

# **LCA Main Office:**

1053 Spruce Road Wescosville, PA 18106 610-398-2503

#### **Agendas & Minutes Posted:**

www.lehighcountyauthority.org

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# BOARD MEETING AGENDA - October 25, 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 <a href="LCABoard@lehighcountyauthority.org">LCABoard@lehighcountyauthority.org</a> in advance of any meeting or view the meeting at a later time by visiting the LCA website. Please visit <a href="https://www.lehighcountyauthority.org/about/lca-board-meeting-videos/">https://www.lehighcountyauthority.org/about/lca-board-meeting-videos/</a> 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
- Review of Agenda / Executive Sessions
  - Additions to Agenda (vote required if action will be taken)
- 3. Approval of Minutes
  - October 11, 2021 Board meeting minutes
- 4. Public Comments
- 5. Action / Discussion Items:

#### FINANCE AND ADMINISTRATION

• 2022 Budget Review (Approval) (blue) (digital Board packet, pages 8-13)

# **WATER**

# **WASTEWATER**

- 6. Monthly Project Updates / Information Items (1st Board meeting per month)
- 7. Monthly Financial Review (2<sup>nd</sup> Board meeting per month) **September report attached** (*digital Board packet, pages 14-23*)
- 8. Monthly System Operations Overview (2<sup>nd</sup> Board meeting per month) **September report attached** (*digital Board packet, page 24*)
- 9. Staff Comments
- 10. Solicitor's Comments
- 11. Public Comments / Other Comments

# 12. Executive Sessions

# 13. Adjournment

<b>UPCOMING</b>	ROARD	MEETINGS

November 8, 2021 November 22, 2021 December 13, 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 October 11, 2021

The Regular Meeting of the Lehigh County Authority Board of Directors was called to order at 12:01 p.m. on Monday, October 11, 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. Scott Bieber joined the meeting after it began 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, Lisa Miller, Todd Marion, and Jennifer Montero.

Chairman Nagle announced that the Authority had a new audio system installed and stated that if anyone has any difficulty hearing the meeting, they should let it be known. He also stated that the Board received their electronic and hard copy of the Board packet in advance and asked if anyone did not receive their copy of the packet. A copy of the packet is also available online.

# **REVIEW OF AGENDA**

There are no changes to the agenda and no Executive Session is planned.

# **APPROVAL OF MINUTES**

# September 27, 2021 Meeting Minutes

On a motion by Richard Bohner, seconded by Amir Famili, the Board approved the minutes of the September 27, 2021 Board meeting (6-0).

#### **PUBLIC COMMENTS**

None.

## **ACTION AND DISCUSSION ITEMS**

#### Preliminary 2022 Budget Review

Liesel Gross noted that today's review of the 2022 Preliminary Budget will include the 2022 Budget summary, a review of the proposed staff additions related to the strategic initiatives, a review of any changes by fund from the preliminary budget previously presented at the September 27 Board meeting, and a detailed discussion regarding Suburban water rates.

Ed Klein reviewed the 2022 Budget summary of revenues, expenses, capital expenses and key benchmarks including debt service coverage ratio and the number of days of operating cash on hand.

Ms. Gross reviewed the current status of the strategic planning effort, noting that critical feedback was received from the Board, staff, and stakeholders regarding the Authority's priorities. Key priorities identified include continuous improvement, employee development and training, infrastructure and asset management, process standardization, and leadership development within the water industry and in the region. The next steps in the strategic planning process are to finalize the implementation approach and develop meaningful metrics. There will be more Board discussion for approval of the plan in November or December. She also reviewed staffing requirements for the strategic initiatives highlighting key activities and benefits for each of the three proposed new positions, which cover the areas of employee development, process improvement, and asset management. The positions are not finalized in terms of job scope, salary, or educational qualifications but these items will be developed prior to filling these positions.

Amir Famili asked about the reporting structure for the asset management position, and other details about this position. Ms. Gross stated these questions can be answered after the job description, qualifications, and reporting structure are developed, which will be completed prior to filling the position.

Mr. Famili also asked about the process improvement position, inquiring what improvements are needed and whether the cost of the position will be covered through cost savings generated by the process improvement. Chairman Nagle commented that the Authority should be evaluating whether the organization structure needs to change so that it can be more effective, efficient, and streamlined. He noted that some process improvement savings and efficiencies can be difficult to quantify. Amir Famili commented that if the Authority streamlines these processes, there should be cost savings, but the Authority may not have a culture of measuring these results. He asked if it makes sense to take some of the budgeted salary from these positions and hire a consultant to look at operational tasks to understand where the savings are.

Jeff Morgan asked how we are paying for the additional positions. Liesel Gross explained that the three positions are included in the 2022 Budget as presented to the Board and are covered by the rate structures proposed in the 2022 Budget. If the position would not be filled, it would be a positive variance for personnel expenses, but it would be difficult to move forward on the Authority's strategic priorities without the positions being added. Ed Klein commented that since he has been in this position, there have been a lot of things identified that would help improve the organization and these positions will be helpful in addressing these areas. Amir Famili noted that he would like to know more about the top three or four process improvement opportunities, and what savings will be generated by those items. Ms. Gross said the analysis can be done.

Chairman Nagle commented that the Board approves the budget that includes the staffing requests, but the Board does not get to see who gets hired for these positions or the return on investment. Mr. Nagle would like to review the organizational structure to be sure the Authority has the right people in the right structure for the organization. He noted this has not been done for quite some time. Liesel Gross explained the organization structure is reviewed regularly by the staff, and adjustments made on an as-needed basis to address the needs of the organization.

Ed Klein reviewed the Suburban Water funds noting there are no changes from the prior presentation of the preliminary budget to the Board. He explained the 2022 Budget is structured around a 24 percent revenue increase that is required to cover all operating costs, debt service, and a portion of the capital improvements planned for 2022.

Liesel Gross explained that one of the drivers for the need for additional revenue in the Suburban Water division is the increase in the water purchase cost of \$754,000 from Allentown in 2022. This

increase is due to the increase in the purchase of water as well as the resumption of pay-go capital improvements at the Water Filtration Plant.

Ms. Gross explained another key driver for the cost increase is the inclusion of \$2.4 million in capital improvements into the rate structure, noting that the Board should discuss its preferred strategy regarding funding for capital improvements. The capital improvements are expected to continue annually for repair and replacement of aging infrastructure for the foreseeable future, and the Board should determine whether funding for those projects should come from the rates or through additional borrowing.

Regarding the Suburban Water rates, Ms. Gross reviewed two options. Option 1 would include the full 24 percent rate impact into the 2022 Budget, which will result in lower increases in the future. Option 2 would include a phased-in approach of rates, which will result in the need to borrow more over the next five years to cover these capital improvements. Ed Klein reviewed a 10-year cash-flow forecast for each of the options. Ms. Gross summarized the options, explaining that the phased-in approach will cost the Authority and its customers more over time, but may be preferrable to some customers who will find the phased-in rate increases easier to manage.

Ms. Gross then reviewed the proposed rate structures for both options. Under Option 1, the average residential customer would see an increase of approximately \$18.75 per quarter or \$75 per year. For Option 2, the average residential customer would see an increase of approximately \$5.40 per quarter or \$22 per year. The impact to large commercial and industrial customers varies depending on usage. The Authority's large industrial customers have been notified of the increase. Ms. Gross noted that feedback from these large customers is that a phased-in approach to the rates would be preferred. She noted that the long-term impact of doing a larger increase in 2022 is that the rates will stabilize sooner due to lowering the need for borrowing.

Ms. Gross asked the Board to provide direction on the Suburban Water rate options, so the 2022 Budget can be finalized. Chairman Nagle asked if the increase could be split in half for 2022 and what impact that would have on borrowing. Ed Klein explained it would extend the borrowing period and the long-term rate impact would be higher because of the additional borrowing. Amir Famili asked what percent comes from the large users vs. small residential users. Ms. Gross noted the page in the 2022 Budget proposal document where that information is displayed. Jeff Morgan commented that if the Authority is making capital improvements that will last 50 years, is it appropriate to make the current customers pay the cost upfront. If the Authority were to borrow for the projects, then customers would pay more gradually over the life of the bonds. Liesel Gross responded that because of the recurring nature of the capital improvements to repair and replace aging infrastructure, the costs will be repeated annually for the foreseeable future. As a result, all current and future customers will be paying toward the improvements.

There was some additional Board discussion, followed by general consensus that the Option 1 rates should be used to finalize the 2022 Budget.

Mr. Klein then reviewed the Suburban Wastewater and City Division funds and key factors expected to impact the 2022 Budget. He noted minor changes from the preliminary budget that was previously presented to the Board.

Liesel Gross said the next steps will include further communication with the Suburban Water industrial customers, City review of the Allentown Division rates, and publication of the 2022 proposed rates to the Authority's website. Staff will ask the Board for approval of the 2022 Budget at the October 25 meeting, and rate approvals will be sought in November.

# WLI - User Charge Report

Jennifer Montero, the Authority's Contracts Administrator, provided a report of the proposed 2022 user rates for the Western Lehigh Interceptor and Little Lehigh Relief Interceptor, Phases 1 and 2. The rates are combined revenue that encompass approximately 75 percent of the wastewater fund and accomplishes two things: 1) O&M cost coverage for the Western Lehigh Interceptor and Little Lehigh Relief Interceptor Phase 1 and 2 budgets, and 2) builds reserves for future capital improvements. This year, funds have been earmarked for the Trexlertown Interceptor solution, Western Lehigh Interceptor fund, and the Park Pump Station Force Main rehabilitation. The report is prepared for municipal signatories, so they have a basis for developing their municipal budgets. Ms. Montero reported that she has not received any comments from the Suburban signatories. This year's rates are increasing 2 percent to the average residential user in the Suburban signatories.

- 4 -

Liesel Gross clarified that the Authority does not bill the sewer customers directly, and so the municipalities will decide how to pass the costs on through their own rate structures. Chairman Nagle commented that an annual true-up is completed after actual costs are calculated and asked when this true-up process occurs. Ms. Montero said the true-up will occur in the third quarter billing.

On a motion by Amir Famili, seconded by Scott Bieber, the Board approved the 2022 WLI, LLRI-Phase 1 and Phase 2 User Rate charges (7-0).

Chairman Nagle thanked Jennifer Montero for presenting the User Charge Report.

# **MONTHLY PROJECT UPDATES / INFORMATION ITEMS**

Liesel Gross noted that at the next meeting on October 25<sup>th</sup>, Staff will ask for approval of the 2022 Budget. At a November meeting, Staff will provide the 2020 audited financial statements, pending numbers from the Pennsylvania Municipal Retirement System (PMRS). Also, there will be additional discussion of the Strategic Plan either at the next Board meeting or the first meeting in November.

# **STAFF COMMENTS**

None.

#### **SOLICITOR'S COMMENTS**

Solicitor Mike Gaul commented on the amazing amount of work that goes into the Budget.

# **PUBLIC COMMENTS / OTHER COMMENTS**

None.

#### **EXECUTIVE SESSION**

None.

#### **ADJOURNMENT**

There being no further business, the Chairman adjourned the meeting at 2:08 p.m.

Richard Bohner Secretary



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#### **MEMORANDUM**

**TO:** LCA Board of Directors

**FROM:** Liesel Gross, Chief Executive Officer

**DATE:** October 18, 2021 **RE:** 2022 Proposed Budget

Attachment: Executive Summary, 2022 Budget

At the October 25, 2021 meeting of Lehigh County Authority's Board of Directors, the 2022 Budget will be presented in summary form with a staff request for approval. Attached to this memo is an Executive Summary that highlights key items included in the 2022 Budget proposal, including topics that have been discussed over the past several weeks, such as:

- LCA's Strategic Plan and key initiatives arising from this effort
- Staffing for strategic initiatives
- Critical planning work needed to address sewer and water capacity challenges
- Water and sewer rates for LCA's Allentown and Suburban divisions

Since our last discussion and presentation on October 11, 2021, there have been no changes to the 2022 Budget proposal. Therefore, please refer to the budget document that was distributed previously, along with the attached Executive Summary. Together, these documents represent the staff's final 2022 Budget proposal for your consideration of approval at the next meeting.

Thank you for your attention to the important issues that LCA must address in the year ahead, as captured in this 2022 Budget presentation.



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#### 2022 BUDGET – EXECUTIVE SUMMARY

# Submitted by: Liesel M. Gross, Chief Executive Officer October 18, 2021

In 2020, the COVID-19 pandemic created new priorities for all organizations. Like most organizations in the Lehigh Valley and across the nation, many of Lehigh County Authority's plans for 2020 were put to the side to allow us to focus on keeping employees healthy and ensuring a sustainable operation in uncertain times. Our organization faced significant impacts including decreased revenues, customer hardships resulting in their inability to pay, project deferrals, and increasing operational costs associated with employee safety measures and scheduling.

Despite these challenges, a renewed focus emerged for LCA. It has never been more apparent what a vital role public water and sewer services play in protecting public health. To embrace this important responsibility, we must look ahead and develop plans and strategies to ensure this need can be sustainably met, no matter what challenge awaits us in the future.

Throughout 2021, the staff and Board of LCA focused considerable energy on a strategic planning effort designed to create a vision for our future. As we develop the details of this plan, which will be completed later this year, we will focus on defining LCA as an organization and the role we play in shaping our region's future:

<u>LCA's Mission</u>: To protect public health and the environment by providing high-quality, safe, and reliable water and wastewater services.

<u>LCA's Vision</u>: To be a trusted and engaged community partner, advancing the vitality of our region through exceptional water and wastewater services.

Through these simple statements, and the priorities and strategies that will take shape through this planning effort, LCA will move into the future with a clear focus on the important role we play in our community. Included in the 2022 Budget are several key elements that will help LCA prepare for the future, including support for our region's recovery from the pandemic.

# **Staffing for Strategy**

Several critical priorities are emerging from the strategic planning effort LCA is undertaking, spanning all facets of organizational performance. Three areas in particular will be challenging for LCA to implement without additional staff support.

**Employee Development** – LCA's workforce spans a variety of disciplines including technical work, skilled trades, customer service, engineering, finance, technology, environmental science, management, and much more. Providing additional focus for employee development and learning will help LCA ensure a safe working environment, achieve regulatory compliance, and

provide a great working environment for the men and women who serve LCA's customers. Additional staff support in this area is included in the 2022 Budget.

Asset Management – LCA's capital assets (well stations, water mains, treatment plants, pump stations, and more) are valued at more than \$200 million. We operate, maintain, repair, and replace these critical assets according to internal plans developed collaboratively by our staff. However, a more comprehensive asset management approach is needed to ensure infrastructure reliability, guide our capital investments, and support data-driven decision-making in the future. Staff support to develop this program is necessary, and included in the 2022 Budget.

**Process Improvement** – Over the years, LCA has invested heavily in technology, and systems have been developed to manage a variety of critical datasets including financial, customer, operational, and asset data. Despite these advancements, many manual and complex processes exist that create inefficiencies and duplication of effort across the organization. To streamline LCA's administrative processes, staff support for process improvement will help increase efficiency, enhance our responsiveness to our customers, and reduce risk of regulatory noncompliance and knowledge loss.

The staff additions included in the 2022 Budget are necessary to support LCA's implementation of the strategic initiatives that have been identified. More detailed job descriptions, reporting structure, and key accountabilities will be developed prior to filling the positions.

# **Capacity Planning to Support Regional Needs**

As the region recovers from the pandemic, we expect economic development to rebound in western Lehigh County and in the City of Allentown. Ensuring an adequate supply of water and capacity for wastewater treatment and transportation are critical factors that support the region's growth and economic vitality. In 2022, LCA will focus on two key areas of capacity development:

 Regional Sewer Capacity: For many years, LCA has been working with the municipalities we serve to develop sewer capacity plans that address wet-weather challenges and future growth projections. In 2021, the Pa. Department of Environmental Protection (DEP) approved an interim Act 537 Sewage Facilities Plan that provided a five-year window for the region to develop a long-term plan. The long-term Act 537 Sewage Facilities Plan must be submitted to DEP by March 2025.

To achieve this goal, along with related sewer capacity initiatives, LCA will complete the following items in 2022:

- Capacity Planning, engineering studies & miscellaneous Act 537 work \$650,000
- Trexlertown Area Capacity Solution, design phase \$100,000
- Park Pump Station Improvements, start construction \$400,000
- Flow Characterization Study, system modeling \$920,000
- Kline's Island Wastewater Treatment Plant Improvements, design phase \$250,000
- 2. Water Supply & Treatment Planning: Under the terms of a 50-year lease agreement with the City of Allentown, LCA operates the City's water filtration plant. In 2022, a "master plan" is due to be completed, which will review the condition, age, and upgrade requirements for this critical facility. This planning effort will result in a capital improvements plan for the water plant and

associated facilities for the next several decades, with additional detail provided for the 5- and 10-year planning horizons. This data will not only support LCA's capital planning process in the next five years, but will also assist LCA in forecasting funding requirements and customer rates.

In conjunction with the water filtration plant master plan work, LCA will be undertaking a preliminary water supply study for its Suburban Water systems in 2022. This study will review supply capacity requirements to meet current and future demands, and evaluate existing water sources, storage, and interconnections to ensure long-term supply needs can be met. From this study, LCA expects additional engineering work will be initiated to develop water supply projects that enhance our region's water system resiliency and redundancy.

Finally, in this critical area of water supply planning, two major upgrades will be initiated at the City's water filtration plant to replace aging equipment and treatment systems.

To achieve these goals, LCA will complete the following work in 2022:

- Water Filtration Plant Master Plan \$250,000
- Suburban Division Water Supply Study \$100,000
- Water Filtration Plant High Service VFD Replacement, construction phase \$1,100,000
- Water Filtration Plant Filter Upgrades, design phase \$200,000

These projects are highlighted in this Executive Summary due to their strategic importance not only to LCA, but for the Lehigh Valley. Our vision statement guides us to serve as an engaged community partner, advancing the vitality of our region through exceptional water and wastewater services. These projects will support our region's economic recovery by ensuring future water and wastewater needs are met while protecting public health and the environment.

#### **Utility Rates Continue to Outpace Inflation**

Like many water and sewer utilities across the nation, LCA faces a significant burden of caring for and replacing aging infrastructure. In the City of Allentown, many water and sewer lines are 100 years old or older and face significant integrity challenges. In addition, much of our water and wastewater treatment plant equipment is at the end of its useful life and needs to be replaced or upgraded. In our Suburban service areas, while the systems may be "younger" in many cases, LCA's infrastructure requires greater attention in the form or preventive maintenance and strategic asset management.

Also like many utilities across the nation, LCA's water and sewer rates will need to increase to pay for these system improvements. Everywhere, water and sewer rate increases are expected to outpace inflation for many years into the future. Included in the 2022 Budget are rate increases to LCA customers that are necessary but may be difficult for some customers to bear.

#### **City Division**

In 2020, LCA and the City of Allentown agreed to amend the 50-year water and sewer Concession Lease Agreement that was signed in 2013. The amendment was needed to improve LCA's financial performance under the terms of the Lease with the key goal of providing funding to complete the critical system improvements described above.

As part of this amendment, rate structures have been modified to provide additional revenue to the City Division. In 2022, the water and sewer rates in Allentown include the second phase of

increases included in the lease amendment, along with normal increases for inflation and capital cost recovery. This will impact the average residential customer in Allentown by about \$99 per year in 2022.

#### **Suburban Division**

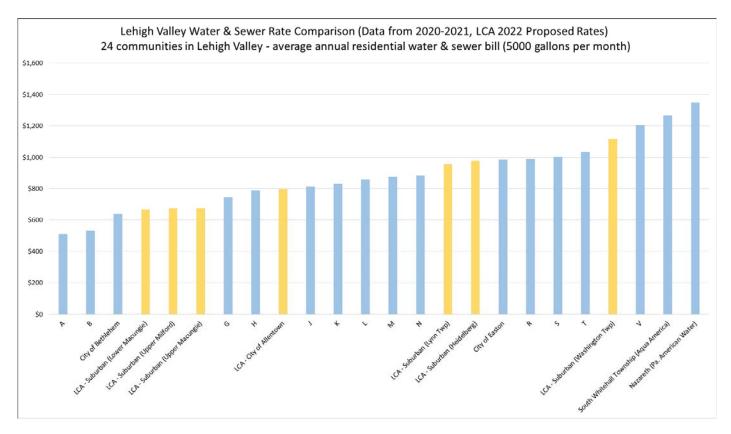
Over the past five years, LCA's Board has discussed the need for annual rate increases to bolster our preventive maintenance program and reduce our reliance on debt for capital improvements. In the 2022 Budget, an additional \$2.4 million has been added to the rate base to transition away from borrowing for the "repair and replacement" projects we expect to complete annually for the foreseeable future as our system ages. Including this cost into the rates now will have a long-term benefit for all customers as debt service decreases and rates stabilize into the future.

Also in 2022, the cost to purchase water from the City of Allentown water system will increase by approximately \$754,000. This increase reflects the terms of the Water Purchase Agreement between LCA and the City, as well as increased capital investment at the City water filtration plant.

Together, these increases are significant, reflecting an overall 24 percent increase in revenues from user charges in 2022. For the average Suburban Water residential customer, this equates to an increase of about \$75 per year.

# **Regional Rate Comparisons**

While LCA would always prefer to keep rates as low as possible, the increases described above are necessary. The graph below illustrates how LCA's 2022 proposed rates compare to other communities in the Lehigh Valley. Notably, with the 2022 increases included, most LCA customers will continue to enjoy some of the lowest water and sewer rates in our region.



Every drop matters. Every customer counts.

#### **2022 BUDGET – SUMMARY OF EXPECTED RESULTS**

The sections above describe the breadth of issues that were evaluated and discussed through the development of the 2022 Budget. The summary below shows that the 2022 Budget is presented with positive cash flows, meeting debt service requirements, and providing alternative funding for capital improvements that limits the borrowing required to pay for these investments. In 2022, we also see positive movement toward our target for operational cash balances, which supports overall financial sustainability of the organization.

Budget Overview	Suburban Water	Suburban Wastewater	City Division	Total
Operating, Non-Operating & Other Revenue	\$16,337,883	\$21,247,517	\$51,120,578	\$88,705,977
Operating Expenses (net of depreciation)	\$10,064,906	\$13,288,362	\$22,297,092	\$45,650,360
Net Revenues Available for Debt Service	\$6,272,977	\$7,959,155	\$28,823,486	\$43,055,618
Debt Service	\$ 3,125,490	\$735,802	\$15,460,362	\$19,321,654
Debt Service Coverage Ratio (indenture based)	2.01	10.82	1.86	2.23
Capital Budget Overview	Suburban Water	Suburban Wastewater	City Division	Total
Capital Expenses	\$5,487,500	\$2,870,000	\$11,265,000	\$19,622,500
Funding from 2022 Revenue & Operating Reserves	\$2,412,500	\$2,870,000	\$5,858,800	\$11,141,300
Funding from Existing Project Reserves	-	-	\$4,206,200	\$4,206,200
Funding from New Borrowing	\$3,075,000	-	\$1,200,000	\$4,275,000
Year-End Project Reserve Balance	\$2,042,457	\$7,672,019	\$169,980	\$9,884,456
Total Cash Flow	Suburban Water	Suburban Wastewater	City Division	Total
Beginning Operations Cash Balance (2021 forecast)	\$3,875,228	\$3,794,475	\$8,950,187	\$16,619,890
2022 Surplus	\$2,814,792	\$7,223,353	\$11,298,352	\$21,336,497
Provided From (To) Capital	\$(2,412,500)	\$(2,870,000)	\$(5,858,800)	\$(11,141,300)
Ending Operations Cash Balance	\$4,277,520	\$8,147,828	\$14,389,739	\$26,815,087
Operating Days Cash on Hand	155	224	208	202
Project Reserve Balance	\$2,042,457	\$7,672,019	\$169,980	\$9,884,456
Other Reserves & Investments (includes restricted)	\$8,811,994	\$6,725,950	\$55,392,868	\$70,930,812
Ending Total Fund Balance - 2022 Budget	\$15,131,971	\$22,545,797	\$69,952,587	\$107,630,355

# LEHIGH COUNTY AUTHORITY FINANCIAL STATEMENTS SEPTEMBER 2021

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

Income Statement Suburban Water Suburban Wastewater City Division Total LCA

Cash Flow Statement Suburban Water Suburban Wastewater City Division Total LCA

Debt Service Coverage Ratio Suburban Water Suburban Wastewater City Division

	Consolidated Financial Statements															
			Month					Year To Date			FULL YEAR					
Actua	I Q3 F	С	Prior Year	FC Var	PY Var	Actual	Q3 FC	Prior Year	FC Var	PY Var	Q3 FC	Budget	Prior Year	Bud Var	PY Var	
59	,102	(191)	(307,693)	59,293	366,795	614,304	828,641	1,136,217	(214,337)	(521,913)	1,139,599	183,548	456,932	956,051	682,667	
(179	(17	71,500)	861,824	(8,076)	(1,041,399)	1,522,473	2,285,180	4,468,508	(762,707)	(2,946,035)	1,361,874	1,175,879	2,724,420	185,995	(1,362,546)	
1,442	2,619 1,32	22,401	(2,434,493)	120,218	3,877,112	4,776,804	4,492,557	(4,687,607)	284,247	9,464,410	1,063,156	865,692	(4,289,351)	197,464	5,352,508	
1,322	2,145 1,15	50,710	(1,880,362)	171,435	3,202,508	6,913,580	7,606,378	917,118	(692,798)	5,996,462	3,564,629	2,225,119	(1,107,999)	1,339,510	4,672,628	
(91	,670) (50	01,502)	(126,514)	409,832	34,844	373,007	(36,825)	(1,091,968)	409,832	1,464,975	(1,325,787)	(3,490,153)	(3,715,921)	2,164,366	2,390,134	
(565	5,261) (62	25,500)	(3,006,122)	60,239	2,440,861	291,541	126,192	(1,974,438)	165,349	2,265,979	4,011,491	2,321,828	398,089	1,689,663	3,613,402	
3,088	3,191 2,82	25,851	584,042	262,340	2,504,149	11,305,771	11,043,431	1,858,765	262,340	9,447,007	3,017,494	4,663,547	2,036,187	(1,646,053)	981,307	
2,431	,260 1,69	98,849	(2,548,594)	732,411	4,979,854	11,970,319	11,132,798	(1,207,641)	837,521	13,177,960	5,703,198	3,495,222	(1,281,645)	2,207,976	6,984,843	
	1.43	1.17	0.10	0.26	1.33	1.49	1.55	1.42	(0.06)	0.07	1.66	1.20	1.26	0.46	0.40	
	3.62	3.74	21.42	(0.12)	(17.80)	9.35	10.74	15.23	(1.39)	(5.88)	10.23	8.17	12.54	2.06	(2.30)	
	2.80	2.72	(0.27)	0.08	3.06	2.03	2.01	1.51	0.02	0.52	1.60	1.62	1.43	(0.03)	0.17	

#### LEHIGH COUNTY AUTHORITY CONSOLIDATED FINANCIAL STATEMENTS For the Period Ended September 30, 2021

								Consolidated Fir	ancial Statements							
		Mon	th			Year To	Date			Q3 FULL YEAR	RFORECAST			Full Yea	Budget	
STATEMENTS OF ACTIVITIES	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	1.067.001	1.325.306	3.611.037	6.003.345	9.122.486	13.547.097	31.653.176	54,322,760	12.363.189	20.042.968	42.074.272	74.480.429	11.799.441	19.166.369	41.996.514	72.962.324
Connection & System Charges	35,243	35,484	1,227,014	1,297,740	629,920	809,768	3,026,585	4,466,274	929,234	866,588	4,064,061	5,859,883	912,039	865,588	3,947,981	5,725,607
Other Miscellaneous Revenues	2,835	13,390	6,335	22,560	48,364	45,481	96,100	189,944	32,750	2,225	66,807	101,782	30,944	628	59,249	90,821
Total Operating Revenues	1,105,079	1,374,180	4,844,387	7,323,646	9,800,771	14,402,346	34,775,861	58,978,978	13,325,173	20,911,781	46,205,139	80,442,094	12,742,423	20,032,585	46,003,744	78,778,752
Onesetine Frances																
Operating Expenses: Personnel	299.029	129,979	905.565	1.334.573	2.363.866	963,389	7.911.033	11.238.288	2.863.952	1.431.249	11.609.699	15.904.900	3,289,603	1.760.954	11.561.494	16.612.051
Shared Services - General & Administrative	26.364	12,434	78.294	117.092	458.205	186,648	1,212,331	1.857.183	647.961	191,599	1.585.674	2.425.234	663.734	155.415	1.739.417	2.558.565
Utilities	41,634	23,776	187,414	252,824	334,292	213,733	1,384,493	1,932,517	437,393	295,244	1,855,844	2,588,481	543,917	449,484	2,156,620	3,150,021
Materials and Supplies	40,704	8,817	147,188	196,709	283,999	107,001	1,030,155	1,421,155	338,588	230,668	1,445,412	2,014,667	501,582	500,563	1,765,642	2,767,787
Miscellaneous Services	318,593	645,982	93,445	1,058,019	2,661,080	4,870,783	927,794	8,459,658	3,719,855	6,620,131	1,738,302	12,078,289	3,564,076	6,358,021	1,979,996	11,902,093
Treatment and Transportation	- 217.141	330,000 384,727	- 491.154	330,000 1,093,022	1,954,269	2,890,759 3,462,543	5,813 4,420,386	2,896,572 9,837,198	2,948,963	3,712,079 5,937,183	12,165 6,117,396	3,724,244 15,003,542	2,605,699	3,977,539 4,616,783	12,000 5,893,862	3,989,539 13,116,343
Depreciation and Amortization Major Maintenance Expenses	741	1,259	113,656	115,656	3,617	70,488	661,582	735,688	2,946,963	999,999	4,206,200	5,209,075	3,400	1,000,000	2.652.924	3,656,324
Other Miscellaneous		-,200	2,656	2,656	-	-	2,656	2,656	53,217	36,000	-	89,217	74,864	46,422	13,972	135,258
Total Operating Expenses	944,206	1,536,973	2,019,372	4,500,551	8,059,328	12,765,345	17,556,242	38,380,914	11,012,805	19,454,152	28,570,692	59,037,649	11,246,874	18,865,181	27,775,927	57,887,982
Net Operating Profit	160,874	(162,793)	2,825,015	2,823,095	1,741,443	1,637,001	17,219,619	20,598,063	2,312,368	1,457,629	17,634,447	21,404,444	1,495,549	1,167,404	18,227,817	20,890,770
Non-Operating Income (Expense) Interest Income	3,841	4.486	339	8,666	36,427	65,196	1.799	103,423	49.142	86,240	172,960	308.343	94.327	190,471	172,960	457,758
Interest (Expense)	(105,085)	(15,264)	(1,382,735)	(1,503,084)	(1,014,090)	(140,133)	(12,444,615)	(13,598,838)	(1,221,912)	(181,995)	(16,744,251)	(18,148,158)	(1,406,328)	(181,995)	(17,535,086)	(19,123,409)
Other Miscellaneous	(528)	(6,004)	(1,002,700)	(6,532)	(149,476)	(39,592)	(12,111,010)	(189,068)	(1,221,012)	-	-	-	(1,100,020)	(101,000)	-	(10,120,100)
Net Non-Operating Income (Expense)	(101,772)	(16,782)	(1,382,396)	(1,500,950)	(1,127,139)	(114,528)	(12,442,816)	(13,684,483)	(1,172,770)	(95,755)	(16,571,291)	(17,839,816)	(1,312,001)	8,475	(17,362,125)	(18,665,651)
Net Income (Loss)	59,102	(179,575)	1,442,619	1,322,145	614,304	1,522,473	4,776,804	6,913,580	1,139,599	1,361,874	1,063,156	3,564,629	183,548	1,175,879	865,692	2,225,119
CASH FLOW STATEMENT																
Cash Flows From Operating Activities																
Operating Revenues	1,105,079	1,374,180	4,844,387	7,323,646	9,800,771	14,402,346	34,775,861	58,978,978	13,325,173	20,911,781	46,205,139	80,442,094	12,742,423	20,032,585	46,003,744	78,778,752
Operating Expenses (ex D&A)	(727,065) (6,151)	(1,152,246) (300,309)	(1,528,218) 575,065	(3,407,529) 268,605	(6,105,059) (1,154,611)	(9,302,802) (1,078,050)	(13,135,856) (76,654)	(28,543,716) (2,309,315)	(8,063,842) 186,340	(13,516,969) 862,664	(22,453,296) (1,303,395)	(44,034,107) (254,392)	(8,641,176) 3,418	(14,248,398)	(21,882,064) 50,001	(44,771,639) 53,419
Non-Cash Working Capital Changes  Net Cash Provided by (Used in) Operating Activities	371,864	(78,375)	3,891,234	4,184,722	2,541,101	4,021,494	21,563,351	28,125,946	5,447,672	8,257,475	22,448,448	36,153,595	4,104,666	5,784,186	24,171,680	34,060,532
Cash Flows From Financing Activities	07 1,004	(10,010)	0,001,204	4,104,722	2,041,101	4,021,404	21,000,001	20,120,040	0,447,072	0,201,410	22,440,440	30,133,333	4,104,000	0,704,100	24,171,000	04,000,002
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds New Borrowing			-		21,679,902			21,679,902	21,679,902		<u>-</u>	21,679,902			2,000,000	2,000,000
Interest Payments	(1,363) (16,642)	(12,430) (45,972)	-	(13,793) (62,613)	(841,640) (20,760,893)	(123,056) (410,893)	(5,772,543)	(6,737,239) (21,171,786)	(1,240,345) (23.636.651)	(181,995) (549,034)	(11,565,086) (2,660,831)	(12,987,426) (26,846,516)	(1,406,328) (2,092,818)	(181,995) (549,034)	(11,565,086) (2,660,831)	(13,153,409) (5,302,683)
Principal Payments  Net Cash Provided by (Used in) Financing Activities	(18,005)	(58,402)		(76,407)	77,369	(533,949)	(5,772,543)	(6,229,122)	(3,197,094)	(731,029)	(14,225,917)	(18,154,040)	(3,499,146)	(731,029)	(12,225,917)	(16,456,092)
Cash Flows from Capital and Related Activities	(10,000)	(00, 102)		(10,101)	77,000	(000,010)	(0,772,010)	(0,220,122)	(0,101,001)	(101,020)	(11,220,011)	(10,101,010)	(0,100,110)	(101,020)	(12,220,011)	(10,100,002)
Non-Operating Income (Expenses)	(528)	(6,004)	(621,762)	(628,294)	(149,476)	(39,592)	(1,243,524)	(1,432,592)	-	-	(1,243,524)	(1,243,524)	-	-	(1,230,600)	(1,230,600)
Capital Expenditures, net	(448,842)	(302,966)	(181,620)	(933,428)	(2,132,097)	(2,358,609)	(3,243,312)	(7,734,018)	(3,625,207)	(2,738,196)	(4,134,473)	(10,497,876)	(4,190,000)	(2,921,800)	(6,224,576)	(13,336,376)
Net Cash Provided By (Used In) Capital and Related Activ Cash Flows From Investing Activities	(449,370)	(308,970)	(803,382)	(1,561,722)	(2,281,573)	(2,398,200)	(4,486,836)	(9,166,610)	(3,625,207)	(2,738,196)	(5,377,997)	(11,741,400)	(4,190,000)	(2,921,800)	(7,455,176)	(14,566,976)
Investments Converting To Cash	-	125,000	-	125,000	244,682	2,103,000	-	2,347,682	244,700	2,103,000	-	2,347,700	_	-	_	_
Purchased Invesments	-	(249,000)	-	(249,000)	(245,000)	(2,966,000)	-	(3,211,000)	(245,000)	(2,966,000)	-	(3,211,000)	-	-	-	-
Interest Income	3,841	4,486	339	8,666	36,427	65,196	1,799	103,423	49,142	86,240	172,960	308,343	94,327	190,471	172,960	457,758
Net Cash Provided By (Used In) Investing Activities	3,841	(119,514)	339	(115,334)	36,109	(797,804)	1,799	(759,895)	48,842	(776,760)	172,960	(554,957)	94,327	190,471	172,960	457,758
FUND NET CASH FLOWS	(91,670)	(565,261)	3,088,191	2,431,260	373,007	291,541	11,305,771	11,970,319	(1,325,787)	4,011,491	3,017,494	5,703,198	(3,490,153)	2,321,828	4,663,547	3,495,222
DEBT SERVICE RATIO																
Debt Service Ratio (Indenture Based)																
Total Operating Revenues	1,067,001	1,325,306	3,611,037	6,003,345	9,122,486	13,547,097	31,653,176	54,322,760	12,363,189	20,042,968	42,074,272	74,480,429	11,799,441	19,166,369	41,996,514	72,962,324
Total Operating Expenses (Cash Based)	(727,065)	(1,152,246) 4,486	(1,528,218) 339	(3,407,529) 8,666	(6,105,059) 36,427	(9,302,802) 65,196	(13,135,856) 1,799	(28,543,716) 103,423	(8,063,842) 49,142	(13,516,969) 86,240	(22,453,296) 172,960	(44,034,107) 308,343	(8,641,176) 94,327	(14,248,398) 190,471	(21,882,064) 172,960	(44,771,639) 457,758
Interest Income Annual Lease Payment (City)	3,841	4,400	-	0,000	30,427	65,196	1,799	103,423	49,142	00,240	(1,230,600)	(1,230,600)	94,327	190,471	(1,230,600)	(1,230,600)
Total Non-Operating Revenues (Expenses)	37,550	42,870	1,233,349	1,313,769	528,808	815,657	3,122,685	4,467,150	961,984	868,813	4,130,868	5,961,665	942,983	866,216	4,007,230	5,816,428
Cash Available For Debt Service	381,328	220,416	3,316,508	3,918,252	3,582,663	5,125,149	21,641,805	30,349,616	5,310,474	7,481,052	22,694,203	35,485,729	4,195,575	5,974,657	23,064,040	33,234,271
Interest Paid	103,362	15,166	963,757	1,082,285	930,258	136,496	8,673,815	9,740,569	1,240,345	181,995	11,565,086	12,987,426	1,406,328	181,995	11,565,086	13,153,409
Debt Retirement (Principal Payments)	163,062	45,753	221,736	430,551	1,467,562	411,776	1,995,623	3,874,960	1,956,749	549,034	2,660,831	5,166,614	2,092,818	549,034	2,660,831	5,302,683
Total Debt Service	266,424	60,919	1,185,493	1,512,837	2,397,820	548,272	10,669,438	13,615,530	3,197,094	731,029	14,225,917	18,154,040	3,499,146	731,029	14,225,917	18,456,092
Debt Service Ratio	1.43	3.62	2.80	2.59	1.49	9.35	2.03	2.23	1.66	10.23	1.60	1.95	1.20	8.17	1.62	1.80

# LEHIGH COUNTY AUTHORITY

## FINANCIAL STATEMENTS - SUBURBAN WATER

For the Period Ended September 30, 2021

							Su	burban - Water							
			Month					Year To Date					Full Year		
STATEMENTS OF ACTIVITIES Operating Revenues:	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
User Charges Connection & System Charges	1,067,001 35,243	1,006,615 91,383	940,253 180,275	60,386 (56,140)	126,748 (145,032)	9,122,486 629,920	9,086,561 655,086	7,986,673 649,506	35,925 (25,166)	1,135,814 (19,586)	12,363,189 929,234	11,799,441 912,039	10,866,675 860,596	563,749 17,195	1,496,514 68,638
Other Miscellaneous Revenues	2,835	1,455	2,835	1,380	(145,032)	48,364	28,385	17,180	19,979	31,184	32,750	30,944	105,508	1,806	(72,758)
Total Operating Revenues	1,105,079	1,099,453	1,123,364	5,626	(18,285)	9,800,771	9,770,032	8,653,359	30,739	1,147,412	13,325,173	12,742,423	11,832,779	582,750	1,492,394
Operating Expenses:															
Personnel	299,029	237,298	417,905	(61,731)	118,877	2,363,866	2,248,334	1,689,884	(115,532)	(673,982)	2,863,952	3,289,603	2,576,812	425,651	(287,140)
Shared Services - General & Administrative Utilities	26,364 41,634	40,656 37,937	(218,031) 49,639	14,291 (3,697)	(244,395) 8,005	458,205 334,292	496,177 330,814	374,719 310,560	37,973 (3,477)	(83,486) (23,732)	647,961 437,393	663,734 543,917	300,465 419,493	15,772 106,524	(347,496) (17,900)
Materials and Supplies	40,704	19,328	24,071	(21,376)	(16,632)	283,999	253,440	205,488	(30,559)	(78,510)	338,588	501,582	279,430	162,994	(59,158)
Miscellaneous Services	318,593	442,975	820,703	124,383	502,111	2,661,080	2,742,422	2,027,467	81,342	(633,614)	3,719,855	3,564,076	3,645,096	(155,779)	(74,759)
Treatment and Transportation Depreciation and Amortization	- 217,141	- 217,141	220,000	-	2,859	1,954,269	1,954,269	1,980,000	-	25,731	2,948,963	2,605,699	2,948,963	(343,264)	- (0)
Major Maintenance Expenses	741	-	1,577	(741)	836	3,617	2,876	8,744	(741)	5,126	2,876	3,400	-,,	524	(2,876)
Other Miscellaneous Total Operating Expenses	944,206	13,304 1,008,639	1,315,865	13,304 <b>64,433</b>	371,659	8,059,328	13,304 <b>8,041,638</b>	6,596,861	13,304 (17,690)	(1,462,467)	53,217 <b>11,012,805</b>	74,864 11,246,874	10,170,259	21,647 <b>234,070</b>	(53,217) ( <b>842,546</b> )
Total Operating Expenses	944,200	1,000,039	1,313,003	04,433	371,039	8,039,328	8,041,038	0,390,001	(17,090)	(1,402,407)	11,012,803	11,240,074	10,170,239	234,070	(842,340)
Net Operating Profit	160,874	90,814	(192,501)	70,059	353,375	1,741,443	1,728,394	2,056,498	13,048	(315,055)	2,312,368	1,495,549	1,662,520	816,819	649,848
Non-Operating Income (Expense) Interest Income	3.841	4.104	4.682	(000)	(841)	36.427	20.000	62.089	(400)	(05.004)	49.142	94.327	74.004	(45.405)	(05.070)
Interest (Expense)	(105,085)	4,104 (95,110)	4,682 (119,532)	(263) (9,975)	14,447	(1,014,090)	36,829 (936,583)	(984,659)	(402) (77,507)	(25,661) (29,431)	(1,221,912)	(1,406,328)	74,821 (1,442,776)	(45,185) 184,416	(25,679) 220,864
Other Miscellaneous	(528)	- 1	(343)	(528)	(185)	(149,476)	- 1	2,289	(149,476)	(151,765)	- 1	-	162,366		(162,366)
Net Non-Operating Income (Expense)	(101,772)	(91,005)	(115,192)	(10,766)	13,420	(1,127,139)	(899,754)	(920,281)	(227,385)	(206,858)	(1,172,770)	(1,312,001)	(1,205,589)	139,231	32,819
Net Income (Loss)	59,102	(191)	(307,693)	59,293	366,795	614,304	828,641	1,136,217	(214,337)	(521,913)	1,139,599	183,548	456,932	956,051	682,667
CASH FLOW STATEMENT Cash Flows From Operating Activities															
Operating Revenues	1,105,079	1,099,453	1,123,364	5,626	(18,285)	9,800,771	9,770,032	8,653,359	30,739	1,147,412	13,325,173	12,742,423	11,832,779	582,750	1,492,394
Operating Expenses (ex D&A)	(727,065)	(791,498)	(1,095,865)	64,433	368,800	(6,105,059)	(6,087,369)	(4,616,861)	(17,690)	(1,488,198)	(8,063,842)	(8,641,176)	(7,221,296)	577,334	(842,546)
Non-Cash Working Capital Changes  Net Cash Provided by (Used in) Operating Activities	(6,151) <b>371.864</b>	(186,172) 121.783	418,762 446,261	180,021 <b>250.081</b>	(424,913) ( <b>74,397</b> )	(1,154,611) 2.541.101	(1,463,244) 2.219.419	(702,836) 3.333.662	308,634 321.682	(451,775) ( <b>792,561</b> )	186,340 <b>5.447.672</b>	3,418 <b>4.104.666</b>	(87,537) 4.523.946	182,922 1.343.006	273,878 <b>923.726</b>
Cash Flows From Financing Activities	21.1,221	,	,		(* 1,001)		_,,	-,,,,,,,	,	(102,001)		.,,	.,===,= :=	.,,	5-5,1-5
Capital Contributions Proceeds New Borrowing	-	-	-	-	1	21,679,902	21,679,902			21,679,902	21,679,902	-		21,679,902	21,679,902
Interest Payments	(1,363)	(3,211)	-	1,848	(1,363)	(841,640)	(921,163)	(731,215)	79,523	(110,425)	(1,240,345)	(1,406,328)	(1,756,050)	165,983	515,705
Principal Payments	(16,642)	(31,178)	(31,008)	14,536	14,366	(20,760,893)	(20,774,370)	(277,082)	13,478	(20,483,810)	(23,636,651)	(2,092,818)	(2,081,390)	(21,543,833)	(21,555,261)
Net Cash Provided by (Used in) Financing Activities Cash Flows from Capital and Related Activities	(18,005)	(34,389)	(31,008)	16,385	13,003	77,369	(15,632)	(1,008,297)	93,001	1,085,667	(3,197,094)	(3,499,146)	(3,837,440)	302,052	640,347
Non-Operating Income (Expenses)	(528)		(343)	(528)	(185)	(149,476)		2,289	(149,476)	(151,765)			162,366	-	(162,366)
Capital Expenditures, net Net Cash Provided By (Used In) Capital and Related Activities	(448,842) (449,370)	(593,000) (593,000)	(546,107) (546,450)	144,158 143,630	97,265 <b>97,079</b>	(2,132,097) (2,281,573)	(2,277,141) (2,277,141)	(3,731,028) (3,728,739)	145,044 (4,432)	1,598,931 1,447,165	(3,625,207)	(4,190,000) (4,190,000)	(5,043,931) (4,881,565)	564,793 <b>564,793</b>	1,418,724 1,256,358
Cash Flows From Investing Activities	(110,010)	(000,000)	(0.10,100)	0,000	0.,0.0	(2,201,010)	(=,=,)	(0,120,100)	(1,102)	1,111,100	(0,020,201)	(1,100,000)	(1,001,000)	00 1,1 00	1,200,000
Investments Converting To Cash Purchased Invesments	-	-	-	-	-	244,682 (245,000)	244,700 (245,000)	2,227,000 (1,977,682)	(18)	(1,982,318) 1,732,682	244,700 (245,000)	-	2,382,000 (1,977,682)	244,700 (245,000)	(2,137,300) 1,732,682
Interest Income	3,841	4,104	4,682	(263)	(841)	36,427	36,829	62,089	(402)	(25,661)	49,142	94,327	74,821	(45,185)	(25,679)
Net Cash Provided By (Used In) Investing Activities	3,841	4,104	4,682	(263)	(841)	36,109	36,529	311,406	(420)	(275,297)	48,842	94,327	479,138	(45,485)	(430,296)
FUND NET CASH FLOWS	(91,670)	(501,502)	(126,514)	409,832	34,844	373,007	(36,825)	(1,091,968)	409,832	1,464,975	(1,325,787)	(3,490,153)	(3,715,921)	2,164,366	2,390,134
DEBT SERVICE RATIO															
Debt Service Ratio (Indenture Based) User Charges	1,067,001	1,006,615	940,253	60,386	126,748	9,122,486	9,086,561	7,986,673	35,925	1,135,814	12,363,189	11,799,441	10,866,675	563,749	1,496,514
Operating Expenses (Cash Based)	(727,065)	(791,498)	(1,095,865)	64,433	368,800	(6,105,059)	(6,087,369)	(4,616,861)	(17,690)	(1,488,198)	(8,063,842)	(8,641,176)	(7,221,296)	577,334	(842,546)
Interest Income Annual Lease Payment (City)	3,841	4,104	4,682	(263)	(841)	36,427	36,829	62,089	(402)	(25,661)	49,142	94,327	74,821	(45,185)	(25,679)
Non-Operating Revenues (Expenses)	37,550	92,838	182,768	(55,287)	(145,218)	528,808	683,471	668,975	(154,663)	(140,167)	961,984	942,983	1,128,470	19,001	(166,486)
Cash Available For Debt Service	381,328	312,059	31,839	69,269	349,489	3,582,663	3,719,493	4,100,876	(136,830)	(518,213)	5,310,474	4,195,575	4,848,670	1,114,899	461,804
Interest Paid	103,362	103,362	146,338		(42,975)	930,258	930,258	1,317,038		(386,779)	1,240,345	1,406,328	1,756,050	(165,983)	(515,705)
Debt Retirement (Principal Payments)	163,062	163,062	173,449	-	(10,387)	1,467,562	1,467,562	1,561,043	-	(93,481)	1,956,749	2,092,818	2,081,390	(136,069)	(124,641)
Total Debt Service	266,424	266,424	319,787	<u> </u>	(53,362)	2,397,820	2,397,820	2,878,080	•	(480,260)	3,197,094	3,499,146	3,837,440	(302,052)	(640,347)
Debt Service Ratio	1.43	1.17	0.10	0.26	1.33	1.49	1.55	1.42	(0.06)	0.07	1.66	1.20	1.26	0.46	0.40

#### **LEHIGH COUNTY AUTHORITY** VARIANCE ANALYSIS - MONTH For the Period Ended September 30, 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 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

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 Invesments
Interest Income

Interest Income
Net Cash Provided By (Used In) Investing Activities

FUND NET CASH FLOWS

			Suburban - Water
Actual	Q3 FC	FC Var	Comments
1,067,001	1,006,615	60.386	Higher industrial/commercial revenues
35,243	91.383		Lower tapping fees
2.835	1,455	1,380	Edwar tapping rees
1,105,079	1,099,453		Higher user charges mostly offset by lower tapping fees
299,029	237,298	(61,731)	Higher salaries and wages charged in
26,364	40,656	14,291	Lower G&A allocation from internal services
41,634	37,937	(3,697)	
40,704	19,328	(21,376)	Higher distribution & transmission supplies
318,593	442,975	124,383	Lower maintenance services
-	-	-	
217,141	217,141	-	
741	-	(741)	
-	13,304	13,304	
			Higher personnel costs and higher materials/supplies more than offset by lower G&A
944,206	1,008,639	64,433	lower maintenance services
160,874	90,814	70,059	Higher operating revenues aided by lower operating expenses
3.841	4.104	(263)	
(105,085)	(95,110)	(9,975)	
(528)	-	(528)	
(101,772)	(91,005)	(10,766)	Higher interest expense
59,102	(191)	59,293	Higher net operating profit offset a little by higher financial expenses

_				
	1,105,079	1,099,453	5,626	
	(727,065)	(791,498)	64,433	
	(6,151)	(186,172)	180,021	
	371,864	121,783	250,081	Higher net operating profit aided by more favorable movements in working capital
	,	,		
	-	_	_	
	-			
	(1,363)	(3,211)	1,848	
	(16,642)	(31,178)	14,536	
	(18,005)	(34,389)	16,385	
	(528)		(528)	
	(448,842)	(593,000)	144,158	
	(449,370)	(593,000)		Lawar annay
	(449,370)	(595,000)	143,030	Lower capex
	-	-	-	
	-	-	-	
	3,841	4,104	(263)	
	3,841	4,104	(263)	
		· · · · · · · · · · · · · · · · · · ·	· · · · ·	
	(91,670)	(501,502)	409 832	Higher cash from operations along with lower capex
	(= .,0.0)	()002/	,	inguer each nem eperations along manional bubbs

#### LEHIGH COUNTY AUTHORITY

#### FINANCIAL STATEMENTS - SUBURBAN WASTEWATER

For the Period Ended September 30, 2021

							Sub	urban - Wastewa	ater						
			Month					Year To Date					Full Year		
STATEMENTS OF ACTIVITIES Operating Revenues:	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
User Charges	1,325,306	1,306,018	1,524,721	19,288	(199,414)	13,547,097	14,019,022	12,051,617	(471,925)	1,495,480	20,042,968	19,166,369	16,168,927	876,599	3,874,041
Connection & System Charges Other Miscellaneous Revenues	35,484 13,390	62,695 60	161,899 165	(27,211) 13,330	(126,415) 13,225	809,768 45,481	678,503 2,045	3,261,756 5,540	131,265 43,436	(2,451,987) 39,941	866,588 2,225	865,588 628	3,584,347 11,694	1,000 1,597	(2,717,759) (9,469)
Total Operating Revenues	1,374,180	1,368,773	1,686,784	5,407	(312,604)	14,402,346	14,699,570	15,318,913	(297,225)	(916,567)	20,911,781	20,032,585	19,764,968	879,196	1,146,813
Operating Expenses:															
Personnel	129,979	86,709	240,861	(43,270)	110,882	963,389	883,127	807,686	(80,262)	(155,703)	1,431,249	1,760,954	1,292,099	329,705	(139,150)
Shared Services - General & Administrative Utilities	12,434 23,776	12,022 26,249	(101,034)	(412) 2,474	(113,468) 7,741	186,648 213,733	146,717 217.577	165,253 218,092	(39,931) 3,844	(21,395) 4,359	191,599 295,244	155,415 449,484	91,502 296,419	(36,184) 154,241	(100,097) 1,175
Materials and Supplies	8,817	20,249	31,516 24,582	13,830	15,765	107,001	134,265	141,524	27,264	34,522	230,668	500,563	232,039	269,895	1,175
Miscellaneous Services	645,982	660,605	85,852	14,623	(560,130)	4,870,783	4,806,626	3,903,069	(64,157)	(967,714)	6,620,131	6,358,021	6,243,489	(262,110)	(376,642)
Treatment and Transportation Depreciation and Amortization	330,000 384,727	330,000 384,727	144,475 383,460		(185,525) (1,267)	2,890,759 3,462,543	2,614,020 3,462,543	2,159,152 3,451,140	(276,739)	(731,607) (11,403)	3,712,079 5,937,183	3,977,539 4,616,783	2,906,958 5,937,183	265,460 (1,320,400)	(805,121)
Major Maintenance Expenses	1,259	9,100	2,159	7,841	900	70,488	78,399	31,830	7,911	(38,658)	999,999	1,000,000	42,698	1	(957,301)
Other Miscellaneous Total Operating Expenses	1,536,973	1,532,059	- 811,871	(4,914)	(725,102)	12,765,345	12,343,274	10,877,746	(422,070)	- (4 997 500)	36,000 19,454,152	46,422 18,865,181	17,042,387	10,422 (588,971)	(36,000) (2,411,765)
Total Operating Expenses	1,536,973	1,532,059	011,0/1	(4,914)	(725,102)	12,765,345	12,343,274	10,677,746	(422,070)	(1,887,599)	19,454,152	10,000,101	17,042,367	(566,971)	(2,411,765)
Net Operating Profit	(162,793)	(163,286)	874,913	493	(1,037,707)	1,637,001	2,356,296	4,441,167	(719,295)	(2,804,166)	1,457,629	1,167,404	2,722,581	290,225	(1,264,952)
Non-Operating Income (Expense)															
Interest Income Interest (Expense)	4,486 (15,264)	6,325 (14,538)	10,803 (16,332)	(1,839) (727)	(6,317) 1,068	65,196 (140,133)	67,266 (138,382)	149,181 (151,181)	(2,070) (1,751)	(83,984) 11,048	86,240 (181,995)	190,471 (181,995)	185,457 (199,707)	(104,230)	(99,216) 17,712
Other Miscellaneous	(6,004)		(7,561)	(6,004)	1,557	(39,592)	- 1	29,341	(39,592)	(68,933)	-	- 1	16,089		(16,089)
Net Non-Operating Income (Expense)	(16,782)	(8,213)	(13,090)	(8,569)	(3,693)	(114,528)	(71,116)	27,341	(43,412)	(141,869)	(95,755)	8,475	1,839	(104,230)	(97,594)
Net Income (Loss)	(179,575)	(171,500)	861,824	(8,076)	(1,041,399)	1,522,473	2,285,180	4,468,508	(762,707)	(2,946,035)	1,361,874	1,175,879	2,724,420	185,995	(1,362,546)
CASH FLOW STATEMENT															
Cash Flows From Operating Activities Operating Revenues	1.374.180	1,368,773	1,686,784	5,407	(312,604)	14,402,346	14,699,570	15,318,913	(297,225)	(916,567)	20,911,781	20,032,585	19,764,968	879,196	1,146,813
Operating Expenses (ex D&A)	(1,152,246)	(1,147,332)	(428,411)	(4,914)	(723,835)	(9,302,802)	(8,880,731)	(7,426,606)	(422,070)	(1,876,196)	(13,516,969)	(14,248,398)	(11,105,204)	731,429	(2,411,765)
Non-Cash Working Capital Changes	(300,309)	(331,515)	(3,270,745)	31,206	2,970,436	(1,078,050)	(1,710,899)	(3,600,277)	632,848	2,522,226	862,664	(0)	(878,011)	862,664	1,740,675
Net Cash Provided by (Used in) Operating Activities Cash Flows From Financing Activities	(78,375)	(110,075)	(2,012,372)	31,699	1,933,996	4,021,494	4,107,940	4,292,030	(86,447)	(270,536)	8,257,475	5,784,186	7,781,753	2,473,289	475,723
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds New Borrowing Interest Payments	(12.430)	(12.900)	(13,468)	- 470	1.038	(123,056)	(123,900)	(124,933)	- 844	1.878	(181.995)	(181,995)	(164.692)	- 0	(17.303)
Principal Payments	(45,972)	(45,600)	(45,037)	(372)	(935)	(410,893)	(410,000)	(406,418)	(893)	(4,475)	(549,034)	(549,034)	(542,065)	-	(6,969)
Net Cash Provided by (Used in) Financing Activities	(58,402)	(58,500)	(58,505)	98	103	(533,949)	(533,900)	(531,351)	(49)	(2,597)	(731,029)	(731,029)	(706,757)	0	(24,272)
Cash Flows from Capital and Related Activities Non-Operating Income (Expenses)	(6,004)		(7,561)	(6,004)	1,557	(39,592)	_	29,341	(39,592)	(68,933)	_	_	16,089	_	(16,089)
Capital Expenditures, net	(302,966)	(339,250)	(1,063,488)	36,284	760,522	(2,358,609)	(2,652,115)	(5,552,639)	293,506	3,194,030	(2,738,196)	(2,921,800)	(8,381,452)	183,604	5,643,257
Net Cash Provided By (Used In) Capital and Related Activities Cash Flows From Investing Activities	(308,970)	(339,250)	(1,071,048)	30,280	762,079	(2,398,200)	(2,652,115)	(5,523,298)	253,914	3,125,097	(2,738,196)	(2,921,800)	(8,365,363)	183,604	5,627,167
Investments Converting To Cash	125,000	125,000	125,000	-	-	2,103,000	2,103,000	3,292,000	-	(1,189,000)	2,103,000	-	5,156,000	2,103,000	(3,053,000)
Purchased Invesments Interest Income	(249,000) 4,486	(249,000) 6,325	10,803	(1,839)	(249,000) (6,317)	(2,966,000) 65,196	(2,966,000) 67,266	(3,653,000) 149,181	(2,070)	687,000 (83,984)	(2,966,000) 86,240	- 190,471	(3,653,000) 185,457	(2,966,000) (104,230)	687,000 (99,216)
Net Cash Provided By (Used In) Investing Activities	(119,514)	(117,675)	135,803	(1,839)	(255,317)	(797,804)	(795,734)	(211,819)	(2,070)	(585,984)	(776,760)	190,471	1,688,457	(967,230)	(2,465,216)
FUND NET CASH FLOWS	(565,261)	(625,500)	(3,006,122)	60,239	2,440,861	291,541	126,192	(1,974,438)	165,349	2,265,979	4,011,491	2,321,828	398,089	1,689,663	3,613,402
DEBT SERVICE RATIO															
Debt Service Ratio (Indenture Based)															
User Charges Operating Expenses (Cash Based)	1,325,306 (1,152,246)	1,306,018 (1,147,332)	1,524,721 (428,411)	19,288 (4,914)	(199,414) (723,835)	13,547,097 (9,302,802)	14,019,022 (8,880,731)	12,051,617 (7,426,606)	(471,925) (422,070)	1,495,480 (1,876,196)	20,042,968 (13,516,969)	19,166,369 (14,248,398)	16,168,927 (11,105,204)	876,599 731,429	3,874,041 (2,411,765)
Interest Income	4,486	6,325	10,803	(1,839)	(6,317)	65,196	67,266	149,181	(2,070)	(83,984)	86,240	190,471	185,457	(104,230)	(99,216)
Annual Lease Payment (City)	40.070		454.500	(40.005)	(444 620)	045.657	-	2 200 627	105 100	(2.400.000)	- 000 040	- 000 040	- 0.640.400	2 507	(0.740.047)
Non-Operating Revenues (Expenses)  Cash Available For Debt Service	42,870 220,416	62,755 227,765	154,503 1,261,616	(19,885) (7,349)	(111,633)	815,657 5,125,149	680,548 5,886,105	3,296,637 8,070,829	135,109 (760,956)	(2,480,980) (2,945,680)	868,813 7,481,052	866,216 5,974,657	3,612,130 8,861,310	2,597 1,506,395	(2,743,317) (1,380,258)
	·			, , , , ,				400 510					40 1 000		4= 000
Interest Paid Debt Retirement (Principal Payments)	15,166 45,753	15,166 45,753	13,724 45,172	(0)	1,442 581	136,496 411,776	136,496 411,776	123,519 406,549		12,977 5,226	181,995 549.034	181,995 549.034	164,692 542,065	(0)	17,303 6,969
Total Debt Service	60,919	60,919	58,896	(0)	2,023	548,272	548,272	530,068		18,204	731,029	731,029	706,757	(0)	24,272
Debt Service Ratio	3.62	3.74	21.42	(0.12)	(17.80)	9.35	10.74	15.23	(1.39)	(5.88)	10.23	8.17	12.54	2.06	(2.30)

				Suburban - Wastewater
STATEMENTS OF ACTIVITIES	Actual	Q3 FC	FC Var	Comments
Operating Revenues:				Lucia de la companya
User Charges	1,325,306	1,306,018		Higher hauler revenues partially offset by lower residential and commercial revenues
Connection & System Charges	35,484	62,695		Lower capital recovery fees
Other Miscellaneous Revenues	13,390	60	13,330	
Total Operating Revenues	1,374,180	1,368,773	5,407	Higher user charges and other miscellaneous revenues partially offset by lower capital recovery revenues
Operating Expenses:				
Personnel	129,979	86,709	(43,270)	
Shared Services - General & Administrative				
Utilities	12,434 23,776	12,022 26,249	(412) 2,474	
	23,776 8,817	22,647		
Materials and Supplies Miscellaneous Services	645,982	660,605	13,830	
			14,623	
Treatment and Transportation	330,000	330,000		
Depreciation and Amortization	384,727	384,727	7.044	
Major Maintenance Expenses	1,259	9,100	7,841	
Other Miscellaneous	-	-	-	
Total Operating Expenses				Higher personnel costs and slightly higher G&A offset for the most part by lower utilities,
	1,536,973	1,532,059	(4,914)	lower materials/supplies, lower services, and lower major maintenance
Net Operating Profit	(400 700)	(400.000)	400	
	(162,793)	(163,286)	493	Higher operating revenues mostly offset by slightly higher operating expenses
Non-Operating Income (Expense)				
Interest Income	4,486	6,325	(1,839)	
Interest (Expense) Other Miscellaneous	(15,264)	(14,538)	(727)	
Net Non-Operating Income (Expense)	(6,004) (16,782)	(8,213)	(6,004)	Lower investment income
Net Non-Operating income (Expense)	(10,702)	(0,213)	(8,569)	Lower investment income
Net Income (Loss)	(179,575)	(171,500)	(8,076)	Higher net operating profit offset by higher financial expenses
CASH FLOW STATEMENT				
Cash Flows From Operating Activities				
Operating Revenues	1,374,180	1,368,773	5.407	
Operating Expenses (ex D&A)	(1,152,246)	(1,147,332)	(4,914)	
Non-Cash Working Capital Changes	(300,309)	(331,515)	31,206	
	(300,303)	(331,313)	31,200	
Net Cash Provided by (Used in) Operating Activities	(78,375)	(110,075)	31,699	Slightly higher net operating profit aided by more favorable working capital movements
Cash Flows From Financing Activities				
Capital Contributions	-	-	-	
Proceeds New Borrowing			-	
Interest Payments	(12,430)	(12,900)	470	
Principal Payments	(45,972)	(45,600)	(372)	
Net Cash Provided by (Used in) Financing Activities	(58,402)	(58,500)	98	
Cash Flows from Capital and Related Activities	(0.05.)		(0.0)	
Non-Operating Income (Expenses)	(6,004)	(000 05-)	(6,004)	
Capital Expenditures, net	(302,966)	(339,250)	36,284	1
Net Cash Provided By (Used In) Capital and Related Activities	(308,970)	(339,250)	30,280	Lower capex
Cash Flows From Investing Activities	405.000	405.000		
Investments Converting To Cash	125,000	125,000	-	
Purchased Invesments	(249,000)	(249,000)		
Interest Income	4,486	6,325	(1,839)	
Net Cash Provided By (Used In) Investing Activities	(119,514)	(117,675)	(1,839)	
FUND NET CASH FLOWS	(565,261)	(625,500)	60,239	Higher cash from operations along with lower capex

# LEHIGH COUNTY AUTHORITY FINANCIAL STATEMENTS - CITY DIVISION For the Period Ended September 30, 2021

Ţ						1		City Division			<b>-</b>				
			Month					Year To Date					Full Year		
STATEMENTS OF ACTIVITIES Operating Revenues:	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
User Charges	3,611,037	3,642,209	2,801,221	(31,172)	809,817	31,653,176	31,633,316	27,099,288	19,860	4,553,888	42,074,272	41,996,514	37,983,675	77,757	4,090,597
Connection & System Charges Other Miscellaneous Revenues	1,227,014 6,335	1,166,002 5,438	240,884 7,729	61,012 897	986,130 (1,394)	3,026,585 96,100	2,944,669 50,492	1,280,189 35,934	81,916 45,608	1,746,396 60,166	4,064,061 66,807	3,947,981 59,249	2,768,043 51,620	116,080 7,558	1,296,018 15,187
Total Operating Revenues	4,844,387	4,813,650	3,049,834	30,737	1,794,553	34,775,861	34,628,477	28,415,411	147,384	6,360,450	46,205,139	46,003,744	40,803,338	201,396	5,401,801
Operating Expenses:															
Personnel	905,565	1,007,310	1,528,988	101,745	623,423	7,911,033	8,123,250	8,112,959	212,217	201,926	11,609,699	11,561,494	11,012,535	(48,205)	(597,164)
Shared Services - General & Administrative	78,294	105,416	(785,798)	27,122	(864,092)	1,212,331	1,218,391	1,039,749	6,060	(172,582)	1,585,674	1,739,417	1,482,737	153,743	(102,937)
Utilities Materials and Supplies	187,414 147,188	206,027 104,803	265,225 133,540	18,613 (42,385)	77,811 (13,648)	1,384,493 1,030,155	1,383,126 966,813	1,392,626 940,368	(1,367) (63,341)	8,133 (89,786)	1,855,844 1,445,412	2,156,620 1,765,642	1,815,047 1,393,271	300,775 320,230	(40,797) (52,141)
Miscellaneous Services	93,445	113,916	150,348	20,471	56,903	927,794	920,053	1,100,734	(7,741)	172,940	1,738,302	1,979,996	1,958,582	241,694	220,280
Treatment and Transportation Depreciation and Amortization	- 491,154	- 491,154	490,000	- 1	- (1,154)	5,813 4,420,386	5,058 4,420,386	4,959 4,410,000	(755)	(854) (10,386)	12,165 6,117,396	12,000 5,893,862	11,926 6,117,396	(165) (223,534)	(239)
Major Maintenance Expenses	113,656	50,000	2,016,589	(63,656)	1,902,933	661,582	598,058	2,948,106	(63,524)	2,286,524	4,206,200	2,652,924	4,206,199	(1,553,276)	(1)
Other Miscellaneous	2,656			(2,656)	(2,656)	2,656		19.949.501	(2,656)	(2,656)		13,972		13,972	(572.999)
Total Operating Expenses	2,019,372	2,078,626	3,798,892	59,254	1,779,520	17,556,242	17,635,134	19,949,501	78,893	2,393,260	28,570,692	27,775,927	27,997,693	(794,766)	(572,999)
Net Operating Profit	2,825,015	2,735,024	(749,058)	89,991	3,574,073	17,219,619	16,993,343	8,465,909	226,277	8,753,710	17,634,447	18,227,817	12,805,645	(593,370)	4,828,803
Non-Operating Income (Expense)															
Interest Income Interest (Expense)	339 (1,382,735)	399 (1,413,021)	2,189 (1,687,624)	(60) 30,286	(1,851) 304,889	1,799 (12,444,615)	4,402 (12,505,187)	160,374 (13,313,890)	(2,603) 60,573	(158,575) 869,275	172,960 (16,744,251)	172,960 (17,535,086)	162,075 (17,257,071)	(0) 790,835	10,885 512,820
Other Miscellaneous	- '-	- 1	- '	-	-	-		- '	-	-	-	- 1	- 1	-	-
Net Non-Operating Income (Expense)	(1,382,396)	(1,412,623)	(1,685,435)	30,227	303,039	(12,442,816)	(12,500,786)	(13,153,516)	57,970	710,701	(16,571,291)	(17,362,125)	(17,094,996)	790,834	523,705
Net Income (Loss)	1,442,619	1,322,401	(2,434,493)	120,218	3,877,112	4,776,804	4,492,557	(4,687,607)	284,247	9,464,410	1,063,156	865,692	(4,289,351)	197,464	5,352,508
CASH FLOW STATEMENT															
Cash Flows From Operating Activities Operating Revenues	4,844,387	4,813,650	3,049,834	30,737	1,794,553	34,775,861	34,628,477	28,415,411	147,384	6,360,450	46,205,139	46,003,744	40,803,338	201,396	5,401,801
Operating Revenues Operating Expenses (ex D&A)	(1,528,218)	(1,587,472)	(3,308,892)	59,254	1,780,674	(13,135,856)	(13,214,748)	(15,539,501)	78,893	2,403,646	(22,453,296)	(21,882,064)	(21,880,297)	(571,232)	(572,999)
Non-Cash Working Capital Changes	575,065	440,537	1,291,135	134,529	(716,069)	(76,654)	(77,417)	(2,578,401)	763	2,501,747	(1,303,395)	50,001	(470,075)	(1,353,396)	(833,320)
Net Cash Provided by (Used in) Operating Activities Cash Flows From Financing Activities	3,891,234	3,666,714	1,032,076	224,520	2,859,158	21,563,351	21,336,311	10,297,508	227,040	11,265,843	22,448,448	24,171,680	18,452,965	(1,723,232)	3,995,483
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-		-
Proceeds New Borrowing Interest Payments			-	- 1	1	(5,772,543)	(5,772,543)	(6,627,694)	(0)	- 855,151	(11,565,086)	2,000,000 (11,565,086)	(10,853,413)	(2,000,000)	(711,673)
Principal Payments			-	-	_	-	-		-	-	(2,660,831)	(2,660,831)	(2,163,632)	-	(497,199)
Net Cash Provided by (Used in) Financing Activities Cash Flows from Capital and Related Activities	-	-	-	-	-	(5,772,543)	(5,772,543)	(6,627,694)	(0)	855,151	(14,225,917)	(12,225,917)	(13,017,045)	(2,000,000)	(1,208,872)
Non-Operating Income (Expenses)	(621,762)	(621,762)	(266,629)	-	(355,133)	(1,243,524)	(1,243,524)	(533,258)		(710,266)	(1,243,524)	(1,230,600)	(533,258)	(12,924)	(710,266)
Capital Expenditures, net	(181,620)	(219,500)	(183,595)	37,880	1,975	(3,243,312)	(3,281,215)	(1,438,166)	37,903	(1,805,147)	(4,134,473)	(6,224,576)	(3,028,551)	2,090,103	(1,105,922)
Net Cash Provided By (Used In) Capital and Related Activities  Cash Flows From Investing Activities	(803,382)	(841,262)	(450,224)	37,880	(353,158)	(4,486,836)	(4,524,739)	(1,971,424)	37,903	(2,515,413)	(5,377,997)	(7,455,176)	(3,561,809)	2,077,179	(1,816,188)
Investments Converting To Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchased Invesments Interest Income	339	399	- 2,189	(60)	(1,851)	1,799	4,402	160,374	(2,603)	(158,575)	172,960	172,960	162,075	- (0)	10,885
Net Cash Provided By (Used In) Investing Activities	339	399	2,189	(60)	(1,851)	1,799	4,402	160,374	(2,603)	(158,575)	172,960	172,960	162,075	(0)	10,885
FUND NET CASH FLOWS	3,088,191	2,825,851	584,042	262,340	2,504,149	11,305,771	11,043,431	1,858,765	262,340	9,447,007	3,017,494	4,663,547	2,036,187	(1,646,053)	981,307
DEBT SERVICE RATIO															
Debt Service Ratio (Indenture Based)				,											
User Charges Operating Expenses (Cash Based)	3,611,037 (1,528,218)	3,642,209 (1,587,472)	2,801,221 (3,308,892)	(31,172) 59,254	809,817 1,780,674	31,653,176 (13,135,856)	31,633,316 (13,214,748)	27,099,288 (15,539,501)	19,860 78,893	4,553,888 2,403,646	42,074,272 (22,453,296)	41,996,514 (21,882,064)	37,983,675 (21,880,297)	77,757 (571,232)	4,090,597 (572,999)
Interest Income	339	399	2,189	(60)	(1,851)	1,799	4,402	160,374	(2,603)	(158,575)	172,960	172,960	162,075	(0)	10,885
Annual Lease Payment (City) Non-Operating Revenues (Expenses)	1,233,349	- 1.171.440	- 248,613	61,909	984,736	3,122,685	2,995,161	- 1,316,123	- 127,524	1,806,562	(1,230,600) 4,130,868	(1,230,600) 4,007,230	(533,258) 2,819,663	123,638	(697,342) 1,311,205
Cash AWailable For Debt Service	3,316,508	3,226,576	(256,869)	89,931	3,573,376	21,641,805	21,418,130	13,036,283	223,674	8,605,521	22,694,203	23,064,040	18,551,858	(369,836)	4,142,346
Interest Paid	963,757	963,757	887.639	_	76,118	8.673.815	8,673,815	7.988.750		685.065	11.565.086	11.565.086	10,853,413		711.673
Debt Retirement (Principal Payments)	221,736	221,736	73,534	-	148,202	1,995,623	1,995,623	661,805		1,333,819	2,660,831	2,660,831	2,163,632		497,199
Total Debt Service	1,185,493	1,185,493	961,173	-	224,320	10,669,438	10,669,438	8,650,554	-	2,018,884	14,225,917	14,225,917	13,017,045	•	1,208,872
Debt Service Ratio	2.80	2.72	(0.27)	0.08	3.06	2.03	2.01	1.51	0.02	0.52	1.60	1.62	1.43	(0.03)	0.17

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	3,611,037 1,227,014 6,335 4,844,387 905,565 78,294	Q3 FC 3,642,209 1,166,002 5,438 4,813,650	61,012 897	Comments  Higher resident, commercial, and industrial revenues offset by lower other water sales and lower leachate revenues Higher supply tapping fees
Operating Revenues:  User Charges  Connection & System Charges Other Miscellaneous Revenues  Total Operating Revenues  Operating Expenses: Personnel Shared Services - General & Administrative Utilities Materials and Supplies	3,611,037 1,227,014 6,335 <b>4,844,387</b> 905,565 78,294	3,642,209 1,166,002 5,438 <b>4,813,650</b>	(31,172) 61,012 897	Higher resident, commercial, and industrial revenues offset by lower other water sales and lower leachate revenues
User Charges Connection & System Charges Other Miscellaneous Revenues Total Operating Revenues  Operating Expenses: Personnel Shared Services - General & Administrative Utilities Materials and Supplies	1,227,014 6,335 4,844,387 905,565 78,294	1,166,002 5,438 <b>4,813,650</b>	61,012 897	lower leachate revenues
Connection & System Charges Other Miscellaneous Revenues Total Operating Revenues  Operating Expenses: Personnel Shared Services - General & Administrative Utilities Materials and Supplies	1,227,014 6,335 4,844,387 905,565 78,294	1,166,002 5,438 <b>4,813,650</b>	61,012 897	
Other Miscellaneous Revenues Total Operating Revenues  Operating Expenses: Personnel Shared Services - General & Administrative Utilities Materials and Supplies	6,335 <b>4,844,387</b> 905,565 78,294	5,438 <b>4,813,650</b>	897	Higher supply tapping fees
Total Operating Revenues  Operating Expenses: Personnel Shared Services - General & Administrative Utilities Materials and Supplies	<b>4,844,387</b> 905,565 78,294	4,813,650		
Operating Expenses: Personnel Shared Services - General & Administrative Utilities Materials and Supplies	905,565 78,294		30,737	I was a second as a second sec
Personnel Shared Services - General & Administrative Utilities Materials and Supplies	78,294	4 007 046		Lower user charges more than offset by higher tapping fees
Personnel Shared Services - General & Administrative Utilities Materials and Supplies	78,294	4 007 046		
Utilities Materials and Supplies		1,007,310	101,745	Lower salaries and wages charged in
Materials and Supplies		105,416		Lower G&A allocated in from internal services
	187,414	206,027		Lower utilities costs
	147,188	104,803		Higher chemicals and higher supplies
Miscellaneous Services	93,445	113,916	20,471	Lower maintenance services
Treatment and Transportation	-	-	-	
Depreciation and Amortization Major Maintenance Expenses	491,154 113,656	491,154 50,000	(62 6E6)	Higher cancy charged to synance
Other Miscellaneous	2,656	50,000	(2,656)	Higher capex charged to expense
Other Wiscendifeous	2,000		(2,030)	
Total Operating Expenses				Lower personnel costs, lower G&A, lower utilities, and lower maintenance services offse
	2,019,372	2,078,626	59,254	partly by higher materials/supplies and higher expensed capex
Net Operating Profit	2,825,015	2,735,024	89,991	Higher operating revenues aided by lower operating exxpenses
Non Operating Income (Evypones)				
Non-Operating Income (Expense) Interest Income	339	399	(60)	
Interest income Interest (Expense)	(1,382,735)	(1,413,021)	30,286	
Other Miscellaneous	(1,302,733)	(1,413,021)	-	
Net Non-Operating Income (Expense)	(1,382,396)	(1,412,623)	30,227	Lower interest expense
N. (1	4 440 640	4 200 404	400.040	Higher net operating profit along with lower interest expense
Net Income (Loss)	1,442,619	1,322,401	120,218	righer het operating pront along with lower interest expense
CASH FLOW STATEMENT				
Cash Flows From Operating Activities				
Operating Revenues	4,844,387	4,813,650	30,737	
Operating Expenses (ex D&A)	(1,528,218)	(1,587,472)	59,254	
Non-Cash Working Capital Changes	575,065	440,537	134,529	
Net Cash Provided by (Used in) Operating Activities				
*	3,891,234	3,666,714	224,520	Higher net operating profit along with more favorable working capital movements
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)	(621,762)	(621,762)	-	
Capital Expenditures, net	(181,620)	(219,500)	37,880	
Net Cash Provided By (Used In) Capital and Related Activities	(803,382)	(841,262)	37,880	Lower capex
Cash Flows From Investing Activities Investments Converting To Cash				
Purchased Invesments	-	-		
Interest Income	339	399	(60)	
Net Cash Provided By (Used In) Investing Activities	339	399	(60)	
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			` '	
FUND NET CASH FLOWS	3,088,191	2,825,851	262,340	Higher cash from operations along with lower capex

# LEHIGH COUNTY AUTHORITY CASH & INVESTMENT SUMMARY For the Period Ended September 30, 2021

	Suburban Water			Wastewater				Division				Total				
	9/30/2021	2021	2021	2020	9/30/2021	2021	2021	2020	9/30/2021	2021	2021	2020	9/30/2021	2021	2021	2020
	Actual	Forecast	Budget	Actual	Actual	Forecast	Budget	Actual	Actual	Forecast	Budget	Actual	Actual	Forecast	Budget	Actual
Cash	Actual	rorccast	Dauget	Actual	Actual	Torcoust	Duuget	Actual	Actual	Torcoast	Duuget	Actual	Actual	Torcoust	Duuget	Actuui
Operating																
Unrestricted	7,383,160	5,019,443	1,173,430	5,206,224	(2,852,736)	793,934	4,315,728	(217,015)	7,112,334	4,546,547	19,638,366	1,378,275	11,642,758	10,359,924	25,127,525	6,367,484
Restricted	- ,000,100	-	2.532.181	-	(2,002,700)	272	0	272	22,315,943	18,916,139	1,614,754	23,992,616	22,315,943	18.916.411	4.146.935	23,992,888
Total Operating	7.383.160	5.019.443	3,705,611	5.206.224	(2.852.736)	794.206	4.315.728	(216.743)	29,428,277	23,462,686	21,253,120	25,370,891	33,958,701	29.276.335	29,274,460	30,360,372
	.,,,,,,,,,,	-,,	-,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	-,,	(=)===):==/	,	.,,	(=:=)::=)								
Capital																
Unrestricted	319,694	319,694	2,037,248	2,037,248	10,599,155	10,599,155	7,672,019	7,672,019	3,367,153	4,322,434	169,980	169,980	14,286,002	15,241,283	9,879,247	9,879,247
Restricted		· -	· · · · ·	-	338,330	337,932	337,932	337,932	7,500,039	7,500,052	7,500,000	7,500,000	7,838,369	7,837,984	7,837,932	7,837,932
Total Capital	319,694	319,694	2,037,248	2,037,248	10,937,485	10,937,087	8,009,951	8,009,951	10,867,192	11,822,486	7,669,980	7,669,980	22,124,371	23,079,267	17,717,179	17,717,179
Other Restricted																
Debt Reserves	1,772,118	1,660,166	1,043,094	1,858,493	-	-	-	-	32,505,839	28,976,677	37,684,197	28,454,669	34,277,957	30,636,843	38,727,291	30,313,162
Escrow	-		-	-	-	-	-	-	-	-	-	-	-	-		
Total Other Restricted	1,772,118	1,660,166	1,043,094	1,858,493	-	-	-	-	32,505,839	28,976,677	37,684,197	28,454,669	34,277,957	30,636,843	38,727,291	30,313,162
Total Cash	9,474,972	6,999,303	6,785,954	9,101,965	8,084,749	11,731,293	12,325,679	7,793,208	72,801,308	64,261,849	66,607,297	61,495,540	90,361,029	82,992,445	85,718,930	78,390,713
Investments																
Operating																
Unrestricted	1,979,391	1,497,825	2,136,930	1,497,825	-	5,387,746	6,757,276	5,387,746	-	-	-	-	1,979,391	6,885,571	8,894,206	6,885,571
Restricted	-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating	1,979,391	1,497,825	2,136,930	1,497,825	-	5,387,746	6,757,276	5,387,746	-	-	-	-	1,979,391	6,885,571	8,894,206	6,885,571
Orașital																
Capital	4 000 400	4 000 000	4 000 000	4 000 000	0.000.454	4 000 000	4 000 000	4 000 000					7 000 007	0.000.000	0.000.000	0.000.000
Unrestricted Restricted	1,000,133	1,000,000	1,000,000	1,000,000	6,993,154	1,000,000	1,000,000	1,000,000	-	-	-	-	7,993,287	2,000,000	2,000,000	2,000,000
Total Capital	1,000,133	1,000,000	1,000,000	1.000.000	6,993,154	1.000.000	1,000,000	1,000,000	-				7,993,287	2,000,000	2,000,000	2,000,000
Готаг Сарпаг	1,000,133	1,000,000	1,000,000	1,000,000	0,993,134	1,000,000	1,000,000	1,000,000	-			-	1,993,201	2,000,000	2,000,000	2,000,000
Other Restricted																
Debt Reserves	_	244,924		244,924	_			_					_	244,924		244,924
Escrow	5,858,322	4.210.752	4.236.279	4,210,752				_					5,858,322	4.210.752	4.236.279	4,210,752
Total Other Restricted	5.858.322	4,455,676	4.236.279	4,455,676	_	-		_			-		5,858,322	4,455,676	4,236,279	4,455,676
Total Strict Hoodings	0,000,022	1, 100,070	1,200,270	1, 100,010									0,000,022	1,100,070	1,200,210	1, 100,070
Total Investments	8,837,846	6,953,501	7,373,209	6.953.501	6,993,154	6.387.746	7,757,276	6,387,746	-	-	-	-	15.830.999	13,341,247	15.130.485	13,341,247
Total Cash and Investments	18,312,818	13,952,804	14,159,163	16,055,466	15,077,903	18,119,039	20,082,955	14,180,954	72,801,308	64,261,849	66,607,297	61,495,540	106,192,029	96,333,692	100,849,415	91,731,960
Summary																
Cash																
Unrestricted	7,702,854	5,339,137	3,210,679	7,243,472	7,746,419	11,393,089	11,987,747	7,455,004	10,479,487	8,868,981	19,808,346	1,548,255	25,928,760	25,601,207	35,006,772	16,246,731
Restricted	1,772,118	1,660,166	3,575,275	1,858,493	338,330	338,204	337,932	338,204	62,321,821	55,392,868	46,798,951	59,947,285	64,432,269	57,391,238	50,712,158	62,143,982
Total Cash	9,474,972	6,999,303	6,785,954	9,101,965	8,084,749	11,731,293	12,325,679	7,793,208	72,801,308	64,261,849	66,607,297	61,495,540	90,361,029	82,992,445	85,718,930	78,390,713
													1	-	-	
Investments																
Unrestricted	2,979,524	2,497,825	3,136,930	2,497,825	6,993,154	6,387,746	7,757,276	6,387,746	-	-	-	-	9,972,678	8,885,571	10,894,206	8,885,571
Restricted	5,858,322	4,455,676	4,236,279	4,455,676	-			-	-	-	-	-	5,858,322	4,455,676	4,236,279	4,455,676
Total Investments	8,837,846	6,953,501	7,373,209	6,953,501	6,993,154	6,387,746	7,757,276	6,387,746	-	-	-	-	15,830,999	13,341,247	15,130,485	13,341,247
Total Cash and Investments	18,312,818	13,952,804	14,159,163	16,055,466	15,077,903	18,119,039	20,082,955	14,180,954	72,801,308	64,261,849	66,607,297	61,495,540	106,192,029	96,333,692	100,849,415	91,731,960

#### Lehigh County Authority

System Operations Review - September 2021

Presented: October 25, 2021

Critical Activities	System	Description	<u>Sep-21</u>	2021 Totals	2020 Totals	<u>Permit</u>	
			Daily Avg (MGD)	Daily Avg (MGD)	Daily Avg (MGD)	Daily Max (MGD)	
Water Production	Allentown	Total	21.84	22.23	21.37	39.0	
		Schantz Spring	7.65	7.44	7.31	9.0	
		Crystal Spring	3.76	3.75	3.80	4.0	
		Little Lehigh Creek	10.43	11.01	10.17	30.0	
		Lehigh River	0.00	0.03	0.09	28.0	
	Central Lehigh	Total	11.29	11.22	10.24	19.04 MGD Av	
		Feed from Allentown	7.18	7.45	6.71	7.0 MGD Avg 10.5 MGD Max	
		Well Production (CLD)	4.11	3.77	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	35.95	33.09	32.27	40.0	
		Pretreatment Plant	5.49	5.35	4.94	5.75 (design capacity)	
		Sum of all (5) other Suburban WW Systems	0.32	0.22	0.21	0.36	
			Sep-21	2021 Totals	2020 Totals	2019 Totals	
Precipitation Totals (inches)			8.12	38.1	49.57	60.66	
Compliance Reports Submitted to Allentown			18	219	275	278	
Notices of Violation (NOVs)	(Allentown + Suburban)	0	2	2	1		
Sanitary Sewer Overflows (SSO	(Allentown + Suburban)	12	22	44	37		
Main Breaks Repaired		Allentown	0	17	19	20	
		Suburban	1	11	17	12	
Customer Service Phone Inquir	ries	(Allentown + Suburban)	1,010	12,966	16,772	22,992	
Nater Shutoffs for Non-Paymen	ıt	(Allentown + Suburban)	195	1,331	280	1,956	
Injury Accidents		(Allentown + Suburban)	0	6	10	10	
		-17		0	(4)@\$750,058	(2)@ \$152,05	
Emergency Declarations		Allentown	0	U	(4)@\$/50,056	(2)@ Q132,03.	

Significant Repairs/Upgrades: On September 30, there was a major failure on Belt Press #3 at the Kline's Island WWTP. A previously repaired breakage on the belt failed for a second time, causing the belt to be pulled into the auger screw, which led to the auger screw becoming bent. The repairs were made and BFP #3 was back on-line within six (6) days. During that time, sludge was not allowed to become backlogged by running #1 and #2 over the weekend. Many precautions have now been taken to try and insure similar incidents do not occur.

Description of NOVs and/or SSOs: There were several significant rainfall events during September which led to a series of SSOs. Between 9/1 and 9/7, eight (8) SSOs were recorded including five (5) WLI manholes, Heidelberg WWTP Equalization Tank, and Wynnewood Primary Lift Station Wet Well and WWTP Equalization Tank. Between 9/1 and 9/13, there were four (4) plant bypasses including Heidelberg Heights WWTP on 9/1-9/4 and again on 9/9-9/13, Lynn Township WWTP from 9/1-9/4, and the Kline's Island WWTP on 9/1. Three (3) of the four (4) bypasses resulted from Tropical Storm Ida.

Other Highlights: Work has been completed on the 19th Ward Water Storage Tank. During the week of 10/18, the tank will be disinfected. Once bacterialogical and VOC testing have passed, the tank will be put back on-line.