



# 2024-2028 Capital Plan

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Board Presentation & Approval – October 9, 2023



# Planning Process & Board Reviews / Approvals



**Five-Year Capital Plan → Conceptual**



**Annual Budget → One-year funding for upcoming projects**



**Project Approval → Authorization to complete a specific project**



**Financing → Funding for specific group of projects**



# 2024-2028 Capital Plan Timeline

- Annual capital planning – LCA staff kickoff

- Summary presentation to Lehigh County Commissioners

Final Board review & request for approval

14 Aug. 2023

28 Aug. 2023

1 June 2023

23 Aug. 2023

9 Oct. 2023

- Allentown Division & Administration preliminary plans presented to LCA Board

- Suburban Division & Administration preliminary plans presented to LCA Board  
- Plans released for public comment





# Changes to Draft Capital Plans

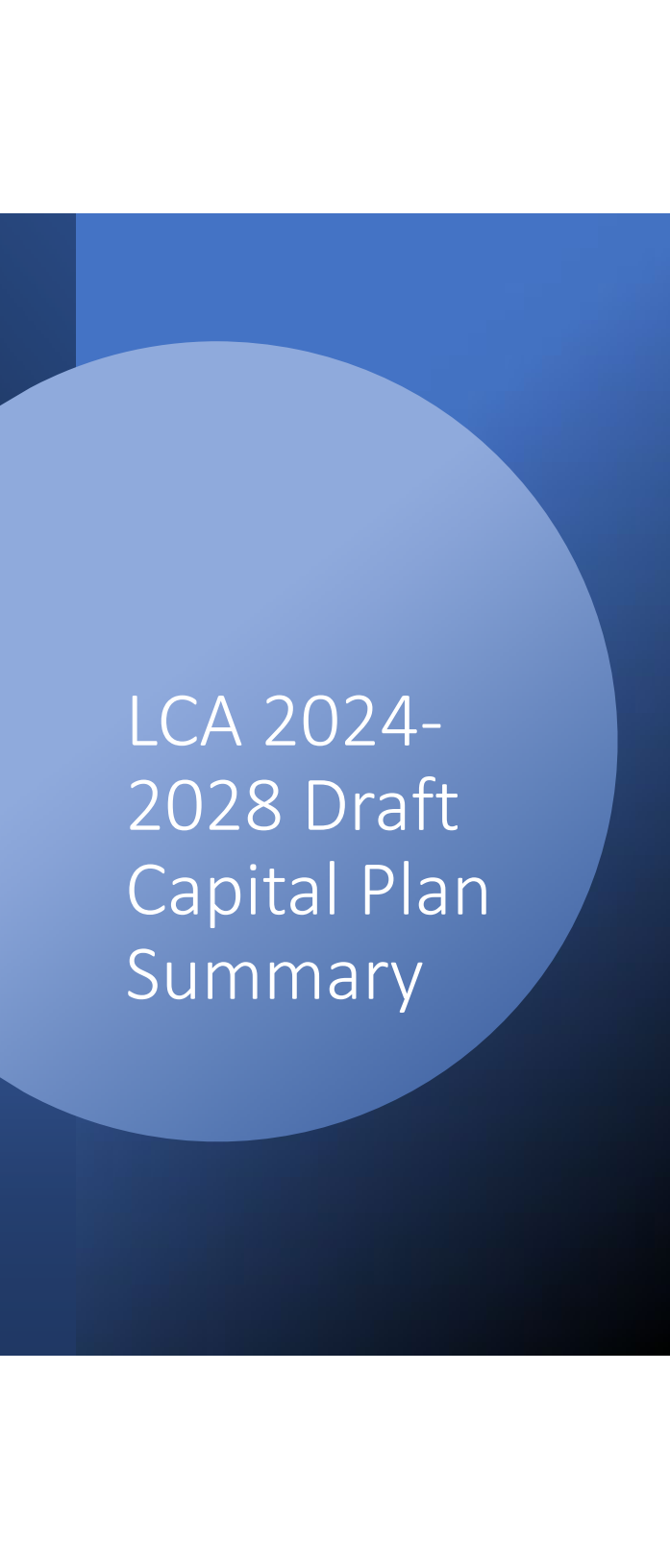
## 2024 Project Spending:

- Minor adjustments to increase or decrease project spending in 2024 to reflect refined projections of implementation schedules.

## Financial Justification Sections:

- Reflecting minor adjustments in planned borrowing to achieve financial targets; updated revenues and expenses developed as part of the 2024 Budget process
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## LCA 2024- 2028 Draft Capital Plan Summary

### LCA 2024-2028 Draft Capital Plan Summary

<u>Project Category</u>	<u>Plan Total</u>
Technology Upgrades	\$ 1,745,000
Small Systems Upgrades	2,060,000
System Planning & Studies	6,085,000
Water Metering Upgrades	8,800,000
Major Water Facility Upgrades	14,250,000
Major Wastewater Facility Upgrades	24,550,000
Water Main Replacements	36,700,000
Annual Maintenance & Rehab Projects	44,387,000
NEW Sewer Wet-Weather Projects*	57,275,000
NEW Programs / Regulatory Driven Projects*	65,250,000
<b>TOTAL</b>	<b>\$261,102,000</b>
 <b>Prior 5-Year Plan Total</b>	 <b>\$123,639,000</b>



# Regulatory Drivers

- PFAS
  - drinking water
  - wastewater
  - biosolids disposal
- Lead Service Lines
  - 4,700 – public side
  - 7,700 – private side
  - 9,000 – unknown material

## Morning Call – 8/2/2023

**Lead water pipes in your home? Lehigh County Authority is developing a plan to replace them in Allentown**

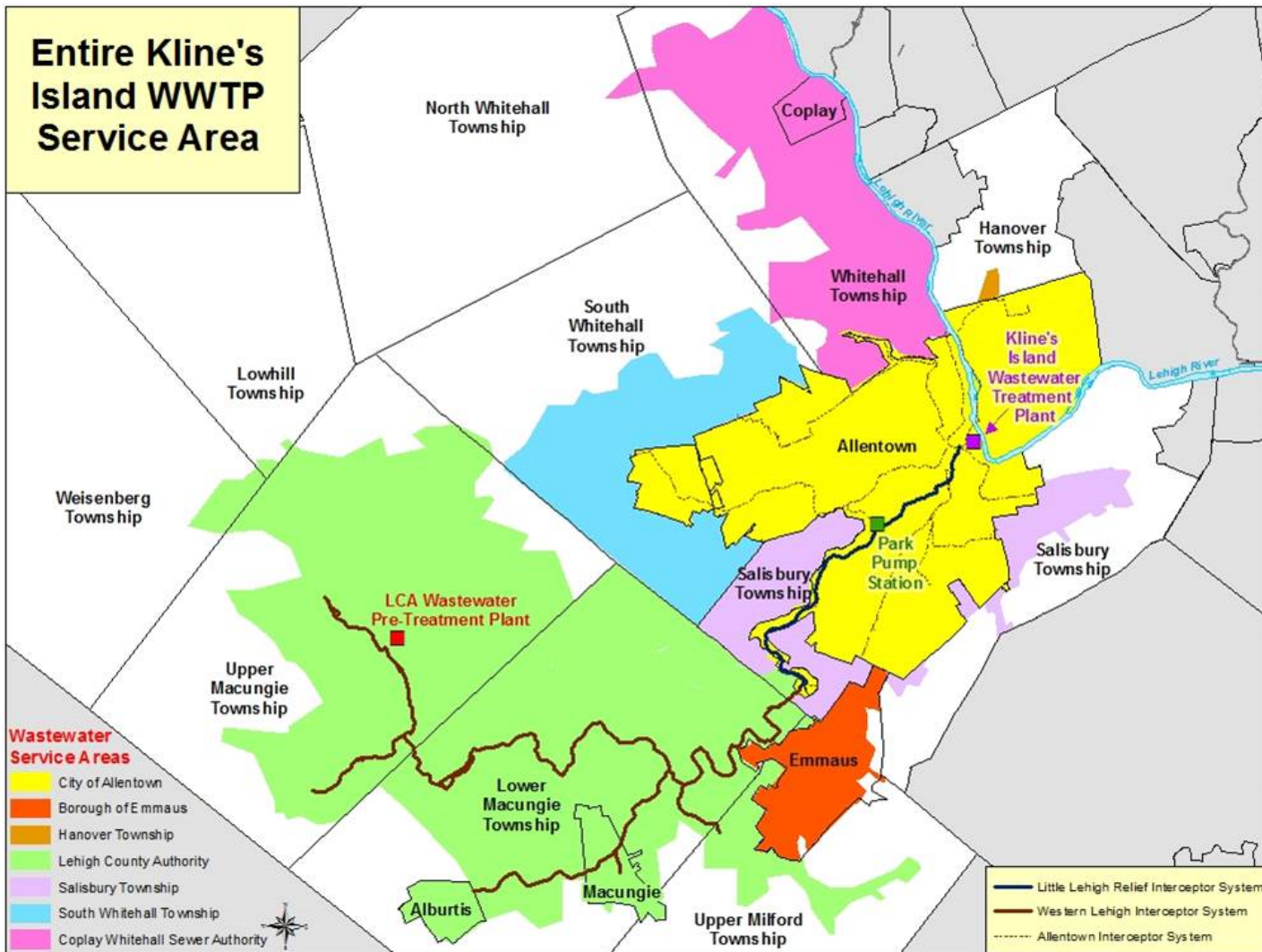


Seth Perlman / AP FILE PHOTO

The Lehigh County Authority plans to replace lead service lines in 150 Allentown homes, thanks to a state grant and low-interest loans. (Seth Perlman / AP FILE PHOTO)

By [LEIF GREISS](#) | [lgreiss@mcall.com](mailto:lgreiss@mcall.com) | The Morning Call







# Solutions (Engineering Analysis: 90% Complete)

01

**Aging infrastructure**

SOLUTION: Municipal sewer rehab program

02

**Size of existing infrastructure**

SOLUTION: Parallel interceptors, pump stations & City treatment plant upgrades

03

**Pretreatment plant capacity**

SOLUTION: Major plant expansion & upgrades



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*\* Additional cost analysis for long-term plans to be presented in 2024!*





## Financial Review – Sources

Operating Revenues / Current Cash Flows	\$ 130,557,600	50%
New Borrowing	\$ 90,960,508	35%
Grants	\$ 39,583,892	15%
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<b>TOTAL</b>	<b>\$ 261,102,000</b>	



## Financial Review – Revenue Increases Required

Suburban Water	3.5 – 5.0% per year
Suburban Wastewater	3.8% per year
Allentown Division	Per Lease*

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*\* During this plan period, the Allentown Water / Sewer Lease Agreement includes rate increases of CPI-U plus 2.5% annually, with additional charges for approved capital cost recovery.*



# Public Comments

## Distribution Methods

Sent to  
municipalities,  
planning  
commissions

Posted on LCA  
website

Presented in  
summary to County  
Commissioners



## Comments Received

City of Allentown

Lehigh Valley Planning  
Commission





# Discussion / Questions?

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Thank you!