

2024 Budget: Proposed

LCA Board of Directors
October 9, 2023



Today's Review & Next Steps

Review of Fund Financials

- Changes from Prior Presentation
- Proposed 2024 Rates – All Divisions

Coming Up...

- 2024 Budget approval – 10/23/2023 (*due Nov. 1*)
- 2024 rate adoption – 11/13/2023 (*effective Jan. 1*)

Preliminary 2024 Budget Summary

2024 Budget Summary

Budget Overview	Sub. Water	Sub. Wastewater	City Division	Total
Operating, Non-Operating & Other Revenue	18,744,327	20,823,478	68,973,678	108,541,483
Operating Expenses (net of depreciation)	12,040,243	15,238,763	25,563,784	52,842,790
Net Revenues Available for Debt Service	6,704,084	5,584,715	43,409,894	55,698,693
Debt Service	3,421,486	1,196,420	16,260,397	20,878,303
Debt Service Coverage Ratio (indenture based)	1.96	4.67	2.67	2.67
Capital Budget Overview	Sub. Water	Sub. Wastewater	City Division	Total
Capital Expenses	7,065,750	11,516,250	32,628,500	51,210,500
Funding from 2024 Revenue & Operating Reserves	1,835,750	4,341,250	24,072,992	30,249,992
Funding from Existing Project Reserves	-	-	-	-
Funding from New Borrowing	5,230,000	7,175,000	8,555,508	20,960,508
Year-End Project Reserve Balance	319,718	455,385	322,601	1,097,704
Total Cash Flow	Sub. Water	Sub. Wastewater	City Division	Total
Beginning Operations Cash Balance (2023 forecast)	9,658,387	9,142,990	15,055,488	33,856,865
2024 Surplus	3,282,599	4,688,294	27,013,498	34,984,391
Provided From (To) Capital	(1,835,750)	(4,341,250)	(24,072,992)	(30,249,992)
Ending Operations Cash Balance	11,105,236	9,490,034	17,995,994	38,591,264
Operating Days Cash on Hand	337	227	271	273
Project Reserve Balance	319,718	455,385	322,601	1,097,704
Other Reserves & Investments (includes restricted)	4,820,525	6,923,301	61,306,220	73,050,046
Ending Total Fund Balance - 2024 Budget	16,245,479	16,868,720	79,624,815	112,739,014
Ending Total Fund Balance - 2023 Forecast	14,798,630	17,021,676	76,684,309	108,504,615
	1,446,849	(152,956)	2,940,506	4,234,399

Proposed 2024 Budget - RESULTS

	Budget	Forecast	Budget	Actual
	2024	2023	2023	2022
NET INCOME				
Suburban Water	2,019,921	2,970,991	2,169,036	4,140,698
Suburban Wastewater	(1,632,719)	(807,779)	2,150,192	(455,127)
City Division	<u>14,844,627</u>	<u>4,336,857</u>	<u>4,780,898</u>	<u>6,545,431</u>
Total LCA	<u><u>15,231,829</u></u>	<u><u>6,500,069</u></u>	<u><u>9,100,126</u></u>	<u><u>10,231,002</u></u>
CASH FLOWS				
Suburban Water	1,446,849	4,449,955	46,653	543,740
Suburban Wastewater	347,044	1,835,199	762,612	1,362,181
City Division	<u>2,940,506</u>	<u>3,347,473</u>	<u>2,671,275</u>	<u>2,809,215</u>
Total LCA	<u><u>4,734,399</u></u>	<u><u>9,632,627</u></u>	<u><u>3,480,540</u></u>	<u><u>4,715,137</u></u>
DEBT SERVICE COVERAGE RATIO				
Suburban Water	1.96	2.24	1.82	2.69
Suburban Wastewater	4.67	8.61	11.69	9.69
City Division	2.67	2.19	2.10	2.22
CAPITAL SPENDING				
Suburban Water	7,065,750	6,717,184	6,751,000	8,001,758
Suburban Wastewater	11,516,250	5,518,355	7,033,500	3,673,467
City Division	<u>32,628,500</u>	<u>15,185,750</u>	<u>15,191,000</u>	<u>12,705,520</u>
Total LCA	<u><u>51,210,500</u></u>	<u><u>27,421,289</u></u>	<u><u>28,975,500</u></u>	<u><u>24,380,744</u></u>

Reserve Analysis

	Sub W	Sub WW	City	Total
Operating Expenses for DCOH	12,040,243	15,238,763	24,255,560	51,534,566
Cash	337	227	271	273
Cash + Invest	396	385	271	334
RESERVES EVALUATION				
Cash + Investment Balances	14,370,023	16,530,043	18,318,595	49,218,661
Operating Reserve Requirement				
Reserve %	50.00%	50.00%	50.00%	50.00%
Reserve Amount Required	6,020,122	7,619,382	12,127,780	25,767,284
EXCESS (SHORTAGE) AGAINST OPERATING RESERVES	8,349,901	8,910,661	6,190,815	23,451,377
Capital Reserve Requirement				
Depreciation Expense	3,517,000	7,031,500	6,169,850	16,718,350
Replacement Rate	1.50	1.50	1.50	1.50
Reinvestment	5,275,500	10,547,250	9,254,775	25,077,525
Reserve %	50.00%	50.00%	50.00%	50.00%
Reserve Amount Required	2,637,750	5,273,625	4,627,388	12,538,763
EXCESS (SHORTAGE) AGAINST CAPITAL RESERVES	5,712,151	3,637,036	1,563,427	10,912,614
Summary:				
Cash + Investment Balances	14,370,023	16,530,043	18,318,595	49,218,661
Total Reserves Required	8,657,872	12,893,007	16,755,168	38,306,047
EXCESS (SHORTAGE) AGAINST TOTAL REQUIRED RESERVES	5,712,151	3,637,036	1,563,427	10,912,614

Changes from Draft 2024 Budget (9/18/2023):

Suburban Water

Budget Overview	Current	Previous	Change
Operating, Non-Operating & Other Revenue	18,744,327	18,856,877	(112,550)
Operating Expenses (net of depreciation)	12,040,243	12,693,820	(653,577)
Net Revenues Available for Debt Service	6,704,084	6,163,057	541,027
Debt Service	3,421,486	3,421,486	-
Debt Service Coverage Ratio (indenture based)	1.96	1.80	0.16
Capital Budget Overview			
Capital Spending	7,065,750	7,065,750	-
Funding from 2024 Revenue & Operating Reserves	1,835,750	1,835,750	-
Funding from Existing Project Reserves	-	-	-
Funding from New Borrowing	5,230,000	5,230,000	-
Year-End Project Reserve Balance	319,718	319,718	-
Total Cash Flow	Current	Previous	
Beginning Operations Cash Balance (2023 forecast)	9,658,387	9,658,387	-
2024 Surplus (deficit)	3,282,599	2,741,572	541,027
Provided From (To) Capital	(1,835,750)	(1,835,750)	-
Ending Operations Cash Balance	11,105,236	10,564,209	541,027
Operating Days Cash on Hand	337	304	33
Project Reserve Balance	319,718	319,718	-
Other Reserves & Investments (includes restricted)	4,820,525	4,820,525	-
Ending Total Fund Balance - 2024 Budget	16,245,479	15,704,452	541,027
Ending Total Fund Balance - 2023 Forecast	14,798,630	14,798,630	
2024 Cash Flows	1,446,849	905,822	541,027

Suburban Water

		Budget	Fcst	Budget	Actual
		2024	2023	2023	2022
CONDENSED CASH FLOWS					
Operating Revenues		18,613,874	17,450,661	17,000,000	17,144,282
Operating Expenses (ex. D&A)		(12,040,243)	(10,022,881)	(10,742,262)	(8,735,586)
Non-Operating Revenues (Expenses)		130,453	185,081	64,782	(8,639)
Annual Payments		-	-	0	0
Net Available for Debt Service		6,704,084	7,612,860	6,322,520	8,400,057
Debt Service		(3,421,486)	(3,395,721)	(3,474,867)	(3,125,367)
Non-Cash Working Capital Changes		1	-	-	3,270,808
Net Available for Capex		3,282,599	4,217,139	2,847,653	8,545,498
Investing		-	-	-	-
Borrowing		5,230,000	6,950,000	3,950,000	-
Capex		(7,065,750)	(6,717,184)	(6,751,000)	(8,001,758)
NET CASH FLOWS		1,446,849	4,449,955	46,653	543,740
		Budget	Fcst	Budget	Actual
		2024	2023	2023	2022
KEY METRICS					
Operating Ratio with D&A		1.20	1.29	1.23	1.38
Debt Service Coverage Ratio		1.96	2.24	1.82	2.69
Capital Coverage Ratio		0.46	0.63	0.42	1.07
Unrestricted Days Cash on Hand		346.3	363.4	251.3	231.0
Unrestricted Investment Balances		2,945,069	2,945,069	2,975,123	2,945,069

2024 Rates

Suburban Water

Suburban Water Rate Study

Completed September 2022
for period of 2023-2027

Key results & recommendations:

No change
in fixed
charges

No change
in private
fire service
charges

Public
hydrant fees
increase
annually by
approx. 4%

Revenue
requirement
should be
met via
changes in
volume
charge

2024 Rates – Suburban Water – Proposed

Part 1 -- FIXED CHARGES -- NO CHANGE IN 2024	
	2024 Rate
Meter Size:	
<u>Quarterly</u>	
5/8" & 3/4"	\$31.30
1"	\$55.48
<u>Monthly</u>	
1-1/2"	\$42.04
2"	\$58.18
3"	\$105.05
4"	\$154.00
6"	\$288.54
8"	\$448.27
10"	\$631.04

Part 2 -- FIRELINE CHARGES -- NO CHANGE IN 2024	
Fire Line Size	Charge per Month
Residential	\$5.00
2"	\$13.61
2-1/2"	\$21.26
3"	\$30.62
4"	\$54.43
6"	\$122.47
8"	\$217.72
10"	\$340.18
12"	\$489.87

2024 Rates – Suburban Water – Proposed

Part 3 -- VOLUME CHARGES			
Rate Block	2023 Rate Rate/1000 Gallons	2024 Rate Rate/1000 Gallons	Rate Change
0-40,000	\$3.58	\$3.80	6%
41,000-1,000,000	\$3.24	\$3.43	6%
1,001,000-9,000,000	\$2.83	\$3.00	6%
9,001,000-58,000,000	\$2.63	\$2.75	5%
>58,000,000	\$2.44	\$2.55	5%

Part 4 - PUBLIC FIRE PROTECTION			
	2023 Rate	2024 Rate	Rate Change
Direct - Per Hydrant (annual)	\$124.92	\$129.92	4%
Indirect - Per Inch-Squared Foot	\$0.00174	\$0.00181	4%

2024 Rates – Suburban Water – Proposed



Average Residential Water Bill:
15,000 Gallons per Quarter

	<u>2023</u>	<u>2024</u>
Fixed Charge	\$31.30	\$31.30
Volume Charge	\$53.70	\$57.00
Total Water Bill	\$85.00	\$88.30

Increase = 3.9%

NOTE: By freezing the fixed charge in accordance with the 2022 Rate Study, customers who use less water will see a smaller increase. Larger customers who use more water will see a larger increase, up to 6% from 2023.

Changes from Draft 2024 Budget (9/18/2023):

Suburban Wastewater

Budget Overview	Current	Previous	Change
Operating, Non-Operating & Other Revenue	20,823,478	22,749,574	(1,926,096)
Operating Expenses (net of depreciation)	15,238,763	14,709,522	529,241
Net Revenues Available for Debt Service	5,584,715	8,040,052	(2,455,337)
Debt Service	1,196,420	1,141,005	(55,415)
Debt Service Coverage Ratio (indenture based)	4.67	7.05	-
Capital Budget Overview			
Capital Spending	11,516,250	11,391,250	125,000
Funding from 2024 Revenue & Operating Reserves	4,341,250	5,041,250	(700,000)
Funding from Existing Project Reserves	-	-	-
Funding from New Borrowing	7,175,000	6,350,000	825,000
Year-End Project Reserve Balance	455,385	455,385	-
Total Cash Flow			
Beginning Operations Cash Balance (2023 forecast)	9,142,990	9,142,990	-
2024 Surplus (deficit)	4,688,294	6,699,047	(2,010,753)
Provided From (To) Capital	(4,341,250)	(5,041,250)	700,000
Ending Operations Cash Balance	9,490,034	10,800,787	(1,310,753)
Operating Days Cash on Hand	227	268	(41)
Project Reserve Balance	455,385	455,385	-
Other Reserves & Investments (includes restricted)	6,923,301	7,423,301	(500,000)
Ending Total Fund Balance - 2024 Budget	16,868,720	18,679,473	(1,810,753)
Ending Total Fund Balance - 2023 Forecast	17,021,676	17,021,676	
2024 Cash Flows	(152,956)	1,657,797	(1,810,753)

Suburban Wastewater

		Budget	Fcst	Budget	Actual
		2024	2023	2023	2022
CONDENSED CASH FLOWS					
Operating Revenues		20,827,254	19,824,151	22,700,413	18,342,406
Operating Expenses (ex. D&A)		(15,238,763)	(13,752,764)	(14,260,307)	(11,516,992)
Non-Operating Revenues (Expenses)		(3,776)	231,646	85,128	(3,778)
Annual Payments		-	-	0	0
Net Available for Debt Service		5,584,715	6,303,033	8,525,235	6,821,636
Debt Service		(1,196,420)	(731,653)	(729,123)	(703,701)
Non-Cash Working Capital Changes		(200,001)	-	-	909,713
Net Available for Capex		4,188,294	5,571,380	7,796,112	7,027,648
Investing		500,000	1,782,174	-	(1,992,000)
Borrowing		7,175,000	-	-	-
Capex		(11,516,250)	(5,518,355)	(7,033,500)	(3,673,467)
NET CASH FLOWS		347,044	1,835,199	762,612	1,362,181
		Budget	Fcst	Budget	Actual
		2024	2023	2023	2022
KEY METRICS					
Operating Ratio with D&A		0.94	0.96	1.11	0.99
Debt Service Coverage Ratio		4.67	8.61	11.69	9.69
Capital Coverage Ratio		0.36	1.01	1.11	1.91
Unrestricted Days Cash on Hand		238.2	254.7	279.5	246.0
Unrestricted Investment Balances		6,584,624	7,084,624	6,977,548	8,866,269

2024 Rates

Suburban Wastewater

Budget includes no change in rates to direct customers – will be evaluated in 2024

Western Lehigh municipal signatory rates:

- User Charge Report shared with municipalities 9/29/2023
- To be reviewed / preliminarily approved by LCA Board today
- Results incorporated into 2024 budget proposal

Changes from Draft 2024 Budget (9/18/2023):

*City
Division*

Budget Overview	Current	Previous	Change
Operating, Non-Operating & Other Revenue	68,973,678	67,665,458	1,308,220
Operating Expenses (net of depreciation)	25,563,784	25,564,793	(1,009)
Net Revenues Available for Debt Service	43,409,894	42,100,665	1,309,229
Debt Service	16,260,397	16,260,397	-
Debt Service Coverage Ratio (indenture based)	2.67	2.59	0.08
Capital Budget Overview			
Capital Spending	32,628,500	32,608,500	20,000
Funding from 2024 Revenue & Operating Reserves	24,072,992	24,052,992	20,000
Funding from Existing Project Reserves	-	-	-
Funding from New Borrowing	8,555,508	8,555,508	-
Year-End Project Reserve Balance	322,601	322,601	-
Total Cash Flow			
Beginning Operations Cash Balance (2023 forecast)	15,055,488	15,045,488	10,000
2024 Surplus (deficit)	27,013,498	25,740,269	1,273,229
Provided From (To) Capital	(24,072,992)	(24,052,992)	(20,000)
Ending Operations Cash Balance	17,995,994	16,732,765	1,263,229
Operating Days Cash on Hand	271	252	19
Project Reserve Balance	322,601	322,601	-
Other Reserves & Investments (includes restricted)	61,306,220	61,306,220	-
Ending Total Fund Balance - 2024 Budget	79,624,815	78,361,586	1,263,229
Ending Total Fund Balance - 2023 Forecast	76,684,309	76,684,309	
2024 Cash Flows	2,940,506	1,677,277	1,263,229

City Division

	Budget	Fcst	Budget	Actual
	2024	2023	2023	2022
CONDENSED CASH FLOWS				
Operating Revenues	67,988,798	55,177,175	54,846,760	55,306,878
Operating Expenses (ex. D&A)	(24,255,560)	(21,804,450)	(21,782,225)	(23,480,419)
Non-Operating Revenues (Expenses)	984,881	1,052,599	128,661	914,681
Annual Payments	(1,308,224)	(1,361,180)	(1,400,000)	(1,286,651)
Net Available for Debt Service	43,409,895	33,064,144	31,793,196	31,454,489
Debt Service	(16,260,397)	(15,130,921)	(15,130,921)	(14,185,003)
Non-Cash Working Capital Changes	(136,000)	(800,000)	-	(1,754,751)
Net Available for Capex	27,013,498	17,133,223	16,662,275	15,514,735
Investing	-	-	-	-
Borrowing	8,555,508	1,400,000	1,200,000	-
Capex	(32,628,500)	(15,185,750)	(15,191,000)	(12,705,520)
NET CASH FLOWS	2,940,506	3,347,473	2,671,275	2,809,215
	Budget	Fcst	Budget	Actual
	2024	2023	2023	2022
KEY METRICS				
Operating Ratio with D&A	1.97	1.71	1.72	1.85
Debt Service Coverage Ratio	2.67	2.19	2.10	2.22
Capital Coverage Ratio	0.83	1.13	1.10	1.22
Unrestricted Days Cash on Hand	275.7	257.4	447.1	187.0
Unrestricted Investment Balances	-	-	-	-

2024 Rates

City Division

City water & sewer rates developed by formula included in Lease Agreement

- Draft rates on next slide

Municipal signatory water & sewer rates:

- Calculated by agreement / formula
- Preliminary 2024 rates shared with municipalities 9/29/2023

Part 1 - 2024 Lease Rates (Schedule 3)

Fixed Charges – Increased by terms of Lease Agreement

CPI-U plus 2.5% = 4.7% PLUS final step increase to full Lease Rates

	WATER FIXED CHARGES			SEWER FIXED CHARGES	
<u>Meter Size</u>	<u>Monthly Charge</u>	<u>Quarterly Charge</u>		<u>Monthly Charge</u>	<u>Quarterly Charge</u>
5/8"	n/a	\$80.50		n/a	\$27.98
3/4"	n/a	\$89.30		n/a	\$31.01
1"	n/a	\$107.34		n/a	\$37.09
1 1/2"	\$50.59	n/a		\$17.42	n/a
2"	\$68.32	n/a		\$23.49	n/a
3"	\$115.51	n/a		\$39.78	n/a
4"	\$168.87	n/a		\$57.99	n/a
6"	\$316.63	n/a		\$108.67	n/a
8"	\$494.15	n/a		\$199.36	n/a

Part 1 - 2024 Lease Rates (Schedule 3)

Volume & Flow Charges – Increased by terms of Lease Agreement
CPI-U plus 2.5% = 4.7%

<u>Water Volume Charge:</u>	\$4.87604 per 1000 gallons
<u>Sewer Flow Charge:</u>	\$3.43916 per 1000 gallons

* Volume & flow charges also include cost recovery for any Change of Law and cost passed through from the Delaware River Basin Commission (DRBC) as allowed under the Lease Agreement with Allentown.

Part 2 – Other Rates

Capital Cost Recovery & City Administrative Order Charges

<u>Project</u>	<u>Category</u>	<u>Completion Year</u>	<u>Final Project Cost</u>	<u>Cost Recovery (years)</u>
Water Mains - Cycle 1-5	Water	2014-2022	\$15,955,101	30
WWTP Belt Filter Press Replacement	Sewer	2015	\$1,728,032	20
Roof Project - Water Portion	Water	2016	\$499,108	30
WWTP Motor Control Centers	Sewer	2016	\$2,381,524	30
Roof Project - Wastewater Portion	Sewer	2016	\$1,196,220	30
Digester Cover Replacements	Sewer	2017	\$3,201,409	30
Schantz Spring Transmissions Line Replacement	Water	2018	\$2,568,683	30
WWTP Substation Replacement - Phase 1	Sewer	2019	\$2,983,307	30
Water Mains - Cycle 6 (City ARPA)	Water	2023	\$0	30
Water Filtration Plant - High Lift Pumps	Water	2023	\$1,340,074	20
I&I Source Reduction Program, Year 1	Sewer	In Progress	\$2,977,000	30
WWTP Boiler Replacement Project*	Sewer	In Progress	\$3,397,000	25
Water Filtration Plant - Filter Upgrades (City ARPA)	Water	In Progress	\$0	30
WWTP Substation Replacement - Phase 2	Sewer	In Progress	\$6,786,145	30
TOTAL			\$45,013,605	

Part 2 – Other Rates

Capital Cost Recovery & City Administrative Order Charges

CUMULATIVE TOTAL	Per 1000 Gallons
Water Capital Costs	\$0.38958
Sewer Capital Costs	\$0.32742
City Administrative Order*	\$0.20419

** The 2024 Administrative Order (AO) Fee calculation includes debt service for the City's \$2.5 million bond that was issued in 2016 (refinanced in 2020) and \$4.2 million in new bonds issued in 2020. In addition, the City made a one-time cash contribution of \$265,347 to the City AO fund to support continued planning work on the regional Act 537 Plan. This additional cash funding is also included in the 2024 AO Fee.*

What does it mean?

Billing Example – Residential Bill for 15,000 Gallons

	2023 Quarterly Bill	2024 Quarterly Bill
Fixed Charge – Water	\$66.95	\$80.50
Water Volume Charge	\$68.44	\$73.14
Water Capital Cost Recovery Charge	\$5.85	\$5.97
Fixed Charge – Sewer	\$23.27	\$27.98
Sewer Flow Charge	\$49.26	\$51.59
Sewer Capital Cost Recovery Charge	\$2.90	\$2.96
Administrative Order Fee	\$2.51	\$2.51
Total Bill	\$219.18	\$244.65

Total customer impact:

\$25.47 per quarter

11.6% Increase

2024 Capital Budget – Summary

<u>Description</u>	<u>Sub W</u>	<u>Sub WW</u>	<u>City</u>	<u>Total</u>
Fund Specific Projects	6,617,000	11,067,500	31,731,000	49,415,500
Allocated Administration	448,750	448,750	897,500	1,795,000
Total Fund Capex	7,065,750	11,516,250	32,628,500	51,210,500

2024 Capital Budget - Administration

	Primary		Cap Plan	
	Project	2023	Costs	2024
Project	Category	Budget	2024 - 2028	Budget
LCA Funded Projects				
SCADA Programming, Hardware Upgrades, Software & Training	AM - Varies	\$ 750,000	\$ -	\$ -
Computer System Hardware & Software Upgrades	AM - High	\$ 50,000	\$ 200,000	\$ 50,000
GIS Upgrades & Application Development	Efficiency	\$ 75,000	\$ 235,000	\$ 35,000
Information Technology Master Plan Update	Planning	\$ 50,000	\$ 50,000	\$ 50,000
Document Management	Efficiency	\$ 5,000	\$ 50,000	\$ 50,000
Disaster Recovery/Security Upgrades	Efficiency	\$ 25,000	\$ 175,000	\$ 75,000
CMMS Upgrades	Efficiency	\$ 75,000	\$ 235,000	\$ 185,000
New Munis Implementation	Efficiency	\$ 984,000	\$ 800,000	\$ 800,000
Main Office Improvements	Efficiency	\$ -	\$ 1,150,000	\$ 550,000
Total Administration Capital Funded by LCA		\$ 2,014,000	\$ 2,895,000	\$ 1,795,000

Note: Internal Service operating and capital expenses are allocated to the three enterprise funds (Suburban Water, Suburban Wastewater, City Division) as reflected in the budget statements that follow.

2024 Capital Budget - Suburban Water

	Primary		Cap Plan	
	Project	2023	Costs	2024
Project	Category	Budget	2024-2028	Budget
<u>Annual Projects</u>				
Annual Projects	AM - Varies	\$ 2,425,000	\$ 10,613,000	\$ 2,367,000
<u>Multi-Year Projects</u>				
Water Main Replacement Projects	AM - Varies	\$ 2,900,000	\$ 12,100,000	\$ 2,900,000
Water Quality Studies and Upgrades	Sys Imp	\$ -	\$ 275,000	\$ 100,000
Fixed Base Meter Reading System	Sys Imp	\$ 100,000	\$ 550,000	\$ 50,000
North Whitehall Division Water System Supply Study & Improvements	Sys Imp	\$ -	\$ 2,000,000	\$ 100,000
Water Systems Master Planning	Sys Imp	\$ -	\$ 200,000	\$ 100,000
Upper System Pump Station & Water Main Extension	Sys Imp	\$ 75,000	\$ 2,150,000	\$ 50,000
Water Meter Replacement Program	AM-Rev Opprt	\$ 350,000	\$ 4,150,000	\$ 800,000
Central Lehigh System Supply Improvements	Sys Imp	\$ 100,000	\$ 1,650,000	\$ 150,000
Residential Svc Conn & Water Svc Inquiry	Sys Imp	\$ 10,000	\$ -	\$ -
Upper System New Reservoir	Sys Imp	\$ 100,000	\$ -	\$ -
Total Suburban Division Water Capital Expenditures		\$ 6,060,000	\$ 33,688,000	\$ 6,617,000

2024 Capital Budget – Sub. WW

Project	Primary Project Category	2023 Budget	Cap Plan Costs 2024 - 2028	2024 Budget
Annual Projects				
Annual Projects	AM - Varies	\$ 325,000	\$ 3,472,500	\$ 912,500
LCA Wastewater Treatment Plant				
Pretreatment Plant Improvements	AM - Varies	\$ 800,000	\$ 6,000,000	\$ 1,000,000
Western Lehigh Interceptor System:				
Central Lehigh County WW Capacity Planning & Expansion	New Cust	\$ 325,000	\$ 800,000	\$ 500,000
WLI Major Rehabilitation and Repairs	Regulatory	\$ -	\$ 6,975,000	\$ 225,000
Spring Creek Pump Station Force Main Condition Assessment	AM-High	\$ 100,000	\$ 150,000	\$ 150,000
Spring Creek Pump Station Upgrades	AM-High	\$ 100,000	\$ 1,430,000	\$ 700,000
Spring Creek Pump Station Force Main Relocation	Regulatory	\$ 50,000	\$ 1,200,000	\$ 100,000
Signatory I & I Investigation & Remediation Program	Regulatory	\$ 1,700,000	\$ 1,500,000	\$ 1,000,000
Upper Western Lehigh Interceptor Pump Station & Force Main	Regulatory	\$ 250,000	\$ 7,750,000	\$ 3,500,000
PTP Study	Sys Imp	\$ 200,000	\$ -	\$ -
Subtotal		\$ 2,725,000	\$ 19,805,000	\$ 6,175,000
Satellite Systems				
Wynnewood I & I Investigation & Remediation Program	AM - Varies	\$ 25,000	\$ 150,000	\$ 125,000
Arcadia West WWTP Mechanical Screen	Efficiency	\$ 100,000	\$ 350,000	\$ 75,000
North Whitehall Township Act 537 Sewage Facilities Planning	Regulatory	\$ -	\$ 180,000	\$ 70,000
Heidelberg Heights I & I Investigation & Remediation Program	Regulatory	\$ 350,000	\$ 300,000	\$ 100,000
Heidelberg Heights WWTP Rehabilitation	AM - High	\$ 250,000	\$ 160,000	\$ 160,000
Sand Spring WWTP Improvements	Regulatory	\$ -	\$ 250,000	\$ 100,000
Lynn Township WWTP Improvements	AM - High	\$ 10,000	\$ 700,000	\$ 500,000
Lynn Township I & I Investigation & Remediation Program	AM - High	\$ 50,000	\$ 150,000	\$ 50,000
SSES (Weisenberg, UMiT, Lowhill)	AM - High	\$ 200,000	\$ -	\$ -
Plan Review & Inspections	AM - Varies	\$ 7,500	\$ -	\$ -
Subtotal		\$ 992,500	\$ 2,240,000	\$ 1,180,000
Little Lehigh Relief Interceptor System:				
Park Pump Station Upgrade - Phase 2	AM - High	\$ 1,500,000	\$ 2,100,000	\$ 1,800,000
Total Suburban Wastewater Division Capital Expenditures:		\$ 6,342,500	\$ 33,617,500	\$ 11,067,500

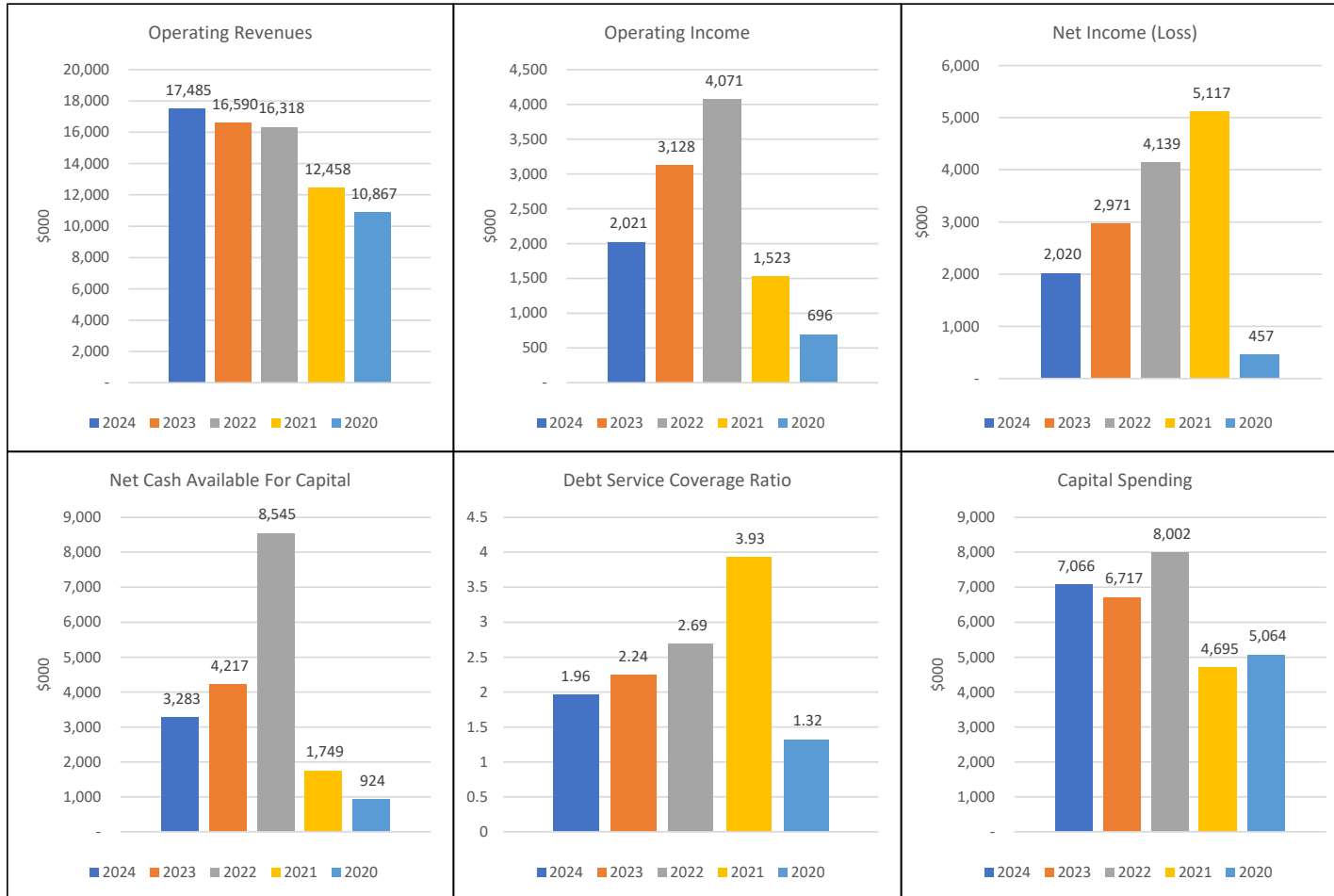
2024 Capital Budget – City Water

	Primary		Cap Plan	
	Project	2023	Costs	2024
Project	Category	Budget	2024 - 2028	Budget
<u>Annual Projects</u>				
Annual Projects	AM - Varies	\$ 1,295,000	\$ 9,502,000	\$ 2,735,000
<u>Non-CCRC Projects</u>				
Indenture Improvements	AM - High	\$ 200,000	\$ 650,000	\$ 200,000
Master Plan Studies	CA/OS	\$ 10,000	\$ 170,000	\$ -
WFP Redundant Power Supply	Regulatory	\$ -	\$ 730,000	\$ 80,000
Tank and Reservoir Rehabilitation	AM - High	\$ 300,000	\$ 1,000,000	\$ 200,000
Large Diameter Valve Replacement Project	AM - High	\$ 250,000	\$ 1,950,000	\$ 350,000
Subtotal		\$ 760,000	\$ 4,500,000	\$ 830,000
<u>Large Projects & CCRC Projects</u>				
Annual Water Main Replacements	CA/OS	\$ 3,200,000	\$ 24,600,000	\$ 4,800,000
PFAS Compliance Planning and Upgrades	Regulatory	\$ -	\$ 10,250,000	\$ 250,000
WFP Influent Channel Modifications	Master Plan	\$ -	\$ 3,100,000	\$ -
Water Meter Replacement Program	AM - High	\$ 525,000	\$ 2,400,000	\$ 800,000
Fixed Base Meter Reading System	Efficiency	\$ -	\$ 1,700,000	\$ -
Filter Upgrades	Master Plan	\$ 500,000	\$ 5,500,000	\$ 2,350,000
Big Lehigh Intake and Transmission Upgrades	Master Plan	\$ -	\$ 1,120,000	\$ 200,000
Lead Service Line Replacement Program	Regulatory	\$ -	\$ 55,000,000	\$ 5,000,000
Subtotal		\$ 4,225,000	\$ 103,670,000	\$ 13,400,000
Total Allentown Division Water Capital Expenditures:		\$ 6,280,000	\$ 117,672,000	\$ 16,965,000

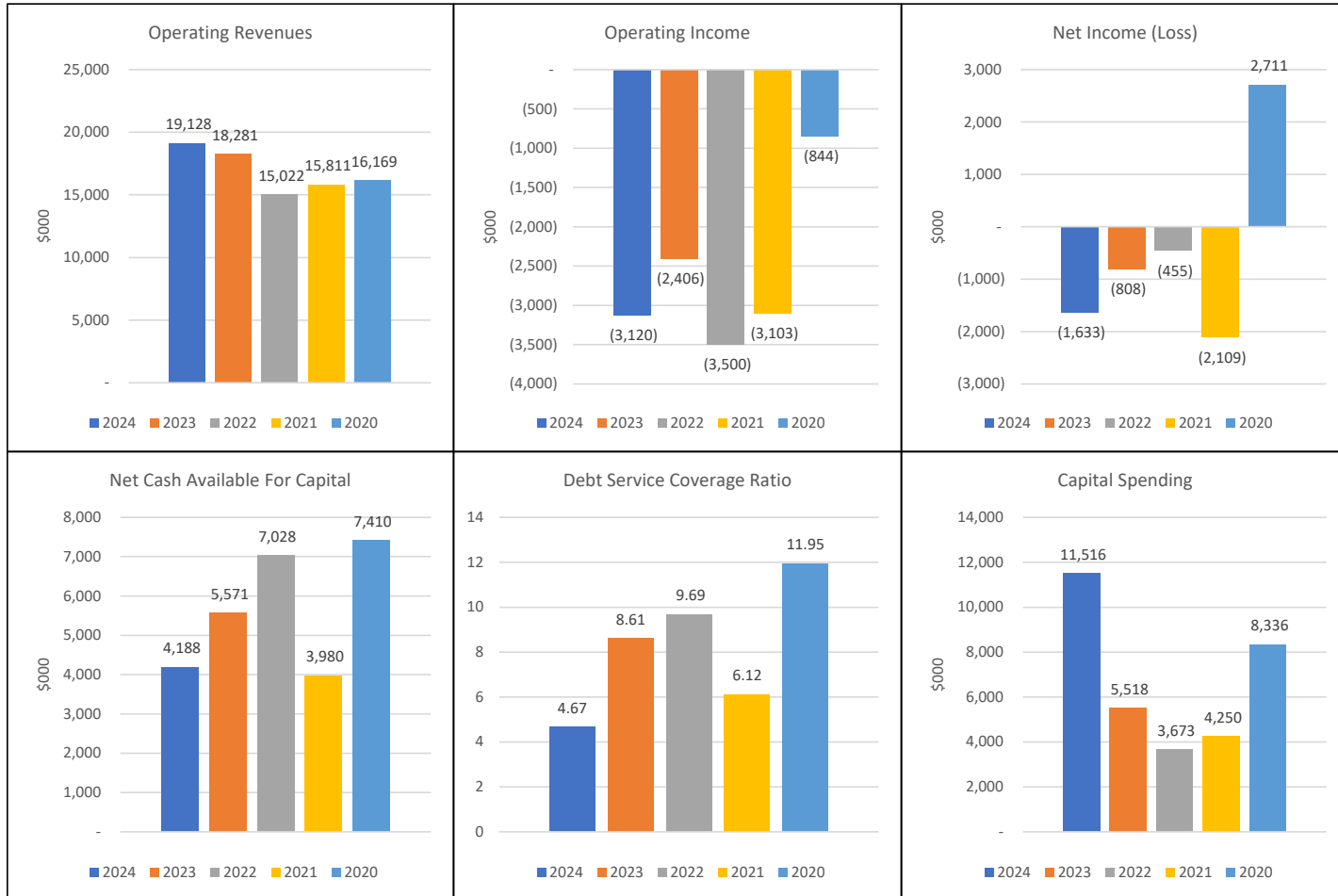
2024 Capital Budget – City WW

	Primary		Cap Plan	
	Project	2023	Costs	2024
Project	Category	Budget	2024 - 2028	Budget
<u>Annual Projects</u>				
Annual Projects	AM - High	\$ 1,729,000	\$ 10,199,500	\$ 2,706,000
<u>Non-CCRC Projects</u>				
Indenture Report Improvements	AM - Varies	\$ 300,000	\$ 1,000,000	\$ 300,000
KIWWTP Master Plan	CA/OS	\$ -	\$ 160,000	\$ 160,000
Manhole Inspection and Sealing Program	Regulatory	\$ 300,000	\$ 6,000,000	\$ 2,000,000
KIWWTP Redudant Power Supply	Efficiency	\$ -	\$ 770,000	
Subtotal		\$ 600,000	\$ 7,930,000	\$ 2,460,000
<u>Large Projects & CCRC Projects</u>				
WWTP Electrical Substation Replacement Phase 2	AM - High	\$ 200,000	\$ 6,800,000	\$ 2,200,000
WWTP Wet Weather Capacity - Main & Auxiliary Pump Station Improvements	AM - Varies	\$ 100,000	\$ 12,600,000	\$ 400,000
Boiler Replacement & Solids Process HVAC Upgrade Project	AM - Varies	\$ 2,800,000	\$ 1,400,000	\$ 1,400,000
WWTP Wet Weather Capacity - IPS Pump Station Upgrade & 480v MCC Replacement	AM - Varies	\$ 100,000	\$ 5,900,000	\$ 200,000
WWTP Final Clarifier 1-4 Rehabilitation	AM - Varies	\$ -	\$ 1,800,000	\$ 900,000
WWTP Primary Sludge Digester Feed Line Replacement	AM-Varies	\$ -	\$ 1,300,000	\$ 600,000
Source Reduction Plan - I/I Elimination Program	Regulatory	\$ 800,000	\$ 23,000,000	\$ 3,000,000
WWTP Wet Weather Capacity - Tertiary Bypass	AM - Varies	\$ -	\$ 1,300,000	\$ 100,000
Subtotal		\$ 4,000,000	\$ 54,100,000	\$ 8,800,000
<u>Regional Act 537 Projects</u>				
Act 537 Alternatives Analyses	Regulatory	\$ 700,000	\$ 700,000	\$ 600,000
Miscellaneous Act 537 Planning, Financial and Legal Reviews	Regulatory	\$ 1,250,000	\$ 300,000	\$ 200,000
Subtotal		\$ 1,950,000	\$ 1,000,000	\$ 800,000
Total Allentown Division Wastewater Capital Expenditures		\$ 8,279,000	\$ 73,229,500	\$ 14,766,000

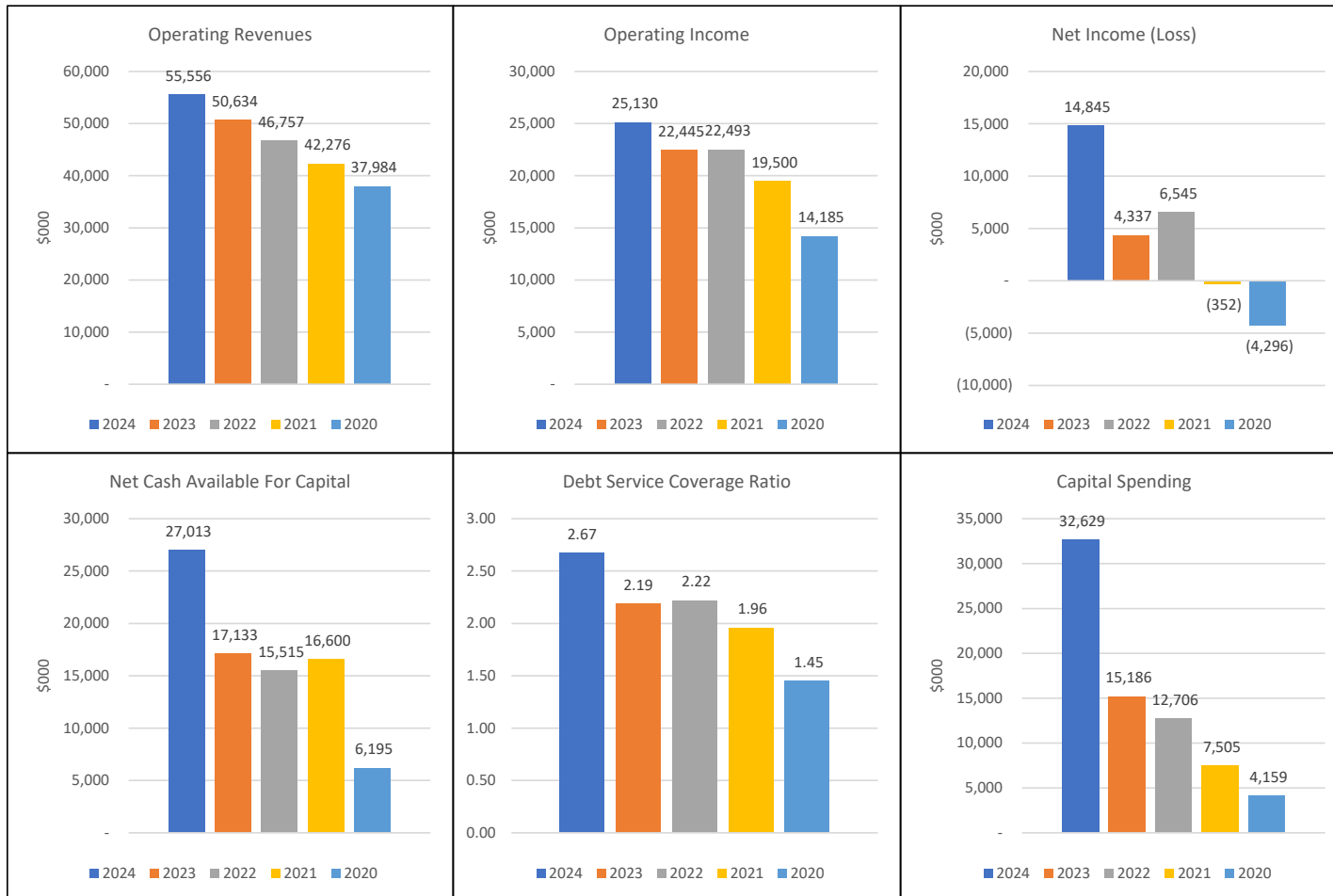
Dashboard – Suburban Water



Dashboard – Suburban Wastewater



Dashboard – City Division



Looking Ahead

Work Remaining

- Suburban Wastewater User Charge Report
- Report any final budget changes

Upcoming Board Meetings

- 2024 Budget approval – 10/23/2023
- 2024 Rate adoption – 11/13/2023



Discussion /
Questions?

Thank you!

