)
Miscellaneous Services	308,744	297,000	209,273	(11,744)	(99,471)	1,990,763	1,965,600	1,415,290	(25,163)	(575,473)	3,450,600	3,564,076	3,645,096	113,476	194,496
Treatment and Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and Amortization	217,141	217,000	220,000	(141)	2,859	1,519,987	1,519,400	1,540,000	(587)	20,013	2,604,400	2,605,699	2,948,963	1,299	344,563
Major Maintenance Expenses	(101)	-	1,521	101	1,622	3,017	2,300	5,260	(717)	2,243	2,300	3,400	-	1,100	(2,300)
Other Miscellaneous	(6,107)	6,000	-	12,107	6,107	-	18,000	-	18,000	-	48,000	74,864	-	26,864	(48,000)
Total Operating Expenses	846,701	861,384	756,885	14,683	(89,816)	6,052,227	5,906,851	4,924,510	(145,375)	(1,127,716)	10,722,245	11,246,874	10,170,259	524,630	(551,986)
Net Operating Profit	544,512	465,616	411,807	78,896	132,705	1,587,999	1,725,349	1,697,378	(137,349)	(109,379)	2,264,955	1,495,549	1,662,520	769,406	602,435
Non-Operating Income (Expense)															
Interest Income	4,104	5,000	5,257	(896)	(1,153)	28,621	35,200	53,105	(6,579)	(24,485)	60,200	94,327	74,821	(34,127)	(14,621)
Interest (Expense)	(45,208)	(46,000)	(119,642)	792	74,433	(746,364)	(686,600)	(745,541)	(59,764)	(823)	(1,276,600)	(1,406,328)	(1,442,776)	129,728	166,176
Other Miscellaneous	(142,162)	(177,000)	(1,521)	34,838	(140,641)	(148,023)	(184,100)	3,095	36,077	(151,118)	(184,100)	-	162,366	(184,100)	(346,466)
Net Non-Operating Income (Expense)	(183,266)	(218,000)	(115,905)	34,734	(67,361)	(865,766)	(835,500)	(689,341)	(30,266)	(176,425)	(1,400,500)	(1,312,001)	(1,205,589)	(88,499)	(194,911)
Net Income (Loss)	361,246	247,616	295,901	113,630	65,345	722,233	889,849	1,008,037	(167,615)	(285,804)	864,455	183,548	456,932	680,907	407,523
CASH FLOW STATEMENT															
Cash Flows From Operating Activities															
Operating Revenues	1,391,213	1,327,000	1,168,692	64,213	222,521	7,640,226	7,632,200	6,621,888	8,026	1,018,338	12,987,200	12,742,423	11,832,779	244,777	1,154,421
Operating Expenses (ex D&A)	(629,560)	(644,384)	(536,885)	14,824	(92,675)	(4,532,240)	(4,387,451)	(3,384,510)	(144,788)	(1,147,729)	(8,117,845)	(8,641,176)	(7,221,296)	523,331	(896,549)
Non-Cash Working Capital Changes	(691,527)	(692,443)	115,529	917	(807,055)	(1,323,775)	(1,326,537)	(454,198)	2,762	(869,577)	(75,998)	3,418	(87,537)	(79,417)	11,539
Net Cash Provided by (Used in) Operating Activities	70,126	(9,827)	747,335	79,953	(677,209)	1,784,211	1,918,211	2,783,180	(134,000)	(998,969)	4,793,357	4,104,666	4,523,946	688,691	269,411
Cash Flows From Financing Activities															
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds New Borrowing	21,679,902	21,679,902	-	-	21,679,902	21,679,902	21,679,902	-	-	21,679,902	21,679,902	-	-	21,679,902	21,679,902
Interest Payments	(139,182)	(139,182)	(1,469)	0	(137,712)	(838,890)	(916,565)	(723,144)	77,675	(115,747)	(1,242,211)	(1,406,328)	(1,756,050)	164,117	513,839
Principal Payments	(20,537,344)	(20,537,344)	(30,898)	0	(20,506,446)	(20,725,570)	(20,724,511)	(215,119)	(1,058)	(20,510,451)	(23,649,095)	(2,092,818)	(2,081,390)	(21,556,277)	(21,567,705)
Net Cash Provided by (Used in) Financing Activities	1,003,377	1,003,376	(32,367)	1	1,035,744	115,442	38,826	(938,263)	76,617	1,053,705	(3,211,404)	(3,499,146)	(3,837,440)	287,742	626,037
Cash Flows from Capital and Related Activities															
Non-Operating Income (Expenses)	(142,162)	(177,000)	(1,521)	34,838	(140,641)	(148,023)	(184,100)	3,095	36,077	(151,118)	(184,100)	-	162,366	(184,100)	(346,466)
Capital Expenditures, net	(310,114)	(311,000)	(758,099)	886	447,986	(1,499,801)	(1,500,688)	(2,642,584)	886	1,142,782	(4,068,784)	(4,190,000)	(5,043,931)	121,216	975,147
Net Cash Provided By (Used In) Capital and Related Activities	(452,276)	(488,000)	(759,620)	35,724	307,344	(1,647,824)	(1,684,788)	(2,639,489)	36,964	991,665	(4,252,884)	(4,190,000)	(4,881,565)	(62,884)	628,681
Cash Flows From Investing Activities															
Investments Converting To Cash	-	-	-	-	-	244,682	244,700	1,982,000	(18)	(1,737,318)	244,700	-	2,382,000	244,700	(2,137,300)
Purchased Investments	-	-	-	-	-	(245,000)	(245,000)	(1,977,682)	-	1,732,682	(245,000)	-	(1,977,682)	(245,000)	1,732,682
Interest Income	4,104	5,000	5,257	(896)	(1,153)	28,621	35,200	53,105	(6,579)	(24,485)	60,200	94,327	74,821	(34,127)	(14,621)
Net Cash Provided By (Used In) Investing Activities	4,104	5,000	5,257	(896)	(1,153)	28,303	34,900	57,423	(6,597)	(29,120)	59,900	94,327	479,138	(34,427)	(419,238)
FUND NET CASH FLOWS	625,332	510,549	(39,395)	114,783	664,727	280,132	307,149	(737,148)	(27,017)	1,017,281	(2,611,031)	(3,490,153)	(3,715,921)	879,123	1,104,891
DEBT SERVICE RATIO															
Debt Service Ratio (Indenture Based)															
User Charges	1,330,808	1,307,000	1,121,214	23,808	209,594	7,137,645	6,941,100	6,161,197	196,545	976,448	11,906,100	11,799,441	10,866,675	106,659	1,039,425
Operating Expenses (Cash Based)	(629,560)	(644,384)	(536,885)	14,824	(92,675)	(4,532,240)	(4,387,451)	(3,384,510)	(144,788)	(1,147,729)	(8,117,845)	(8,641,176)	(7,221,296)	523,331	(896,549)
Interest Income	4,104	5,000	5,257	(896)	(1,153)	28,621	35,200	53,105	(6,579)	(24,485)	60,200	94,327	74,821	(34,127)	(14,621)
Annual Lease Payment (City)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Operating Revenues (Expenses)	(81,757)	(157,000)	45,957	75,243	(127,714)	354,558	507,000	463,786	(152,442)	(109,228)	897,000	942,983	1,128,470	(45,983)	(231,470)
Cash Available For Debt Service	623,595	510,616	635,543	112,979	(11,948)	2,988,584	3,095,849	3,293,578	(107,264)	(304,994)	4,745,455	4,195,575	4,848,670	549,881	(103,215)
Interest Paid	103,518	103,518	146,338	-	(42,820)	724,623	724,623	1,024,363	-	(299,740)	1,242,211	1,406,328	1,756,050	(164,117)	(513,839)
Debt Retirement (Principal Payments)	164,099	164,099	173,449	-	(9,350)	1,148,696	1,148,696	1,214,144	-	(65,448)	1,969,193	2,092,818	2,081,390	(123,625)	(112,197)
Total Debt Service	267,617	267,617	319,787	-	(52,170)	1,873,319	1,873,319	2,238,507	-	(365,188)	3,211,404	3,499,146	3,837,440	(287,742)	(626,037)
Debt Service Ratio	2.33	1.91	1.99	0.42	0.34	1.60	1.65	1.47	(0.06)	0.12	1.48	1.20	1.26	0.28	0.21

LEHIGH COUNTY AUTHORITY
VARIANCE ANALYSIS - MONTH
For the Period Ended July 31, 2021

STATEMENTS OF ACTIVITIES

Operating Revenues:

User Charges
Connection & System Charges
Other Miscellaneous Revenues

Total Operating Revenues

Operating Expenses:

Personnel
Shared Services - General & Administrative
Utilities
Materials and Supplies
Miscellaneous Services
Treatment and Transportation
Depreciation and Amortization
Major Maintenance Expenses
Other Miscellaneous

Total Operating Expenses

Net Operating Profit

Non-Operating Income (Expense)

Interest Income
Interest (Expense)
Other Miscellaneous

Net Non-Operating Income (Expense)

Net Income (Loss)

CASH FLOW STATEMENT

Cash Flows From Operating Activities

Operating Revenues
Operating Expenses (ex D&A)
Non-Cash Working Capital Changes

Net Cash Provided by (Used in) Operating Activities

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

Net Cash Provided By (Used In) Capital and Related Activities

Cash Flows From Investing Activities

Investments Converting To Cash
Purchased Investments
Interest Income

Net Cash Provided By (Used In) Investing Activities

FUND NET CASH FLOWS

Suburban - Water			
Actual	Q3 FC	FC Var	Comments
1,330,808	1,307,000	23,808	
56,850	15,000	41,850	Higher supply tapping fees
3,555	5,000	(1,445)	
1,391,213	1,327,000	64,213	Higher user charges along with higher tapping fees
224,928	214,384	(10,544)	
43,732	55,000	11,268	
38,735	45,000	6,265	
19,630	27,000	7,370	
308,744	297,000	(11,744)	
-	-	-	
217,141	217,000	(141)	
(101)	-	101	
(6,107)	6,000	12,107	
846,701	861,384	14,683	Higher personnel costs and higher services cost more than offset by lower G&A, lower utilities, and lower materials/supplies
544,512	465,616	78,896	Higher operating revenues and lower operating expenses
4,104	5,000	(896)	
(45,208)	(46,000)	792	
(142,162)	(177,000)	34,838	Higher interest subsidy
(183,266)	(218,000)	34,734	Higher interest income
361,246	247,616	113,630	Higher net operating income and higher interest income

1,391,213	1,327,000	64,213	
(629,560)	(644,384)	14,824	
(691,527)	(692,443)	917	
70,126	(9,827)	79,953	Higher operating revenues and lower operating expenses
-	-	-	
21,679,902	21,679,902	-	
(139,182)	(139,182)	0	
(20,537,344)	(20,537,344)	0	
1,003,377	1,003,376	1	
(142,162)	(177,000)	34,838	
(310,114)	(311,000)	886	
(452,276)	(488,000)	35,724	Higher interest income from subsidy
-	-	-	
-	-	-	
4,104	5,000	(896)	
4,104	5,000	(896)	
625,332	510,549	114,783	Higher cash from operations and higher interest income

LEHIGH COUNTY AUTHORITY
FINANCIAL STATEMENTS - SUBURBAN WASTEWATER
For the Period Ended July 31, 2021

STATEMENTS OF ACTIVITIES	Suburban - Wastewater														
	Month					Year To Date					Full Year				
	Actual	Q3 FC	Prior Yr	FC Var	PY Var	Actual	Q3 FC	Prior Yr	FC Var	PY Var	Q3 FC	Budget	Prior Yr	Bud Var	PY Var
Operating Revenues:															
User Charges	1,540,919	1,522,000	1,387,087	18,919	153,831	10,957,202	10,949,900	9,117,954	7,302	1,839,248	19,082,900	19,166,369	16,174,427	(83,469)	2,908,473
Connection & System Charges	111,587	80,000	160,126	31,587	(48,539)	553,114	610,300	3,022,752	(57,186)	(2,469,638)	1,030,300	865,588	3,584,347	164,712	(2,554,047)
Other Miscellaneous Revenues	126	-	-	126	126	1,946	1,700	180	246	1,766	1,700	628	6,194	1,072	(4,494)
Total Operating Revenues	1,652,631	1,602,000	1,547,213	50,631	105,418	11,512,261	11,561,900	12,140,886	(49,639)	(628,625)	20,114,900	20,032,585	19,764,968	82,315	349,932
Operating Expenses:															
Personnel	87,807	139,000	67,445	51,193	(20,363)	707,928	891,700	489,235	183,772	(218,693)	1,651,700	1,760,954	1,292,099	109,254	(359,601)
Shared Services - General & Administrative	17,074	13,000	42,983	(4,074)	25,909	121,730	108,700	245,666	(13,030)	123,937	173,700	155,415	77,142	(18,285)	(96,558)
Utilities	23,475	37,000	23,100	13,525	(374)	165,990	210,900	161,735	44,910	(4,255)	395,900	449,484	296,419	53,584	(99,481)
Materials and Supplies	14,251	42,000	12,639	27,749	(1,612)	84,687	176,500	81,638	91,813	(3,049)	386,500	500,563	232,039	114,063	(154,461)
Miscellaneous Services	620,609	529,000	559,353	(91,609)	(61,256)	3,613,810	3,554,800	3,262,765	(59,010)	(351,044)	6,199,800	6,358,021	6,257,849	158,221	58,049
Treatment and Transportation	332,377	341,000	320,681	8,623	(11,695)	2,051,594	1,943,000	1,762,299	(108,594)	(289,296)	3,761,000	3,977,539	2,906,958	216,539	(854,042)
Depreciation and Amortization	384,727	379,000	383,460	(5,727)	(1,267)	2,693,089	2,675,800	2,684,220	(17,289)	(8,869)	4,635,800	4,616,783	5,937,183	(19,017)	1,301,383
Major Maintenance Expenses	9,118	83,000	1,677	73,882	(7,441)	71,231	296,900	27,845	225,669	(43,385)	869,900	1,000,000	-	130,100	(869,900)
Other Miscellaneous	-	4,000	-	4,000	-	-	12,000	-	12,000	-	32,000	46,422	-	14,422	(32,000)
Total Operating Expenses	1,489,438	1,567,000	1,411,339	77,562	(78,099)	9,510,959	9,870,300	8,715,404	360,241	(794,655)	18,106,300	18,865,181	16,999,689	758,881	(1,106,611)
Net Operating Profit	163,194	35,000	135,875	128,194	27,319	2,002,202	1,691,600	3,425,482	310,602	(1,423,280)	2,008,600	1,167,404	2,765,279	841,196	(756,679)
Non-Operating Income (Expense)															
Interest Income	6,325	6,400	13,058	(75)	(6,733)	54,617	52,900	125,082	1,717	(70,465)	84,900	190,471	185,457	(105,571)	(100,557)
Interest (Expense)	(15,657)	(15,700)	(16,739)	43	1,082	(109,306)	(109,300)	(118,198)	(6)	8,891	(187,800)	(181,995)	(199,707)	(5,805)	11,907
Other Miscellaneous	(5,005)	(2,600)	(6,597)	(2,405)	1,592	(35,412)	(29,100)	42,237	(6,312)	(77,649)	(42,100)	-	(26,609)	(42,100)	(15,491)
Net Non-Operating Income (Expense)	(14,337)	(11,900)	(10,278)	(2,437)	(4,058)	(90,101)	(85,500)	49,121	(4,601)	(139,223)	(145,000)	8,475	(40,859)	(153,475)	(104,141)
Net Income (Loss)	148,857	23,100	125,596	125,757	23,261	1,912,101	1,606,100	3,474,603	306,001	(1,562,503)	1,863,600	1,175,879	2,724,420	687,721	(860,820)
CASH FLOW STATEMENT															
Cash Flows From Operating Activities															
Operating Revenues	1,652,631	1,602,000	1,547,213	50,631	105,418	11,512,261	11,561,900	12,140,886	(49,639)	(628,625)	20,114,900	20,032,585	19,764,968	82,315	349,932
Operating Expenses (ex D&A)	(1,104,711)	(1,188,000)	(1,027,879)	83,289	(76,832)	(6,816,970)	(7,194,500)	(6,031,184)	377,530	(785,786)	(13,470,500)	(14,248,398)	(11,062,506)	777,898	(2,407,994)
Non-Cash Working Capital Changes	(556,549)	(564,800)	(616,617)	8,251	60,068	(1,717,948)	(1,718,493)	(2,042,241)	545	324,293	821,030	(0)	(878,011)	821,030	1,699,042
Net Cash Provided by (Used in) Operating Activities	(6,628)	(150,800)	(97,282)	142,172	88,654	2,977,343	2,648,907	4,067,462	328,436	(1,090,118)	7,465,430	5,784,186	7,824,450	1,681,244	(359,020)
Cash Flows From Financing Activities															
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds New Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Payments	(12,723)	(12,900)	(13,775)	177	1,051	(97,747)	(98,100)	(97,776)	353	30	(181,995)	(181,995)	(164,692)	-	(17,304)
Principal Payments	(45,786)	(45,600)	(44,859)	(186)	(927)	(319,042)	(318,800)	(316,434)	(242)	(2,609)	(549,034)	(549,034)	(542,065)	-	(6,969)
Net Cash Provided by (Used in) Financing Activities	(58,509)	(58,500)	(58,633)	(9)	125	(416,789)	(416,900)	(414,210)	111	(2,579)	(731,029)	(731,029)	(706,757)	-	(24,272)
Cash Flows from Capital and Related Activities															
Non-Operating Income (Expenses)	(5,005)	(2,600)	(6,597)	(2,405)	1,592	(35,412)	(29,100)	42,237	(6,312)	(77,649)	(42,100)	-	(26,609)	(42,100)	(15,491)
Capital Expenditures, net	(73,068)	(74,000)	(271,533)	932	198,465	(1,998,739)	(2,005,615)	(3,734,887)	6,876	1,736,149	(2,952,131)	(2,921,800)	(8,381,452)	(30,331)	5,429,322
Net Cash Provided By (Used In) Capital and Related Activities	(78,073)	(76,600)	(278,130)	(1,473)	200,057	(2,034,151)	(2,034,715)	(3,692,650)	564	1,658,500	(2,994,231)	(2,921,800)	(8,408,061)	(72,431)	5,413,830
Cash Flows From Investing Activities															
Investments Converting To Cash	245,000	245,000	249,000	-	(4,000)	1,729,000	1,729,000	2,918,000	-	(1,189,000)	1,729,000	-	5,156,000	1,729,000	(3,427,000)
Purchased Investments	-	-	-	-	-	(2,472,000)	(2,472,000)	(1,972,000)	-	(500,000)	(2,472,000)	-	(3,653,000)	(2,472,000)	1,181,000
Interest Income	6,325	6,400	13,058	(75)	(6,733)	54,617	52,900	125,082	1,717	(70,465)	84,900	190,471	185,457	(105,571)	(100,557)
Net Cash Provided By (Used In) Investing Activities	251,325	251,400	262,058	(75)	(10,733)	(688,383)	(690,100)	1,071,082	1,717	(1,759,465)	(658,100)	190,471	1,688,457	(848,571)	(2,346,557)
FUND NET CASH FLOWS	106,115	(34,500)	(171,988)	140,615	278,103	(161,979)	(492,808)	1,031,684	330,829	(1,193,663)	3,082,070	2,321,828	398,089	760,243	2,683,981
DEBT SERVICE RATIO															
Debt Service Ratio (Indenture Based)															
User Charges	1,540,919	1,522,000	1,387,087	18,919	153,831	10,957,202	10,949,900	9,117,954	7,302	1,839,248	19,082,900	19,166,369	16,174,427	(83,469)	2,908,473
Operating Expenses (Cash Based)	(1,104,711)	(1,188,000)	(1,027,879)	83,289	(76,832)	(6,816,970)	(7,194,500)	(6,031,184)	377,530	(785,786)	(13,470,500)	(14,248,398)	(11,062,506)	777,898	(2,407,994)
Interest Income	6,325	6,400	13,058	(75)	(6,733)	54,617	52,900	125,082	1,717	(70,465)	84,900	190,471	185,457	(105,571)	(100,557)
Annual Lease Payment (City)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Operating Revenues (Expenses)	106,708	77,400	153,529	29,308	(46,821)	519,647	582,900	3,065,169	(63,253)	(2,545,522)	989,900	866,216	3,563,932	123,684	(2,574,032)
Cash Available For Debt Service	549,241	417,800	525,795	131,441	23,445	4,714,496	4,391,200	6,277,021	323,296	(1,562,525)	6,687,200	5,974,657	8,861,310	712,543	(2,174,110)
Interest Paid	15,166	15,166	13,724	-	1,442	106,164	106,164	96,070	-	10,094	181,995	181,995	164,692	-	17,304
Debt Retirement (Principal Payments)	45,753	45,753	45,172	-	581	320,270	320,270	316,205	-	4,065	549,034	549,034	542,065	-	6,969
Total Debt Service	60,919	60,919	58,896	-	2,023	426,434	426,434	412,275	-	14,159	731,029	731,029	706,757	-	24,272
Debt Service Ratio	9.02	6.86	8.93	2.16	0.09	11.06	10.30	15.23	0.76	(4.17)	9.15	8.17	12.54	0.97	(3.39)

LEHIGH COUNTY AUTHORITY
VARIANCE ANALYSIS - MONTH
For the Period Ended July 31, 2021

STATEMENTS OF ACTIVITIES

Operating Revenues:

User Charges
Connection & System Charges
Other Miscellaneous Revenues

Total Operating Revenues

Operating Expenses:

Personnel
Shared Services - General & Administrative
Utilities
Materials and Supplies
Miscellaneous Services
Treatment and Transportation
Depreciation and Amortization
Major Maintenance Expenses
Other Miscellaneous

Total Operating Expenses

Net Operating Profit

Non-Operating Income (Expense)

Interest Income
Interest (Expense)
Other Miscellaneous

Net Non-Operating Income (Expense)

Net Income (Loss)

CASH FLOW STATEMENT

Cash Flows From Operating Activities

Operating Revenues
Operating Expenses (ex D&A)
Non-Cash Working Capital Changes

Net Cash Provided by (Used in) Operating Activities

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

Net Cash Provided By (Used In) Capital and Related Activities

Cash Flows From Investing Activities

Investments Converting To Cash
Purchased Investments
Interest Income

Net Cash Provided By (Used In) Investing Activities

FUND NET CASH FLOWS

Suburban - Wastewater			
Actual	Q3 FC	FC Var	Comments
1,540,919	1,522,000	18,919	
111,587	80,000	31,587	
126	-	126	
1,652,631	1,602,000	50,631	Higher user charges and higher tapping fees
87,807	139,000	51,193	
17,074	13,000	(4,074)	
23,475	37,000	13,525	
14,251	42,000	27,749	
620,609	529,000	(91,609)	
332,377	341,000	8,623	
384,727	379,000	(5,727)	
9,118	83,000	73,882	Lower capex expensed
-	4,000	4,000	
1,489,438	1,567,000	77,562	Lower personnel, materials/supplies, and treatment/transportation mostly offset by higher services
163,194	35,000	128,194	Higher operating revenues and lower operating expenses
6,325	6,400	(75)	
(15,657)	(15,700)	43	
(5,005)	(2,600)	(2,405)	
(14,337)	(11,900)	(2,437)	
148,857	23,100	125,757	Higher net operating income
1,652,631	1,602,000	50,631	
(1,104,711)	(1,188,000)	83,289	
(556,549)	(564,800)	8,251	
(8,628)	(150,800)	142,172	Higher operating revenues and lower operating expenses
-	-	-	
-	-	-	
(12,723)	(12,900)	177	
(45,786)	(45,600)	(186)	
(58,509)	(58,500)	(9)	
(5,005)	(2,600)	(2,405)	
(73,068)	(74,000)	932	
(78,073)	(76,600)	(1,473)	
245,000	245,000	-	
-	-	-	
6,325	6,400	(75)	
251,325	251,400	(75)	
106,115	(34,500)	140,615	Higher cash from operations

LEHIGH COUNTY AUTHORITY
FINANCIAL STATEMENTS - CITY DIVISION
For the Period Ended July 31, 2021

STATEMENTS OF ACTIVITIES	City Division														
	Month					Year To Date					Full Year				
	Actual	Q3 FC	Prior Yr	FC Var	PY Var	Actual	Q3 FC	Prior Yr	FC Var	PY Var	Q3 FC	Budget	Prior Yr	Bud Var	PY Var
Operating Revenues:															
User Charges	3,717,210	3,687,000	3,290,498	30,210	426,712	24,007,376	23,783,300	20,956,075	224,076	3,051,301	41,206,300	41,996,514	37,983,675	(790,214)	3,222,625
Connection & System Charges	292,686	193,000	155,872	99,686	136,814	1,653,309	1,255,900	904,177	397,409	749,132	4,135,900	3,947,981	2,768,043	187,919	1,367,857
Other Miscellaneous Revenues	5,024	7,000	4,340	(1,976)	684	48,359	31,000	25,940	17,359	22,420	61,000	59,249	51,620	1,751	9,380
Total Operating Revenues	4,014,920	3,887,000	3,450,710	127,920	564,210	25,709,044	25,070,200	21,886,192	638,844	3,822,852	45,403,200	46,003,744	40,803,338	(600,544)	4,599,862
Operating Expenses:															
Personnel	923,539	994,353	819,800	70,813	(103,739)	6,119,449	6,023,601	5,762,288	(95,848)	(357,160)	12,117,475	11,561,494	11,012,535	(555,981)	(1,104,940)
Shared Services - General & Administrative	138,467	145,000	513,174	6,533	374,707	898,109	917,900	1,623,465	19,791	725,355	1,642,900	1,739,417	1,482,737	96,517	(160,163)
Utilities	130,802	180,000	80,879	49,198	(49,923)	1,058,348	1,212,800	1,011,182	154,452	(47,166)	2,112,800	2,156,620	1,815,047	43,820	(297,753)
Materials and Supplies	79,510	156,500	118,792	76,990	39,282	768,532	854,000	713,442	85,468	(55,090)	1,672,500	1,765,642	1,393,271	93,142	(279,229)
Miscellaneous Services	86,000	174,500	183,739	88,500	97,739	648,341	878,700	774,672	230,359	126,331	1,791,200	1,979,996	1,958,582	188,796	167,382
Treatment and Transportation	-	1,000	-	1,000	-	5,813	3,000	4,959	(2,813)	(854)	8,000	12,000	11,926	4,000	3,926
Depreciation and Amortization	491,154	491,000	490,000	(154)	(1,154)	3,438,078	3,437,800	3,430,000	(278)	(8,078)	5,892,800	5,893,862	6,117,396	1,062	224,596
Major Maintenance Expenses	295,059	50,000	566,294	(245,059)	271,234	534,168	186,500	856,954	(347,668)	322,785	2,546,500	2,652,924	4,206,199	106,424	1,659,699
Other Miscellaneous	-	1,000	-	1,000	-	-	3,000	-	3,000	-	8,000	13,972	-	5,972	(8,000)
Total Operating Expenses	2,144,532	2,193,353	2,772,678	48,821	628,146	13,470,839	13,517,301	14,176,961	46,462	706,123	27,792,175	27,775,927	27,997,693	(16,249)	205,518
Net Operating Profit	1,870,388	1,693,647	678,033	176,741	1,192,355	12,238,206	11,552,899	7,709,231	685,307	4,528,975	17,611,025	18,227,817	12,805,645	(616,792)	4,805,380
Non-Operating Income (Expense)															
Interest Income	428	2,000	534	(1,572)	(106)	3,552	8,500	157,662	(4,948)	(154,110)	110,500	172,960	162,075	(62,460)	(51,575)
Interest (Expense)	(1,382,735)	(1,383,000)	(1,453,283)	265	70,548	(9,679,145)	(9,679,800)	(10,172,983)	655	493,838	(17,533,886)	(17,535,086)	(17,257,071)	1,200	(276,815)
Other Miscellaneous	-	-	-	-	-	-	-	(7,315)	-	7,315	-	-	-	-	-
Net Non-Operating Income (Expense)	(1,382,307)	(1,381,000)	(1,452,749)	(1,307)	70,443	(9,675,593)	(9,671,300)	(10,022,636)	(4,293)	347,043	(17,423,386)	(17,362,125)	(17,094,996)	(61,260)	(328,390)
Net Income (Loss)	488,081	312,647	(774,716)	175,434	1,262,798	2,562,613	1,881,599	(2,313,405)	681,014	4,876,018	187,639	865,692	(4,289,351)	(678,053)	4,476,991
CASH FLOW STATEMENT															
Cash Flows From Operating Activities															
Operating Revenues	4,014,920	3,887,000	3,450,710	127,920	564,210	25,709,044	25,070,200	21,886,192	638,844	3,822,852	45,403,200	46,003,744	40,803,338	(600,544)	4,599,862
Operating Expenses (ex D&A)	(1,653,378)	(1,702,353)	(2,282,678)	48,975	629,300	(10,032,761)	(10,079,501)	(10,746,961)	46,740	714,201	(21,899,375)	(21,882,064)	(21,880,297)	(17,311)	(19,078)
Non-Cash Working Capital Changes	(1,055,421)	(1,082,000)	(110,175)	26,579	(945,246)	525,899	444,753	(2,310,120)	81,146	2,836,018	(784,130)	50,001	(203,446)	(834,131)	(580,684)
Net Cash Provided by (Used in) Operating Activities	1,306,121	1,102,647	1,057,857	203,474	248,264	16,202,182	15,435,452	8,829,111	766,731	7,373,071	22,719,694	24,171,680	18,719,594	(1,451,986)	4,000,100
Cash Flows From Financing Activities															
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds New Borrowing	-	-	-	-	-	-	-	-	-	-	-	2,000,000	-	(2,000,000)	-
Interest Payments	-	-	-	-	-	(5,772,543)	-	(6,627,694)	(5,772,543)	855,151	(11,565,086)	(11,565,086)	(10,853,413)	-	(711,673)
Principal Payments	-	-	-	-	-	-	-	-	-	-	(2,660,831)	(2,660,831)	(2,430,261)	-	(230,570)
Net Cash Provided by (Used in) Financing Activities	-	-	-	-	-	(5,772,543)	-	(6,627,694)	(5,772,543)	855,151	(14,225,917)	(12,225,917)	(13,283,674)	(2,000,000)	(942,243)
Cash Flows from Capital and Related Activities															
Non-Operating Income (Expenses)	-	-	-	-	-	(615,300)	(615,300)	(7,315)	-	(607,985)	(1,230,600)	(1,230,600)	(533,258)	-	(697,342)
Capital Expenditures, net	(311,977)	(312,000)	(240,401)	23	(71,576)	(2,844,077)	(2,844,099)	(1,077,042)	23	(1,767,035)	(6,227,599)	(6,224,576)	(3,028,551)	(3,023)	(3,199,049)
Net Cash Provided By (Used In) Capital and Related Activities	(311,977)	(312,000)	(240,401)	23	(71,576)	(3,459,377)	(3,459,399)	(1,084,357)	23	(2,375,019)	(7,458,199)	(7,455,176)	(3,561,809)	(3,023)	(3,896,391)
Cash Flows From Investing Activities															
Investments Converting To Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchased Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	428	2,000	534	(1,572)	(106)	3,552	8,500	157,662	(4,948)	(154,110)	110,500	172,960	162,075	(62,460)	(51,575)
Net Cash Provided By (Used In) Investing Activities	428	2,000	534	(1,572)	(106)	3,552	8,500	157,662	(4,948)	(154,110)	110,500	172,960	162,075	(62,460)	(51,575)
FUND NET CASH FLOWS	994,572	792,647	817,990	201,925	176,582	6,973,815	11,984,552	1,274,722	(5,010,737)	5,699,093	1,146,078	4,663,547	2,036,187	(3,517,469)	(890,108)
DEBT SERVICE RATIO															
Debt Service Ratio (Indenture Based)															
User Charges	3,717,210	3,687,000	3,290,498	30,210	426,712	24,007,376	23,783,300	20,956,075	224,076	3,051,301	41,206,300	41,996,514	37,983,675	(790,214)	3,222,625
Operating Expenses (Cash Based)	(1,653,378)	(1,702,353)	(2,282,678)	48,975	629,300	(10,032,761)	(10,079,501)	(10,746,961)	46,740	714,201	(21,899,375)	(21,882,064)	(21,880,297)	(17,311)	(19,078)
Interest Income	428	2,000	534	(1,572)	(106)	3,552	8,500	157,662	(4,948)	(154,110)	110,500	172,960	162,075	(62,460)	(51,575)
Annual Lease Payment (City)	-	-	-	-	-	-	-	-	-	-	(1,230,600)	(1,230,600)	(533,258)	-	(697,342)
Non-Operating Revenues (Expenses)	297,710	200,000	160,212	97,710	137,498	1,701,668	1,286,900	922,801	414,768	778,867	4,196,900	4,007,230	2,819,663	189,670	1,377,237
Cash Available For Debt Service	2,361,970	2,186,647	1,168,567	175,323	1,193,404	15,679,836	14,999,199	11,289,578	680,637	4,390,258	22,383,725	23,064,040	18,551,858	(680,315)	3,851,867
Interest Paid	963,757	963,757	887,639	-	76,118	6,746,300	6,746,300	6,213,472	-	532,828	11,565,086	11,565,086	10,853,413	-	711,673
Debt Retirement (Principal Payments)	221,736	221,736	95,753	-	125,983	1,552,151	1,552,151	670,270	-	881,881	2,660,831	2,660,831	2,430,261	-	230,570
Total Debt Service	1,185,493	1,185,493	983,392	-	202,101	8,298,452	8,298,452	6,883,742	-	1,414,709	14,225,917	14,225,917	13,283,674	-	942,243
Debt Service Ratio	1.99	1.84	1.19	0.15	0.80	1.89	1.81	1.64	0.08	0.25	1.57	1.62	1.40	(0.05)	0.18

LEHIGH COUNTY AUTHORITY
VARIANCE ANALYSIS - MONTH
For the Period Ended July 31, 2021

STATEMENTS OF ACTIVITIES

Operating Revenues:

User Charges
Connection & System Charges
Other Miscellaneous Revenues

Total Operating Revenues

Operating Expenses:

Personnel
Shared Services - General & Administrative
Utilities
Materials and Supplies
Miscellaneous Services
Treatment and Transportation
Depreciation and Amortization
Major Maintenance Expenses
Other Miscellaneous

Total Operating Expenses

Net Operating Profit

Non-Operating Income (Expense)

Interest Income
Interest (Expense)
Other Miscellaneous

Net Non-Operating Income (Expense)

Net Income (Loss)

CASH FLOW STATEMENT

Cash Flows From Operating Activities

Operating Revenues
Operating Expenses (ex D&A)
Non-Cash Working Capital Changes

Net Cash Provided by (Used in) Operating Activities

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

Net Cash Provided By (Used In) Capital and Related Activities

Cash Flows From Investing Activities

Investments Converting To Cash
Purchased Investments
Interest Income

Net Cash Provided By (Used In) Investing Activities

FUND NET CASH FLOWS

City Division			
Actual	Q3 FC	FC Var	Comments
3,717,210	3,687,000	30,210	Higher Tapping Fees
292,686	193,000	99,686	
5,024	7,000	(1,976)	
4,014,920	3,887,000	127,920	Higher user charges and higher tapping fees
923,539	994,353	70,813	Higher capex charged to expense
138,467	145,000	6,533	
130,802	180,000	49,198	
79,510	156,500	76,990	
86,000	174,500	88,500	
-	1,000	1,000	
491,154	491,000	(154)	
295,059	50,000	(245,059)	
-	1,000	1,000	
2,144,532	2,193,353	48,821	Favorable variances on most of the categories partially eroded by higher capex charged off to expense
1,870,388	1,693,647	176,741	Higher operating revenues along with lower operating expenses
428	2,000	(1,572)	
(1,382,735)	(1,383,000)	265	
-	-	-	
(1,382,307)	(1,381,000)	(1,307)	
488,081	312,647	175,434	Higher net operating income
4,014,920	3,887,000	127,920	Higher operating revenues, lower operating expenses, and favorable working capital movements
(1,653,378)	(1,702,353)	48,975	
(1,055,421)	(1,082,000)	26,579	
1,306,121	1,102,647	203,474	
-	-	-	
-	-	-	
-	-	-	
-	-	-	
-	-	-	
-	-	-	
(311,977)	(312,000)	23	
(311,977)	(312,000)	23	
-	-	-	
-	-	-	
428	2,000	(1,572)	
428	2,000	(1,572)	
994,572	792,647	201,925	Higher cash from operations

LEHIGH COUNTY AUTHORITY
CASH & INVESTMENT SUMMARY
For the Period Ended July 31, 2021

	Suburban Water				Suburban Wastewater				City Division				Total			
	7/31/2021 Actual	2021 Forecast	2021 Budget	2020 Actual	7/31/2021 Actual	2021 Forecast	2021 Budget	2020 Actual	7/31/2021 Actual	2021 Forecast	2021 Budget	2020 Actual	7/31/2021 Actual	2021 Forecast	2021 Budget	2020 Actual
Cash																
Operating																
Unrestricted	7,290,324	4,399,160	1,173,430	5,206,224	(3,278,768)	(34,621)	4,315,728	(217,015)	7,622,406	2,926,316	19,638,366	1,378,275	11,633,961	7,290,855	25,127,525	6,367,484
Restricted	-	-	2,532,181	-	-	272	0	272	19,826,741	18,916,139	1,614,754	23,992,616	19,826,741	18,916,411	4,146,935	23,992,888
Total Operating	7,290,324	4,399,160	3,705,611	5,206,224	(3,278,768)	(34,349)	4,315,728	(216,743)	27,449,147	21,842,455	21,253,120	25,370,891	31,460,703	26,207,266	29,274,460	30,360,372
Capital																
Unrestricted	431,607	431,607	2,037,248	2,037,248	10,571,695	10,571,695	7,672,019	7,672,019	3,367,116	4,322,434	169,980	169,980	14,370,419	15,325,736	9,879,247	9,879,247
Restricted	0	-	-	-	338,302	337,932	337,932	337,932	7,500,034	7,500,052	7,500,000	7,500,000	7,838,336	7,837,984	7,837,932	7,837,932
Total Capital	431,608	431,607	2,037,248	2,037,248	10,909,997	10,909,627	8,009,951	8,009,951	10,867,150	11,822,486	7,669,980	7,669,980	22,208,755	23,163,720	17,717,179	17,717,179
Other Restricted																
Debt Reserves	1,660,166	1,660,166	1,043,094	1,858,493	-	-	-	-	30,153,055	28,976,677	37,684,197	28,454,669	31,813,221	30,636,843	38,727,291	30,313,162
Escrow	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Restricted	1,660,166	1,660,166	1,043,094	1,858,493	-	-	-	-	30,153,055	28,976,677	37,684,197	28,454,669	31,813,221	30,636,843	38,727,291	30,313,162
Total Cash	9,382,097	6,490,934	6,785,954	9,101,965	7,631,229	10,875,278	12,325,679	7,793,208	68,469,352	62,641,618	66,607,297	61,495,540	85,482,678	80,007,830	85,718,930	78,390,713
Investments																
Operating																
Unrestricted	1,980,844	1,497,825	2,136,930	1,497,825	-	5,387,746	6,757,276	5,387,746	-	-	-	-	1,980,844	6,885,571	8,894,206	6,885,571
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating	1,980,844	1,497,825	2,136,930	1,497,825	-	5,387,746	6,757,276	5,387,746	-	-	-	-	1,980,844	6,885,571	8,894,206	6,885,571
Capital																
Unrestricted	1,000,100	1,000,000	1,000,000	1,000,000	6,877,333	1,000,000	1,000,000	1,000,000	-	-	-	-	7,877,433	2,000,000	2,000,000	2,000,000
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital	1,000,100	1,000,000	1,000,000	1,000,000	6,877,333	1,000,000	1,000,000	1,000,000	-	-	-	-	7,877,433	2,000,000	2,000,000	2,000,000
Other Restricted																
Debt Reserves	-	244,924	-	244,924	-	-	-	-	-	-	-	-	-	244,924	-	244,924
Escrow	5,656,550	4,210,752	4,236,279	4,210,752	-	-	-	-	-	-	-	-	5,656,550	4,210,752	4,236,279	4,210,752
Total Other Restricted	5,656,550	4,455,676	4,236,279	4,455,676	-	-	-	-	-	-	-	-	5,656,550	4,455,676	4,236,279	4,455,676
Total Investments	8,637,493	6,953,501	7,373,209	6,953,501	6,877,333	6,387,746	7,757,276	6,387,746	-	-	-	-	15,514,827	13,341,247	15,130,485	13,341,247
Total Cash and Investments	18,019,591	13,444,435	14,159,163	16,055,466	14,508,562	17,263,024	20,082,955	14,180,954	68,469,352	62,641,618	66,607,297	61,495,540	100,997,505	93,349,077	100,849,415	91,731,960
Summary																
Cash																
Unrestricted	7,721,931	4,830,768	3,210,679	7,243,472	7,292,927	10,537,074	11,987,747	7,455,004	10,989,522	7,248,750	19,808,346	1,548,255	26,004,380	22,616,592	35,006,772	16,246,731
Restricted	1,660,166	1,660,166	3,575,275	1,858,493	338,302	338,204	337,932	338,204	57,479,830	55,392,868	46,798,951	59,947,285	59,478,298	57,391,238	50,712,158	62,143,982
Total Cash	9,382,097	6,490,934	6,785,954	9,101,965	7,631,229	10,875,278	12,325,679	7,793,208	68,469,352	62,641,618	66,607,297	61,495,540	85,482,678	80,007,830	85,718,930	78,390,713
Investments																
Unrestricted	2,980,944	2,497,825	3,136,930	2,497,825	6,877,333	6,387,746	7,757,276	6,387,746	-	-	-	-	9,858,277	8,885,571	10,894,206	8,885,571
Restricted	5,656,550	4,455,676	4,236,279	4,455,676	-	-	-	-	-	-	-	-	5,656,550	4,455,676	4,236,279	4,455,676
Total Investments	8,637,493	6,953,501	7,373,209	6,953,501	6,877,333	6,387,746	7,757,276	6,387,746	-	-	-	-	15,514,827	13,341,247	15,130,485	13,341,247
Total Cash and Investments	18,019,591	13,444,435	14,159,163	16,055,466	14,508,562	17,263,024	20,082,955	14,180,954	68,469,352	62,641,618	66,607,297	61,495,540	100,997,505	93,349,077	100,849,415	91,731,960

Presented: August 23, 2021

Critical Activities	System	Description	Jul-21	2021 Totals	2020 Totals	Permit
			Daily Avg (MGD)	Daily Avg (MGD)	Daily Avg (MGD)	Daily Max (MGD)
Water Production	Allentown	Total	23.91	22.13	21.37	39.0
		Schantz Spring	7.01	7.48	7.31	9.0
		Crystal Spring	3.80	3.74	3.80	4.0
		Little Lehigh Creek	13.06	10.86	10.17	30.0
		Lehigh River	0.03	0.04	0.09	28.0
	Central Lehigh	Total	12.20	11.08	10.24	19.04 MGD Avg
		Feed from Allentown	8.02	7.42	6.71	7.0 MGD Avg 10.5 MGD Max
		Well Production (CLD)	4.18	3.66	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	30.95	32.79	32.27	40.0
		Pretreatment Plant	5.36	5.34	4.94	5.75 (design capacity)
		Sum of all (5) other Suburban WW Systems	0.17	0.20	0.21	0.36
			Jul-21	2021 Totals	2020 Totals	2019 Totals
Precipitation Totals (inches)			4.46	22.18	49.57	60.66
Compliance Reports Submitted to Allentown			29	183	275	278
Notices of Violation (NOVs)		(Allentown + Suburban)	1	1	2	1
Sanitary Sewer Overflows (SSOs)/Bypasses		(Allentown + Suburban)	1	7	44	37
Main Breaks Repaired		Allentown	1	16	19	20
		Suburban	1	10	17	12
Customer Service Phone Inquiries		(Allentown + Suburban)	1,270	10,725	16,772	22,992
Water Shutoffs for Non-Payment		(Allentown + Suburban)	209	933	280	1,956
Injury Accidents		(Allentown + Suburban)	0	6	10	10
Emergency Declarations		Allentown	0	0	(4)@\$750,058	(2)@ \$152,053
		Suburban	(1) @ \$48,000	(1) @ \$48,000	(1)@\$110,000	(1) @ \$19,335
Significant Repairs/Upgrades: Nothing to report.						
Description of NOVs and/or SSOs: There was one (1) SSO during July, 2021. It occurred at 1204 E Woodlawn Street in Allentown where an 8" line backed up due to excessive grease buildup. Approximately 100 gallons was estimated to have been released. There was one (1) NOV issued during July, 2021. Arcadia WWTP was issued an NOV on 7/8/21, resulting from effluent violations over the past six (6) years. A follow-up report on the subject is due within 15 days of receipt and that report has been sent.						
Other Highlights: Final adjustments continue on the new sodium hypochlorite system at Kline's Island Wastewater Treatment Plant. Full conversion from chlorine to hypo is expected to occur in August, and with that, (16) tons of chlorine can finally be removed from center city Allentown.						

July 8, 2021

NOTICE OF VIOLATION

Delivered via email

Lehigh County Authority
P.O. Box 3348
1053 Spruce Street
Allentown, PA 18106

Attention: Andrew Moore, Compliance Manager

RE: Sewage
Arcadia West Industrial Park WWTP
NPDES Permit No. PA0064149
Weisenberg Township, Lehigh County

Dear Mr. Moore,

A review of Lehigh County Authority's monthly Discharge Monitoring Reports ("DMRs") for the Arcadia West Industrial Park WWTP has indicated a pattern of effluent violations with respect to the limitations set forth in NPDES Permit No. PA0064149. Specifically, the violations are as follows:

<u>Monitoring Period</u>	<u>Parameter</u>	<u>Permit Limit</u>	<u>Reported Value</u>
May 2016	Ammonia-Nitrogen <i>Monthly Average</i>	2.7 mg/L	3.8 mg/L
September 2017	Fecal Coliform <i>Instantaneous Maximum</i>	1,000/100 ml	1,986/100 ml
Oct.'17 to Dec.'18	Phosphorus <i>Annual Mass load</i>	36.5 lbs/year	46.4lbs/year
September 2018	CBOD ₅ <i>Monthly Average</i>	10.0 mg/L	18.0 mg/L
October 2018	CBOD ₅ <i>Monthly Average</i>	10.0 mg/L	13.0 mg/L
May 2019	Ammonia-Nitrogen <i>Monthly Average</i>	2.7 mg/L	8.1 mg/L
	Ammonia-Nitrogen <i>Monthly Average</i>	0.9 lbs/day	1.3 lbs/day
June 2019	Fecal Coliform <i>Instantaneous Maximum</i>	1,000/100 ml	>2,420/100 ml
August 2019	Fecal Coliform <i>Instantaneous Maximum</i>	1,000/100 ml	>2,420/100 ml

December 2019	CBOD ₅ <i>Monthly Average</i>	10.0 mg/L	12.0 mg/L
March 2020	CBOD ₅ <i>Monthly Average</i>	10.0 mg/L	14.0 mg/L
May 2020	Fecal Coliform <i>Instantaneous Maximum</i>	1,000/100 ml	>2,420/100 ml
August 2020	Fecal Coliform <i>Instantaneous Maximum</i>	1,000/100 ml	9,678/100 ml
May 2021	Fecal Coliform <i>Instantaneous Maximum</i>	1,000/100 ml	2,420/100 ml

Further review has indicated a late DMR submission. NPDES Permit No. PA0064149, Part A.III.B.4. requires a completed DMR to be received by this office within 28 days from the end of each monitoring period. Failure to do so constitutes unlawful conduct under Section 611 of The Clean Streams Law. The following DMR was received late:

<u>Monitoring Period</u>	<u>Date Due</u>	<u>Date Received</u>
August 2016	September 28, 2016	September 29, 2016

In addition, NPDES Permit No. PA0064149, Part A.I.A. requires the calculation and reporting of Total Phosphorus and Total Suspended Solids Annual Mass Loads. Lehigh County Authority reported a sample type of “24-hour composite” instead of the required “calculation” for both Total Phosphorus and Total Suspended Solids Annual Mass Loads for the October 1, 2017 – September 30, 2018 monitoring period in violation of NPDES Permit No. PA0064149.

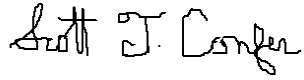
Please be advised that failure to comply with the terms and conditions of your NPDES Permit is a violation of said Permit and the Clean Streams Law of Pennsylvania, Act of June 22, 1937, P.L. 1987, as amended, 35 P.S. Section 691.1 et seq. (“The Clean Streams Law”) and subjects Lehigh County Authority to appropriate enforcement action including, but not limited to, civil penalty assessment.

The Department requests that you respond in writing to this notice within 15 days of its receipt. Said response should indicate the cause of the above-described non-compliance and the steps that will be or have been taken, in order to ensure future compliance. If Lehigh County Authority inadvertently selected the incorrect sample types for the above-listed Annual Mass Loads, the Department requests the DMR for that monitoring period be amended to reflect the correct sample type.

This Notice of Violation is neither an order nor any other final action of the Department. It neither imposes nor waives any enforcement action available to the Department under any of its statutes. If the Department determines that an enforcement action is appropriate, you will be notified of the action.

If you have any questions concerning this correspondence, you may contact me at 610-861-2135.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott T. Confer". The signature is written in a cursive, slightly stylized font.

Scott T. Confer
Water Quality Specialist
Clean Water Program

cc: Weisenberg Township



1053 SPRUCE ROAD * P.O. BOX 3348 * ALLENTOWN, PA 18106-0348
610-398-2503 * FAX 610-398-8413 * www.lehighcountyauthority.org
email: AndrewMoore@lehighcountyauthority.org

July 22, 2020

Mr. Scott Confer
Water Quality Specialist
Pennsylvania Department of Environmental Protection
Bethlehem District Office
4530 Bath Pike
Bethlehem, PA 18017-9044

Re: Arcadia West WWTP Notice of Violation
NPDES Permit No. PA0064149
Weisenberg Township, Lehigh County

Dear Mr. Confer:

The Lehigh County Authority (LCA) is in receipt of the Notice of Violation electronically delivered on July 8th, 2021. The following is the required response to the permit exceedances that took place between May 2016 and May 2021.

Plant Background

The Arcadia West WWTP is a sequencing batch reactor plant designed to treat 0.04 MGD of wastewater in Weisenberg Township. The flow discharged to this facility is mainly comprised of commercial customers and an elementary school. Due to the nature of their effluent discharges, the Arcadia West WWTP's influent can be highly variable in both hydraulic and organic loadings. The variable loadings can make operation more challenging than a facility solely treating residential waste, or with higher and more consistent flows and loads.

Ammonia

In May 2016, the plant experienced a monthly average ammonia exceedance. This exceedance was attributed to a commercial discharge which inhibited the nitrification process. The illicit discharge was located and removed from the system. In May 2019 the plant experienced similar nitrification issues due to decreased water and ambient

Every drop matters. Every customer counts.

temperatures. During this time elevated influent flows were also observed in addition to lower operating temperatures. The nitrification process is highly temperature dependent, in which nitrosomona bacteria are inhibited by lower temperatures. Covers and submersible heaters have been installed to maintain a consistent temperature for the treatment process to consistently occur.

CBOD

The CBOD₅ monthly average exceedances in September 2018, October 2018, December 2019, and May 2020 occurred due to increased influent loadings. The BOD₅/CBOD₅ analytical test, method 5210, requires an incubation period of 5 days. The delay in receiving results causes difficulties in making timely process changes, such as design food to mass ratios, when the influent strength is variable. Proper adjustments were made to bring the plant back in compliance after each event. The nitrification process is typically inhibited before CBOD₅ efficiency is decreased, which is a good indicator of a plant upset. However, during these periods nitrification was not inhibited.

Fecal Coliform

The plant uses ultraviolet (UV) disinfection before discharge to an unnamed tributary of Mill Creek. While the ultraviolet light is a safe and reliable means of disinfection, there are multiple variable that can cause the process to become less effective. The Arcadia West WWTP experienced fecal coliform instantaneous exceedance in September 2017 were attributed to two UV bulbs malfunctioning. After being replaced, the system was back in compliance. June 2019, August 2019, May 2020, August 2020, and May 2021 resulted in additional fecal coliform instantaneous maximum exceedances. The cause of these exceedances can not be contributed to a direct cause. In order to mitigate future exceedances, LCA will increase the maintenance of the UV system. The manufacturer of the system recommends replacing the bulbs on an annual basis due to lost intensity or increased risk of failure. In the future, LCA will replace them every six months. The drinking water in this service area has a high calcium content, which may contribute to increased build up on the bulbs. LCA will increase the cleaning schedule and clean them on a weekly basis.

Reporting

The total phosphorus annual average load was incorrectly submitted as a 24 hours composite, whereas a calculation is required. The daily effluent monitoring report for the October 2017 to September 2018 period will be corrected and resubmitted. During this time, there was an annual loading exceedance. In October 2017 the tertiary disk filter malfunctioned, causing reduced removal of particulate phosphorus. Once repaired and placed back in full service, total phosphorus removal was restored producing minimal effluent loadings.

In September 2016, a daily effluent monitoring reported was submitted one day late for the August 2016 monitoring period. This occurred during a transition period of personnel. Staff have been retrained on the proper process and the importance of timely submittals.

Lehigh County Authority is committed to our regulatory responsibilities, and we always strive for full compliance. If you have any questions, please do not hesitate to call me at 610-437-7681.

Sincerely,



Andrew Moore
Compliance Manager

cc: Liesel Gross, LCA
John Parsons, LCA
Weisenberg Township