



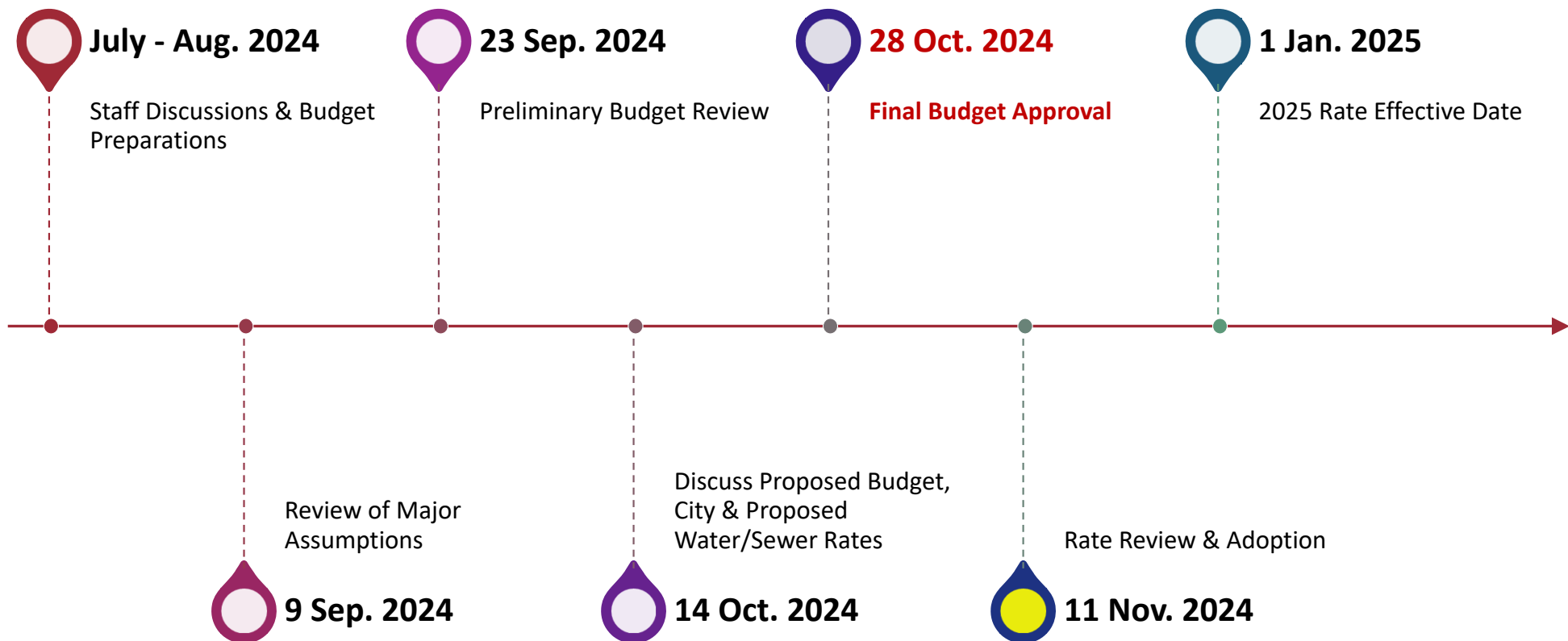
# 2025 Budget: Final Review & Approval

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LCA Board of Directors  
October 28, 2024



# Budget Timeline



# Proposed 2025 Budget *Highlights*

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# 2025 Strategic Initiatives

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## **Strategies Requiring Staff Support in 2025:**

- Regional Sewer Program: Submit Act 537 Plan & develop supporting programs
- Lead Program: Complete Cycles 1 & 2 replacements, apply for grant funding for Cycle 3
- Asset Management: Complete asset management plans for 50% of all systems & complete technology integrations
- Other Ideas & Priorities: Several other big ideas we need to pursue

## **Strategies Requiring Other Support in 2025:**

- Business Systems (Tyler EERP): Complete implementation & systems integration
- Employee Engagement & Safety: Update safety data management system & enhance tracking and training
- Staffing Plan & Building Optimization: Assess future staffing needs and plan work locations to support growing team

# Summary of New Positions for 2025

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NEW Position	Headcount Change	Decision Notes
Regional I&I Program Manager	1	Key focus area for Regional Sewer Plan
Commercial/Industrial Inspectors / Lab Techs	0	TBD for future expanded high-strength surcharge program
Lead Program: Community Canvassers	2	Following pilot program, full scope TBD
Lead program: Call Center Support	0.5	Support for increased customer contact
Asset Management Engineering Tech	1	Hands-on work to develop asset management plans
Suburban Plants O&M Tech	1	TBD based on option for municipal service contracts
Field Services PA One Call Tech	1	TBD based on potential change in law
<b>Total Headcount Additions</b>	<b>6.5</b>	

## Total LCA Staffing Summary

<b>2024 (current) employees</b>	<b>170.5</b>
Vacant / open budgeted positions	14
Eliminate Solicitor position	(1)
New positions for 2025	6.5
<b>2025 (budgeted) employees</b>	<b>190</b>

# Other 2025 Budget Support for Strategic Initiatives

Category	Description	Budget Impact
Regional Sewer Program	Financial Modeling Support	\$80,000 Consultant Services
Business Systems	Tyler EERP Support	\$293,000 Consultant Services
Lead Program	Support for Replacement	\$413,000 Equipment requirements
Employee Engagement	Safety Program Enhancements	\$232,000 equipment & training
Rate Affordability	Rate Analysis & Design	\$125,000 Consultant Services
Building Plan	Building Optimization	\$150,000 Consultant Services
Other initiatives	Emergency Response Plan, Digital Master Plan, & other studies	\$395,000 Consulting & other purchases

# Other 2025 Budget Assumptions

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Inflationary impact on other expenses: 2.5%

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City Division lease rates: by agreement

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Suburban Wastewater rates: by agreement

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Suburban Water system revenue growth: 9.86%



# 2025 Budget

## *Summary*

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LCA  
2025  
Budget  
Summary

Budget Overview	Suburban Water	Suburban Wastewater	City Division	Total
Operating, Non-Operating & Other Revenue	\$ 20,258,604	\$ 21,516,587	\$ 79,478,843	\$ 121,254,034
Operating Expenses (net of depreciation)	\$ 12,409,238	\$ 16,224,056	\$ 26,998,323	\$ 55,631,617
Net Revenues Available for Debt Service	\$ 7,849,366	\$ 5,292,531	\$ 52,480,520	\$ 65,622,417
Debt Service	\$ 3,474,867	\$ 2,176,924	\$ 17,765,690	\$ 23,417,481
Debt Service Coverage Ratio (indenture based)	2.26	2.43	2.03	2.10
Capital Budget Overview	Suburban Water	Suburban Wastewater	City Division	Total
Capital Expenses	\$ 4,774,500	\$ 13,738,000	\$ 50,580,000	\$ 69,092,500
Funding from 2025 Revenue & Operating Reserves	\$ 4,774,500	-	\$ 24,580,000	\$ 29,354,500
Funding from Existing Project Reserves	-	-	\$ 26,000,000	\$ 26,000,000
Funding from New Borrowing	-	\$ 13,738,000	-	\$ 13,738,000
Year-End Project Reserve Balance	-	\$ 1,112,000	\$ 21,439,828	\$ 22,551,828
Total Cash Flow	Suburban Water	Suburban Wastewater	City Division	Total
Beginning Operations Cash Balance (2024 forecast)	\$ 11,649,641	\$ 11,545,394	\$ 27,788,270	\$ 50,983,305
2025 Surplus	\$ 4,374,500	\$ 3,115,607	\$ 34,714,829	\$ 42,204,936
Provided From (To) Capital	\$(4,774,500)	-	\$(24,580,000)	\$(29,354,500)
Ending Operations Cash Balance	\$ 11,249,641	\$ 14,661,001	\$ 37,923,099	\$ 63,833,741
Operating Days Cash on Hand	331	330	539	429

# Financial Snapshot

## 2025 Budget Highlights

- Revenues – \$121M
- Operating Expenses – \$56M
- Capital Improvements – \$69M
- Debt Service Expense – \$23M
- New / Previous Borrowing – \$40M

## Average Annual Water Bill (2025)

- Suburban: \$379/year
- Allentown: \$674/year

## Average Annual Sewer Bill (2025)

- Suburban: \$356/year
- Allentown: \$368/year

# 2025 Budget

## *Customer Rates*

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[www.lehighcountyauthority.org/2025-rates/](http://www.lehighcountyauthority.org/2025-rates/)

Your Drinking Water ▾ Your Wastewater ▾ Customer Service ▾

## 2025 Rates

### Public Comments on 2025 Rates

Public comments regarding the proposed 2025 rates may be submitted during a scheduled [meeting of the LCA Board of Directors](#) or by emailing [info@lehighcountyauthority.org](mailto:info@lehighcountyauthority.org) or by regular mail to:

Lehigh County Authority  
Attn: 2025 Rates  
P.O. Box 3348  
Allentown, PA 18106

**\*All public comments must be received by midnight on December 31, 2024.**

#### City Division:

5.5% (Average residential customer impact: \$13.52 per quarter, water & sewer)

#### Suburban Water:

6-7.5% (Average residential customer impact: \$6.50 per quarter, water only)

#### Suburban Wastewater:

No change

#### Wastewater Signatories & Boston Beer:

Calculated by formulas included in agreements

# What does it mean?

*Billing Example – Residential Bill for 15,000 Gallons per Quarter*

	2024 Quarterly Bill	2025 Quarterly Bill
Fixed Charge – Water	\$80.50	\$85.57
Water Volume Charge	\$73.14	\$76.78
Water Capital Cost Recovery Charge	\$5.84	\$6.11
Fixed Charge – Sewer	\$27.98	\$29.75
Sewer Flow Charge	\$51.59	\$54.83
Sewer Capital Cost Recovery Charge	\$4.91	\$4.45
Administrative Order Fee	\$3.06	\$3.05
Total Bill	<b>\$247.02</b>	<b>\$260.54</b>

**Total customer impact:**

\$13.52 per quarter

5.5% Increase

# 2025 Rates – Suburban Water – Proposed



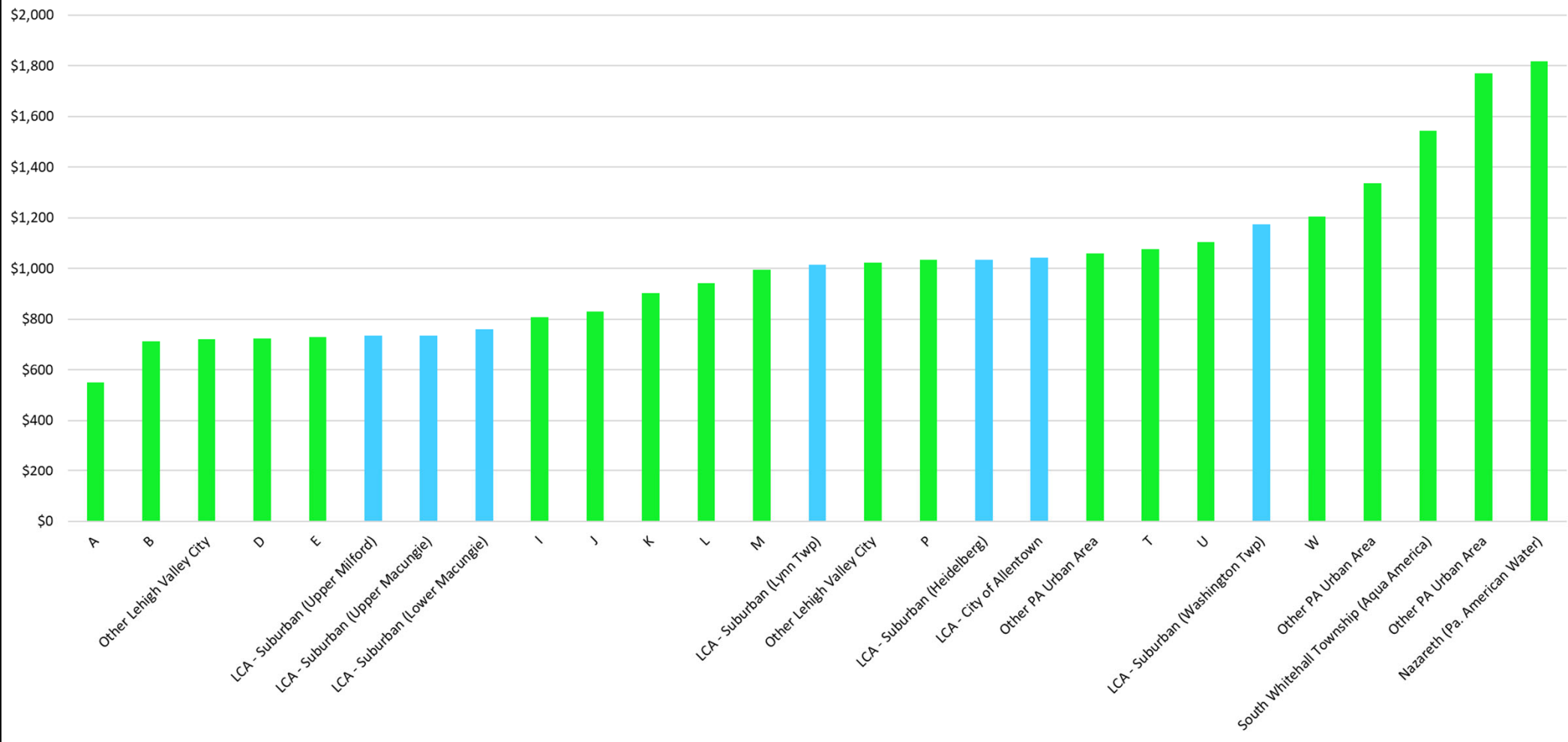
Average Residential Water Bill:  
*15,000 Gallons per Quarter*

	<u>2024</u>	<u>2025</u>
Fixed Charge	\$31.30	\$34.50
Volume Charge	\$57.00	\$60.30
<b>Total Water Bill</b>	<b>\$88.30</b>	<b>\$94.80</b>

**Increase = \$6.50 per quarter**

*NOTE: Actual percentage change in each customer's bill will vary based on water usage.*

Lehigh Valley / PA Urban Areas - Water & Sewer Rate Comparison (Data from 2024, LCA PROPOSED 2025 Rates)  
27 communities in Lehigh Valley & PA - average annual residential water & sewer bill (5000 gallons per month)





LCA finds ways to help customers with increasing cost for water & sewer service!

**PA Homeowner Assistance Fund (PAHAF)**

**LCA-Funded Customer Hardship Grants**

**LCA Payment Plans**

**Customer education & conservation**

**Customer service & responsiveness**

Visit: [www.lehighcountyauthority.org/support](http://www.lehighcountyauthority.org/support)

## Customer Support

Support is available for customers struggling to pay their water and wastewater utility bills.

Learn more here: [Water & Wastewater Utility Customer Assistance Programs](#)

El soporte está disponible para los clientes que luchan por pagar sus facturas de servicios públicos de agua y aguas residuales. Aprende más aquí: [Programas de Asistencia al Cliente de Servicios de Agua y Alcantarillo](#)



# Looking Ahead

## Work Remaining

- Board approval – today? (*required by November 1*)

## Upcoming Board Meetings

- 2025 rate adoption – 11/11/2024



Discussion /  
Questions?

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Thank you!

