



LCA Main Office:
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Agendas & Minutes Posted:
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LEHIGH COUNTY AUTHORITY

Published: September 16, 2024

BOARD MEETING AGENDA – September 23, 2024 – 12:00 p.m.

In-Person or Virtual Meeting Attendance Options Available: Meetings of the LCA Board of Directors will be held at LCA's Main Office as well as online using the Zoom Meetings application, which includes a telephone option. Public participation is welcomed both in-person or virtually. Instructions for joining the meeting online or by phone are posted on the LCA website in the morning on the day of the meeting, prior to the start of each meeting. You may also issue comment to LCA via email to LCABoard@lehighcountyauthority.org in advance of any meeting or view the meeting at a later time by visiting the LCA website. Please visit <https://www.lehighcountyauthority.org/about/lca-board-meeting-videos/> for specific instructions to join the meeting if you are attending virtually. If attending in-person at LCA's Main Office, please follow all safety and sanitation protocols posted.

1. Call to Order

- **NOTICE OF MEETING RECORDINGS**

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

- *Public Participation Sign-In Request*

2. Review of Agenda / Executive Sessions

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

3. Approval of Minutes

- *September 9, 2024 Board Meeting minutes*

4. Public Comments

5. Action / Discussion Items:

FINANCE AND ADMINISTRATION

- *PENNVEST Financing Resolutions: Lead Service Line Replacement Cycle 1 Project (Approval) (blue) (digital Board packet, pages 7-18)*
- *2025 Preliminary Budget (Discussion)*
- *LCA Pension Plan – Mandatory Municipal Obligation (Information (green) (digital Board packet, pages 19-20)*

WATER

WASTEWATER

- *Pretreatment Plant – Near Term Facility Upgrades – Final Clarifier Rehabilitation (Approval) (purple) (digital Board packet, pages 21-29)*
- *Allentown Division – Cycle 1 Manhole Rehabilitation (Approval) (yellow) (digital Board packet, pages 30-37)*

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

7. Monthly Financial Review (2nd Board meeting per month) (digital Board packet, pages 38-50) – **August 2024 report attached**
8. Monthly System Operations Overview (2nd Board meeting per month) (digital Board packet, pages 51-53) – **August 2024 report attached**
9. Staff Comments
10. Solicitor's Comments
11. Public Comments / Other Comments
12. Board Member Comments
13. Executive Sessions
14. Adjournment

UPCOMING BOARD MEETINGS		
October 14, 2024	October 28, 2024	November 11, 2024

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

September 9, 2024

The Regular Meeting of the Lehigh County Authority Board of Directors was called to order at 12:10 p.m. on Monday, September 9, 2024, 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. Brian Nagle, Amir Famili, Jeff Morgan, Norma Cusick, Kevin Baker, Linda Rosenfeld, and Marc Grammes were present for Roll Call, and remained for the duration of the meeting.

Attorney Kevin Reid, the Authority's Solicitor, was present along with Authority Staff, Liesel Gross, Ed Klein, Chris Moughan, Andrew Moore, AJ Capuzzi, Chuck Volk, Phil DePoe, Susan Sampson, and Lisa Miller.

Chairman Nagle announced that the Board received their electronic and hard copies of the Board packet in advance. A copy of the packet is also available online. He also announced that there was an Executive Session prior to the regular meeting.

REVIEW OF AGENDA

Liesel Gross announced that there is no additional Executive Session needed and the one prior to the regular meeting was regarding potential litigation. There is one change to the agenda, and that is the removal of the first item under Finance and Administration regarding PFAS Litigation.

APPROVAL OF MINUTES

August 26, 2024 Meeting Minutes

On a motion by Jeff Morgan, seconded by Linda Rosenfeld, the Board approved the minutes from the August 26, 2024 meeting as presented (7-0).

PUBLIC COMMENTS

None.

2025 Preliminary Budget

Liesel Gross noted that today's presentation is focused on reviewing the assumptions and key items that are being incorporated into the 2025 Budget. A preliminary review of the Budget figures will be provided at the next Board meeting and rates will be discussed in October.

A presentation was shared with the Board to review the 2025 Budget assumptions, including a review of key factors by fund, preliminary Budget summary, and next steps.

Ms. Gross reviewed the strategic initiatives that staff have developed for 2025. She reviewed suggested personnel additions that are required to support the Authority's goals related to the Regional Sewer Program, the Lead Program, Asset Management, and other priority projects. The Authority staff are requesting the addition of eight full-time employees and one part-time employee in 2025. Ms. Gross reviewed the current uncertainties related to each position requested, and noted the positions would not be filled until more information is available about each program's status. She also reviewed consultant support required in 2025 for strategies related to the Business Systems (Tyler EERP), Employee Engagement & Safety, and Staffing Plan & Building Optimization projects.

Ed Klein reviewed the personnel budget, which is expected to increase 8.1% compared to the 2024 forecast. A large portion of that increase is to fill the fourteen vacant positions within the Authority's existing employee base and the addition of the new positions.

Ed Klein reviewed the list of other assumptions noting that the inflationary impact on expenses is approximately 2.5 percent. In the Internal Services area, the Budget will increase due to increases in human resources consulting and consulting for the strategic initiatives. Mr. Klein then reviewed the key factors that will impact operating expenses, revenue, capital budgets, and key metrics for each of the major operating funds in 2025. The Suburban Water fund operating expenses will increase approximately 3.5 percent and revenues will need to increase by 7.65 percent to achieve positive cash flow. In the Suburban Wastewater fund, operating expenses are increasing by 7.66 percent, and rates are being reviewed now in accordance with sewer signatory agreements. For the City Division, operating expenses are expected to increase by 5.87 percent, and rates will be increased based on terms of the Water & Sewer Lease Agreement.

Mr. Klein reviewed the budget figures in summary form, noting that all three funds are positive, including the number of days of cash on hand and debt service coverage ratios for 2025. In the City Division, cash flow in 2025 will be negative, which is driven by the use of previously borrowed funds for capital expenses, in accordance with the capital plan.

The next steps include finalizing the preliminary budget numbers and completing the Suburban Wastewater signatory user charge report. Coming up at the next Board meeting, staff will review the 2025 cash flows.

Ms. Gross noted that the Authority is required to have the Budget adopted by November 1.

The Board asked to see justifications for the increase in personnel and suggested an overall review of the current employees' responsibilities to be sure staff resources are being utilized effectively and efficiently. They asked when the Authority last completed a staffing review for efficiency. Liesel Gross said that the Authority is constantly reviewing staffing requirements and organization structure, including the 2024 staffing study completed to solicit benchmarking data from other utilities. Amir Famili also commented that the Authority has seen a high rate of increases in project costs and staffing with a limited fixed revenue. If these increases continue, the Authority could end up with the highest water and sewer rates in the region. It is important to ensure the Authority is operating as efficiently as possible for the benefit of customers.

Badger Meter Replacements

Amy Kunkel provided an overview of the project to replace approximately 4,000 Badger meters in the City of Allentown. These meters were not part of the replacement project completed by the City in 2012 and 2013. These meters have outdated Encoder Receiver Transmitters (ERTs) and are now failing, with some meters being unable to be read for billing purposes. The new meters and transmitters will allow future replacement of one component without having to replace both components.

There was some discussion regarding meter replacement and security of the new units being tamper-proof. Mr. Famili asked about the unit costs per meter. He noted that he would like to see what efficiency the Authority is getting for the cost of the project. He added that he would like to see a cost-benefit analysis completed for these ongoing meter projects.

On a motion by Linda Rosenfeld, seconded by Marc Grammes, the Board approved the Capital Project Authorization for the Badge Meter Replacement Project Construction Phase in the amount of \$2,439,590.12 which includes the Professional Service Contract for Procurement and Installation to

Core & Main, LP in the amount of \$1,743,470.12 and also includes the Procurement of Equipment from United Systems in the amount of \$641,120.00 (7-0).

Kline's Island WWTP: Chemically Enhanced Primary Treatment Study

Chuck Volk introduced the project that is a planning study to enhance the primary treatment at the Kline's Island Wastewater Treatment Plant (KIWWTP) to handle higher amounts of organic load. Stephen Boone presented the details of the project stating that future potential growth and increased organic load are the driving factors for this project. He explained that the Chemically Enhanced Primary Treatment (CEPT) has been identified as a potential effective approach. The process is a coagulation process at the primary clarifiers and will remove additional organic loading and protect the downstream processes. He said that the trial jar testing that was performed showed encouraging results but the analysis was difficult to translate to full-scale operation of the plant, and a full-scale trial is recommended. AECOM would design, optimize, and implement the full-scale testing. The Authority would need to purchase equipment and chemicals. He noted that the purchase of chemicals in the amount of \$324,000 will come from the Authority's operations budget and is not part of today's requested authorization, but is listed for full clarity of the scope of costs for this project.

There was some discussion regarding the simulations of the testing trials and the additional chemical. There was also some discussion regarding alternatives if this testing doesn't work. Mr. Boone explained that CEPT is a relatively low-cost option that has been used by other utilities with success. Other options would include more significant construction of additional clarifiers, which would be more expensive to implement.

On a motion by Amir Famili, seconded by Jeff Morgan, the Board approved the Capital Project Authorization: Allentown Division – CEPT Optimization and Performance Demonstration at KIWWTP in the amount of \$318,725.00 which includes the Professional Services Authorization to AECOM – CEPT Optimization and Performance Demonstration at KIWWTP in the amount of \$168,725.00. Also included in the Capital Project Authorization is the purchase and installation of equipment: ferric chloride metering pump, polymer blending and dosing system, PVC piping and valves, automatic samplers, winterization, programming & integration in the amount of \$50,000.00. (7-0).

MONTHLY PROJECT UPDATES / INFORMATION ITEMS

Liesel Gross reviewed the September 2024 report and noted that there are numerous items for the September 23 meeting. She reviewed them briefly from the report. She noted that the items shown for the next meeting related to the pretreatment plant and the Wynnewood Terrace sewer system may be deferred to a future meeting depending on their status at the time the agenda is published.

Amir Famili asked when the updated Munis financial software system will be operational. Ms. Gross stated that Munis is scheduled to go live January 1, 2025. Chris Moughan commented that the primary modules will be ready January 1; however, there are some additional items that need to be addressed which is why there is some project budget carryover for 2025. AJ Capuzzi added that the ProCore project management software will be implemented with a go-live in November. The financial portion of that module will be finalized after the implementation of Munis.

STAFF COMMENTS

None.

SOLICITOR'S COMMENTS

None.

PUBLIC COMMENTS / OTHER COMMENTS

None.

BOARD MEMBER COMMENTS

Chairman Nagle asked if the Governance Committee has met within the last two weeks. Ms. Gross said there has been no committee meeting, but one will be scheduled soon.

EXECUTIVE SESSION

None.

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 1:17 p.m.

Jeffrey J. Morgan
Secretary

RESOLUTION NO. 9-2024-1

Borrower Resolution

(Duly adopted 23 September 2024)

AUTHORIZING THE SECURING OF A LOAN FROM THE PENNSYLVANIA INFRASTRUCTURE INVESTMENT AUTHORITY (“PENNVEST”) IN THE MAXIMUM PRINCIPAL AMOUNT OF \$1,555,508 (THE “LOAN”) AND THE ACCEPTANCE OF A GRANT FROM PENNVEST IN THE MAXIMUM PRINCIPAL AMOUNT OF \$3,383,892 (THE “GRANT”) FOR THE PURPOSE OF PROVIDING FUNDS TO FINANCE THE REPLACEMENT OF LEAD SERVICE LINES OF THE ALLENTOWN WATER PLANT AND DISTRIBUTION SYSTEM, AND TO PAY COSTS AND EXPENSES OF SECURING SUCH FUNDING; AUTHORIZING THE EXECUTION AND DELIVERY OF A DEBT OBLIGATION OF THE AUTHORITY IN CONNECTION WITH THE LOAN; AUTHORIZING THE CREATION OF A DEBT SERVICE RESERVE FUND TO SECURE THE PAYMENT OF THE DEBT OBLIGATION; AUTHORIZING THE EXECUTION OF THE FUNDING DOCUMENTS, AND PROVIDING FOR THE AUTHENTICATION AND DELIVERY THEREOF; AUTHORIZING THE DISPOSITION OF THE FUNDING PROCEEDS RECEIVED OR TO BE RECEIVED FROM PENNVEST; AUTHORIZING AND DIRECTING THE PROPER OFFICERS OF THE AUTHORITY TO DO ALL THINGS NECESSARY TO CARRY OUT THIS RESOLUTION; AND RESCINDING ALL INCONSISTENT RESOLUTIONS.

WHEREAS, the Lehigh County Authority (the “Authority”) is a body corporate and politic organized by the Board of County Commissioners of the County of Lehigh, Pennsylvania (the “County”) under the provisions of the Pennsylvania Municipality Authorities Act, 53 Pa. C.S. §5601 et seq., as amended (the “Act”); and

WHEREAS, the City of Allentown, Pennsylvania (the “City”) owns the Allentown Sewer Utility System and the Allentown Water Plant and Distribution System; and

WHEREAS, pursuant to the terms and conditions of the Allentown Water and Sewer Utility System Concession and Lease Agreement dated as of May 1, 2013, as amended, including by that Allentown Water and Sewer Utility System Amended and Restated Concession and Lease Agreement dated as of September 1, 2020, and effective as of September 17, 2020 (the “Concession Agreement”), by and between the City and the Authority, the City leased the Concessioned System (as defined in the Concession

Agreement) to the Authority, as concessionaire, and granted to the Authority the right to operate the Concessioned System in order to provide utility services and collect revenues therefrom and in connection therewith, all in accordance with the provisions of the Existing Concession Agreement (as defined in the Concession Agreement); and

WHEREAS, the Authority, in connection with the lease and operation of the Concessioned System pursuant to the Concession Agreement, has from time to time issued bonds under and pursuant to a Trust Indenture dated as of August 1, 2013, as supplemented by a First Supplemental Trust Indenture dated as of August 1, 2015, a Second Supplemental Trust Indenture dated as of October 1, 2018, a 2020-1 Supplemental Trust Indenture dated as of September 1, 2020, and a 2020-2 Supplemental Trust Indenture dated as of September 1, 2020, and as amended and restated by that Amended and Restated Trust Indenture between the Authority and Manufacturers and Traders Trust Company (the “Trustee”), dated as of September 1, 2020, and effective as of September 17, 2020, as further amended and supplemented by a 2023-1 Supplemental Trust Indenture, dated as of February 1, 2023 and a 2024-1 Supplemental Trust Indenture, dated as of March 1, 2024 (collectively, the “Indenture”); and

WHEREAS, the Indenture provides that the Authority, under certain conditions, may incur Subordinated Indebtedness outside of the Indenture, from time to time for any lawful purpose of the Authority; and

WHEREAS, in accordance with the Act and pursuant to the requirements of the Indenture, the Authority desires to incur Subordinate Indebtedness outside of the Indenture to undertake a project (the “Project”) consisting of (i) the replacement of lead service lines of the Allentown Water Plant and Distribution System and (ii) the payment of the cost of issuing the Debt Obligation (hereinafter defined); and

WHEREAS, in order to finance the Project and any other costs and expenses and incurred by the Authority in connection with the PENNVEST Funding (hereinafter defined), the Authority intends to secure from the Pennsylvania Infrastructure Investment Authority (“PENNVEST”) a loan in the maximum principal amount of \$1,555,508 (the “Loan”) and a grant in the maximum principal amount of \$3,383,892 (the “Grant,” and together with the Loan, the “PENNVEST Funding”), such Loan to be evidenced by a Subordinate Lien Sewer and Water Revenue Bond (City of Allentown Concession), Series of 2024 (Pennsylvania Infrastructure Investment Authority) (the “Debt Obligation”); and

WHEREAS, in connection with the PENNVEST Funding, the Authority and PENNVEST shall enter into a Master Consent (the “Master Consent”) modifying the Funding Agreement (hereinafter defined) and acknowledging certain provisions of the Indenture; and

WHEREAS, the Debt Obligation shall be issued outside of the Indenture and shall be secured by a lien on the Concession Revenues, as defined in the Indenture (known herein as the “Project Collateral”) that is by its terms expressly subordinated to the lien of the Indenture and the Concession Revenues; and

WHEREAS, pursuant to the foregoing, the Debt Obligation constitutes “Subordinated Indebtedness” of the Authority, in accordance with Section 3.05 of the Indenture, which is both outside of and subordinate to the lien of the Indenture, and therefore, as “Subordinated Indebtedness” that is outside of the Indenture, the Debt Obligation shall not constitute “Additional Bonds” under the Indenture; and

WHEREAS, in addition to the Project Collateral, the Debt Obligation shall be secured by (1) a minimum one-year debt service reserve fund to be created outside of the Indenture with funds not obtained from PENNVEST (the “Reserve Fund”), which Reserve Fund shall be for the sole benefit of PENNVEST and shall not be subject to any restrictions of the Indenture nor subject to the lien of the Indenture; and (2) and any other agreements granting and creating security interests, all as more particularly set forth in the funding agreement between the Authority and PENNVEST (the “Funding Agreement”), as amended by the Master Consent, and the funding offer from PENNVEST, dated as of July 19, 2023, as amended, supplemented and extended to date, and as may be further amended, supplemented and extended from time to time (the “Funding Offer,” and together with the Debt Obligation, Master Consent, the Funding Agreement, and all other security agreements, other agreements, documents, certificates and instruments described in or contemplated by the Funding Agreement are collectively referred to as the “Funding Documents”); and

WHEREAS, in connection with the PENNVEST Funding, the Authority desires and intends to take all necessary and proper actions to execute and deliver all documents required by PENNVEST to be executed and delivered to obtain and/or accept the PENNVEST Funding and to assure its proper repayment of the Loan, as well as any documents or certificates required under the Indenture relating to Subordinated Indebtedness; and

NOW, THEREFORE, the Board of the Lehigh County Authority hereby resolves as follows:

SECTION 1. For the purpose of providing funds to finance the cost of the Project and to pay costs and expenses in connection with the PENNVEST Funding, the Authority hereby authorizes the execution of all Funding Documents and the taking of all actions necessary and required by PENNVEST to obtain the Loan and accept the Grant, including the issuance of the Debt Obligation in connection with the Loan, all pursuant to the provisions of the Act and the Funding Documents.

SECTION 2. The Debt Obligation shall be secured by the Funding Documents from the Authority to PENNVEST, and to the extent and in the manner therein set forth, the Project Collateral, the Reserve Fund and other agreements granting and creating certain security interests in favor of PENNVEST.

Neither the Debt Obligation nor the Funding Documents shall in any manner pledge the full faith and credit or taxing power of the Commonwealth of Pennsylvania, the County or any political subdivision thereof, nor shall it be deemed to be an obligation of the Commonwealth of Pennsylvania, the County or any political subdivision thereof,

nor shall the Commonwealth of Pennsylvania, the County or any political subdivision thereof be liable for the payment of the principal of, or interest on, such obligation, but it shall be secured upon and payable as provided for in the Indenture and from such other moneys as may be made available for the purpose of repaying the Debt Obligation.

SECTION 3. The Chair or Vice Chair of the Board of the Authority, or the Chief Executive Officer or Chief Financial Officer of the Authority (collectively and individually, the “Authority Officials”) are hereby authorized and directed to establish the Reserve Fund and deposit such required funds therein for the sole benefit of PENNVEST pursuant to the requirements contained in the Funding Documents and to execute and deliver the Funding Documents in such form on behalf of the Authority, with the advice of counsel to the Authority and Bond Counsel, subject to such changes and modifications, if any, as may be approved by such Authority Officials, the execution of the Funding Documents to be conclusive evidence of such approval, and, if required, the Secretary is hereby authorized to cause the corporate seal of the Authority to be affixed thereto and to attest the same. Such Authority Officials are further authorized to acknowledge the same on behalf of the Authority and to deliver said Funding Documents to PENNVEST.

SECTION 4. The Debt Obligation shall be repaid in the amounts and on certain dates, all as set forth in the Funding Documents as submitted to this meeting, subject to such changes and modifications, if any, that may be accepted by the Authority based on the advice of Counsel to the Authority and Bond Counsel, the execution of the Debt Obligation by the Authority Officials to be conclusive evidence of such approval of any changes and/or modifications.

SECTION 5. Upon receipt, the proceeds from the PENNVEST Funding authorized to be obtained and/or accepted in this Resolution, shall be applied by the Authority under the terms and conditions set forth in the Funding Documents.

SECTION 6. The Authority hereby ratifies and confirms the appointment of McNees Wallace & Nurick LLC, Harrisburg, Pennsylvania, as bond counsel for the Authority in connection with the PENNVEST Funding. Such firm shall work in cooperation with the Authority’s solicitor.

SECTION 7. The proper officers of the Authority are hereby authorized, empowered and directed on behalf of the Authority to execute any and all papers and documents to do and cause to be done any and all acts and things necessary or proper for the execution or carrying out of this Resolution and the Funding Documents.

SECTION 8. All resolutions or parts of resolutions inconsistent herewith shall be, and the same are, hereby rescinded, cancelled and annulled.

NOW THEREFORE, BE IT RESOLVED that the Lehigh County Authority Board hereby approves Resolution No. 9-2024-1.

On motion of _____, seconded by _____, this resolution was adopted the 23rd day of September, 2024.

Tally of Votes: Yeas _____ Nays _____

✂

I, Kevin C. Reid, of the law firm of King, Spry, Herman, Freund & Faul, LLC, Solicitor to the Lehigh County Authority, do hereby certify that the foregoing is a true, correct and complete copy of a resolution which was duly adopted by the Authority Board at a public meeting of the Authority Board held on 23 September, 2024, after notice thereof had been duly given as required by law, at which meeting a quorum was present and voting and which resolution No. 9-2024-1 is now in full force and effect on the date of this certification.

Kevin C. Reid, Esquire Date
King, Spry, Herman, Freund & Faul, LLC
Lehigh County Authority Solicitor

Attest:

Lisa J. Miller Date
Executive Administrative Support Specialist

RESOLUTION NO. 9-2024-2

Reimbursement Resolution

(Duly adopted 23 September 2024)

DECLARATION OF OFFICIAL INTENT TO REIMBURSE ITS GENERAL FUNDS USED TO REPLACE THE LEAD SERVICE LINES OF THE ALLENTOWN WATER PLANT AND DISTRIBUTION SYSTEM WITH FUNDS RECEIVED FROM THE PENNSYLVANIA INFRASTRUCTURE INVESTMENT AUTHORITY.

WHEREAS, Lehigh County Authority, Lehigh County, Pennsylvania (the “Authority”), has determined that it is necessary to undertake a capital project (the “Project”) consisting of the replacement of lead service lines of the Allentown Water Plant and Distribution System;

WHEREAS, in order to finance the costs of the Project, the Authority has issued or intends to issue its Subordinate Lien Sewer and Water Revenue Bond (City of Allentown Concession), Series of 2024 (Pennsylvania Infrastructure Investment Authority), to be purchased by the Pennsylvania Infrastructure Investment Authority (“PENNVEST”) in the maximum principal amount of \$1,555,508 (the “PENNVEST Debt Obligation”);

WHEREAS, the Authority will be the “Issuer” of the PENNVEST Debt Obligation as that term is defined in 26 C.F.R. §1.150-2(c); and

WHEREAS, the Authority intends to pay certain costs and expenses of the Project, on an interim basis, using funds from its General Fund until the proceeds of the PENNVEST Debt Obligation are received.

NOW, THEREFORE, the Authority hereby declares as follows:

Pursuant to federal requirements set forth at 26 C.F.R. § 1.150-2, the Authority officially intends to reimburse its General Fund for Project costs incurred by the Authority with the proceeds of the PENNVEST Debt Obligation up to the maximum principal amount of \$1,555,508.

NOW THEREFORE, BE IT RESOLVED that the Lehigh County Authority Board hereby approves Resolution No. 9-2024-2.

On motion of _____, seconded by _____
_____, this resolution was adopted the 23rd day of September 2024.

Tally of Votes: Yeas _____ Nays _____

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I, Kevin C. Reid, of the law firm of King, Spry, Herman, Freund & Faul, LLC, Solicitor to the Lehigh County Authority, do hereby certify that the foregoing is a true, correct and complete copy of a resolution which was duly adopted by the Authority Board at a public meeting of the Authority Board held on 23 September, 2024 , after notice thereof had been duly given as required by law, at which meeting a quorum was present and voting and which resolution No. 9-2024-2 is now in full force and effect on the date of this certification.

Kevin C. Reid, Esquire Date
King, Spry, Herman, Freund & Faul, LLC
Lehigh County Authority Solicitor

Attest:

Lisa J. Miller Date
Executive Administrative Support Specialist

RESOLUTION NO. 9-2024-3

Rate Resolution

(Duly adopted 23 September 2024)

AUTHORIZING THE ADOPTION OF SUFFICIENT RATES CONSISTENT WITH THE CONCESSION AGREEMENT AND PROVIDING FOR THE IMPLEMENTATION THEREOF NO LATER THAN THREE MONTHS BEFORE THE SCHEDULED AMORTIZATION DATE ON THE AUTHORITY'S \$1,555,508 MAXIMUM PRINCIPAL AMOUNT FUNDING ARRANGEMENT WITH THE PENNSYLVANIA INFRASTRUCTURE INVESTMENT AUTHORITY.

WHEREAS, the Lehigh County Authority (the "Authority") is a body corporate and politic organized by the Board of County Commissioners of the County of Lehigh, Pennsylvania (the "County") under the provisions of the Pennsylvania Municipality Authorities Act, 53 Pa. C.S. §5601 et seq., as amended (the "Act"); and

WHEREAS, the City of Allentown, Pennsylvania (the "City") owns the Allentown Sewer Utility System and the Allentown Water Plant and Distribution System; and

WHEREAS, pursuant to the terms and conditions of the Allentown Water and Sewer Utility System Concession and Lease Agreement dated as of May 1, 2013, as amended, including by that Allentown Water and Sewer Utility System Amended and Restated Concession and Lease Agreement dated as of September 1, 2020, and effective as of September 17, 2020 (the "Concession Agreement"), by and between the City and the Authority, the City leased the Concessioned System (as defined in the Concession Agreement) to the Authority, as concessionaire, and granted to the Authority the right to operate the Concessioned System in order to provide utility services and collect revenues therefrom and in connection therewith, all in accordance with the provisions of the Existing Concession Agreement (as defined in the Concession Agreement); and

WHEREAS, the Authority, in connection with the lease and operation of the Concessioned System pursuant to the Concession Agreement, has from time to time issued bonds under and pursuant to a Trust Indenture dated as of August 1, 2013, as supplemented by a First Supplemental Trust Indenture dated as of August 1, 2015, a Second Supplemental Trust Indenture dated as of October 1, 2018, a 2020-1 Supplemental Trust Indenture dated as of September 1, 2020, and a 2020-2 Supplemental Trust Indenture dated as of September 1, 2020, and as amended and restated by that Amended and Restated Trust Indenture between the Authority and Manufacturers and Traders Trust Company (the "Trustee"), dated as of September 1, 2020, and effective as of September 17, 2020, and as further amended and supplemented by a 2023-1 Supplemental Trust Indenture, dated February 1, 2023 and a 2024-1

Supplemental Trust Indenture, dated as of March 1, 2024 (collectively, the “Indenture”); and

WHEREAS, the Authority has determined that it is necessary and in the best interests of the Authority to undertake a project (the “Project”) to replace lead service lines of the Allentown Water Plant and Distribution System and to pay the cost of issuing the Debt Obligation (hereinafter defined); and

WHEREAS, to finance the cost of the Project, the Authority intends to secure from the Pennsylvania Infrastructure Investment Authority a loan in the maximum principal amount of \$1,555,508 to be evidenced by a debt obligation (the “Debt Obligation”); and

WHEREAS, the Authority desires to adopt this Resolution to evidence its intent to adopt rates consistent with the Concession Agreement and the Indenture that will produce revenues sufficient to cover all of its operational and maintenance costs, the debt service on the Debt Obligation and the debt service on all other outstanding debt of the Authority;

WHEREAS, the existing rates are set forth in Exhibit A hereto; and

NOW, THEREFORE, BE IT RESOLVED, the Authority shall institute rates as permitted by the Indenture and the Concession Agreement and provide for the implementation thereof no later than three months before the Scheduled Amortization Date on the Debt Obligation, at levels sufficient to produce revenues to cover all operational and maintenance costs of the Authority, the debt service on the Debt Obligation and the debt service on all other outstanding debt of the Authority; provided, however, that such rates shall not in any event exceed the maximum rates permitted by the Concession Agreement. For purposes hereof, “Scheduled Amortization Date” means the date on which the Authority shall initiate principal and interest payments on the Debt Obligation.

NOW THEREFORE, BE IT RESOLVED that the Lehigh County Authority Board hereby approves Resolution No. 9-2024-3.

On motion of _____, seconded by _____
_____, this resolution was adopted the 23rd day of September, 2024.

Tally of Votes: Yeas _____ Nays _____

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I, Kevin C. Reid, of the law firm of King, Spry, Herman, Freund & Faul, LLC, Solicitor to the Lehigh County Authority, do hereby certify that the foregoing is a true, correct and complete copy of a resolution which was duly adopted by the Authority Board at a public meeting of the Authority Board held on 23 September, 2024, after notice thereof had been duly given as required by law, at which meeting a quorum was present and voting and which resolution No. 9-2024-3 is now in full force and effect on the date of this certification.

Kevin C. Reid, Esquire Date
King, Spry, Herman, Freund & Faul, LLC
Lehigh County Authority Solicitor

Attest:

Lisa J. Miller Date
Executive Administrative Support Specialist

EXHIBIT A

LEIGH COUNTY AUTHORITY

EXISTING RATES

Updated: August 1, 2024

LEHIGH COUNTY AUTHORITY SCHEDULE OF WATER RATES AND CHARGES (cont'd)

CITY OF ALLENTOWN

Adopted 11/13/2023; Effective 1/1/2024

NOTE: Unless expressed specifically in this Schedule of Rates and Charges, customers of the City of Allentown water system are subject to any and all additional charges, fees, penalties and policies stated in Lehigh County Authority's Rules & Regulations for Water Service and its Schedule of Water Rates and Charges duly adopted for its non-City systems.

A. Metered Water Use

Meter Size	2024 Monthly Charge	2024 Quarterly Charge
5/8"	n/a	\$80.50
3/4"	n/a	\$89.30
1"	n/a	\$107.34
1 1/2"	\$50.59	n/a
2"	\$68.32	n/a
3"	\$115.51	n/a
4"	\$168.87	n/a
6"	\$316.63	n/a
8"	\$494.15	n/a

Volume	2024 Rate per 1,000 Gallons*
All Volume	\$4.87604

* Volume charge includes cost recovery for any Change of Law and cost passed through from the Delaware River Basin Commission as allowed under the Lease Agreement with the City of Allentown.

B. Capital Cost Recovery Charge

\$0.38958 per 1000 gallons

**LEHIGH COUNTY AUTHORITY
SCHEDULE OF WASTEWATER RATES AND CHARGES**

CITY OF ALLENTOWN

Adopted 11/13/2023; Effective 1/1/2024

NOTE: Unless expressed specifically in this Schedule of Rates and Charges, customers of the City of Allentown wastewater system are subject to any and all additional charges, fees, penalties and policies stated in Lehigh County Authority's Rules & Regulations for Sewerage Service and its Schedule of Wastewater Rates and Charges duly adopted for its non-City systems.

A. Sewer Usage Charges

Meter Size	2024 Monthly Charge	2024 Quarterly Charge
5/8"	n/a	\$27.98
3/4"	n/a	\$31.01
1"	n/a	\$37.09
1 1/2"	\$17.42	n/a
2"	\$23.49	n/a
3"	\$39.78	n/a
4"	\$57.99	n/a
6"	\$108.67	n/a
8"	\$199.36	n/a

Flow Charge	2024 Rate per 1,000 Gallons*
All flow based on metered water usage**	\$3.43916

* Flow charge includes cost recovery for any Change of Law and cost passed through from the Delaware River Basin Commission as allowed under the Lease Agreement with the City of Allentown.

** Unmetered residential accounts will be charged for flow based on an average usage of 180 gallons per day.



1053 SPRUCE ROAD, PO BOX 3348, ALLENTOWN, PA 18106
Phone: (610-398-2503); FAX (610-351-8363)

MEMORANDUM

Date Presented: September 23, 2024
To: Lehigh County Authority Board of Directors
From: Edward Klein, Chief Financial Officer
Subject: 2025 Minimum Municipal Obligation (MMO) for the Lehigh County Authority Pension Plan (39-100-8N)

Act 205 of 1984, as amended, governs the funding requirements for all municipal pension plans. The law requires the Chief Administrative Officer of each pension plan to inform the governing board of the municipality of the plan's expected financial obligation for the coming year. This must be done by the last business day in September.

The calculation of the 2025 MMO required an estimate of the 2024 W-2 wages of the employees covered by the plan. I have indicated on the attached worksheet my best estimate of the same. Questions on the pension cost calculation may be addressed to either myself or the Pennsylvania Municipal Retirement System at (800) 622-7968.

The MMO is the municipality's 2025 bill for this pension plan and must be paid by December 31, 2025. The obligation must be met with general fund monies or with any General State Aid to Municipal Pensions to which we may be entitled to under Act 205.

Edward Klein
Chief Financial Officer
edwardklein@lehighcountyauthority.org
(610) 398-2503, extension 160

Attachment: 2025 MMO Worksheet

The Minimum Municipal Obligation Worksheet (MMO)
Lehigh County Authority Pension Plan (39-100-8 N)

for Plan Year 2025

CHARGES

Estimated 2024 W-2 Payroll

For Covered Plan Members:

(A) \$12,338,926

PMRS Determined Normal Cost

Expressed as a Decimal:

(B) 0.1301

RESULT: (A) * (B) =

(C) \$1,605,294

Administrative Charge (PMRS Determined)

of Plan Members times \$20:

(D) 4,980.00

Amortization of Unfunded Liability

(PMRS Determined)

(E) 791,898.00

TOTAL CHARGES: (C) + (D) + (E) =

(F) \$2,402,172

CREDITS

Repeat Estimated 2024 W-2 Payroll

For Covered Plan Members:

(A) \$12,338,926

Employee Contribution Rate

Expressed as a Decimal (PMRS Determined)

(G) 0.0100

RESULT: (A) * (G) =

(H) \$123,389

Amortization of the Actuarial Surplus

(PMRS Determined)

(I) 0.00

TOTAL CREDITS: (H) + (I) =

(J) \$123,389

MINIMUM MUNICIPAL OBLIGATION

(Based on 1/1/2023 Actuarial Valuation)

(MMO) \$2,278,783

Equals TOTAL CHARGES Minus

TOTAL CREDITS (F) - (J) = **(Please round numbers to dollars)**

Prepared By: Mark Mason (Name)  (Signature)

Human Resources Mgr. (Title) (484) 860 - 3017 (Telephone #)

Please complete the above worksheet with your best estimates and return only one copy to the Pennsylvania Municipal Retirement System by October 7, 2024. Forms can be submitted electronically to RA-RSCOMPLETEDFORMS@pa.gov. The official copy must be shared with the plan's governing board by the last business day in September.

MEMORANDUM

Date: September 23, 2024

To: LCA Board of Directors
Liesel Gross, C.E.O.
From: Charles Volk, P.E., Chief Capital Works Officer
Subject: Suburban Division: Pretreatment Plant Near-Term Facility Upgrades –
Final Clarifier Rehabilitation Construction Phase

MOTIONS / APPROVALS REQUESTED:

No.	Item	Amount
1	Capital Project Authorization – Construction Phase	\$1,859,600
2	General Construction Contract – Iron Horse Environmental, LLC	\$1,680,000
3	Professional Services Authorization – Construction Phase Engineering Services – AECOM	\$49,600

PROJECT BACKGROUND:

The Lehigh County Authority (LCA) Pretreatment Plant (PTP) was placed online in 1990. The facility was originally constructed and operated by the County of Lehigh until being transferred to LCA in 2009. The facility treats industrial waste from large users located primarily in Upper Macungie Township before being discharged to the Western Lehigh Interceptor. Flows discharged from the PTP travel to the Kline's Island Wastewater Treatment Plant (KIWWTP) in Allentown for final treatment.

In April 2023, Jacobs (plant operator) completed a Master Plan for the facility to comprehensively assess the plant's near-term and long-term needs. While minor capital upgrades and routine renewal and replacement repairs are performed annually, no major facility upgrades have been undertaken since the construction of the 3 million-gallon flow equalization basin (FEB) in 2010.

As part of the Regional Act 537 Sewage Facilities Plan being developed for the Kline's Island Sewer System, the PTP has been evaluated for upgrades that will be needed to address future industrial growth in the service area. The long-term upgrades to be included in the Act 537 Plan will be developed to ensure the PTP can effectively treat flows and loads generated by current and future industrial users.

A full PTP upgrade to meet future service needs is several years from completion. In the meantime, some of the PTP's critical assets are at a high risk of failure and require replacement or rehabilitation in order to maintain plant performance. The KIWWTP receives treated wastewater from the PTP and cannot treat the full-strength loads from all

the industries that are tributary to the PTP. Therefore, failure of these critical assets at PTP could have a crippling effect on permit compliance at KIWWTP.

In May 2024 the LCA Board approved a PSA for AECOM to provide Final Design and Bid Phase services for near-term upgrades at the PTP to address the high-risk critical assets. The design scope included Secondary Clarifier Rehabilitation, High Purity Oxygen (“Cryo”) Upgrades, Aeration Deck Upgrades, and Influent and Effluent Flow Metering Improvements. In the interest of expediting rehabilitation of the high-risk final clarifiers, given anticipated long equipment lead times, a decision was made to fast track that work and bid it as a separate contract in advance of the other improvements.

PROJECT SCOPE:

The scope of work includes the following major components:

Secondary Clarifier Rehabilitation: Replacement of mechanical equipment – rotating circular sludge collection mechanism and center pier, sludge collection box, drive platform and deck plates, main drive and associated drive hardware, spray system, access bridge, internal piping, and associated demolition.

THIS APPROVAL – CONSTRUCTION PHASE:

LCA solicited proposals via CoStars from two reputable final clarifier equipment manufacturers (Evoqua and Clearstream) through their Costars vendor representatives, Iron Horse Environmental and Sherwood-Logan. Each authorized vendor is responsible for furnishing and installing the new (replacement) equipment. As such, each vendor shall retain and manage an installation contractor that is well qualified to perform the entire scope of work. A summary of the proposals appears below:

CoStars Vendor	Equipment Manufacturer	Installation Contractor	Proposal Amount
Iron Horse Environmental, LLC	Evoqua	Eastern Environmental Contractors, Inc.	\$1,680,000
Sherwood-Logan & Associates, Inc.	Clearstream	Eastern Environmental Contractors, Inc.	\$1,687,800

VENDOR/EQUIPMENT/CONTRACTOR SELECTION:

Iron Horse Environmental, LLC, (Iron Horse) was selected as the preferred CoStars vendor to furnish and install the final clarifier equipment based on cost, reputation of equipment to be furnished, and their detailed proposal which demonstrated their understanding of the scope of work and existing conditions. Evoqua is a worldwide manufacturer of wastewater treatment equipment, and LCA utilizes their equipment at numerous City and Suburban locations. The contractor, Eastern Environmental Contractors, Inc. (EEC), completed a mechanical screen installation project at the pretreatment plant several years ago and is currently the general contractor for the Water Filtration Plant Filter Upgrade Project. EEC has completed numerous new and retrofit

final clarifier installations and the firm is reputable and performs high quality work. Iron Horse's proposal includes manufacturer inspection and start up services for both tanks. The engineer's opinion of probable construction costs is \$2,400,000 for both final clarifiers. Incidentally, the equipment lead times (from beginning of shop drawing phase to delivery of equipment) were roughly the same for both manufacturers at 40-41 weeks.

PROFESSIONAL SERVICES:

AECOM is providing design phase services for the critical upgrade projects at the Pretreatment Plant, and they will provide construction phase engineering services for the Final Clarifier Rehabilitation Project.

FINANCIAL:

Construction phase work will be paid from the Suburban Wastewater Division – Pretreatment Plant capital budget.

PROJECT STATUS:

Design of the final clarifier rehabilitation was completed in late summer 2024. Based on seasonal plant loading trends, the optimal construction periods for taking down a final clarifier is during spring and fall. Based on current equipment lead time estimates from the manufacturer, construction is anticipated to be completed by the end of 2025.

PRIOR AUTHORIZATIONS: \$536,545 (AECIOM for Preliminary + Final Design/Bid Phase, in progress)

THIS AUTHORIZATION: \$1,859,600

FUTURE AUTHORIZATIONS:

Construction phase other critical plant upgrades – amounts TBD.

PROJECT SCHEDULE:

Assuming Board approval at the September 23, 2024 meeting, construction is anticipated to be completed by the end of 2025.

September 13, 2024

Mr. Charles Volk, P.E.
Chief Capital Works Officer
Lehigh County Authority
1053 Spruce Street
Allentown, PA 18106-0348

**LCA PTP Critical Asset Improvement Project Change Order No. 1 Request
Secondary Clarifiers - Construction Phase**

Dear Mr. Volk,

AECOM is pleased to present this proposal for an expanded scope of professional Engineering Services During Construction (ESDC) for the construction phase of the secondary clarifiers as part of the 2025 PTP Critical Asset Improvement Project. AECOM is intimately familiar with the PTP and this project. The following proposal describes the scope, schedule and estimated fee for AECOM to provide the aforementioned services.

1. Scope of Services**Task 1 – Engineering Services During Construction**

AECOM will be responsible for engineering support during construction activities. A Senior Professional Engineer will provide technical guidance and review of issues relating to construction, change orders, and contract interpretations. In addition, a Staff Project Engineer will assist with routine needs.

This task includes the following services:

1. Review and make recommendations on Requests for Information (RFIs) and Change Orders (COs).
 - a. For the purpose of this proposal, we have assumed a combined total of 4 RFIs and COs..
2. Review shop drawings, schedules, proposed material submittals, samples, and other data the Contractor is required to submit to demonstrate conformance with the Contract Documents, as described in the Specifications.
 - a. Such reviews shall not extend to means, methods, techniques, sequences, or procedures of construction or to safety precautions and programs incident thereto.
3. Coordinate with LCA, Jacobs, and Contractor on construction schedule and Maintenance of Plant Operations (MOPO).
4. Project management services including periodic communication with the LCA and the PTP operator Jacobs, monthly invoicing and status reports.
5. For the purposes of this proposal, we have budgeted 66 hours for this task.

Task 2 – Construction Field Services

This task includes the following services:

1. Prepare a video record of site conditions in the work area prior to construction.
2. Attend 6 site visits per Clarifier, to include onsite progress meetings (12 total) and on-site inspection for key point of construction.
3. Facilitate field coordination between General Contractor and LCA / PTP Plant Operator Jacobs.
4. Attend start-up and training activities.
 - a. For the purpose of this proposal, we have assumed 2 full-day site visits (1 day each per Clarifier) in addition to office preparation.
5. Participate in walkthrough and generate initial punch list.
6. For the purposes of this proposal, we have budgeted 236 hours for this task.

2. Limitations of Authority of Engineer and Construction Manager During Construction

Engineer and Construction Manager shall not supervise, direct, or have control over the Contractor's work nor shall the Engineer and Construction Manager have authority over or responsibility for the Contractor's means, methods, techniques, sequences or procedures selected by the Contractor, for safety precautions and programs incident to the work of the Contractor, for any failure of the Contractor to comply with laws, rules, regulations, ordinances, codes or orders applicable to performing and finishing the work, or responsibility of construction for Contractor's failure to furnish and perform the work in accordance with the Contract Documents.

3. Assumptions and Exclusions

AECOM has made the following assumptions when developing the budget for this proposal. Should any of these assumptions prove inaccurate, AECOM will provide additional needed services at an additional cost upon request by the City.

1. We anticipate approximately two months for construction activities for each clarifier and that construction will be completion by the end of 2025.
2. AECOM has not included preparation and issuance of conformed Contract Documents for construction.
3. Site visits will be consolidated with progress meetings and total six (6) half-day onsite meetings per clarifier.
4. AECOM is not responsible for performing or coordinating construction testing. This is the responsibility of the Contractor(s).
5. Full-time site representation onsite during construction is not included.
6. Review of equipment substitutions that may be presented by the Contractor for consideration after the Bid Award is not included. Typically, the Contractor is required to pay for any additional engineering services necessary to review substituted equipment on behalf of the Owner.
7. Construction survey and layout are not included.
8. Assistance with PTP operations during construction is not included.

9. Additional budget will be necessary under separate authorization for other critical improvements associated with the cryogenic facility, flow metering, RAS pipeline, air deck improvements, WAS pumping/piping, etc.
10. Meetings beyond those noted above are not included.
11. Obtaining permits of any type is not included.
12. Coordination with PADEP is not included.
13. Any other service not specifically noted as included.

4. Project Management

The Principal-in-Charge of this project shall be Chris Curran, PE. Joella Posey, PE will serve as Project Manager and will be responsible for the day-to-day activities of AECOM. Rachel Hanson will support the project as Senior Engineer and Technical Lead.

5. Schedule

We will begin our services immediately upon receipt of written authorization to proceed to provide the abovementioned services for the construction period through the end of 2025.

6. Fees

AECOM proposes to perform the scope of services described above on a Time and Materials Not to Exceed basis for \$49,600 in accordance with the Master Services Agreement for Professional Services between Lehigh County Authority and AECOM Technical Services, dated April 24, 2023. The proposed estimated fee will not be exceeded without written approval from LCA. The proposed cost per task and total resource hours are presented in the following table:

Task	Estimated Hours	ODCs	Estimated Fee
Task 1. Engineering Services During Construction	66	\$ 0	\$ 9,600
Task 2. Construction Field Services	236	\$ 2,000	\$ 40,00
Total		\$ 2,000	\$ 49,600

The current project authorization for the PTP Critical Asset Detailed Design Project is \$219,320. With this Change Order No. 1 request, total project authorization would be \$268,920.



If you have any questions concerning this proposal, please do not hesitate to contact AECOM Project Manager, Joella Posey at 610.316.5423 or AECOM Contract Manager, Chris Curran at 302.379.0267.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Chris Curran".

Chris Curran, PE
VP, Project Director
AECOM
T: 302-379-0267
E: chris.curran@aecom.com

A handwritten signature in blue ink, appearing to read "Joella Posey".

Joella Posey, PE
Project Manager
AECOM
E: Joella.posey@aecom.com

cc: file

CAPITAL PROJECT AUTHORIZATION

PROJECT NO.:	SD-S-22	BUDGET FUND:	Suburban Div\Wastewater\Capital
PROJECT TITLE:	Suburban Division – Pretreatment Plant Critical Upgrades – Final Clarifier Rehabilitation Construction Phase		PROJECT TYPE:
		<input checked="" type="checkbox"/>	Construction
		<input type="checkbox"/>	Engineering Design
		<input type="checkbox"/>	Equipment Purchase
		<input type="checkbox"/>	Amendment No. 1
THIS AUTHORIZATION:	\$1,859,600		
TO DATE (W/ ABOVE)	\$2,445,745		

DESCRIPTION AND BENEFITS:

In May 2024 the LCA Board approved a PSA for AECOM to provide Final Design and Bid Phase services for near-term upgrades at the PTP to address the high-risk critical assets. The design scope included Secondary Clarifier Rehabilitation, High Purity Oxygen (“Cryo”) Upgrades, Aeration Deck Upgrades, and Influent and Effluent Flow Metering Improvements. In the interest of expediting rehabilitation of the high-risk Final Clarifiers, given anticipated long equipment lead times, a decision was made to fast track that work and bid it as a separate contract in advance of the other improvements. This authorization is for the construction phase of the Final Clarifier Rehabilitation Project, and includes furnishing and installing the mechanical equipment. Proposals for the construction work were solicited via the Costars Program.

Please see attached Board Memo for further project details.

Authorization Status:

Requested This Authorization	
Construction Phase	
Equipment & Installation Contract (CoStars) – Iron Horse Environmental, LLC	\$1,680,000
Staff	\$30,000
Construction Phase Engineering - AECOM	\$49,600
Contingencies	\$100,000
Total This Authorization	\$1,859,600

Future Authorizations	
Critical Plant Upgrades Phase 2 and 3 Construction Phase	TBD

REVIEW AND APPROVALS:

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



Lehigh County Authority

1053 Spruce Street * P.O. Box 3348 * Allentown, PA 18106-0348
(610)398-2503 * FAX (610)398-8413 * Email: service@lehighcountyauthority.org

PROFESSIONAL SERVICES AUTHORIZATION

Professional: AECOM., INC.
1600 Market Street, Suite 1810
Philadelphia, PA 19103

Date: September 23, 2024

Requested By: Chuck Volk

Approvals

Department Head: _____

Chief Executive

Officer: _____

Suburban Division – Pretreatment Plant Critical Upgrades: Final Clarifier Rehabilitation Project – Construction Phase

AECOM will provide the following construction phase services for the PTP Final Clarifier Rehabilitation per their proposal letter dated 9/13/24:

Professional Services ⁽¹⁾
1. Respond to contractor RFIs
2. Review shop drawings, schedules and other submitted data
3. Coordinate with Jacobs and LCA on Maintenance of Operations Plan (MOPO)
4. Project management services
5. Perform Part-time construction inspection
6. Conduct on-site progress meetings
7. Perform Substantial Completion inspection; issue punchlist to contractor
8. Attend start-up and training activities

Cost Estimate (not to be exceeded without further authorization): \$49,600

Time Table and Completion Deadline: It is anticipated that the project will be completed by the Summer of 2025.

(For Authority Use Only)

Authorization Completion:

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

MEMORANDUM

Date: September 23, 2024

To: Lehigh County Authority Board of Directors
From: Matthew Dorner, Project Manager
Subject: Allentown Division – Cycle 1 Manhole Rehabilitation Project –
Construction Phase

MOTIONS / APPROVALS REQUESTED:

No.	Item	Amount
1	Capital Project Authorization – Construction Phase	\$1,561,025
2	General Construction Contract*: Triangle Contracting, LLC	\$1,230,025
3	Professional Services Authorization*: Construction Phase Engineering Services – Arcadis	\$271,000

**Included in the Capital Project Authorization.*

BACKGROUND

As part of the Act 537 planning, all of the sanitary sewer manholes in the City of Allentown are to be inspected over a 10-year period. This is the first cycle of this annual project to rehabilitate manholes in the City based on the inspection results. Approximately 2,000 manholes have been inspected to date and inflow and other issues have been identified. In order to eliminate inflow, manhole rehabilitations will take place over the next 10 years. The program will continue until all manholes in the City system have been inspected and rehabilitated as necessary. PADEP is pushing for LCA to move ahead with the rehabilitation work, and it is critical that we start this work as soon as possible.

PROJECT OVERVIEW

This first cycle is a pilot project that will utilize and evaluate various manhole rehabilitation methods. A total of 256 manholes have been identified for this cycle from the inspection program and work will take place throughout the City to cover as many manhole situations as possible. The performance of the rehabilitation/repair technique work will be evaluated in the future to determine which methods perform the best in various situations. This will help identify methods for future rehabilitation and continually improve the process.

FINANCIAL

The Project will be funded by the LCA City Division.

PROJECT STATUS

Board approval is requested for the Construction Phase.

THIS APPROVAL – CONSTRUCTION PHASE**BIDDING SUMMARY**

This was advertised for bid July 29, 2024, a pre-bid meeting was held August 19, and bids were opened on August 28, 2024 via PennBid. Bid results are as follows:

General Construction	
Bidder	Bid Amount
Triangle Contracting, LLC	\$1,230,025
Joao & Bradley Construction Co., Inc.	\$1,674,560

Two bids were received for the Construction Contract. Triangle Contracting, LLC (Frederick, MD) is the low bidder, and their experience and qualifications meet our requirements. The bid documents are in order and the firm appears well qualified to perform the work. We recommend award of the Construction Contract to Triangle Contracting, LLC, upon receipt of the required bonds and insurance.

PROFESSIONAL SERVICES

Construction management and part-time field inspection is to be performed by Arcadis. Arcadis is the design engineer, and the firm has provided design and construction phase services on multiple prior projects. The quality of their work is excellent.

PROJECT SCHEDULE

Based on construction phase authorization at the September 23, 2024 LCA Board meeting, it is anticipated that the project will be completed by the Summer of 2025.

FUTURE AUTHORIZATIONS

None

Mr. Matt Dorner
Capital Works Project Manager
Lehigh County Authority
1053 Spruce Road
Allentown, PA 18106-0348

Arcadis U.S., Inc.
1600 Market Street
Suite 1810
Philadelphia
Pennsylvania 19103
Tel 215 625 0850
www.arcadis.com

Subject:
City of Allentown Manhole Rehabilitation Pilot Project
Construction Engineering Scope and Budget Proposal

WATER

Dear Mr. Dorner:

Arcadis U.S., Inc. (Arcadis) is pleased to submit this proposal to provide construction engineering services to LCA for the City Manhole Rehabilitation Pilot construction project. This scope and budget cover construction engineering, administration, and inspection services for this project.

This scope and budget covers work from project pre-construction meeting through final completion. It does not cover the planned subsequent effectiveness and longevity (E&L) testing planned 3-6 months following completion of construction.

Date:
September 12, 2024

Contact:
Jim Shelton

Phone:
302.723.1450

Email:
James.Shelton@arcadis.com

OBJECTIVES

The objective of this work is to work with the successful contractor (Triangle) and LCA to ensure the construction plans and specifications for manhole rehabilitation are implemented so as to provide highly effective inflow reduction.

ASSUMPTIONS

This project has 256 manholes designated for a wide variety of rehabilitation methods under this pilot project. Contract time is 260 calendar days. This scope assumes 1.5 month for preconstruction and permitting activities, 7 months of construction engineering and inspection through Substantial

This proposal and its contents shall not be duplicated, used, or disclosed — in whole or in part — for any purpose other than to evaluate the proposal. This proposal is not intended to be binding or form the terms of a contract. The scope and price of this proposal will be superseded by the contract. If this proposal is accepted and a contract is awarded to Arcadis as a result of — or in connection with — the submission of this proposal, Arcadis and/or the client shall have the right to make appropriate revisions of its terms, including scope and price, for purposes of the contract. Further, client shall have the right to duplicate, use or disclose the data contained in this proposal only to the extent provided in the resulting contract.

Completion, and 0.5 months of time for the contractor to address punch list items and prepare and submit final documents and deliverables.

This scope also anticipates the construction inspector will continue the City outreach initiated during design to ensure City concerns are properly addressed.

SCOPE OF WORK

Successful use of trenchless manhole rehabilitation methods requires rigorous evaluation of the contractor's submittals and oversight by knowledgeable, experienced personnel to ensure the work is properly constructed given the field conditions at the time of installation. As a licensed contractor who has constructed hundreds of manhole rehabilitations, we understand this type of construction far better than typical consulting inspectors and usually far better than contractors performing the work, to the point that we usually train the contractor's field staff in the proper manhole rehabilitation construction methods. The value to LCA and the City in having Arcadis conduct these services is the peace of mind that comes from knowing a team of engineers knowledgeable and experienced in the design and construction of these technologies, especially with those aspects that prevent construction and post-construction failures, is overseeing the work.

Arcadis will provide construction engineering and contract administration services for the duration of the contract. As this is a pilot project, there is additional senior level participation in this construction work than in typical construction work.

Arcadis will:

- Review schedules and shop submittals (of which 20 have been assumed) for compliance with the contract documents.
- Provide senior Construction Engineer oversight during the first two days of each of the below rehabilitation techniques to ensure special manhole rehabilitation techniques are understood/taught to and properly implemented by the Contractor.
 1. Manhole frame and lid raising/resetting/replacing
 2. FRCL lining
 3. Epoxy lining
 4. Chimney sealing
 5. Lid cleaning and gasket restoration
 6. Inflow dish restoration
 7. Brick injection grouting
 8. Precast concrete injection grouting
 9. Metal grade ring grouting
- Provide part-time Construction Engineer during rehabilitation. For the purposes of this proposal, we have assumed contractor will work with 1 to 2 crews (our trained Construction Engineers can handle up to 5 crews working on the same project)

four days per week for 7 months, and that our construction oversight will require site presence for an average of 4 hours per construction day to oversee the critical aspects of rehabilitation. This will include spot checks for City encroachment and occupancy permits compliance.

- Provide regular oversight by senior construction engineer. For purposes of this proposal, we have assumed Jim Shelton or Emily Sadowsky will be on-site one day per month in addition to their time during technique startup.
- Provide senior oversight remotely daily to construction engineer and Contractor's crews to successfully guide the work.
- Prepare inspectors daily reports (IDRs), update Manhole Tracker, update Pay Item Progress Tracker, and update Issues Tracker daily.
- Prepare agendas, report progress, chair meetings, and issue minutes for progress meetings every 6 weeks.
- Review monthly pay estimates submitted by the contractor and prepare recommendations to LCA.
- Review Post Construction inspections conducted by the Contractor, recommend remedial action or deductions for out-of-specification defects, and prepare punch list.
- Participate in the preparation of the certificate of completion (issued for Substantial Completion).
- Provide City and LCA with all inspections and rehabilitation reports, photos, videos, and databases for incorporation into their GIS or CMMS as part of the Record Plan for the project.
- Provide final Manhole Tracker databases to each City and LCA for incorporation into their GIS or CMMS as part of the Record Plan for the project.

LCA will:

- Attend preconstruction and progress meetings.
- Respond to request for information in a timely fashion.

Budget

We estimate the cost and level of effort of this work as shown in the below table.


Task No.	Task Name	Total Hours	Expenses and Subs	Estimated Budget
1	Construction Administration	330	\$ 600	\$ 57,000
2	Construction Engineering	1120	\$ 24,000	\$ 203,000
PM	Project Management and Non-Progress Meetings	50	\$ -	\$ 11,000
Total		1500		\$ 271,000

We propose to complete these services on a time and materials basis in accordance with the Agreement between LCA and Malcolm Pirnie, Inc., and the current Summary of Standard Charges for Lehigh County Authority. Arcadis will track the costs associated with this work and report them to LCA monthly throughout the project; we will not exceed the authorized budget without written professional services authorization from LCA. Payment for services will be based upon the actual labor and expenses incurred. Invoicing will be completed monthly. The invoice will include the defined contract tasks listing the day-by-day personnel performing the task with hourly rate and hours worked. The invoice will provide total billed for month. Support documents will be provided if there are any expenses incurred.

Please contact me with your authorization to proceed if this scope and budget are acceptable to you. If you have any questions, please do not hesitate to call me.

Sincerely,

Arcadis U.S., Inc.



James W. Shelton, PE
Vice President – Buried Infrastructure

Copies:

Cc: Tony Dill

CAPITAL PROJECT AUTHORIZATION

PROJECT NO.:	AD-S-12	BUDGET FUND:	City Div\Wastewater\Capital
PROJECT TITLE:	Allentown Division – Cycle 1 Manhole Rehabilitation Project – Construction Phase	PROJECT TYPE:	<input checked="" type="checkbox"/> Construction <input type="checkbox"/> Engineering Study <input type="checkbox"/> Equipment Purchase <input type="checkbox"/> Amendment
THIS AUTHORIZATION:	\$1,561,025		
TO DATE (W/ ABOVE)	\$1,598,025		

DESCRIPTION AND BENEFITS:

Cycle 1 Manhole Rehabilitation Project:

This is the first cycle of this annual project to rehabilitate sanitary sewer manholes in the City of Allentown. Approximately 2,000 manholes have been inspected to date and inflow and other issues have been identified. This is a pilot project which utilizes various rehabilitation methods. A total of 256 manholes have been identified from the inspection program for this cycle and work will take place throughout the City to cover as many manhole rehabilitation situations as possible. The work will be evaluated in the future to determine which methods perform the best in various situations. This will help identify methods for future rehabilitation.

Previous Authorizations	
Design and bid phase	\$37,000

REQUESTED THIS AUTHORIZATION	
Construction Phase	
Construction Contract - Triangle Contracting, LLC	\$1,230,025
Construction Inspection Services – Arcadis	\$271,000
Staff	\$10,000
Contingency	\$50,000
Total This Authorization	\$1,561,025

Future Authorization	
Cycle 2 manhole rehabilitation	TBD

REVIEW AND APPROVALS:

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



Lehigh County Authority

1053 Spruce Street * P.O. Box 3348 * Allentown, PA 18106-0348
(610)398-2503 * FAX (610)398-8413 * Email: service@lehighcountyauthority.org

PROFESSIONAL SERVICES AUTHORIZATION

Professional: ARCADIS U.S., INC.
1600 Market Street, Suite 1810
Philadelphia, PA 19103

Date: September 23, 2024

Requested By: Matt Dorner

Approvals

Department Head: _____

Chief Executive

Officer: _____

Allentown Division – Cycle 1 Sanitary Sewer Manhole Rehabilitation Project

Arcadis will provide the following construction phase services for the Cycle 1 Manhole Rehabilitation Project per Arcadis proposal letter dated 9/12/24:

Professional Services ⁽¹⁾
1. Review schedules and shop submittals
2. Attend pre-construction meeting
3. Respond to RFIs and review shop drawings
4. Perform Construction Engineering at the start of each phase and part-time during construction (1120 hours)
5. Construction Administration including payment application review and processing and progress meetings (330 hours)
6. Provide Inspector Daily Reports (IDRs)
7. Perform Substantial Completion inspection and issue punchlist to Contractor

Cost Estimate (not to be exceeded without further authorization): \$271,000

Time Table and Completion Deadline: It is anticipated that the project will be completed by the Summer of 2025.










































(For Authority Use Only)

Authorization Completion:

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

**LEHIGH COUNTY AUTHORITY
FINANCIAL STATEMENTS
AUGUST 2024**

**LEHIGH COUNTY AUTHORITY
YTD SUMMARY SCORESHEET
AUGUST 2024**

	Sub W	Sub WW	City
YTD Net income >0			
YTD Net income >= FC			
YTD Cash Flow >0			
YTD Cash Flow >= FC			
YTD DSCR >= FC			
YTD DSCR >= 1.20			
YTD Operating Ratio >= 1.00			
YTD Operating Ratio >= Budget Target			
YTD Days Cash on Hand >= 180.0			
YTD Operating Revenues >= FC			
YTD Operating Expenses <= FC			
FY FC Net Income >= Budget			
FY FC Cash Flows >=Budget			
FY FC DSCR >= Budget			
TOTAL GREEN	<u><u>13</u></u>	<u><u>11</u></u>	<u><u>13</u></u>

LEHIGH COUNTY AUTHORITY
FINANCIAL STATEMENTS - SUMMARY
For the Period Ended August 31, 2024

	Consolidated Financial Statements														
	Month					Year To Date					FULL YEAR				
	Actual	Q2 FC	Prior Year	FC Var	PY Var	Actual	Q2 FC	Prior Year	FC Var	PY Var	Q2 FC	Budget	Prior Year	Bud Var	PY Var
Income Statement															
Suburban Water	194,780	221,880	293,585	(27,101)	(98,805)	1,981,995	1,510,102	2,314,281	471,893	(332,286)	2,348,377	2,019,922	8,266,955	328,455	(5,918,577)
Suburban Wastewater	(196,198)	(243,039)	(132,001)	46,841	(64,197)	(124,062)	(1,249,205)	(118,583)	1,125,143	(5,479)	(1,461,583)	(1,632,719)	(334,302)	171,136	(1,127,281)
City Division	2,350,790	1,227,528	1,370,033	1,123,262	980,757	10,038,826	5,575,642	12,329,526	4,463,184	(2,290,699)	12,050,508	14,844,627	7,787,339	(2,794,119)	4,263,170
Total LCA	2,349,372	1,206,370	1,531,617	1,143,002	817,755	11,896,759	5,836,539	14,525,223	6,060,220	(2,628,464)	12,937,303	15,231,830	15,719,991	(2,294,527)	(2,782,688)
Cash Flow Statement															
Suburban Water	456,132	769,439	620,331	(313,307)	(164,199)	4,436,253	4,810,418	4,956,988	(374,165)	(520,736)	2,998,939	1,446,849	3,429,573	1,552,090	(430,634)
Suburban Wastewater	448,098	138,507	2,141,244	309,591	(1,693,147)	(1,528,895)	(2,727,486)	4,788,097	1,198,591	(6,316,992)	1,278,254	347,045	4,298,204	931,209	(3,019,950)
City Division	4,024,422	1,873,573	3,547,963	2,150,849	476,459	64,969,568	56,888,415	17,255,772	8,081,153	47,713,797	51,369,738	2,940,507	13,827,652	48,429,231	37,542,086
Total LCA	4,928,652	2,781,519	6,309,539	2,147,134	(1,380,886)	67,876,926	58,971,346	27,000,857	8,905,580	40,876,069	55,646,931	4,734,400	21,555,429	50,912,531	34,091,502
Debt Service Coverage Ratio															
Suburban Water	2.04	1.90	2.35	0.14	(0.31)	2.29	1.94	2.34	0.34	(0.05)	2.10	1.96	3.97	0.14	(1.87)
Suburban Wastewater	3.92	3.06	6.45	0.86	(2.53)	5.74	4.13	8.54	1.61	(2.81)	4.80	4.67	9.02	0.14	(4.21)
City Division	3.18	2.20	2.75	0.98	0.43	2.19	1.83	2.89	0.35	(0.71)	2.20	2.13	2.38	0.06	(0.19)

LEHIGH COUNTY AUTHORITY
CONSOLIDATED FINANCIAL STATEMENTS
For the Period Ended August 31, 2024

STATEMENTS OF ACTIVITIES	Consolidated Financial Statements															
	Month				Year To Date				Q2 FULL YEAR FORECAST				Full Year Budget			
	Sub W	Sub WW	City	LCA	Sub W	Sub WW	City	LCA	Sub W	Sub WW	City	LCA	Sub W	Sub WW	City	LCA
Operating Revenues:																
User Charges	1,465,668	1,750,583	5,206,113	8,422,364	11,334,517	13,130,036	38,273,554	62,738,107	17,524,394	19,201,227	56,018,070	92,743,692	17,485,300	19,128,454	55,555,506	92,169,260
Connection & System Charges	26,126	210,649	305,717	542,492	597,171	1,213,092	1,922,551	3,732,813	1,034,156	1,652,882	3,529,115	6,216,153	950,850	1,695,900	3,609,600	6,256,350
Other Miscellaneous Revenues	1,620	90	3,015	4,725	103,622	270	196,305	300,197	176,276	2,618	86,448	265,342	177,724	2,900	89,800	270,424
Total Operating Revenues	1,493,414	1,961,322	5,514,845	8,969,581	12,035,309	14,343,398	40,392,410	66,771,117	18,734,826	20,856,727	59,633,634	99,225,187	18,613,874	20,827,254	59,254,906	98,696,034
Operating Expenses:																
Personnel	365,585	166,688	901,004	1,433,277	2,689,812	1,137,474	7,805,058	11,632,344	4,271,437	1,740,118	13,927,623	19,939,178	4,269,081	1,766,601	13,986,737	20,022,419
Shared Services - General & Administrative	89,781	40,532	207,727	338,040	584,953	247,294	1,558,977	2,391,223	1,066,844	428,822	2,446,827	3,942,493	1,136,102	456,840	2,545,190	4,138,132
Utilities	40,210	19,399	168,364	227,973	344,237	194,411	1,328,065	1,866,713	531,376	320,045	2,018,931	2,870,352	537,998	313,870	2,063,922	2,915,790
Materials and Supplies	60,314	32,903	182,661	275,878	515,723	238,309	2,102,912	2,856,944	1,086,624	472,867	3,280,826	4,840,316	1,197,810	518,722	3,251,300	4,967,832
Miscellaneous Services	427,692	522,829	221,198	1,171,719	3,090,317	4,595,550	1,268,168	8,954,035	4,706,969	7,492,424	2,332,686	14,532,079	4,806,151	7,631,090	2,397,011	14,834,252
Treatment and Transportation	-	865,666	-	865,666	-	3,806,502	5,656	3,812,158	-	4,689,486	11,400	4,700,886	-	4,529,540	11,400	4,540,940
Depreciation and Amortization	297,790	575,538	515,561	1,388,889	2,382,293	4,604,301	4,124,488	11,111,082	3,650,624	7,031,500	6,260,297	16,942,421	3,517,000	7,031,500	6,169,850	16,718,350
Major Maintenance Expenses	-	-	2,010	2,010	-	-	22,332	22,332	-	-	4,000,000	4,000,000	-	-	4,000,000	4,000,000
Other Miscellaneous	-	-	-	-	-	-	-	-	93,100	22,100	-	115,200	93,100	22,100	-	115,200
Total Operating Expenses	1,281,373	2,223,554	2,198,524	5,703,451	9,607,335	14,823,840	18,215,655	42,646,831	15,406,973	22,197,362	34,278,590	71,882,925	15,557,242	22,270,263	34,425,410	72,252,915
Net Operating Profit	212,040	(262,233)	3,316,322	3,266,130	2,427,974	(480,442)	22,176,755	24,124,286	3,327,853	(1,340,635)	25,355,045	27,342,262	3,056,632	(1,443,009)	24,829,496	26,443,119
Non-Operating Income (Expense)																
Interest Income	72,751	64,409	583,789	720,949	407,614	412,859	3,683,175	4,503,648	198,236	202,188	1,397,689	1,798,113	130,452	130,271	984,881	1,245,604
Interest (Expense)	(88,982)	(11,758)	(1,549,321)	(1,650,061)	(853,758)	(96,837)	(10,424,956)	(11,375,552)	(1,174,641)	(178,764)	(19,703,642)	(21,057,047)	(1,167,162)	(185,934)	(19,703,642)	(21,056,738)
Other Miscellaneous	(1,029)	13,383	-	12,354	165	40,358	(5,396,147)	(5,355,624)	(3,070)	(144,372)	5,001,417	4,853,975	-	(134,047)	8,733,892	8,599,845
Net Non-Operating Income (Expense)	(17,260)	66,034	(965,532)	(916,758)	(445,979)	356,380	(12,137,928)	(12,227,527)	(979,475)	(120,948)	(13,304,536)	(14,404,959)	(1,036,710)	(189,710)	(9,984,869)	(11,211,289)
Net Income (Loss)	194,780	(196,198)	2,350,790	2,349,372	1,981,995	(124,062)	10,038,826	11,896,759	2,348,377	(1,461,583)	12,050,508	12,937,303	2,019,922	(1,632,719)	14,844,627	15,231,830
CASH FLOW STATEMENT																
Cash Flows From Operating Activities																
Operating Revenues	1,493,414	1,961,322	5,514,845	8,969,581	12,035,309	14,343,398	40,392,410	66,771,117	18,734,826	20,856,727	59,633,634	99,225,187	18,613,874	20,827,254	59,254,906	98,696,034
Operating Expenses (ex D&A)	(983,583)	(1,648,017)	(1,680,952)	(4,312,552)	(7,225,042)	(10,219,539)	(14,068,835)	(31,513,416)	(11,756,350)	(15,165,862)	(24,018,292)	(50,940,504)	(12,040,242)	(15,238,763)	(24,255,560)	(51,534,565)
Non-Cash Working Capital Changes	285,551	237,353	953,928	1,476,832	(784,004)	(1,146,375)	(905,169)	(2,835,548)	(171,643)	(361,650)	(2,619,905)	(3,153,198)	1	(200,000)	(135,999)	(335,999)
Net Cash Provided by (Used in) Operating Activities	795,381	550,658	4,787,821	6,133,861	4,026,263	2,977,484	25,418,406	32,422,153	6,806,833	5,329,215	32,995,437	45,131,486	6,573,633	5,388,491	34,863,347	46,825,470
Cash Flows From Financing Activities																
Capital Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds New Borrowing	-	-	-	-	5,241,371	-	55,000,000	60,241,371	5,230,000	7,175,000	56,627,352	69,032,352	5,230,000	7,175,000	8,555,508	20,960,508
Interest Payments	(840)	(11,282)	(1,086)	(13,208)	(382,925)	(93,033)	(4,336,538)	(4,812,496)	(1,167,162)	(185,934)	(13,318,734)	(14,671,830)	(1,167,162)	(185,934)	(13,315,397)	(14,668,493)
Principal Payments	(6,403)	(49,368)	(5,219)	(60,991)	(50,998)	(392,195)	(733,830)	(1,177,023)	(2,254,324)	(1,010,486)	(2,945,000)	(6,209,810)	(2,254,324)	(1,010,486)	(2,945,000)	(6,209,810)
Net Cash Provided by (Used in) Financing Activities	(7,243)	(60,651)	(6,306)	(74,199)	4,807,448	(485,228)	49,929,632	54,251,852	1,808,514	5,978,580	40,363,618	48,150,712	1,808,514	5,978,580	(7,704,889)	82,205
Cash Flows from Capital and Related Activities																
Non-Operating Income (Expenses)	(1,029)	13,383	-	12,354	165	40,358	(5,396,147)	(5,355,624)	(3,070)	(144,372)	3,693,193	3,545,751	-	(134,047)	7,425,668	7,291,621
Capital Expenditures, net	(403,728)	(364,702)	(1,340,882)	(2,109,312)	(5,050,237)	(4,963,368)	(8,665,497)	(18,679,103)	(5,811,575)	(10,587,357)	(27,080,200)	(43,479,131)	(7,065,750)	(11,516,250)	(32,628,500)	(51,210,500)
Net Cash Provided By (Used In) Capital and Related Activities	(404,758)	(351,319)	(1,340,882)	(2,096,959)	(5,050,072)	(4,923,010)	(14,061,644)	(24,034,727)	(5,814,644)	(10,731,729)	(23,387,007)	(39,933,380)	(7,065,750)	(11,650,297)	(25,202,832)	(43,918,879)
Cash Flows From Investing Activities																
Investments Converting To Cash	-	490,000	-	490,000	735,000	2,163,000	-	2,898,000	735,000	1,673,000	-	2,408,000	-	500,000	-	500,000
Purchased Investments	-	(245,000)	-	(245,000)	(490,000)	(1,674,000)	-	(2,164,000)	(735,000)	(1,173,000)	-	(1,908,000)	-	-	-	-
Interest Income	72,751	64,409	583,789	720,949	407,614	412,859	3,683,175	4,503,648	198,236	202,188	1,397,689	1,798,113	130,452	130,271	984,881	1,245,604
Net Cash Provided By (Used In) Investing Activities	72,751	309,409	583,789	965,949	652,614	901,859	3,683,175	5,237,648	198,236	702,188	1,397,689	2,298,113	130,452	630,271	984,881	1,745,604
FUND NET CASH FLOWS	456,132	448,098	4,024,422	4,928,652	4,436,253	(1,528,895)	64,969,568	67,876,926	2,998,939	1,278,254	51,369,738	55,646,931	1,446,849	347,045	2,940,507	4,734,400
DEBT SERVICE RATIO																
Debt Service Ratio (Indenture Based)																
Total Operating Revenues	1,465,668	1,750,583	5,206,113	8,422,364	11,334,517	13,130,036	38,273,554	62,738,107	17,524,394	19,201,227	56,018,070	92,743,692	17,485,300	19,128,454	55,555,506	92,169,260
Total Operating Expenses (Cash Based)	(983,583)	(1,648,017)	(1,682,963)	(4,314,563)	(7,225,042)	(10,219,539)	(14,091,167)	(31,535,749)	(11,756,350)	(15,165,862)	(24,018,292)	(50,940,504)	(12,040,242)	(15,238,763)	(24,255,560)	(51,534,565)
Interest Income	72,751	64,409	583,789	720,949	407,614	412,859	3,683,175	4,503,648	198,236	202,188	1,397,689	1,798,113	130,452	130,271	984,881	1,245,604
Annual Lease Payment (City)	-	-	(109,019)	(109,019)	-	-	(872,149)	(872,149)	-	-	(1,308,224)	(1,308,224)	-	-	(1,308,224)	(1,308,224)
Total Non-Operating Revenues (Expenses)	26,717	224,123	308,732	559,571	700,957	1,253,720	(3,277,291)	(1,322,613)	1,207,362	1,511,128	3,615,564	6,334,054	1,128,574	1,564,753	3,699,400	6,392,727
Cash Available For Debt Service	581,552	391,097	4,306,653	5,279,303	5,218,046	4,577,077	23,716,121	33,511,244	7,173,642	5,748,681	35,704,807	48,627,130	6,704,084	5,584,715	34,676,003	46,964,802
Interest Paid	97,264	15,495	1,109,894	1,222,652	778,108	123,956	8,879,156	9,781,220	1,167,162	185,934	13,318,734	14,671,830	1,167,162	185,934	13,315,397	14,668,493
Debt Retirement (Principal Payments)	187,860	84,207	245,417	517,484	1,502,883	673,657	1,963,333	4,139,873	2,254,324	1,010,486	2,945,000	6,209,810	2,254,324	1,010,486	2,945,000	6,209,810
Total Debt Service	285,124	99,702	1,355,311	1,740,137	2,280,991	797,613	10,842,489	13,921,093	3,421,486	1,196,420	16,263,734	20,881,640	3,421,486	1,196,420	16,260,397	20,878,303
Debt Service Ratio	2.04	3.92	3.18	3.03	2.29	5.74	2.19	2.41	2.10	4.80	2.20	2.33	1.96	4.67	2.13	2.25

LEHIGH COUNTY AUTHORITY
FINANCIAL STATEMENTS - SUBURBAN WATER
For the Period Ended August 31, 2024

STATEMENTS OF ACTIVITIES

Operating Revenues:

User Charges	1,465,668	1,426,264	1,352,409	39,404	113,259
Connection & System Charges	26,126	28,060	27,126	(1,934)	(1,000)
Other Miscellaneous Revenues	1,620	3,479	1,440	(1,859)	180

Total Operating Revenues

Operating Expenses:

Personnel	365,585	345,682	308,869	(19,903)	(56,717)
Shared Services - General & Administrative	89,781	120,026	76,608	30,244	(13,173)
Utilities	40,210	39,824	36,271	(386)	(3,940)
Materials and Supplies	60,314	45,002	27,106	(15,313)	(33,208)
Miscellaneous Services	427,692	378,633	318,207	(49,058)	(109,485)
Treatment and Transportation	-	-	-	-	-
Depreciation and Amortization	297,790	233,273	258,365	(64,517)	(39,425)
Major Maintenance Expenses	-	-	-	-	-
Other Miscellaneous	-	-	-	-	-

Total Operating Expenses

Net Operating Profit

Non-Operating Income (Expense)

Interest Income	72,751	11,655	32,962	61,096	39,790
Interest (Expense)	(88,982)	(85,698)	(95,440)	(3,284)	6,458
Other Miscellaneous	(1,029)	561	513	(1,590)	(1,543)

Net Non-Operating Income (Expense)

Net Income (Loss)

CASH FLOW STATEMENT

Cash Flows From Operating Activities

Operating Revenues	1,493,414	1,457,803	1,380,975	35,611	112,439
Operating Expenses (ex D&A)	(983,583)	(929,167)	(767,061)	(54,416)	(216,523)
Non-Cash Working Capital Changes	285,551	260,000	263,964	25,551	21,587

Net Cash Provided by (Used in) Operating Activities

Cash Flows From Financing Activities

Capital Contributions	-	-	-	-	-
Proceeds New Borrowing	-	-	-	-	-
Interest Payments	(840)	(841)	(936)	1	96
Principal Payments	(6,403)	(7,072)	(6,307)	669	(96)

Net Cash Provided by (Used in) Financing Activities

Cash Flows from Capital and Related Activities

Non-Operating Income (Expenses)	(1,029)	561	513	(1,590)	(1,543)
Capital Expenditures, net	(403,728)	(23,500)	(283,779)	(380,228)	(119,949)

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

Cash Flows From Investing Activities

Investments Converting To Cash	-	-	-	-	-
Purchased Investments	-	-	-	-	-
Interest Income	72,751	11,655	32,962	61,096	39,790

Net Cash Provided By (Used In) Investing Activities

FUND NET CASH FLOWS

DEBT SERVICE RATIO

Debt Service Ratio (Indenture Based)

User Charges	1,465,668	1,426,264	1,352,409	39,404	113,259
Operating Expenses (Cash Based)	(983,583)	(929,167)	(767,061)	(54,416)	(216,523)
Interest Income	72,751	11,655	32,962	61,096	39,790
Annual Lease Payment (City)	-	-	-	-	-
Non-Operating Revenues (Expenses)	26,717	32,100	29,079	(5,384)	(2,363)

Cash Available For Debt Service

Interest Paid	97,264	97,264	108,179	-	(10,916)
Debt Retirement (Principal Payments)	187,860	187,860	167,545	-	20,315

Total Debt Service

Debt Service Ratio

Month					
Actual	Q2 FC	Prior Year	FC Var	PY Var	
1,465,668	1,426,264	1,352,409	39,404	113,259	
26,126	28,060	27,126	(1,934)	(1,000)	
1,620	3,479	1,440	(1,859)	180	
1,493,414	1,457,803	1,380,975	35,611	112,439	
365,585	345,682	308,869	(19,903)	(56,717)	
89,781	120,026	76,608	30,244	(13,173)	
40,210	39,824	36,271	(386)	(3,940)	
60,314	45,002	27,106	(15,313)	(33,208)	
427,692	378,633	318,207	(49,058)	(109,485)	
-	-	-	-	-	
297,790	233,273	258,365	(64,517)	(39,425)	
-	-	-	-	-	
-	-	-	-	-	
1,281,373	1,162,440	1,025,425	(118,933)	(255,948)	
212,040	295,363	355,549	(83,323)	(143,509)	
72,751	11,655	32,962	61,096	39,790	
(88,982)	(85,698)	(95,440)	(3,284)	6,458	
(1,029)	561	513	(1,590)	(1,543)	
(17,260)	(73,483)	(61,965)	56,222	44,704	
194,780	221,880	293,585	(27,101)	(98,805)	

1,493,414	1,457,803	1,380,975	35,611	112,439	
(983,583)	(929,167)	(767,061)	(54,416)	(216,523)	
285,551	260,000	263,964	25,551	21,587	
795,381	788,636	877,878	6,745	(82,496)	
-	-	-	-	-	
-	-	-	-	-	
(840)	(841)	(936)	1	96	
(6,403)	(7,072)	(6,307)	669	(96)	
(7,243)	(7,913)	(7,243)	670	(0)	
(1,029)	561	513	(1,590)	(1,543)	
(403,728)	(23,500)	(283,779)	(380,228)	(119,949)	
(404,758)	(22,939)	(283,266)	(381,819)	(121,492)	
-	-	-	-	-	
-	-	-	-	-	
72,751	11,655	32,962	61,096	39,790	
72,751	11,655	32,962	61,096	39,790	
456,132	769,439	620,331	(313,307)	(164,199)	

1,465,668	1,426,264	1,352,409	39,404	113,259	
(983,583)	(929,167)	(767,061)	(54,416)	(216,523)	
72,751	11,655	32,962	61,096	39,790	
-	-	-	-	-	
26,717	32,100	29,079	(5,384)	(2,363)	
581,552	540,852	647,389	40,701	(65,837)	
97,264	97,264	108,179	-	(10,916)	
187,860	187,860	167,545	-	20,315	
285,124	285,124	275,724	-	9,400	
2.04	1.90	2.35	0.14	(0.31)	

Suburban - Water					
Year To Date					
Actual	Q2 FC	Prior Year	FC Var	PY Var	
11,334,517	11,367,939	10,851,320	(33,422)	483,198	
597,171	471,885	320,982	125,285	276,189	
103,622	95,307	41,178	8,314	62,443	
12,035,309	11,935,131	11,213,480	100,178	821,830	
2,689,812	3,158,492	2,521,836	468,680	(167,976)	
584,953	690,935	498,327	105,983	(86,626)	
344,237	340,238	321,351	(3,999)	(22,886)	
515,723	550,715	390,224	34,992	(125,499)	
3,090,317	2,949,362	2,546,958	(140,955)	(543,359)	
-	-	-	-	-	
2,382,293	2,060,322	2,059,943	(321,971)	(322,350)	
-	-	-	-	-	
-	-	-	-	-	
9,607,335	9,750,064	8,338,639	142,728	(1,268,697)	
2,427,974	2,185,068	2,874,841	242,906	(446,867)	
407,614	179,686	214,683	227,928	192,931	
(853,758)	(861,001)	(788,236)	7,242	(65,522)	
165	6,349	12,992	(6,184)	(12,827)	
(445,979)	(674,966)	(560,561)	228,986	114,581	
1,981,995	1,510,102	2,314,281	471,893	(332,286)	

12,035,309	11,935,131	11,213,480	100,178	821,830	
(7,225,042)	(7,689,742)	(6,278,696)	464,699	(946,346)	
(784,004)	(784,318)	(2,956,332)	314	2,172,328	
4,026,263	3,461,071	1,978,452	565,192	2,047,811	
-	-	-	-	-	
5,241,371	5,230,000	6,950,000	11,371	(1,708,629)	
(382,925)	(533,406)	(593,255)	150,481	210,330	
(50,998)	(54,333)	(50,233)	3,336	(764)	
4,807,448	4,642,261	6,306,511	165,187	(1,499,063)	
165	6,349	12,992	(6,184)	(12,827)	
(5,050,237)	(3,723,950)	(3,560,650)	(1,326,288)	(1,489,587)	
(5,050,072)	(3,717,600)	(3,547,658)	(1,332,472)	(1,502,414)	
735,000	735,000	739,000	-	(4,000)	
(490,000)	(490,000)	(734,000)	-	244,000	
407,614	179,686	214,683	227,928	192,931	
652,614	424,686	219,683	227,928	432,931	
4,436,253	4,810,418	4,956,988	(374,165)	(520,736)	

11,334,517	11,367,939	10,851,320	(33,422)	483,198	
(7,225,042)	(7,689,742)	(6,278,696)	464,699	(946,346)	
407,614	179,686	214,683	227,928	192,931	
-	-	-	-	-	
700,957	573,542	375,152	127,416	325,805	
5,218,046	4,431,425	5,162,459	786,622	55,587	
778,108	778,108	865,434	-	(87,326)	
1,502,883	1,502,883	1,340,360	-	162,522	
2,280,991	2,280,991	2,205,794	-	75,197	
2.29	1.94	2.34	0.34	(0.05)	

Full Year					
Q2 FC	Budget	Prior Year	Bud Var	PY Var	
17,524,394	17,485,300	16,493,151	39,094	1,031,244	
1,034,156	950,850	730,402	83,306	303,754	
176,276	177,724	207,520	(1,448)	(31,245)	
18,734,826	18,613,874	17,431,073	120,952	1,303,753	
4,271,437	4,269,081	3,475,597	(2,356)	(795,840)	
1,066,844	1,136,102	725,136	69,258	(341,708)	
531,376	537,998	489,997	6,622	(41,379)	
1,086,624	1,197,810	688,942	111,186	(397,681)	
4,706,969	4,806,151	4,077,315	99,182	(629,654)	
-	-	-	-	-	
3,650,624	3,517,000	3,898,085	(133,624)	247,462	
-	-	-	-	-	
93,100	93,100	-	-	(93,100)	
15,406,973	15,557,242	13,355,072	150,269	(2,051,901)	
3,327,853	3,056,632	4,076,001	271,221	(748,148)	
198,236	130,452	339,479	67,784	(141,243)	
(1,174,641)	(1,167,162)	(954,076)	(7,479)	(220,566)	
(3,070)	-	4,805,551	(3,070)	(4,808,620)	
(979,475)	(1,036,710)	4,190,954	57,235	(5,170,429)	
2,348,377	2,019,922	8,266,955	328,455	(5,918,577)	

18,734,826	18,613,874	17,431,073	120,952	1,303,753	
(11,756,350)	(12,040,242)	(9,456,987)	283,892	(2,299,363)	
(171,643)	-	(2,364,689)	(171,644)	2,193,046	
6,806,833	6,573,633	5,609,397	233,201	1,197,436	
-	-	-	-	-	
5,230,000	5,230,000	6,950,000	-	(1,720,000)	
(1,167,162)	(1,167,162)	(1,298,151)	-	130,989	
(2,254,324)	(2,254,324)	(2,010,541)	-	(243,783)	
1,808,514	1,808,514	3,641,309	-	(1,832,795)	
(3,070)	-	(84,098)	(3,070)	81,029	
(5,811,575)	(7,065,750)	(6,085,513)	1,254,175	273,938	
(5,814,644)	(7,065,750)	(6,169,612)	1,251,106	354,967	
735,000	-	988,000	735,000	(253,000)	
(735,000)	-	(979,000)	(735,000)	244,000	
198,236	130,452	339,479	67,784	(141,243)	
198,236	130,452	348,479	67,784	(150,243)	
2,998,939	1,446,849	3,429,573	1,552,090	(430,634)	

17,524,394	17,485,300	16,493,151	39,094	1,031,244
(11,756,350)	(12,040,242)	(9,456,987)	283,892	(2,299,363)
198,236	130,452	339,479	67,784	(141,243)
		-		
1,207,362	1,128,574	5,743,472	78,788	(4,536,111)
7,173,642	6,704,084	13,119,116	469,558	(5,945,473)
1,167,162	1,167,162	1,298,151	-	(130,989)
2,254,324	2,254,324	2,010,541	-	243,783
3,421,486	3,421,486	3,308,691	-	112,795
2.10	1.96	3.97	0.14	(1.87)

LEHIGH COUNTY AUTHORITY
VARIANCE ANALYSIS - YTD
For the Period Ended August 31, 2024

STATEMENTS OF ACTIVITIES

Operating Revenues:

User Charges
Connection & System Charges
Other Miscellaneous Revenues

Total Operating Revenues

Operating Expenses:

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

Total Operating Expenses

Net Operating Profit

Non-Operating Income (Expense)

Interest Income
Interest (Expense)
Other Miscellaneous

Net Non-Operating Income (Expense)

Net Income (Loss)

CASH FLOW STATEMENT

Cash Flows From Operating Activities

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

Net Cash Provided by (Used in) Operating Activities

Cash Flows From Financing Activities

Capital Contributions
Proceeds New Borrowing
Interest Payments
Principal Payments

Net Cash Provided by (Used in) Financing Activities

Cash Flows from Capital and Related Activities

Non-Operating Income (Expenses)
Capital Expenditures, net

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

Cash Flows From Investing Activities

Investments Converting To Cash
Purchased Investments
Interest Income

Net Cash Provided By (Used In) Investing Activities

FUND NET CASH FLOWS

Suburban - Water			
Actual	Q2 FC	FC Var	Comments
11,334,517	11,367,939	(33,422)	Higher Tapping Fees
597,171	471,885	125,285	
103,622	95,307	8,314	
12,035,309	11,935,131	100,178	Higher system charges partially offset by lower user charges
2,689,812	3,158,492	468,680	
584,953	690,935	105,983	
344,237	340,238	(3,999)	
515,723	550,715	34,992	
3,090,317	2,949,362	(140,955)	
-	-	-	
2,382,293	2,060,322	(321,971)	
-	-	-	
-	-	-	
9,607,335	9,750,064	142,728	Lower personnel charges allocated in and lower G&A allocations
2,427,974	2,185,068	242,906	Higher operating revenues along with lower operating expenses
407,614	179,686	227,928	
(853,758)	(861,001)	7,242	
165	6,349	(6,184)	
(445,979)	(674,966)	228,986	Higher interest income
1,981,995	1,510,102	471,893	Higher net operating income along with favorable financial activity
12,035,309	11,935,131	100,178	
(7,225,042)	(7,689,742)	464,699	
(784,004)	(784,318)	314	
4,026,263	3,461,071	565,192	Higher operating revenues along with lower operating expenses
-	-	-	
5,241,371	5,230,000	11,371	
(382,925)	(533,406)	150,481	
(50,998)	(54,333)	3,336	
4,807,448	4,642,261	165,187	Lower debt service
165	6,349	(6,184)	
(5,050,237)	(3,723,950)	(1,326,288)	
(5,050,072)	(3,717,600)	(1,332,472)	Higher capex
735,000	735,000	-	
(490,000)	(490,000)	-	
407,614	179,686	227,928	
652,614	424,686	227,928	Higher interest income
4,436,253	4,810,418	(374,165)	Higher cash from operating activities aided by lower debt service and higher interest income more than offset by higher capex

LEHIGH COUNTY AUTHORITY
FINANCIAL STATEMENTS - SUBURBAN WASTEWATER
For the Period Ended August 31, 2024

STATEMENTS OF ACTIVITIES

Operating Revenues:

User Charges	1,750,583	1,623,571	1,539,189	127,011	211,394
Connection & System Charges	210,649	187,139	150,497	23,511	60,152
Other Miscellaneous Revenues	90	149	30	(59)	60

Total Operating Revenues

Operating Expenses:

Personnel	166,688	162,337	164,023	(4,351)	(2,666)
Shared Services - General & Administrative	40,532	53,125	39,235	12,593	(1,297)
Utilities	19,399	24,945	18,936	5,546	(462)
Materials and Supplies	32,903	32,169	24,629	(734)	(8,273)
Miscellaneous Services	522,829	648,831	600,383	126,002	77,554
Treatment and Transportation	865,666	585,332	504,453	(280,334)	(361,213)
Depreciation and Amortization	575,538	533,053	508,303	(42,485)	(67,235)
Major Maintenance Expenses	-	-	229	-	229
Other Miscellaneous	-	-	-	-	-

Total Operating Expenses

Net Operating Profit

Non-Operating Income (Expense)

Interest Income	64,409	11,916	41,560	52,493	22,849
Interest (Expense)	(11,758)	(15,309)	(12,832)	3,551	1,074
Other Miscellaneous	13,383	(10,712)	9,747	24,095	3,637

Net Non-Operating Income (Expense)

Net Income (Loss)

CASH FLOW STATEMENT

Cash Flows From Operating Activities

Operating Revenues	1,961,322	1,810,859	1,689,716	150,463	271,606
Operating Expenses (ex D&A)	(1,648,017)	(1,506,739)	(1,351,660)	(141,277)	(296,357)
Non-Cash Working Capital Changes	237,353	236,970	1,742,495	383	(1,505,142)

Net Cash Provided by (Used in) Operating Activities

Cash Flows From Financing Activities

Capital Contributions	-	-	-	-	-
Proceeds New Borrowing	-	-	-	-	-
Interest Payments	(11,282)	(15,323)	(12,160)	4,041	878
Principal Payments	(49,368)	(84,463)	(48,174)	35,094	(1,194)

Net Cash Provided by (Used in) Financing Activities

Cash Flows from Capital and Related Activities

Non-Operating Income (Expenses)	13,383	(10,712)	9,747	24,095	3,637
Capital Expenditures, net	(364,702)	(304,000)	(175,279)	(60,702)	(189,423)

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

Cash Flows From Investing Activities

Investments Converting To Cash	490,000	-	245,000	490,000	245,000
Purchased Investments	(245,000)	-	-	(245,000)	(245,000)
Interest Income	64,409	11,916	41,560	52,493	22,849

Net Cash Provided By (Used In) Investing Activities

FUND NET CASH FLOWS

DEBT SERVICE RATIO

Debt Service Ratio (Indenture Based)

User Charges	1,750,583	1,623,571	1,539,189	127,011	211,394
Operating Expenses (Cash Based)	(1,648,017)	(1,506,739)	(1,351,889)	(141,277)	(296,128)
Interest Income	64,409	11,916	41,560	52,493	22,849
Annual Lease Payment (City)	-	-	-	-	-
Non-Operating Revenues (Expenses)	224,123	176,575	160,274	47,547	63,849

Cash Available For Debt Service

Interest Paid	15,495	15,495	12,296	-	3,198
Debt Retirement (Principal Payments)	84,207	84,207	48,028	-	36,179

Total Debt Service

Debt Service Ratio

Month					
Actual	Q2 FC	Prior Year	FC Var	PY Var	
1,750,583	1,623,571	1,539,189	127,011	211,394	
210,649	187,139	150,497	23,511	60,152	
90	149	30	(59)	60	
1,961,322	1,810,859	1,689,716	150,463	271,606	
166,688	162,337	164,023	(4,351)	(2,666)	
40,532	53,125	39,235	12,593	(1,297)	
19,399	24,945	18,936	5,546	(462)	
32,903	32,169	24,629	(734)	(8,273)	
522,829	648,831	600,383	126,002	77,554	
865,666	585,332	504,453	(280,334)	(361,213)	
575,538	533,053	508,303	(42,485)	(67,235)	
-	-	229	-	229	
-	-	-	-	-	
2,223,554	2,039,792	1,860,192	(183,762)	(363,363)	
(262,233)	(228,934)	(170,476)	(33,299)	(91,757)	
64,409	11,916	41,560	52,493	22,849	
(11,758)	(15,309)	(12,832)	3,551	1,074	
13,383	(10,712)	9,747	24,095	3,637	
66,034	(14,105)	38,475	80,139	27,559	
(196,198)	(243,039)	(132,001)	46,841	(64,197)	

1,961,322	1,810,859	1,689,716	150,463	271,606	
(1,648,017)	(1,506,739)	(1,351,660)	(141,277)	(296,357)	
237,353	236,970	1,742,495	383	(1,505,142)	
550,658	541,089	2,080,551	9,569	(1,529,893)	
-	-	-	-	-	
(11,282)	(15,323)	(12,160)	4,041	878	
(49,368)	(84,463)	(48,174)	35,094	(1,194)	
(60,651)	(99,786)	(60,335)	39,135	(316)	
13,383	(10,712)	9,747	24,095	3,637	
(364,702)	(304,000)	(175,279)	(60,702)	(189,423)	
(351,319)	(314,712)	(165,532)	(36,606)	(185,787)	
490,000	-	245,000	490,000	245,000	
(245,000)	-	-	(245,000)	(245,000)	
64,409	11,916	41,560	52,493	22,849	
309,409	11,916	286,560	297,493	22,849	
448,098	138,507	2,141,244	309,591	(1,693,147)	

1,750,583	1,623,571	1,539,189	127,011	211,394	
(1,648,017)	(1,506,739)	(1,351,889)	(141,277)	(296,128)	
64,409	11,916	41,560	52,493	22,849	
-	-	-	-	-	
224,123	176,575	160,274	47,547	63,849	
391,097	305,323	389,134	85,774	1,963	
15,495	15,495	12,296	-	3,198	
84,207	84,207	48,028	-	36,179	
99,702	99,702	60,325	-	39,377	
3.92	3.06	6.45	0.86	(2.53)	

Suburban - Wastewater					
Year To Date					
Actual	Q2 FC	Prior Year	FC Var	PY Var	
13,130,036	13,024,824	12,059,034	105,212	1,071,002	
1,213,092	904,187	1,167,047	308,906	46,045	
270	948	375	(678)	(105)	
14,343,398	13,929,958	13,226,456	413,440	1,116,942	
1,137,474	1,265,608	1,138,764	128,134	1,291	
247,294	278,159	224,958	30,865	(22,336)	
194,411	219,690	165,632	25,280	(28,778)	
238,309	308,461	271,427	70,152	33,118	
4,595,550	4,952,478	4,731,188	356,928	135,638	
3,806,502	3,775,889	2,891,059	(30,613)	(915,443)	
4,604,301	4,429,556	4,136,860	(174,746)	(467,441)	
-	-	2,664	-	2,664	
-	-	-	-	-	
14,823,840	15,229,841	13,562,553	406,000	(1,261,287)	
(480,442)	(1,299,883)	(336,097)	819,440	(144,346)	
412,859	190,212	278,097	222,648	134,762	
(96,837)	(114,741)	(105,396)	17,904	8,559	
40,358	(24,793)	44,812	65,152	(4,454)	
356,380	50,677	217,513	305,703	138,867	
(124,062)	(1,249,205)	(118,583)	1,125,143	(5,479)	

14,343,398	13,929,958	13,226,456	413,440	1,116,942	
(10,219,539)	(10,800,285)	(9,423,029)	580,746	(796,510)	
(1,146,375)	(1,146,130)	1,696,346	(245)	(2,842,722)	
2,977,484	1,983,543	5,499,774	993,941	(2,522,290)	
-	-	-	-	-	
(93,033)	(113,336)	(99,606)	20,303	6,573	
(392,195)	(566,899)	(382,659)	174,704	(9,536)	
(485,228)	(680,235)	(482,264)	195,007	(2,964)	
40,358	(24,793)	44,812	65,152	(4,454)	
(4,963,368)	(4,195,212)	(2,579,496)	(768,156)	(2,383,872)	
(4,923,010)	(4,220,005)	(2,534,684)	(703,004)	(2,388,326)	
2,163,000	738,000	5,132,174	1,425,000	(2,969,174)	
(1,674,000)	(739,000)	(3,105,000)	(935,000)	1,431,000	
412,859	190,212	278,097	222,648	134,762	
901,859	189,212	2,305,271	712,648	(1,403,412)	
(1,528,895)	(2,727,486)	4,788,097	1,198,591	(6,316,992)	

13,130,036	13,024,824	12,059,034	105,212	1,071,002	
(10,219,539)	(10,800,285)	(9,425,693)	580,746	(793,846)	
412,859	190,212	278,097	222,648	134,762	
-	-	-	-	-	
1,253,720	880,341	1,212,234	373,380	41,486	
4,577,077	3,295,091	4,123,673	1,281,985	453,404	
123,956	123,956	98,370	-	25,586	
673,657	673,657	384,227	-	289,430	
797,613	797,613	482,597	-	315,016	
5.74	4.13	8.54	1.61	(2.81)	

Full Year					
Q2 FC	Budget	Prior Year	Bud Var	PY Var	
19,201,227	19,128,454	18,488,050	72,773	713,177	
1,652,882	1,695,900	1,371,193	(43,018)	281,689	
2,618	2,900	585	(282)	2,033	
20,856,727	20,827,254	19,859,828	29,473	996,899	
1,740,118	1,766,601	1,811,893	26,483	71,775	
428,822	456,840	337,395	28,018	(91,427)	
320,045	313,870	238,267	(6,175)	(81,779)	
472,867	518,722	391,409	45,855	(81,457)	
7,492,424	7,631,090	7,678,739	138,666	186,315	
4,689,486	4,529,540	3,903,664	(159,946)	(785,822)	
7,031,500	7,031,500	6,705,023	-	(326,477)	
-	-	-	-	-	
22,100	22,100	133,968	-	111,868	
22,197,362	22,270,263	21,200,358	72,901	(997,004)	
(1,340,635)	(1,443,009)	(1,340,530)	102,374	(105)	
202,188	130,271	454,362	71,917	(252,174)	
(178,764)	(185,934)	(155,847)	7,170	(22,917)	
(144,372)	(134,047)	707,714	(10,325)	(852,086)	
(120,948)	(189,710)	1,006,228	68,762	(1,127,176)	
(1,461,583)	(1,632,719)	(334,302)	171,136	(1,127,281)	

20,856,727	20,827,254	19,859,828	29,473	996,899
(15,165,862)	(15,238,763)	(14,495,335)	72,901	(670,527)
(361,650)	(200,000)	1,530,213	(161,650)	(1,891,863)
5,329,215	5,388,491	6,894,706	(59,276)	(1,565,491)
-	-	-	-	-
7,175,000	7,175,000	-	-	7,175,000
(185,934)	(185,934)	(147,555)	-	(38,379)
(1,010,486)	(1,010,486)	(576,341)	-	(434,145)
5,978,580	5,978,580	(723,896)	-	6,702,476
(144,372)	(134,047)	121,966	(10,325)	(266,338)
(10,587,357)	(11,516,250)	(4,486,108)	928,893	(6,101,249)
(10,731,729)	(11,650,297)	(4,364,142)	918,568	(6,367,587)
1,673,000	500,000	6,129,174	1,173,000	(4,456,174)
(1,173,000)	-	(4,092,000)	(1,173,000)	2,919,000
202,188	130,271	454,362	71,917	(252,174)
702,188	630,271	2,491,536	71,917	(1,789,348)
1,278,254	347,045	4,298,204	931,209	(3,019,950)

LEHIGH COUNTY AUTHORITY
VARIANCE ANALYSIS - YTD
For the Period Ended August 31, 2024

STATEMENTS OF ACTIVITIES

Operating Revenues:

User Charges
Connection & System Charges
Other Miscellaneous Revenues

Total Operating Revenues

Operating Expenses:

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

Total Operating Expenses

Net Operating Profit

Non-Operating Income (Expense)

Interest Income
Interest (Expense)
Other Miscellaneous

Net Non-Operating Income (Expense)

Net Income (Loss)

CASH FLOW STATEMENT

Cash Flows From Operating Activities

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

Net Cash Provided by (Used in) Operating Activities

Cash Flows From Financing Activities

Capital Contributions
Proceeds New Borrowing
Interest Payments
Principal Payments

Net Cash Provided by (Used in) Financing Activities

Cash Flows from Capital and Related Activities

Non-Operating Income (Expenses)
Capital Expenditures, net

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

Cash Flows From Investing Activities

Investments Converting To Cash
Purchased Investments
Interest Income

Net Cash Provided By (Used In) Investing Activities

FUND NET CASH FLOWS

Suburban - Wastewater			
Actual	Q2 FC	FC Var	Comments
13,130,036	13,024,824	105,212	Higher municipal charges
1,213,092	904,187	308,906	higher tapping fees
270	948	(678)	
14,343,398	13,929,958	413,440	Higher user charges along with higher system charges
1,137,474	1,265,608	128,134	
247,294	278,159	30,865	
194,411	219,690	25,280	
238,309	308,461	70,152	
4,595,550	4,952,478	356,928	
3,806,502	3,775,889	(30,613)	
4,604,301	4,429,556	(174,746)	
-	-	-	
-	-	-	
14,823,840	15,229,841	406,000	Lower discretionary spending across the board
(480,442)	(1,299,883)	819,440	Higher operating revenues along with lower operating expenses
412,859	190,212	222,648	
(96,837)	(114,741)	17,904	
40,358	(24,793)	65,152	
356,380	50,677	305,703	Higher interest income and lower interest expense
(124,062)	(1,249,205)	1,125,143	Higher net operating income aided by favorable financial activity
14,343,398	13,929,958	413,440	
(10,219,539)	(10,800,285)	580,746	
(1,146,375)	(1,146,130)	(245)	
2,977,484	1,983,543	993,941	Higher operating revenues and lower operating expenses
-	-	-	
-	-	-	
(93,033)	(113,336)	20,303	
(392,195)	(566,899)	174,704	
(485,228)	(680,235)	195,007	Lower debt service
40,358	(24,793)	65,152	
(4,963,368)	(4,195,212)	(768,156)	
(4,923,010)	(4,220,005)	(703,004)	Higher capex
2,163,000	738,000	1,425,000	
(1,674,000)	(739,000)	(935,000)	
412,859	190,212	222,648	
901,859	189,212	712,648	Favorable investing activity
(1,528,895)	(2,727,486)	1,198,591	Higher cash from operations, lower debt service, and favorable investing activity partially offset by higher capex

LEHIGH COUNTY AUTHORITY
FINANCIAL STATEMENTS - CITY DIVISION
For the Period Ended August 31, 2024

STATEMENTS OF ACTIVITIES

Operating Revenues:

User Charges
Connection & System Charges
Other Miscellaneous Revenues

Total Operating Revenues

Operating Expenses:

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

Total Operating Expenses

Net Operating Profit

Non-Operating Income (Expense)

Interest Income
Interest (Expense)
Other Miscellaneous

Net Non-Operating Income (Expense)

Net Income (Loss)

CASH FLOW STATEMENT

Cash Flows From Operating Activities

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

Net Cash Provided by (Used in) Operating Activities

Cash Flows From Financing Activities

Capital Contributions
Proceeds New Borrowing
Interest Payments
Principal Payments

Net Cash Provided by (Used in) Financing Activities

Cash Flows from Capital and Related Activities

Non-Operating Income (Expenses)
Capital Expenditures, net

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

Cash Flows From Investing Activities

Investments Converting To Cash
Purchased Investments
Interest Income

Net Cash Provided By (Used In) Investing Activities

FUND NET CASH FLOWS

DEBT SERVICE RATIO

Debt Service Ratio (Indenture Based)

User Charges
Operating Expenses (Cash Based)
Interest Income
Annual Lease Payment (City)
Non-Operating Revenues (Expenses)

Cash Available For Debt Service

Interest Paid
Debt Retirement (Principal Payments)

Total Debt Service

Debt Service Ratio

	City Division					Full Year				
	Year To Date									
	Actual	Q2 FC	Prior Year	FC Var	PY Var	Q2 FC	Budget	Prior Year	Bud Var	PY Var
Operating Revenues:										
User Charges	5,206,113	4,840,486	4,548,488	365,627	657,625	38,273,554	37,955,626	36,203,915	317,928	2,069,639
Connection & System Charges	305,717	135,399	147,949	170,319	157,768	1,922,551	1,899,654	2,740,001	22,897	(817,450)
Other Miscellaneous Revenues	3,015	1,572	3,196	1,443	(181)	196,305	53,306	81,057	142,999	115,248
Total Operating Revenues	5,514,845	4,977,456	4,699,633	537,389	815,213	40,392,410	39,908,585	39,024,973	483,824	1,367,437
Operating Expenses:										
Personnel	901,004	1,246,202	1,029,177	345,199	128,173	7,805,058	8,993,203	7,445,289	1,188,146	(359,769)
Shared Services - General & Administrative	207,727	210,536	168,786	2,810	(38,941)	1,558,977	1,561,029	1,357,730	2,052	(201,247)
Utilities	168,364	160,848	147,954	(7,516)	(20,409)	1,328,065	1,155,522	1,303,358	(172,542)	(24,706)
Materials and Supplies	182,661	208,261	203,419	25,601	20,758	2,102,912	1,967,190	1,913,918	(135,722)	(188,994)
Miscellaneous Services	221,198	151,179	143,782	(70,018)	(77,416)	1,268,168	1,304,513	1,165,312	36,345	(102,856)
Treatment and Transportation	-	-	-	-	-	5,656	5,263	5,220	(393)	(436)
Depreciation and Amortization	515,561	474,683	519,750	(40,878)	4,189	4,124,488	3,918,287	4,142,960	(206,201)	18,472
Major Maintenance Expenses	2,010	-	30,083	(2,010)	28,073	22,332	12,369	178,921	(9,963)	156,589
Other Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	2,198,524	2,451,710	2,242,952	253,186	44,428	18,215,655	18,917,377	17,512,708	701,721	(702,947)
Net Operating Profit	3,316,322	2,525,746	2,456,681	790,575	859,641	22,176,755	20,991,209	21,512,265	1,185,546	664,489
Non-Operating Income (Expense)										
Interest Income	583,789	91,727	322,854	492,062	260,935	3,683,175	1,238,104	2,097,658	2,445,071	1,585,517
Interest (Expense)	(1,549,321)	(1,389,945)	(1,409,502)	(159,376)	(139,819)	(10,424,956)	(11,256,588)	(11,280,397)	831,632	855,441
Other Miscellaneous	-	-	-	-	-	(5,396,147)	(5,397,083)	-	936	(5,396,147)
Net Non-Operating Income (Expense)	(965,532)	(1,298,218)	(1,086,648)	332,686	121,116	(12,137,928)	(15,415,567)	(9,182,740)	3,277,639	(2,955,188)
Net Income (Loss)	2,350,790	1,227,528	1,370,033	1,123,262	980,757	10,038,826	5,575,642	12,329,526	4,463,184	(2,290,699)

Operating Revenues	5,514,845	4,977,456	4,699,633	537,389	815,213
Operating Expenses (ex D&A)	(1,680,952)	(1,977,027)	(1,693,118)	296,074	12,166
Non-Cash Working Capital Changes	953,928	953,420	1,055,847	508	(101,919)
Net Cash Provided by (Used in) Operating Activities	4,787,821	3,953,850	4,062,362	833,972	725,459
Cash Flows From Financing Activities					
Capital Contributions	-	-	-	-	-
Proceeds New Borrowing	-	-	-	-	-
Interest Payments	(1,086)	829	728	(1,915)	(1,814)
Principal Payments	(5,219)	(697,395)	5,215	692,175	(10,434)
Net Cash Provided by (Used in) Financing Activities	(6,306)	(696,566)	5,943	690,260	(12,249)
Cash Flows from Capital and Related Activities					
Non-Operating Income (Expenses)	-	-	-	-	-
Capital Expenditures, net	(1,340,882)	(1,475,438)	(843,196)	134,556	(497,687)
Net Cash Provided By (Used In) Capital and Related Activities	(1,340,882)	(1,475,438)	(843,196)	134,556	(497,687)
Cash Flows From Investing Activities					
Investments Converting To Cash	-	-	-	-	-
Purchased Investments	-	-	-	-	-
Interest Income	583,789	91,727	322,854	492,062	260,935
Net Cash Provided By (Used In) Investing Activities	583,789	91,727	322,854	492,062	260,935
FUND NET CASH FLOWS	4,024,422	1,873,573	3,547,963	2,150,849	476,459

Operating Revenues	40,392,410	39,908,585	39,024,973	483,824	1,367,437
Operating Expenses (ex D&A)	(14,068,835)	(14,986,720)	(13,190,827)	917,885	(878,008)
Non-Cash Working Capital Changes	(905,169)	(905,529)	(868,725)	360	(36,444)
Net Cash Provided by (Used in) Operating Activities	25,418,406	24,016,337	24,965,421	1,402,069	452,985
Cash Flows From Financing Activities					
Capital Contributions	-	-	-	-	-
Proceeds New Borrowing	55,000,000	55,000,000	1,371,118	-	53,628,882
Interest Payments	(4,336,538)	(6,539,331)	(5,740,965)	2,202,792	1,404,427
Principal Payments	(733,830)	(4,194,750)	(5,111)	3,460,920	(728,719)
Net Cash Provided by (Used in) Financing Activities	49,929,632	44,265,920	(4,374,958)	5,663,712	54,304,590
Cash Flows from Capital and Related Activities					
Non-Operating Income (Expenses)	(5,396,147)	(6,051,195)	(680,590)	655,048	(4,715,557)
Capital Expenditures, net	(8,665,497)	(6,580,751)	(4,751,758)	(2,084,747)	(3,913,739)
Net Cash Provided By (Used In) Capital and Related Activities	(14,061,644)	(12,631,946)	(5,432,348)	(1,429,699)	(8,629,296)
Cash Flows From Investing Activities					
Investments Converting To Cash	-	-	-	-	-
Purchased Investments	-	-	-	-	-
Interest Income	3,683,175	1,238,104	2,097,658	2,445,071	1,585,517
Net Cash Provided By (Used In) Investing Activities	3,683,175	1,238,104	2,097,658	2,445,071	1,585,517
FUND NET CASH FLOWS	64,969,568	56,888,415	17,255,772	8,081,153	47,713,797

Operating Revenues	59,633,634	59,254,906	57,832,751	378,728	1,800,884
Operating Expenses (ex D&A)	(24,018,292)	(24,255,560)	(20,993,306)	237,268	(3,024,987)
Non-Cash Working Capital Changes	(2,619,905)	(135,999)	(2,201,272)	(2,483,905)	(418,632)
Net Cash Provided by (Used in) Operating Activities	32,995,437	34,863,347	34,638,173	(1,867,909)	(1,642,735)
Cash Flows From Financing Activities					
Capital Contributions	-	-	-	-	-
Proceeds New Borrowing	56,627,352	8,555,508	1,371,118	48,071,844	55,256,234
Interest Payments	(13,318,734)	(13,315,397)	(11,695,732)	(3,337)	(1,623,002)
Principal Payments	(2,945,000)	(2,945,000)	(2,222,407)	-	(722,593)
Net Cash Provided by (Used in) Financing Activities	40,363,618	(7,704,889)	(12,547,021)	48,068,507	52,910,639
Cash Flows from Capital and Related Activities					
Non-Operating Income (Expenses)	3,693,193	7,425,668	(1,361,180)	(3,732,475)	5,054,373
Capital Expenditures, net	(27,080,200)	(32,628,500)	(10,368,819)	5,548,300	(16,711,381)
Net Cash Provided By (Used In) Capital and Related Activities	(23,387,007)	(25,202,832)	(11,729,999)	1,815,825	(11,657,008)
Cash Flows From Investing Activities					
Investments Converting To Cash	-	-	-	-	-
Purchased Investments	-	-	-	-	-
Interest Income	1,397,689	984,881	3,466,498	412,808	(2,068,810)
Net Cash Provided By (Used In) Investing Activities	1,397,689	984,881	3,466,498	412,808	(2,068,810)
FUND NET CASH FLOWS	51,369,738	2,940,507	13,827,652	48,429,231	37,542,086

User Charges	5,206,113	4,840,486	4,548,488	365,627	657,625
Operating Expenses (Cash Based)	(1,682,963)	(1,977,027)	(1,723,201)	294,064	40,239
Interest Income	583,789	91,727	322,854	492,062	260,935
Annual Lease Payment (City)	(109,019)	(109,019)	(113,432)	-	4,413
Non-Operating Revenues (Expenses)	308,732	136,970	151,145	171,762	157,587
Cash Available For Debt Service	4,306,653	2,983,138	3,185,854	1,323,515	1,120,799
Interest Paid	1,109,894	1,109,894	974,644	-	135,250
Debt Retirement (Principal Payments)	245,417	245,417	185,201	-	60,216
Total Debt Service	1,355,311	1,355,311	1,159,845	-	195,466
Debt Service Ratio	3.18	2.20	2.75	0.98	0.43

User Charges	38,273,554	37,955,626	36,203,915	317,928	2,069,639
Operating Expenses (Cash Based)	(14,091,167)	(14,999,089)	(13,369,748)	907,922	(721,419)
Interest Income	3,683,175	1,238,104	2,097,658	2,445,071	1,585,517
Annual Lease Payment (City)	(872,149)	(872,149)	(907,453)	-	35,304
Non-Operating Revenues (Expenses)	(3,277,291)	(3,444,123)	2,821,058	166,832	(6,098,349)
Cash Available For Debt Service	23,716,121	19,878,368	26,845,430	3,837,753	(3,129,308)
Interest Paid	8,879,156	8,879,156	7,797,155	-	1,082,001
Debt Retirement (Principal Payments)	1,963,333	1,963,333	1,481,605	-	481,729
Total Debt Service	10,842,489	10,842,489	9,278,759	-	1,563,730
Debt Service Ratio	2.19	1.83	2.89	0.35	(0.71)

User Charges	56,018,070	55,555,506	52,162,410	462,564	3,855,660
Operating Expenses (Cash Based)	(24,018,292)	(24,255,560)	(26,775,409)	237,268	2,757,117
Interest Income	1,397,689	984,881	3,466,498	412,808	(2,068,810)
Annual Lease Payment (City)	(1,308,224)	(1,308,224)	(1,361,180)	-	52,956
Non-Operating Revenues (Expenses)	3,615,564	3,699,400	5,670,340	(83,836)	(2,054,777)
Cash Available For Debt Service	35,704,807	34,676,003	36,162,660	1,028,804	2,542,147
Interest Paid	13,318,734	13,315,397	11,695,732	3,337	1,623,002
Debt Retirement (Principal Payments)	2,945,000	2,945,000	2,222,407	-	722,593
Total Debt Service	16,263,734	16,260,397	13,918,139	3,337	2,345,595
Debt Service Ratio	2.20	2.13	2.38	0.06	(0.19)

LEHIGH COUNTY AUTHORITY
VARIANCE ANALYSIS - YTD
For the Period Ended August 31, 2024

STATEMENTS OF ACTIVITIES

Operating Revenues:

User Charges	38,273,554	37,955,626	317,928
Connection & System Charges	1,922,551	1,899,654	22,897
Other Miscellaneous Revenues	196,305	53,306	142,999
Total Operating Revenues	40,392,410	39,908,585	483,824

Operating Expenses:

Personnel	7,805,058	8,993,203	1,188,146
Shared Services - General & Administrative	1,558,977	1,561,029	2,052
Utilities	1,328,065	1,155,522	(172,542)
Materials and Supplies	2,102,912	1,967,190	(135,722)
Miscellaneous Services	1,268,168	1,304,513	36,345
Treatment and Transportation	5,656	5,263	(393)
Depreciation and Amortization	4,124,488	3,918,287	(206,201)
Major Maintenance Expenses	22,332	12,369	(9,963)
Other Miscellaneous	-	-	-
Total Operating Expenses	18,215,655	18,917,377	701,721

Net Operating Profit

Non-Operating Income (Expense)

Interest Income	3,683,175	1,238,104	2,445,071
Interest (Expense)	(10,424,956)	(11,256,588)	831,632
Other Miscellaneous	(5,396,147)	(5,397,083)	936
Net Non-Operating Income (Expense)	(12,137,928)	(15,415,567)	3,277,639

Net Income (Loss)

CASH FLOW STATEMENT

Cash Flows From Operating Activities

Operating Revenues	40,392,410	39,908,585	483,824
Operating Expenses (ex D&A)	(14,068,835)	(14,986,720)	917,885
Non-Cash Working Capital Changes	(905,169)	(905,529)	360
Net Cash Provided by (Used in) Operating Activities	25,418,406	24,016,337	1,402,069

Cash Flows From Financing Activities

Capital Contributions	-	-	-
Proceeds New Borrowing	55,000,000	55,000,000	-
Interest Payments	(4,336,538)	(6,539,331)	2,202,792
Principal Payments	(733,830)	(4,194,750)	3,460,920
Net Cash Provided by (Used in) Financing Activities	49,929,632	44,265,920	5,663,712

Cash Flows from Capital and Related Activities

Non-Operating Income (Expenses)	(5,396,147)	(6,051,195)	655,048
Capital Expenditures, net	(8,665,497)	(6,580,751)	(2,084,747)
Net Cash Provided By (Used In) Capital and Related Activities	(14,061,644)	(12,631,946)	(1,429,699)

Cash Flows From Investing Activities

Investments Converting To Cash	-	-	-
Purchased Investments	-	-	-
Interest Income	3,683,175	1,238,104	2,445,071
Net Cash Provided By (Used In) Investing Activities	3,683,175	1,238,104	2,445,071

FUND NET CASH FLOWS

	64,969,568	56,888,415	8,081,153	Higher cash from operations anf favorable financial activity partially offset by higher capex
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City Division			
Actual	Q2 FC	FC Var	Comments
38,273,554	37,955,626	317,928	Higher user charges and higher miscellaneous charges
1,922,551	1,899,654	22,897	
196,305	53,306	142,999	
40,392,410	39,908,585	483,824	
7,805,058	8,993,203	1,188,146	Lower personnel costs partially offset by higher supplies and services
1,558,977	1,561,029	2,052	
1,328,065	1,155,522	(172,542)	
2,102,912	1,967,190	(135,722)	
1,268,168	1,304,513	36,345	
5,656	5,263	(393)	
4,124,488	3,918,287	(206,201)	
22,332	12,369	(9,963)	
-	-	-	
18,215,655	18,917,377	701,721	Lower personnel costs partially offset by higher supplies and services
22,176,755	20,991,209	1,185,546	Higher operating revenues and lower operating expenses
3,683,175	1,238,104	2,445,071	Favorable financial activity
(10,424,956)	(11,256,588)	831,632	
(5,396,147)	(5,397,083)	936	
(12,137,928)	(15,415,567)	3,277,639	Favorable financial activity
10,038,826	5,575,642	4,463,184	Higher net operating income aided by favorable financial activity

40,392,410	39,908,585	483,824	Higher operating revenues and lower operating expenses
(14,068,835)	(14,986,720)	917,885	
(905,169)	(905,529)	360	
25,418,406	24,016,337	1,402,069	
-	-	-	Lower debt service
55,000,000	55,000,000	-	
(4,336,538)	(6,539,331)	2,202,792	
(733,830)	(4,194,750)	3,460,920	
49,929,632	44,265,920	5,663,712	Lower debt service
(5,396,147)	(6,051,195)	655,048	Higher capex
(8,665,497)	(6,580,751)	(2,084,747)	
(14,061,644)	(12,631,946)	(1,429,699)	Higher capex
-	-	-	Higher interest income
-	-	-	
3,683,175	1,238,104	2,445,071	
3,683,175	1,238,104	2,445,071	
64,969,568	56,888,415	8,081,153	Higher cash from operations anf favorable financial activity partially offset by higher capex

	Suburban Water				Suburban Wastewater				City Division				Total			
	8/31/2024 Actual	2024 Forecast	2024 Budget	2023 Actual	8/31/2024 Actual	2024 Forecast	2024 Budget	2023 Actual	8/31/2024 Actual	2024 Forecast	2024 Budget	2023 Actual	8/31/2024 Actual	2024 Forecast	2024 Budget	2023 Actual
Cash																
Operating																
Unrestricted	637,259	10,860,080	13,136,985	8,385,525	(1,646,920)	11,919,540	3,976,076	3,779,293	11,376,267	20,423,899	15,263,906	13,483,582	9,827,510	42,917,609	32,376,967	25,648,400
Restricted	-	-	-	-	-	3,437	317	2,708	28,852,600	25,737,927	25,438,613	33,121,646	28,852,600	25,741,364	25,438,930	33,124,354
Total Operating	637,259	10,860,080	13,136,985	8,385,525	(1,646,920)	11,922,977	3,976,393	3,782,000	40,228,867	46,161,826	40,702,519	46,605,229	38,680,110	68,658,973	57,815,897	58,772,754
Capital																
Unrestricted	12,695,373	321,054	319,718	321,054	10,805,562	-	5,955,385	6,862,722	81,397,020	54,804,198	3,022,601	3,022,601	104,897,954	55,125,252	9,297,704	10,206,378
Restricted	-	-	-	-	344,777	338,677	338,360	338,677	7,531,554	7,531,579	7,500,035	7,500,035	7,876,331	7,870,256	7,838,396	7,838,712
Total Capital	12,695,373	321,054	319,718	321,054	11,150,339	338,677	6,293,745	7,201,399	88,928,574	62,335,777	10,522,636	10,522,636	112,774,285	62,995,508	17,136,099	18,045,090
Other Restricted																
Debt Reserves	1,673,464	2,184,599	1,656,568	1,660,215	-	-	-	-	22,949,963	30,004,516	28,335,482	30,004,516	24,623,428	32,189,115	29,992,050	31,664,731
Escrow - Developer Deposits	263,337	466,386	218,888	466,386	7,764	56,678	252,969	56,678	26,651	32,106	32,090	32,106	297,752	555,169	503,947	555,169
Total Other Restricted	1,936,801	2,650,984	1,875,456	2,126,600	7,764	56,678	252,969	56,678	22,976,615	30,036,622	28,367,571	30,036,622	24,921,179	32,744,284	30,495,996	32,219,900
Total Cash	15,269,432	13,832,119	15,332,159	10,833,179	9,511,182	12,318,332	10,523,107	11,040,077	152,134,056	138,534,225	79,592,726	87,164,487	176,375,574	164,398,765	105,447,992	109,037,744
Investments																
Operating																
Unrestricted	1,725,897	2,022,946	1,945,069	2,022,946	7,036,904	8,138,467	6,584,624	6,965,467	-	-	-	-	8,762,801	10,161,412	8,529,693	8,988,412
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating	1,725,897	2,022,946	1,945,069	2,022,946	7,036,904	8,138,467	6,584,624	6,965,467	-	-	-	-	8,762,801	10,161,412	8,529,693	8,988,412
Capital																
Unrestricted	1,104,810	1,000,184	1,000,000	1,000,184	-	-	-	-	-	-	-	-	1,104,810	1,000,184	1,000,000	1,000,184
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital	1,104,810	1,000,184	1,000,000	1,000,184	-	-	-	-	-	-	-	-	1,104,810	1,000,184	1,000,000	1,000,184
Other Restricted																
Debt Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Escrow	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Investments	2,830,707	3,023,129	2,945,069	3,023,129	7,036,904	8,138,467	6,584,624	6,965,467	-	-	-	-	9,867,612	11,161,596	9,529,693	9,988,596
Total Cash and Investments	18,100,139	16,855,248	18,277,228	13,856,308	16,548,087	20,456,798	17,107,731	18,005,544	152,134,056	138,534,225	79,592,726	87,164,487	186,243,185	175,560,360	114,977,685	119,026,340
Summary																
Cash																
Unrestricted	13,332,631	11,181,134	13,456,703	8,706,579	9,158,642	11,919,540	9,931,461	10,642,015	92,773,287	75,228,097	18,286,506	16,506,183	114,725,464	98,042,861	41,674,670	35,568,867
Restricted	1,936,801	2,650,984	1,875,456	2,126,600	352,540	398,792	591,646	398,062	59,360,768	63,306,128	61,306,220	70,658,304	61,650,110	66,355,904	63,773,322	73,182,966
Total Cash	15,269,432	13,832,119	15,332,159	10,833,179	9,511,182	12,318,332	10,523,107	11,040,077	152,134,056	138,534,225	79,592,726	87,164,487	176,375,574	164,398,765	105,447,992	108,751,833
Investments																
Unrestricted	2,830,707	3,023,129	2,945,069	3,023,129	7,036,904	8,138,467	6,584,624	6,965,467	-	-	-	-	9,867,612	11,161,596	9,529,693	9,988,596
Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Investments	2,830,707	3,023,129	2,945,069	3,023,129	7,036,904	8,138,467	6,584,624	6,965,467	-	-	-	-	9,867,612	11,161,596	9,529,693	9,988,596
Total Cash and Investments	18,100,139	16,855,248	18,277,228	13,856,308	16,548,087	20,456,798	17,107,731	18,005,544	152,134,056	138,534,225	79,592,726	87,164,487	186,243,185	175,560,360	114,977,685	118,740,429

CERTIFICATES OF DEPOSIT

August 2024

Fund	Bank	Location	Gross Amount	Date of Purchase	Date Due	Net Rate %
LLRI CR	State Bank of India	New York, NY	245,000.00	8/29/24	8/28/26	4.000

DEVELOPMENT ACTIVITY

Water system construction is occurring in the following developments:

7649 Penn Drive, Warehouse expansion, water, UMT
6681 Snowdrift Road, Warehouse expansion, water, UMT
8323/8449 Congdon Hill Drive, 2 industrial lots with warehouses, LMT
Estates at Maple Ridge, Water main extension-UMiLT
Glenlivet Drive West Main extension and subdivision UMT
Fallbrooke Residential Subdivision, 90 sf residential units, UMT
Fields at Indian Creek, Phases 4 & 5, 86 residential units (sfd), water and sewer, UMiLT & Emmaus
Kohler Tract, 123 residential lots (sfa), water and sewer, UMiLT
Laurel Fields Phase 5 25 townhouses (sfd) UMT
Lehigh Hills, Lot 5 Phase 2, 240 residential units (sfd.), UMT
Lehigh Hills Townhouses, 24 townhouse units (sfa), UMT
Madison Village at Penn's View, 66 manufactured homes, 1 lot, water and sewer, LynnT
Mertztown Residential Subdivision, 264 sf units & 136 townhouse units, LMT
Mosser Road 10 Townhouses,UMT
Mountain View Estates, 27 residential units (sfd), LMT
Parkland Crossings Main Extension 144 Town homes UMT
Raising Canes 1 commercial lot LMT water
Sauerkraut Lane Extension, Roadway & water line extension, LMT
Spring Creek Properties, Lot 12, 1 lot, warehouse, LMT
Towneplace Suites by Marriott, 91-room hotel, UMT
Trexler Point (Towns at Schaefer Run) 128 Townhouses UMT
Trexler Center Unit 5-Wawa water,-LMT
Woodmont Valley 2, 129 apartment units (former Allen Organ Co.) LMT
Wrenfield Townhouses 98 Townhomes UMT
7150 Ambassador Drive 1 lot, Warehouse expansion, UMT
7991 Quarry Road 1 lot, Warehouse,LMT

Water system plans are being reviewed for the following developments:

405 Nestle Way Blue Triton Trailer Entrance, Warehouse, UMT
110 PA Route 100, Lehigh Valley West 57, Warehouse, UMT
1321 Rising Sun Road, 110 Single family homes, Sewer NWT
1470 Brookside Road, 9 Single Family Homes, LMT
2024 Elbow lane single home,LMT
2619 Grove Street Sewer Main Extension,Washington Township
2766 Route 100, Warehouse, Watermain extention, Lowhill Township
3400 Brookside Road, Indian Creek- 26 Single family homes-Main extension, LMT
3952 Independence Drive,NW
4054 Chestnut Street Single connection,Umilford
6045 Reppert Lane 24 Town Homes, UMT
Valley at Indian Creek 3510 Macungie Road 22 Single family homes-LMT
5329-5347-5357 Hamilton Blvd., 1 commercial lot, LMT
Advanced Health Care of Allentown, 1 commercial lot, LMT
Air Products & Chemicals-Cetronia Road, 1 commercial lot, UMT
ATAS International, 1 industrial lot, UMT
Bandit Truck Stop Sewer Main Extension, WT
Carriage East Residential Development, 11 residential units, (sfd), UMT
Fields at Emmaus 78 Town Homes, UMT
Grant Street Townes, 18 Townhouse, WT
Grant Way Building Expansion,UMT
Heidelberg Heights 10 Townhouses water ext on lot septic, HH
Hidden Meadows - Phase 3, 20 townhouse units, UMT
Krocks Road Mixed use development
Lehigh Valley Town Center, Mixed use development, UMT
Ridings at Parkland Phase 2, 44 Single Homes. NWT
Schoeneck Road, Lot 1, 1 lot, warehouse, LMT
Spring Creek Estates 2022 LMT 2 lots, 2 6 unit Apt, 8 single family homes, water
Spring Creek Lot 12 1 Commercial Lot,LMT
The Annex at Fields at Indian Creek, 22 sf residential units, Emmaus Borough
Towns At Schaefer Run, 128 townhouse unit (sfa), UMT
Transedge Truck Center, Warehouse, UMT
Twin Ponds 8739 Hamilton Blvd 22 Apts and 1 Daycare UMT
Upper Macungie Community Center UMT commercial lot, water and Main Extension
PA Turnpike Lehigh Valley Interchange, UMT, Removal of domestic line.
V Parkland 9230 Long Lane, 16 Single family homes, UMT.

Sewage Facilities Planning Modules Reviewed in Prior Month:

4444 E Texas Road Apartments	4444 E Texas Rd	L Mac	1,115
Lynnwood Residential	621 E Lynnwood Street	Salisbury	1,338
Walnut Grove Apartments	1350 E Susquehanna St	Salisbury	1,784
Walnut Square Apartments Affordable Housing Dev	38-40 South 8th St	Allentown	9,044
Mister Carwash Whitehall	2160 MacArthur Rd	CWSA	19,300

Lehigh County Authority
System Operations Review - August 2024
Presented: September 23, 2024

		<u>Aug-24</u>	<u>2024 Totals***</u>	<u>2023 Totals</u>	<u>2022 Totals</u>
Recordable Safety Incidents*	Total LCA	1	2	33	7
Non-Recordable Safety Incidents	Total LCA	1	19		
Incident Types **	Injuries	1	9		
	Property Damage	1	12		
	Near Miss	0	0		

***Numbers adjusted to match current tracking methodology

* Recordable Safety Incidents are those that result in death, days away from work, restricted duty, medical treatment beyond first aid.

** Safety incidents may be categorized in more than one incident type.

<u>Year To Date Safety Incidents</u>		<u>Root Cause Analysis Completed</u>	<u>Corrective Actions Identified</u>	<u>Corrective Actions Completed</u>
		7	5	2
<u>Current Month Incidents</u>				
<u>Description</u>	<u>Date</u>	<u>Type</u>	<u>Root Cause(s)</u>	<u>Corrective Action(s)</u>
Incident # 84 - Backing up and bumped into telephone pole	8/7/2024	Vehicle Incident	Loud environment, was not able to see spotter	Ensure clear line of sight with spotter, use audio device if necessary
Incident # 85 - Plunging clogged drains in PSPS, water/sludge splashed in eye	8/28/2024	Injury	Use of protective eyewear	Re-enforced use of proper PPE

Critical Activities	System	Description	Aug-24	2024 Totals	2023 Totals	Permit
			Daily Avg (MGD)	Daily Avg (MGD)	Daily Avg (MGD)	Daily Max (MGD)
Water Production	Allentown	Total	23.61	22.66	22.52	39.0
		Schantz Spring	7.13	7.15	6.93	9.0
		Crystal Spring	3.90	3.88	3.89	4.0
		Little Lehigh Creek	12.24	11.31	11.66	30.0
		Lehigh River	0.34	0.33	0.04	28.0
	Central Lehigh	Total	12.44	11.62	11.27	19.04 MGD Avg
		Feed from Allentown	7.49	6.85	7.28	7.0 MGD Avg 10.5 MGD Max
		Well Production (CLD)	4.95	4.76	3.98	8.54 MGD Avg
		Sum of all (12) other Suburban Water Systems	0.14	0.15	0.13	1.71 Sum of all wells
Wastewater Treatment		Kline's Island	32.47	35.85	32.24	40.0
		Pretreatment Plant	5.21	5.26	4.78	5.75 (design capacity)
		Sum of all (5) other Suburban WW Systems	0.18	0.21	0.19	0.36
			Aug-24	2024 Totals	2023 Totals	2022 Totals
Precipitation Totals (inches)			5.63	34.62	46.38	46.47
Compliance Reports Submitted to Allentown			17	199	280	277
Notices of Violation (NOVs)		(Allentown + Suburban)	0	3	3	4
Sanitary Sewer Overflows (SSOs)/Bypasses		(Allentown + Suburban)	1	17	24	18
Main Breaks Repaired		Allentown	1	20	8	34
		Suburban	2	6	12	15
Customer Service Phone Inquiries		(Allentown + Suburban)	1503	11467	11,221	10,539
Water Shutoffs for Non-Payment		(Allentown + Suburban)	184	1349	1,995	1,975
Injury Accidents		(Allentown + Suburban)	1	9	19	7
Emergency Declarations		Allentown	0	2 @ 228,181.55	2	(3) @ \$386,225.43
		Suburban	0	1 @ 56,662.50	0	(4) @ \$933,077.1
Significant Repairs/Upgrades:						
N/A						
Description of Non-Compliance Events:						
On August 11, 2024, Kline’s Island experienced a power outage which resulted in a discharge out of outfall 003. The discharge lasted from 1918 to 2010 and discharged a total of 126,230 gallons. The power outage was caused by a piece of equipment going to ground, which resulted in the loss of a transformer and SCADA. The inability to re-energize the transformer, combined with the loss of SCADA monitoring, caused a significant delay in restoring the main sewage pumping . By the time all of the power had been restored, the wetwell level had already reached its maximum level and sewage began to discharge out of outfall 003.						
Other:						
N/A						

	<p style="text-align: center;">Lehigh County Authority</p> <p style="text-align: center;">System Operations Review - August 2024</p> <p style="text-align: center;">Presented: September 23, 2024</p> <p style="text-align: right;">Page 3</p>				
<u>Critical Activities</u>	<u>System</u>	<u>Description</u>	<u>Aug-24</u>	<u>2024 Totals</u>	<u>2023 Totals</u>
Wastewater Compliance	Allentown	Bypass	1	4	4
		Bypass Volume	126,230	1,713,644	1,589,466
		Permit Exceedances	0	0	0
		Sanitary Sewer Overflows	0	5	6
		COA Issued NOVs	0	0	1
		Regulatory Agency issued NOVs	0	0	0
	Arcadia	Bypass	0	0	0
		Bypass Volume	0	0	0
		Permit Exceedances	0	0	3
		Sanitary Sewer Overflows	0	0	0
		NOVs	0	1	0
	Heidelberg Heights	Bypass	0	4	8
		Bypass Volume	0	2,125,696	1,872,796
		Permit Exceedances	0	9	14
		Sanitary Sewer Overflows	0	0	0
		NOVs	0	0	0
	Lynn	Bypass	0	2	1
		Bypass Volume	0	1,010,000	350,000
		Permit Exceedances	0	2	1
		Sanitary Sewer Overflows	0	0	0
		NOVs	0	0	0
	Sand Spring	Bypass	0	0	0
		Bypass Volume	0	0	0
		Permit Exceedances	6	26	39
		Sanitary Sewer Overflows	0	0	1
		NOVs	0	1	0
	Wynnewood	Bypass	0	0	0
		Bypass Volume	0	0	0
		Permit Exceedances	0	7	5
		Sanitary Sewer Overflows	0	3	3
		NOVs	0	0	0
Water Compliance	Allentown	Boil Water Advisories	0	0	2
	Central Lehigh	Boil Water Advisories	0	0	1
	Suburban Water Systems	Boil Water Advisories	0	1	3