



# 2025 Budget: Proposal

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LCA Board of Directors  
October 14, 2024





# Today's Review & Next Steps

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## Review of Fund Financials

- Changes from Prior Presentation
- Proposed 2025 Rates – All Divisions

## Coming Up...

- 2025 Budget approval – 10/28/2024 (*due Nov. 1*)
- 2025 rate adoption – 11/11/2024 (*effective Jan. 1*)

# Staffing Update: Summary of New Positions for 2025

NEW Position	Headcount Change	Revenue Offset Description	2025 Revenue Offset	Future Revenue Offset
Regional I&I Program Manager	1	Capital Cost Recovery Charges	50%	50%
<b>Regional Surcharge Program: Inspector / Tech.</b>	<b>0</b>	<b>n/a – hold for program definition</b>	<b>n/a</b>	<b>100%</b>
Lead Program: Community Canvassers	2	Change of Law & grants	100%	100%
Lead program: Call Center Support	0.5	None	0%	0%
Asset Management Engineering Tech	1	None	0%	0%
Suburban Plants O&M Tech	1	Municipal service contracts	100%	100%
Field Services PA One Call Tech	1	Change of Law	100%	100%
<b>Total Headcount Additions</b>	<b>6.5</b>			

## Total LCA Staffing Summary

	9/9/2024	9/23/2024	PROPOSED
2024 (current) employees	170.5	170.5	170.5
Vacant / open budgeted positions	14	14	14
Eliminate Solicitor position	n/a	(1)	(1)
New positions for 2025	8.5	8.5	6.5
<b>2025 (budgeted) employees</b>	<b>193</b>	<b>192</b>	<b>190</b>

# Staffing Update - Vacancies

- Director of Communications & Strategic Partnerships
- Employee Learning & Development Coordinator
- Regional Sewer Program Manager
- Lead Program / Compliance Manager
- Lead Project Manager
- Planning Engineer
- GIS / CMMS Technician / Analyst
- HR Coordinator
- Utility Technician, Field Services
- Shift Supervisor, Plant Operations
- Treatment Plant Operator 1
- Treatment Plant Operator 2
- Maintenance Crew Leader

# Preliminary 2025 Budget Summary

# 2025 Budget Summary

<b>Budget Overview</b>	<b>Sub. Water</b>	<b>Sub. Wastewater</b>	<b>City Division</b>	<b>Total</b>
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
<b>Capital Budget Overview</b>	<b>Sub. Water</b>	<b>Sub. Wastewater</b>	<b>City Division</b>	<b>Total</b>
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
<b>Total Cash Flow</b>	<b>Sub. Water</b>	<b>Sub. Wastewater</b>	<b>City Division</b>	<b>Total</b>
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
Project Reserve Balance	-	1,112,000	21,439,828	22,551,828
Other Reserves & Investments (includes restricted)	5,149,730	7,363,529	63,306,128	75,819,387
<b>Ending Total Fund Balance - 2025 Budget</b>	<b>16,399,371</b>	<b>23,136,530</b>	<b>122,669,055</b>	<b>162,204,956</b>
<b>Ending Total Fund Balance - 2024 Forecast</b>	<b>16,799,371</b>	<b>18,908,923</b>	<b>138,534,226</b>	<b>174,242,520</b>
	(400,000)	4,227,607	(15,865,171)	(12,037,564)

# Preliminary Summary of 2025 Budget Results

	Budget 2025	Forecast 2024	Budget 2024	Actual 2023
<b>NET INCOME</b>				
Suburban Water	3,109,821	2,348,377	2,019,922	8,266,949
Suburban Wastewater	(1,990,849)	(1,461,583)	(1,632,719)	(556,016)
City Division	<u>23,008,783</u>	<u>12,050,508</u>	<u>14,844,627</u>	<u>7,774,363</u>
Total LCA	<u>24,127,755</u>	<u>12,937,303</u>	<u>15,231,830</u>	<u>15,485,296</u>
<b>CASH FLOWS</b>				
Suburban Water	(400,000)	3,046,180	1,446,849	3,349,056
Suburban Wastewater	4,227,607	947,786	347,045	2,903,816
City Division	<u>(15,865,171)</u>	<u>51,507,617</u>	<u>2,940,507</u>	<u>13,782,981</u>
Total LCA	<u>(12,037,564)</u>	<u>55,501,584</u>	<u>4,734,401</u>	<u>20,035,853</u>
<b>DEBT SERVICE COVERAGE RATIO</b>				
Suburban Water	2.26	2.10	1.96	2.49
Suburban Wastewater	2.43	4.80	4.67	7.92
City Division	2.03	2.20	2.13	2.62
<b>CAPITAL SPENDING</b>				
Suburban Water	4,774,500	5,811,575	7,065,750	6,085,513
Suburban Wastewater	13,738,000	10,587,357	11,516,250	4,689,641
City Division	<u>50,580,000</u>	<u>27,080,200</u>	<u>32,608,500</u>	<u>14,440,124</u>
Total LCA	<u>69,092,500</u>	<u>43,479,132</u>	<u>51,190,500</u>	<u>25,215,278</u>



# Reserve Analysis

	Sub W	Sub WW	City	Total
Operating Expenses for DCOH	12,409,238	16,224,056	25,690,099	54,323,393
Operating Cash	330.89	329.84	538.80	428.90
Operating Cash + Invest	330.89	329.84	538.80	428.90
<b>RESERVES EVALUATION</b>				
Cash + Investment Balances	14,272,771	22,738,467	59,362,927	96,374,165
Operating Reserve Requirement				
Reserve %	50.00%	50.00%	50.00%	50.00%
Reserve Amount Required	6,204,619	8,112,028	12,845,050	27,161,697
<b>EXCESS (SHORTAGE) AGAINST OPERATING RESERVES</b>	<b>8,068,152</b>	<b>14,626,439</b>	<b>46,517,877</b>	<b>69,212,468</b>
Capital Reserve Requirement				
Depreciation Expense	3,517,000	7,031,500	6,169,850	16,718,350
Replacement Rate	1.50	1.50	1.50	1.50
Reinvestment	5,275,500	10,547,250	9,254,775	25,077,525
Reserve %	50.00%	50.00%	50.00%	50.00%
Reserve Amount Required	2,637,750	5,273,625	4,627,388	12,538,763
<b>EXCESS (SHORTAGE) AGAINST CAPITAL RESERVES</b>	<b>5,430,402</b>	<b>9,352,814</b>	<b>41,890,489</b>	<b>56,673,705</b>
Summary:				
Cash + Investment Balances	14,272,771	22,738,467	59,362,927	96,374,165
Total Reserves Required	8,842,369	13,385,653	17,472,438	39,700,460
<b>EXCESS (SHORTAGE) AGAINST TOTAL REQUIRED RESERVES</b>	<b>5,430,402</b>	<b>9,352,814</b>	<b>41,890,489</b>	<b>56,673,705</b>

# Suburban Water Fund – Changes from 9/23/2024

	SUBURBAN WATER		
<b>Budget Overview</b>	<b>Current</b>	<b>Previous</b>	<b>Change</b>
Operating, Non-Operating & Other Revenue	20,258,604	20,258,604	-
Operating Expenses (net of depreciation)	12,409,238	12,409,238	-
Net Revenues Available for Debt Service	7,849,366	7,849,366	-
Debt Service	3,474,867	3,474,867	-
Debt Service Coverage Ratio (indenture based)	2.26	2.26	-
<b>Capital Budget Overview</b>			
Capital Spending	4,774,500	4,774,500	-
Funding from 2024 Revenue & Operating Reserves	4,774,500	4,774,500	-
Funding from Existing Project Reserves	-	-	-
Funding from New Borrowing	-	-	-
Year-End Project Reserve Balance	-	-	-
<b>Total Cash Flow</b>	<b>Current</b>	<b>Previous</b>	
Beginning Operations Cash Balance (2023 forecast)	11,649,641	11,649,641	-
2024 Surplus (deficit)	4,374,500	4,374,500	-
Provided From (To) Capital	(4,774,500)	(4,774,500)	-
Ending Operations Cash Balance	11,249,641	11,249,641	-
Operating Days Cash on Hand	331	331	-
Project Reserve Balance	-	-	-
Other Reserves & Investments (includes restricted)	5,149,730	5,149,730	-
<b>Ending Total Fund Balance - 2024 Budget</b>	<b>16,399,371</b>	<b>16,399,371</b>	-
<b>Ending Total Fund Balance - 2023 Forecast</b>	<b>16,799,371</b>	<b>16,799,371</b>	
2024 Cash Flows	(400,000)	(400,000)	-

# Suburban Water – Cash Flows

		<b>Budget</b>	<b>Forecast</b>	<b>Budget</b>	<b>Actual</b>
		<b>2025</b>	<b>2024</b>	<b>2024</b>	<b>2023</b>
<b>CONDENSED CASH FLOWS</b>					
Operating Revenues		20,058,560	18,734,826	18,613,874	17,431,073
Operating Expenses (ex. D&A)		(12,409,238)	(11,756,350)	(12,040,242)	(9,576,519)
Non-Operating Revenues (Expenses)		200,044	195,166	130,452	374,907
Annual Payments		-	-	-	-
Net Available for Debt Service		7,849,367	7,173,642	6,704,084	8,229,461
Debt Service		(3,474,867)	(3,421,486)	(3,421,486)	(3,308,691)
Non-Cash Working Capital Changes		-	(124,402)	1	(2,445,201)
Net Available for Capex		4,374,500	3,627,754	3,282,599	2,475,569
Investing		-	-	-	9,000
Borrowing		-	5,230,000	5,230,000	6,950,000
Capex		(4,774,500)	(5,811,575)	(7,065,750)	(6,085,513)
<b>NET CASH FLOWS</b>		<b>(400,000)</b>	<b>3,046,180</b>	<b>1,446,849</b>	<b>3,349,056</b>
		<b>Budget</b>	<b>Forecast</b>	<b>Budget</b>	<b>Actual</b>
		<b>2025</b>	<b>2024</b>	<b>2024</b>	<b>2023</b>
<b>KEY METRICS</b>					
Operating Ratio with D&A		1.26	1.22	1.20	1.29
Debt Service Coverage Ratio		2.26	2.10	1.96	2.49
Capital Coverage Ratio		0.92	0.62	0.46	0.41
Unrestricted Days Cash on Hand		330.89	361.69	407.94	327.91
Unrestricted Investment Balances		3,023,130	3,023,130	2,945,069	3,023,130

# LCA Suburban Water

2025 Proposed Rates

## Revenue

- Revenue increase of 7.53% to attain budget using \$400K of cash reserves
- 1.0% volume growth budgeted
- 6.53% estimated rate impact

# 2025 Rates – Suburban Water – Proposed

Part 1 -- FIXED CHARGES			
Meter Size:	2024 Rate	2025 Rate	Rate Change
<u>Quarterly</u>			
5/8" & 3/4"	\$31.30	\$34.50	10.2%
1"	\$55.48	\$61.25	10.4%
<u>Monthly</u>			
1-1/2"	\$42.04	\$46.25	10.0%
2"	\$58.18	\$64.00	10.0%
3"	\$105.05	\$115.75	10.2%
4"	\$154.00	\$169.50	10.1%
6"	\$288.54	\$317.50	10.0%
8"	\$448.27	\$493.25	10.0%
10"	\$631.04	\$694.25	10.0%

**Part 2 -- FIRELINE CHARGES -- NO CHANGE IN 2025**

# 2025 Rates – Suburban Water – Proposed

Part 3 -- VOLUME CHARGES			
Rate Block	2024 Rate Rate/1000 Gallons	2025 Rate Rate/1000 Gallons	Rate Change
0-40,000	\$3.80	\$4.02	5.8%
41,000-1,000,000	\$3.43	\$3.63	5.8%
1,001,000-9,000,000	\$3.00	\$3.18	6.0%
9,001,000-58,000,000	\$2.75	\$2.92	6.2%
>58,000,000	\$2.55	\$2.72	6.7%

Part 4 - PUBLIC FIRE PROTECTION			
	2024 Rate	2025 Rate	Rate Change
Direct - Per Hydrant (annual)	\$129.92	\$135.12	4.0%
Indirect - Per Inch-Squared Foot	\$0.00181	\$0.00188	3.9%

# 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 = 7.4%**

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

# Suburban Wastewater Fund – Changes from 9/23/2024

	SUBURBAN WASTEWATER		
Budget Overview	Current	Previous	Change
Operating, Non-Operating & Other Revenue	21,516,587	22,350,845	(834,258)
Operating Expenses (net of depreciation)	16,224,056	16,784,809	(560,753)
Net Revenues Available for Debt Service	5,292,531	5,566,036	(273,505)
Debt Service	2,176,924	2,176,924	-
Debt Service Coverage Ratio (indenture based)	2.43	2.56	-
Capital Budget Overview			
Capital Spending	13,738,000	18,238,000	(4,500,000)
Funding from 2024 Revenue & Operating Reserves	-	3,388,000	(3,388,000)
Funding from Existing Project Reserves	-	-	-
Funding from New Borrowing	13,738,000	14,850,000	(1,112,000)
Year-End Project Reserve Balance	1,112,000	-	1,112,000
Total Cash Flow			
Beginning Operations Cash Balance (2023 forecast)	11,545,394	11,545,394	-
2024 Surplus (deficit)	3,115,607	3,389,112	(273,505)
Provided From (To) Capital	-	(3,388,000)	3,388,000
Ending Operations Cash Balance	14,661,001	11,546,506	3,114,495
Operating Days Cash on Hand	330	251	79
Project Reserve Balance	1,112,000	-	1,112,000
Other Reserves & Investments (includes restricted)	7,363,529	7,363,529	-
Ending Total Fund Balance - 2024 Budget	23,136,530	18,910,035	4,226,495
Ending Total Fund Balance - 2023 Forecast	18,908,923	18,908,923	
2024 Cash Flows	4,227,607	1,112	4,226,495



# Suburban Wastewater – Cash Flows

		Budget	Forecast	Budget	Actual
		2025	2024	2024	2023
<b>CONDENSED CASH FLOWS</b>					
	Operating Revenues	21,457,327	20,856,727	20,827,254	19,638,118
	Operating Expenses (ex. D&A)	(16,224,056)	(15,165,862)	(15,238,763)	(14,348,853)
	Non-Operating Revenues (Expenses)	59,260	57,816	(3,776)	442,359
	Annual Payments	-	-	-	-
	Net Available for Debt Service	5,292,531	5,748,681	5,584,715	5,731,624
	Debt Service	(2,176,924)	(1,196,420)	(1,196,420)	(723,896)
	Non-Cash Working Capital Changes	-	(692,118)	(200,000)	548,555
	Net Available for Capex	3,115,607	3,860,143	4,188,295	5,556,283
	Investing	-	500,000	500,000	2,037,174
	Borrowing	14,850,000	7,175,000	7,175,000	-
	Capex	(13,738,000)	(10,587,357)	(11,516,250)	(4,689,641)
	<b>NET CASH FLOWS</b>	<u>4,227,607</u>	<u>947,786</u>	<u>347,045</u>	<u>2,903,816</u>
		Budget	Forecast	Budget	Actual
		2025	2024	2024	2023
<b>KEY METRICS</b>					
	Operating Ratio with D&A	0.92	0.94	0.94	0.93
	Debt Service Coverage Ratio	2.43	4.80	4.67	7.92
	Capital Coverage Ratio	0.23	0.36	0.36	1.18
	Unrestricted Days Cash on Hand	354.85	277.87	237.88	269.58
	Unrestricted Investment Balances	6,965,466	6,965,466	6,584,624	6,965,466

# LCA Suburban Wastewater

2025 Proposed Rates

## Revenue

- User Charge Report shared with municipalities 10/1/2024
- To be reviewed / preliminarily approved by LCA Board today
- Results incorporated into 2024 budget proposal

# City Division Fund – Changes from 9/23/2024

	CITY DIVISION		
Budget Overview	Current	Previous	Change
Operating, Non-Operating & Other Revenue	79,478,843	79,478,843	-
Operating Expenses (net of depreciation)	26,998,323	26,998,324	(1)
Net Revenues Available for Debt Service	52,480,520	52,480,519	1
Debt Service	17,765,690	17,765,690	-
Debt Service Coverage Ratio (indenture based)	2.03	2.03	0.00
Capital Budget Overview			
Capital Spending	50,580,000	56,280,000	(5,700,000)
Funding from 2024 Revenue & Operating Reserves	24,580,000	24,580,000	-
Funding from Existing Project Reserves	26,000,000	31,700,000	(5,700,000)
Funding from New Borrowing	-	-	-
Year-End Project Reserve Balance	21,439,828	15,739,828	5,700,000
Total Cash Flow			
Beginning Operations Cash Balance (2023 forecast)	27,788,270	27,788,270	-
2024 Surplus (deficit)	34,714,829	34,714,830	(1)
Provided From (To) Capital	(24,580,000)	(24,580,000)	-
Ending Operations Cash Balance	37,923,099	37,923,100	(1)
Operating Days Cash on Hand	539	539	0
Project Reserve Balance	21,439,828	15,739,828	5,700,000
Other Reserves & Investments (includes restricted)	63,306,128	63,306,128	-
Ending Total Fund Balance - 2024 Budget	122,669,055	116,969,056	5,699,999
Ending Total Fund Balance - 2023 Forecast	138,534,226	138,534,226	
2024 Cash Flows	(15,865,171)	(21,565,170)	5,699,999

# City Division – Cash Flows

		<b>Budget</b>	<b>Forecast</b>	<b>Budget</b>	<b>Actual</b>
		<b>2025</b>	<b>2024</b>	<b>2024</b>	<b>2023</b>
<b>CONDENSED CASH FLOWS</b>					
	Operating Revenues	63,046,211	59,633,634	59,254,906	57,832,747
	Operating Expenses (ex. D&A)	(25,674,408)	(24,018,292)	(24,255,560)	(21,006,279)
	Non-Operating Revenues (Expenses)	16,432,632	6,399,106	9,718,773	3,458,984
	Annual Payments	<u>(1,323,915)</u>	<u>(1,308,224)</u>	<u>(1,308,224)</u>	<u>(1,361,180)</u>
	Net Available for Debt Service	52,480,519	40,706,224	43,409,895	38,924,272
	Debt Service	(17,765,690)	(16,263,734)	(16,260,397)	(13,918,139)
	Non-Cash Working Capital Changes	<u>-</u>	<u>(2,482,025)</u>	<u>(155,999)</u>	<u>1,845,854</u>
	Net Available for Capex	34,714,829	21,960,465	26,993,499	26,851,987
	Investing	-	-	-	-
	Borrowing	-	56,627,352	8,555,508	1,371,118
	Capex	<u>(50,580,000)</u>	<u>(27,080,200)</u>	<u>(32,608,500)</u>	<u>(14,440,124)</u>
	<b>NET CASH FLOWS</b>	<u>(15,865,171)</u>	<u>51,507,617</u>	<u>2,940,507</u>	<u>13,782,981</u>
		<b>Budget</b>	<b>Forecast</b>	<b>Budget</b>	<b>Actual</b>
		<b>2025</b>	<b>2024</b>	<b>2024</b>	<b>2023</b>
<b>KEY METRICS</b>					
	Operating Ratio with D&A	1.74	1.74	1.72	1.72
	Debt Service Coverage Ratio	2.03	2.20	2.13	2.62
	Capital Coverage Ratio	0.69	0.81	0.83	1.86
	Unrestricted Days Cash on Hand	843.93	1,143.22	305.79	284.41
	Unrestricted Investment Balances	-	-	-	-

# LCA City Division

2025 Proposed Rates

## Revenue

- Lease rates increase 6.3% by agreement
- Additional capital charges based on new projects
- Signatory revenues impacted by capital expenses

## Part 1 - 2025 Lease Rates (Schedule 3)

Fixed Charges – Increased by terms of Lease Agreement

CPI-U plus 2.5% = 6.3%

	WATER FIXED CHARGES			SEWER FIXED CHARGES	
<u>Meter Size</u>	<u>Monthly Charge</u>	<u>Quarterly Charge</u>		<u>Monthly Charge</u>	<u>Quarterly Charge</u>
5/8"	n/a	\$85.57		n/a	\$29.75
3/4"	n/a	\$94.93		n/a	\$32.97
1"	n/a	\$114.11		n/a	\$39.42
1 1/2"	\$53.77	n/a		\$18.52	n/a
2"	\$72.63	n/a		\$24.97	n/a
3"	\$122.79	n/a		\$42.29	n/a
4"	\$179.51	n/a		\$61.64	n/a
6"	\$336.58	n/a		\$115.52	n/a
8"	\$525.28	n/a		\$211.92	n/a

## Part 1 - 2025 Lease Rates (Schedule 3)

Volume & Flow Charges – Increased by terms of Lease Agreement  
CPI-U plus 2.5% = 6.3%

<u>Water Volume Charge:</u>	\$5.11851 per 1000 gallons
<u>Sewer Flow Charge:</u>	\$3.65502 per 1000 gallons

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

## Part 2 – Other Rates

### Capital Cost Recovery & City Administrative Order Charges

Project	Category	Project Year	Project Cost	Cost Recovery (years)
Water Mains - Cycles 1 - 5	Water	2014-2022	\$15,841,619	30
Roof Project - Water Portion	Water	2016	\$499,108	30
WWTP Belt Filter Press Replacement	Sewer	2016	\$1,728,032	20
Roof Project - Wastewater Portion	Sewer	2016	\$1,196,220	30
WWTP Motor Control Centers	Sewer	2017	\$2,381,524	30
Schantz Spring Transmissions Line Replacement	Water	2019	\$2,568,683	30
Digester Cover Replacements	Sewer	2019	\$3,201,409	30
WWTP Substation Replacement - Phase 1 (Sub 2)	Sewer	2020	\$2,983,307	30
High Lift VFD Replacement	Water	2024	\$1,371,118	20
Water Mains - Cycle 6, 7 & 8 (City ARPA)	Water	2024	\$0	30
WFP Filter Upgrade / Replacement (City ARPA)	Water	In Progress	\$0	30
WWTP Substation Replacement - Phase 2 (Sub 1)	Sewer	In Progress	\$6,786,145	30
WWTP Final Settling Tank Improvements	Sewer	In Progress	\$5,450,000	30
WWTP Boiler Replacement Project	Sewer	In Progress	\$3,397,000	25
WWTP Primary Sludge Improvements	Sewer	In Progress	\$2,700,000	30
I&I Source Reduction - Year 1 Project (H2O PA)	Sewer	In Progress	\$0	30
<b>TOTAL</b>			<b>\$50,104,165</b>	



## Part 2 – Other Rates

### Capital Cost Recovery & City Administrative Order Charges

CUMULATIVE TOTAL	Per 1000 Gallons
Water Capital Costs	\$0.40753
Sewer Capital Costs	\$0.29680
City Administrative Order*	\$0.20363

*\* The 2025 Administrative Order (AO) Fee calculation includes debt service for the City's \$2.5 million bond that was issued in 2016 (refinanced in 2020) and \$4.2 million in new bonds issued in 2020. In addition, the City made a one-time cash contribution of \$817,000 to the City AO fund to support continued planning work on the regional Act 537 Plan. Recovery of this additional cash funding will be included in the 2025-2028 AO Fee.*

# What does it mean?

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

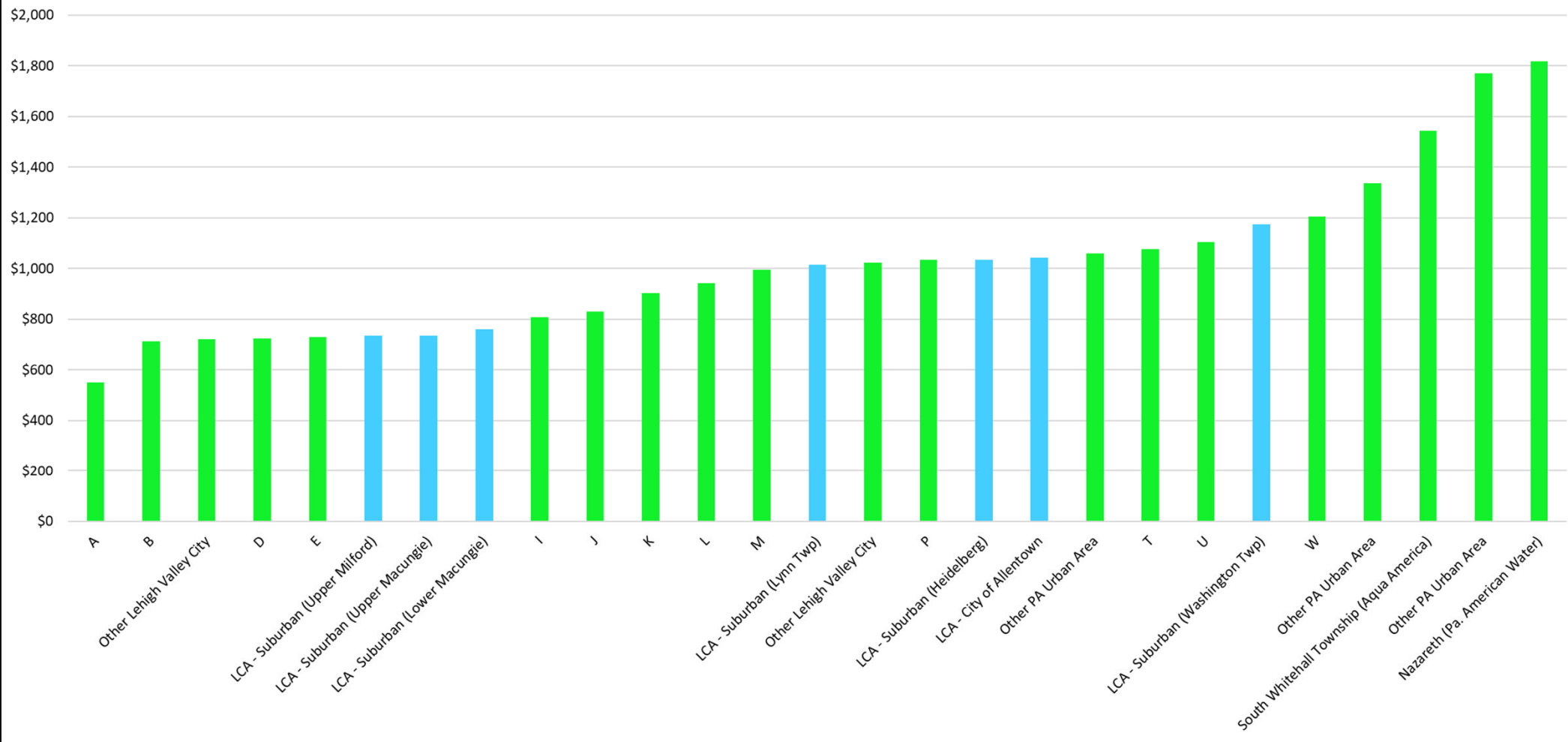
	2024 Quarterly Bill	2025 Quarterly Bill
Fixed Charge – Water	\$80.50	\$85.57
Water Volume Charge	\$73.14	\$76.78
Water Capital Cost Recovery Charge	\$5.84	\$6.11
Fixed Charge – Sewer	\$27.98	\$29.75
Sewer Flow Charge	\$51.59	\$54.83
Sewer Capital Cost Recovery Charge	\$4.91	\$4.45
Administrative Order 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

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)



# 2025 Capital Budget - Administration

	Primary		Cap Plan		
	Project	2024	Costs	Cap Plan	2025
Project	Category	Budget	2025-2029	2025	Budget
<b>LCA Funded Projects</b>					
Computer System Hardware & Software Upgrades	AM - High	\$ 50,000	\$ 140,000	\$ 50,000	\$ 50,000
GIS Upgrades & Application Development	Efficiency	\$ 35,000	\$ 100,000	\$ 50,000	\$ 50,000
Information Technology Master Plan Update	Planning	\$ 50,000	\$ 70,000	\$ 50,000	\$ 50,000
Document Management	Efficiency	\$ 50,000	\$ 85,000	\$ 25,000	\$ 25,000
Disaster Recovery/Security Upgrades	Efficiency	\$ 75,000	\$ 350,000	\$ 100,000	\$ 100,000
CMMS Upgrades	Efficiency	\$ 185,000	\$ 120,000	\$ 40,000	\$ 40,000
New Munis Implementation	Efficiency	\$ 800,000	\$ 385,000	\$ 385,000	\$ 385,000
Main Office Improvements	Efficiency	\$ 550,000	\$ 1,950,000	\$ 950,000	\$ 950,000
Total Administration Capital Funded by LCA		\$ -	\$ -	\$ -	\$ -
<b>Total Administration Capital Funded by LCA</b>		<b>\$ 1,795,000</b>	<b>\$ 3,200,000</b>	<b>\$ 1,650,000</b>	<b>\$ 1,650,000</b>

# 2025 Capital Budget – Suburban Water

	Primary		Cap Plan		
	Project	2024	Costs	Cap Plan	2025
Project	Category	Budget	2025-2029	2025	Budget
<b><u>Annual Projects</u></b>					
Annual Projects	AM - Varies	2,367,000	11,802,000	2,492,000	2,492,000
<b><u>Multi-Year Projects</u></b>					
Water Main Replacement Projects	AM - Varies	2,900,000	12,300,000	-	-
Water Quality Studies and Upgrades	Sys Imp	100,000	-	-	-
Cloud Based Meter Reading System	Sys Imp	50,000	750,000	-	-
North Whitehall Division Water System Supply Study & Improvements	Sys Imp	100,000	3,150,000	120,000	120,000
Water Systems Master Planning	Sys Imp	100,000	350,000	150,000	150,000
Upper System Pump Station & Water Main Extension	Sys Imp	50,000	2,050,000	50,000	50,000
Water Meter Replacement Program	AM-Rev Opprt	800,000	4,400,000	1,000,000	1,000,000
Central Lehigh System Supply Improvements	Sys Imp	150,000	530,000	180,000	180,000
Buss Acres Water Quality Upgrade	Sys Imp	-	1,660,000	270,000	270,000
Applewood Pump Station Upgrade	Sys Imp	-	700,000	100,000	100,000
<b>Total Suburban Division Water Capital Expenditures</b>		<b>6,617,000</b>	<b>37,692,000</b>	<b>4,362,000</b>	<b>4,362,000</b>

# 2025 Capital Budget – Suburban Wastewater

Project	Primary Project Category	2024 Budget	Cap Plan Costs 2025-2029	Cap Plan 2025	2025 Budget
<b>Annual Projects</b>					
Annual Projects	AM - Varies	912,500	3,182,500	835,500	835,500
<b>LCA Wastewater Treatment Plant</b>					
Pretreatment Plant Improvements	AM - Varies	1,000,000	2,300,000	600,000	600,000
Pretreatment Plant Critical Upgrades	AM - Varies	-	7,500,000	4,000,000	4,000,000
Pretreatment Plant Upgrades and Replacement	AM - Varies	-	37,600,000	1,000,000	1,000,000
<b>Subtotal</b>		<b>1,000,000</b>	<b>47,400,000</b>	<b>5,600,000</b>	<b>5,600,000</b>
<b>Western Lehigh Interceptor System:</b>					
Central Lehigh County WW Capacity Planning & Expansion	New Cust	500,000	1,000,000	400,000	400,000
WLI Major Rehabilitation and Repairs	Regulatory	100,000	50,000	50,000	50,000
Spring Creek Pump Station Force Main Condition Assessment	AM-High	150,000	100,000	100,000	100,000
Spring Creek Pump Station Upgrades	AM-High	700,000	1,000,000	1,000,000	1,000,000
Spring Creek Pump Station Force Main Relocation	Regulatory	100,000	900,000	900,000	900,000
Signatory I & I Investigation & Remediation Program	Regulatory	1,125,000	1,000,000	500,000	500,000
Upper Western Lehigh Interceptor Pump Station & Force Main	Regulatory	3,500,000	1,300,000	1,300,000	1,300,000
WLI Parallel Alignment Study	Regulatory	-	1,650,000	-	-
<b>Subtotal</b>		<b>6,175,000</b>	<b>7,000,000</b>	<b>4,250,000</b>	<b>4,250,000</b>
<b>Satellite Systems</b>					
Wynnewood I & I Investigation & Remediation Program	AM - Varies	125,000	375,000	150,000	150,000
Wynnewood Wastewater Treatment Plant Expansion	New Cust	-	2,300,000	50,000	50,000
Arcadia West WWTP Mechanical Screen	Efficiency	75,000	620,000	220,000	220,000
North Whitehall Township Act 537 Sewage Facilities Planning	Regulatory	70,000	90,000	70,000	70,000
Heidelberg Heights I & I Investigation & Remediation Program	Regulatory	100,000	525,000	300,000	300,000
Heidelberg Heights WWTP Rehabilitation	AM - High	160,000	125,000	25,000	25,000
Sand Spring WWTP Improvements	Regulatory	100,000	200,000	100,000	100,000
Lynn Township WWTP Improvements	AM - High	500,000	1,100,000	900,000	900,000
Lynn Township I & I Investigation & Remediation Program	AM - High	50,000	200,000	25,000	25,000
<b>Subtotal</b>		<b>1,180,000</b>	<b>5,535,000</b>	<b>1,840,000</b>	<b>1,840,000</b>
<b>Little Lehigh Relief Interceptor System:</b>					
Park Pump Station Upgrade - Phase 2	AM - High	1,800,000	300,000	800,000	800,000
<b>Total Suburban Wastewater Division Capital Expenditures:</b>		<b>11,067,500</b>	<b>63,417,500</b>	<b>13,325,500</b>	<b>13,325,500</b>

# 2025 Capital Budget – City Water

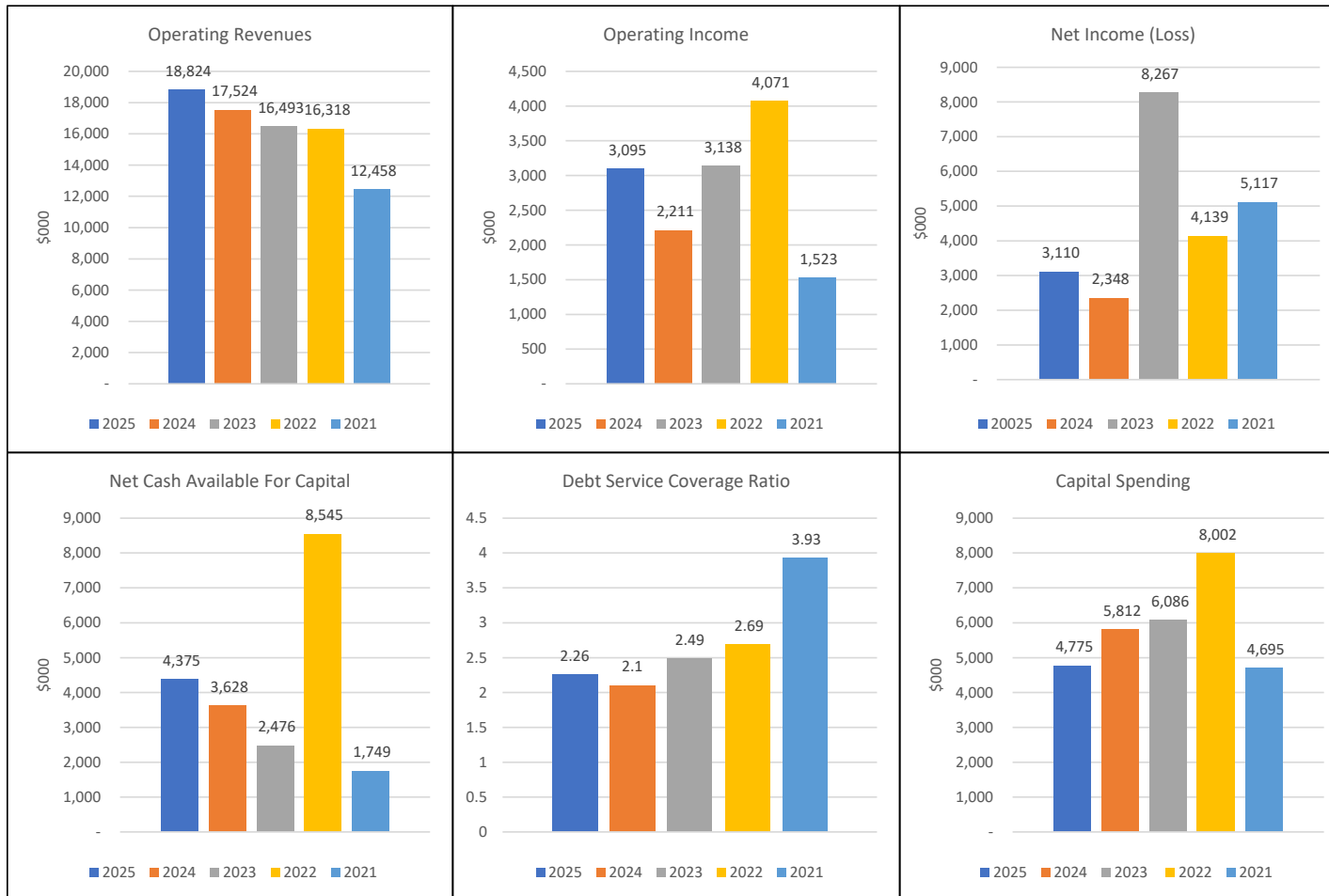
Project	Primary Project Category	2024 Budget	Cap Plan Costs 2025-2029	Cap Plan 2025	2025 Budget
<b>Annual Projects</b>					
Annual Projects	AM - Varies	2,715,000	11,375,000	2,555,000	2,555,000
<b>Non-CCRC Projects</b>					
Indenture Improvements	AM - High	200,000	600,000	200,000	200,000
Master Plan Studies	CA/OS	-	200,000	-	-
Cloud Based Meter Reading System	Efficiency	-	750,000	-	-
WFP Redundant Power Supply	Regulatory	80,000	835,000	835,000	835,000
Tank and Reservoir Rehabilitation	AM - High	200,000	1,000,000	200,000	200,000
Large Diameter Valve Replacement Project	AM - High	350,000	1,700,000	300,000	300,000
WFP HVAC Upgrade Project	Efficiency	-	1,750,000	500,000	500,000
WFP Roof Replacement Project	AM - High	-	650,000	-	-
<b>Subtotal</b>		<b>830,000</b>	<b>7,485,000</b>	<b>2,035,000</b>	<b>2,035,000</b>
<b>Large Projects &amp; CCRC Projects (3)</b>					
Annual Water Main Replacements	CA/OS	4,800,000	25,600,000	5,000,000	5,000,000
PFAS Compliance Planning and Upgrades	Regulatory	250,000	20,000,000	300,000	300,000
WFP Influent Channel Modifications	Master Plan	-	1,600,000	100,000	100,000
Water Meter Replacement Program	AM - High	800,000	2,100,000	2,000,000	2,000,000
Filter Upgrades	Master Plan	2,350,000	5,350,000	3,600,000	3,600,000
Big Lehigh Intake and Transmission Upgrades	Master Plan	200,000	850,000	100,000	100,000
Lead Service Line Replacement Program	Regulatory	5,000,000	75,000,000	15,000,000	15,000,000
<b>Subtotal</b>		<b>13,400,000</b>	<b>130,500,000</b>	<b>26,100,000</b>	<b>26,100,000</b>
<b>Total Allentown Division Water Capital Expenditures:</b>		<b>16,945,000</b>	<b>149,360,000</b>	<b>30,690,000</b>	<b>30,690,000</b>

# 2025 Capital Budget – City Wastewater

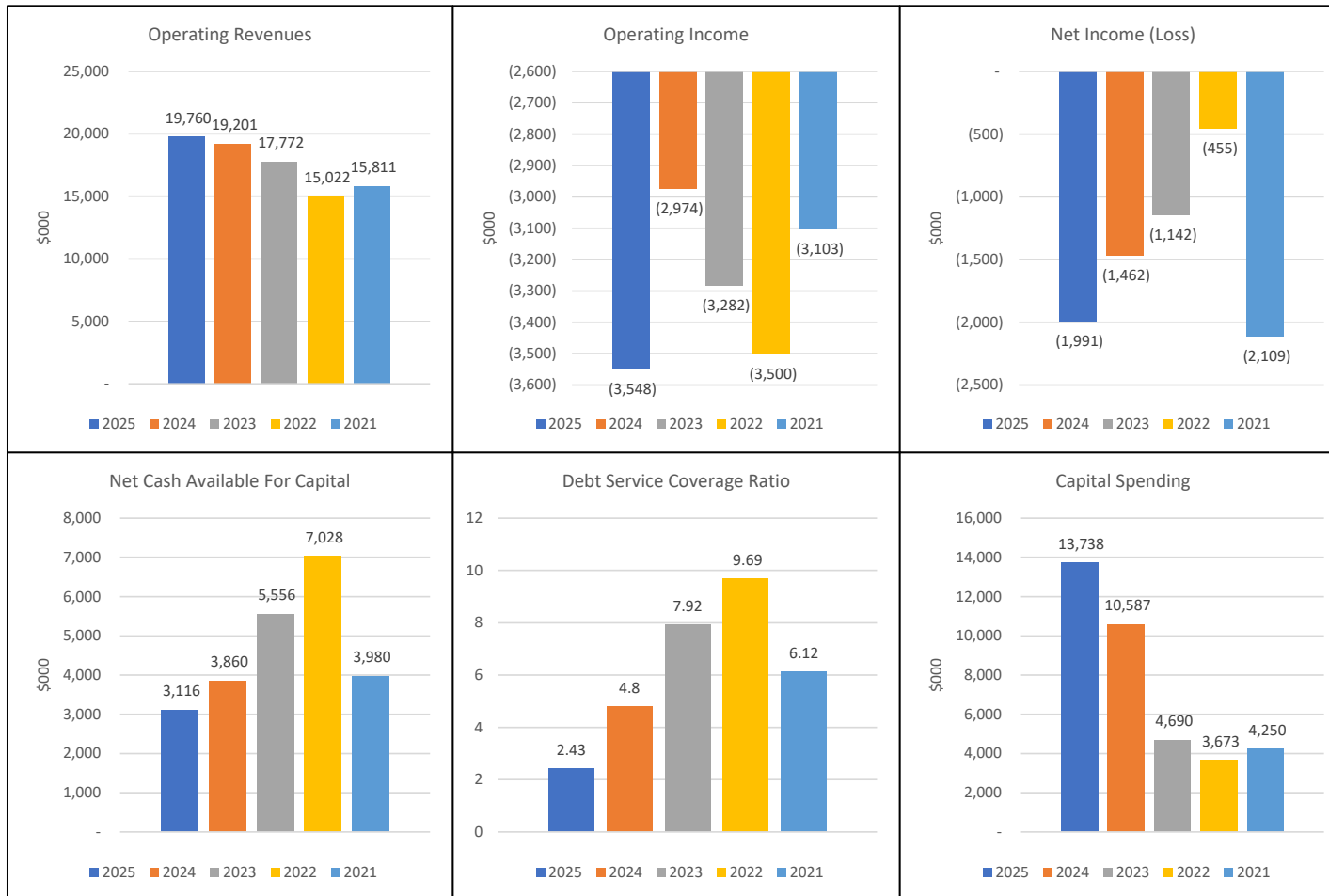
	Primary		Cap Plan		
	Project	2024	Costs	Cap Plan	2025
Project	Category	Budget	2025-2029	2025	Budget
<b><u>Annual Projects</u></b>					
Annual Projects	AM - High	2,706,000	10,955,000	2,715,000	2,715,000
<b><u>Non-CCRC Projects</u></b>					
Indenture Report Improvements	AM - Varies	300,000	900,000	250,000	250,000
KIWWTP Master Plan	CA/OS	160,000	250,000	-	-
Manhole Inspection and Sealing Program	Regulatory	2,000,000	5,000,000	1,000,000	1,000,000
KIWWTP Redudant Power Supply	Efficiency	-	1,000,000	-	-
WWTP Facilities Improvements	Efficiency	-	800,000	100,000	100,000
<b>Subtotal</b>		<b>2,460,000</b>	<b>7,950,000</b>	<b>1,350,000</b>	<b>1,350,000</b>
<b><u>Large Projects &amp; CCRC Projects</u></b>					
WWTP Electrical Substation Replacement Phase 2	AM - High	2,200,000	6,000,000	5,250,000	5,250,000
WWTP Wet Weather Capacity - Main & Auxiliary Pump Station Improvements	AM - Varies	400,000	-	-	-
Boiler Replacement & Solids Process HVAC Upgrade Project	AM - Varies	1,400,000	-	-	-
WWTP Wet Weather Capacity - IPS Pump Station Upgrade & 480v MCC Replacement	AM - Varies	200,000	-	-	-
WWTP Final Clarifier 1-4 Rehabilitation	AM - Varies	900,000	5,500,000	2,500,000	2,500,000
WWTP Primary Sludge Digester Feed Line Replacement	AM-Varies	600,000	2,700,000	2,700,000	2,700,000
Source Reduction Plan - I/I Elimination Program	Regulatory	3,000,000	-	-	-
WWTP Wet Weather Improvements	AM - Varies	100,000	27,400,000	750,000	750,000
WWTP Plastic Media Trickling Filter Rehab	AM - High	-	5,400,000	200,000	200,000
Source Reduction Plan - I/I Elimination Program	Regulatory	-	28,500,000	3,000,000	3,000,000
WWTP Solids Process Improvements	Regulatory	-	12,000,000	500,000	500,000
<b>Subtotal</b>		<b>8,800,000</b>	<b>87,500,000</b>	<b>14,900,000</b>	<b>14,900,000</b>
<b><u>Regional Act 537 Projects</u></b>					
Act 537 Alternatives Analyses	Regulatory	600,000	350,000	250,000	250,000
Miscellaneous Act 537 Planning, Financial and Legal Reviews	Regulatory	200,000	300,000	200,000	200,000
<b>Subtotal</b>		<b>800,000</b>	<b>650,000</b>	<b>450,000</b>	<b>450,000</b>
<b>Total Allentown Division Wastewater Capital Expenditures</b>		<b>14,766,000</b>	<b>107,055,000</b>	<b>19,415,000</b>	<b>19,415,000</b>



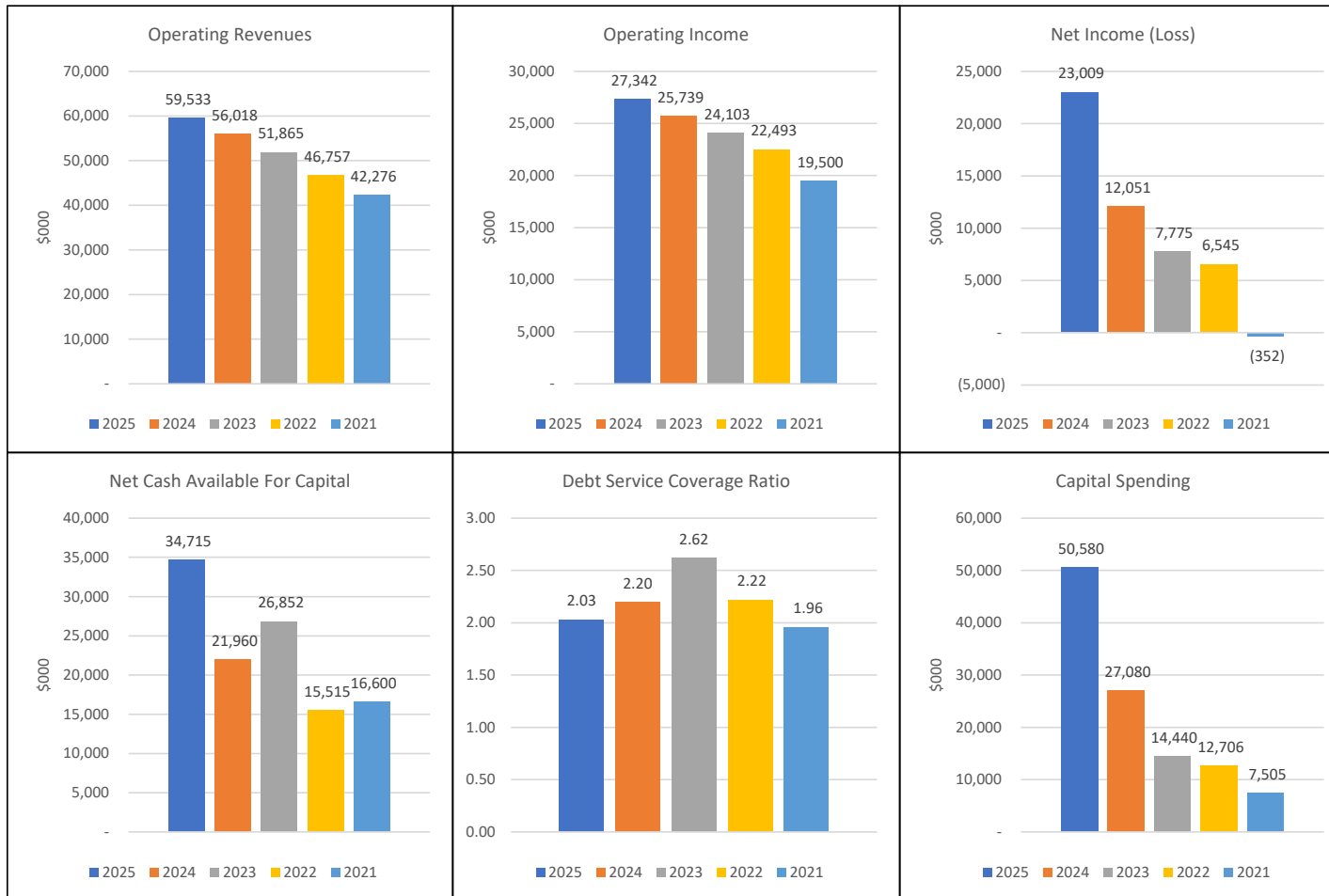
# Dashboard – Suburban Water



# Dashboard – Suburban Wastewater



# Dashboard – City Division



# Looking Ahead

## Work Remaining

- Report any final budget changes
- Suburban Wastewater signatory user charge report

## Upcoming Board Meetings

- 2025 Budget approval – 10/28/2024
- 2025 Rate adoption – 11/11/2024



# Discussion / Questions?

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Thank you!

