

Lehigh County  
Authority  
2026-2030  
Allentown Division  
Capital Plan

**Draft Plan** Board Presentation  
August 11, 2025

# Planning Process & Board Reviews / Approvals



**Five-Year Capital Plan** → Conceptual approval of planned capital program



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



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



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

# 2026-2030 Capital Plan Review Process

## Review Timeline:

- June-July 2025 – Staff preparation of plan
- 8/11/2025 – Allentown Div. Draft Plan presentation
- 8/25/2025 – Suburban Div. Draft Plan presentation and begin public comment period
- 9/30/2025 – Public comment period ends
- 10/13/2025 – Final review & approval request
- Sept-Oct 2025 – 2025 Budget review process

## Public Reviews:

- Lehigh Valley Planning Commission
- Lehigh County Board of Commissioners
- City of Allentown
- Municipalities
- Public (website)

# 2026-2030 Allentown Division Capital Plan Highlights

## Slight increase from prior 5-year plan

- 2025-2029 Allentown Division Plan Total = **\$251,415,000**
- 2026-2030 Draft Allentown Division Plan Total = **\$254,204,000**

## Key drivers for capital requirements

- Lead service line replacement program - \$92.5 million
- Water treatment upgrades for PFAS - \$20.5 million
- Escalated inflow & infiltration removal programs - \$30.8 million
- Wet-weather enhancements at Kline's Island WWTP (KIWWTP) - \$21 million
- KIWWTP Plastic Media Trickling Filter Rehabilitation - \$16 million

## Unknown potential for grant funding

- Draft plan includes estimated 11% of plan supported by grant funding
- Additional grants possible to offset borrowing

## What about Regional Sewer Plan (Act 537) projects?

- Act 537 Plan was finalized in 2025, which included detailed financial analysis
- First wave of planned projects captured in this capital plan, more to follow
- Future capital plans to be revised based on DEP-approved Act 537 Plan, and reflecting updated cost-sharing approaches with customers and municipalities

Water Projects  
AD 2026-2030  
Capital Plan





# Allentown Division Water – Annual & Recurring Projects

CP#	Project	2025 Budget \$	2026 draft Budget \$	2026-2030 Cap Plan \$	Major Drivers	Responsibility
AD-W-A	<b>ANNUAL PROJECTS</b> <i>(breakdown of projects on following slide)</i>	2,555,000	<b>\$2,685,000</b>	<b>\$12,355,000</b>	Required rehab, Asset management, Efficiency	Lettko, Geissel
AD-W-10	<b>INDENTURE IMPROVEMENTS</b> <i>(prior budget = \$200,000)</i>	\$200,000	<b>\$100,000</b>	<b>\$500,000</b>	Required rehab, Asset Management	Rohrbach
AD-W-11	<b>MASTER PLAN STUDIES</b> <i>(prior budget = \$0)</i>	\$0	<b>\$0</b>	<b>\$225,000</b>	Lease requirement	Boone
AD-W-14	<b>TANK AND RESERVOIR REHABILITATION</b> <i>(prior budget = \$200,000)</i>	\$200,000	<b>\$200,000</b>	<b>\$1,000,000</b>	Asset Management	Geissel
AD-W-15	<b>LARGE DIAMETER VALVE REPLACEMENT PROJECT</b> <i>(prior budget = \$350,000)</i>	\$300,000	<b>\$500,000</b>	<b>\$2,300,000</b>	Asset Management, System improvement	Peters
AD-W-20	<b>ANNUAL WATER MAIN REPLACEMENTS</b> <i>(prior budget = \$4,800,000)</i>	\$4,800,000	<b>\$4,000,000</b>	<b>\$12,500,000</b>	Lease Requirement, Asset Management	Peters

# Allentown Division Annual Water Projects Breakdown

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Distribution Mains – Development & Upsizing

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WFP General Improvements

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General Water System Improvements (D&C)

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Mobile & Other Equipment

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New & Replacement Meter Installation

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Reservoir Rehabilitation & Maintenance

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PennDOT Relocations

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Capital Management

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SCADA Master Plan and Upgrades

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Leak Detection

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Various Water System Studies

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# Allentown Division Water – Non-MCI Projects

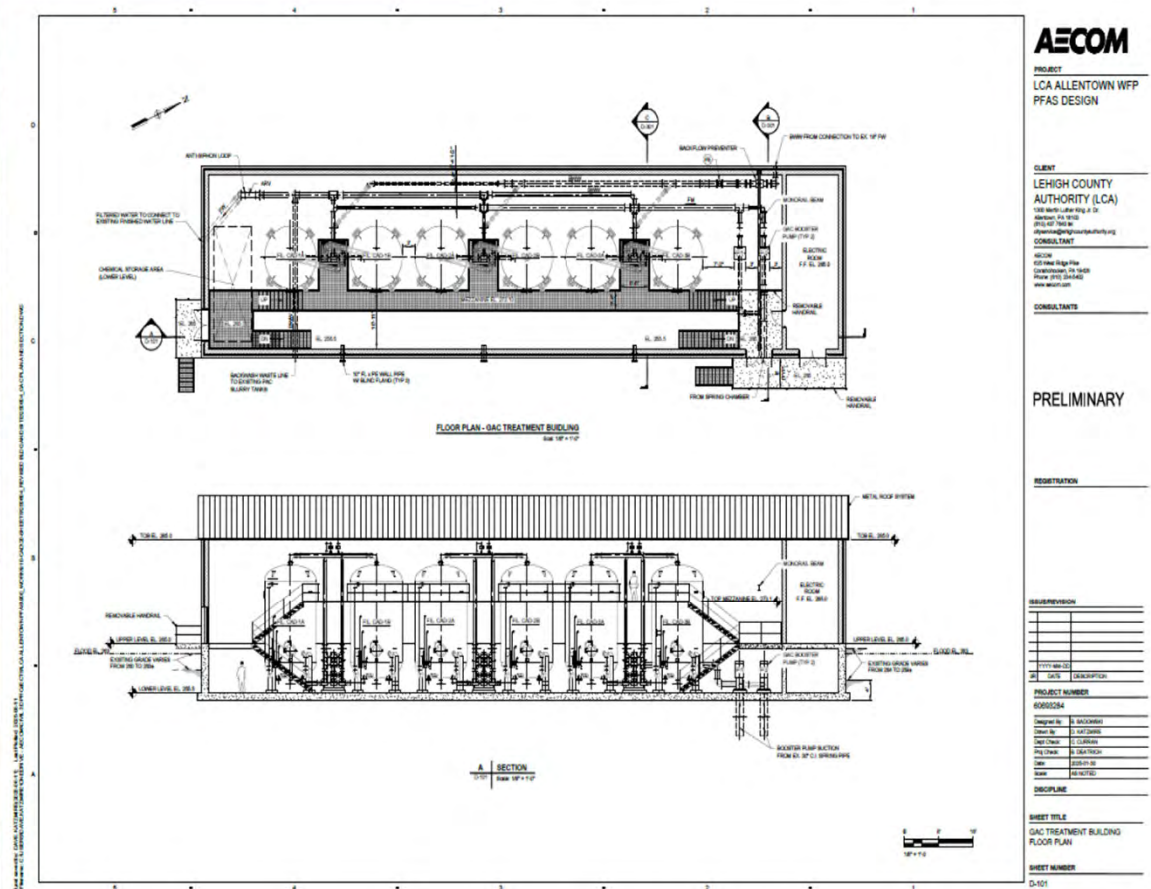
CP#	Project	2025 Budget \$	2026 Draft Budget \$	2026-2030 Cap Plan \$	Major Drivers	Responsibility
AD-W-16	<b>WFP ROOF REPLACEMENT</b> <i>(PRIOR BUDGET=\$0)</i>	\$0	<b>\$50,000</b>	<b>\$700,000</b>	Asset Management	Siekmann
AD-W-23	<b>WATER METER REPLACEMENT PROJECT</b> <i>(PRIOR BUDGET=\$800,000)</i>	\$2,000,000	<b>\$500,000</b>	<b>\$1,250,000</b>	System Improvement, Efficiency	Kunkel



## Allentown Division Water – Major Capital Improvement/Large Projects

CP#	Project	2025 Budget \$	2026 Draft Budget \$	2026-2030 Cap Plan \$	Major Drivers	Responsibility
AD-W-29	<b>WFP HVAC UPGRADE PROJECT (PHASE 2)</b> <i>(PRIOR BUDGET=\$0)</i>	\$500,000	<b>\$1,325,000</b>	<b>\$1,925,000</b>	System Improvement	Siekmann
AD-W-21	<b>PFAS COMPLIANCE UPGRADES</b> <i>(PRIOR BUDGET=\$250,000)</i>	\$300,000	<b>\$550,000</b>	<b>\$20,500,000</b>	Regulatory	Rohrbach
AD-W-22	<b>WFP REDUNDANT RAW WATER LINE</b> <i>(PRIOR BUDGET=\$0)</i>	\$100,000	<b>\$1,000,000</b>	<b>\$3,525,000</b>	Resilience, Redundancy	Rohrbach
AD-W-24	<b>WFP FILTER UPGRADES</b> <i>(PRIOR BUDGET=\$2,350,000)</i>	\$3,600,000	<b>\$2,260,000</b>	<b>\$2,760,000</b>	Master Plan	Rohrbach
AD-W-25	<b>LEHIGH INTAKE UPGRADES</b> <i>(PRIOR BUDGET=\$200,000)</i>	\$100,000	<b>\$1,000,000</b>	<b>\$2,825,000</b>	Master Plan	Rohrbach
AD-W-26	<b>LEAD SERVICE LINE REPLACEMENT PROGRAM</b> <i>(PRIOR BUDGET=\$5,000,000)</i>	\$15,000,000	<b>\$13,000,000</b>	<b>\$92,500,000</b>	Regulatory	Peters, Siekmann

# WFP PFAS COMPLIANCE UPGRADES



# Big Lehigh Pump Station Improvements





# WFP Filter Upgrade Project

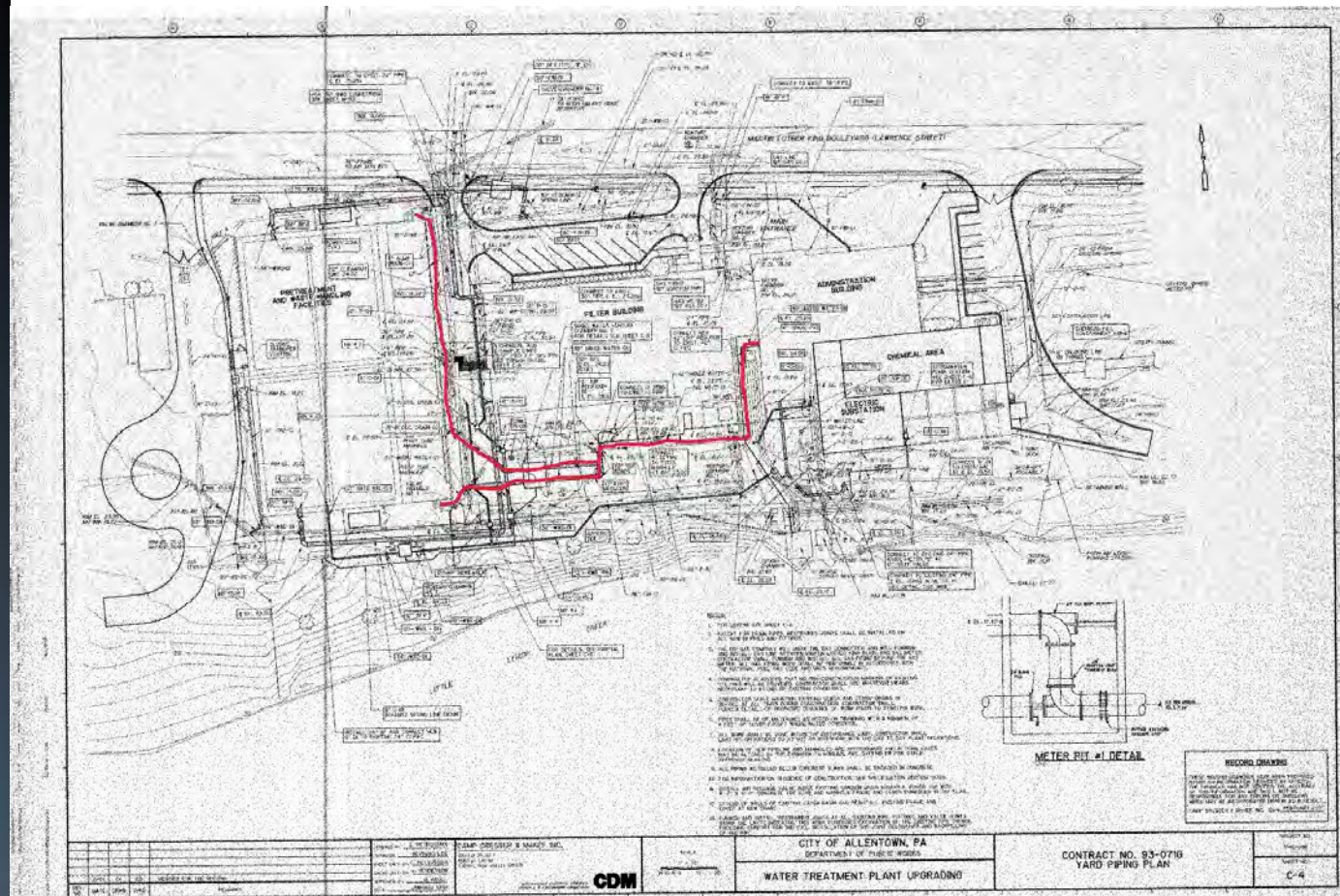
**Filter #1 new underdrain**



**Filter #1 ready for media placement**



# WFP Redundant Raw Water Line Project





# Water Filtration Plant Roof Replacement Project



- 1 – Offices
- 2 - Lab/Lab Offices
- 3 - High Service Pump

# Allentown Division Water New Projects

CP#	Project	2025 Budget \$	2026 Draft Budget \$	2026-2030 \$	Major Drivers	Responsibility
AD-W-16	<b>LEAK DETECTION PROGRAM</b>	\$0	<b>\$250,000</b>	<b>\$450,000</b>	Efficiency	Charvala
AD-W-27	<b>WFP FACILITY ELECTRICAL UPGRADES</b> (CCRC TBD)	\$0	<b>\$100,000</b>	<b>\$3,700,000</b>	Asset Management, Resiliency	Siekmann
AD-W-28	<b>WFP LITTLE LEHIGH INTAKE UPGRADES</b> (CCRC TBD)	\$0	<b>\$0</b>	<b>\$200,000</b>	Asset Management, Master Plan	Rohrbach
AD-W-29	<b>SCHANTZ SPRING - WATER TREATMENT UPGRADES</b> (design only; CCRC TBD)	\$0	<b>\$75,000</b>	<b>\$225,000</b>	Regulatory	Rohrbach



# Schantz Spring Water Treatment Upgrades





# Little Lehigh Intake Upgrades



## Allentown Division Water – Removed Project from 2026-2030 Capital Plan

Reason	Project	2025 Budget \$	Major Drivers	Responsibility
Project to be completed in 2025	<b>WFP REDUNDANT POWER SUPPLY</b>	\$835,000	Resiliency, Regulatory	Rohrbach



# Wastewater Projects AD 2026-2030 Capital Plan



# Allentown Division Wastewater Annual & City Funded Projects

CP#	Project	2025 Budget \$	2026 Draft Budget \$	2026-2030 Capital Plan \$	Major Drivers	Responsibility
AD-S-A	<b>ANNUAL PROJECTS</b> <i>(breakdown of projects on following slide)</i>	\$2,715,000	<b>\$2,142,000</b>	<b>\$10,369,000</b>	Required rehab, asset management	Operations, Geissel
AD-S-10	<b>INDENTURE REPORT IMPROVEMENTS</b> <i>(prior budget=\$300,000)</i>	\$200,000	<b>\$200,000</b>	<b>\$700,000</b>	Required rehab, Asset Management	Rohrbach
AD-S-11	<b>MASTER PLAN STUDIES</b> <i>(prior budget=\$160,000)</i>	\$0	<b>\$0</b>	<b>\$225,000</b>	Lease requirement	Boone
AD-S-12	<b>MANHOLE INSPECTION AND SEALING PROGRAM</b> <i>(prior budget=\$2,000,000)</i>	\$1,000,000	<b>\$1,000,000</b>	<b>\$5,000,000</b>	Regulatory	Peters
AD-S-40	<b>ACT 537 ALTERNATIVE ANALYSIS - City funded</b> <i>(prior budget=\$600,000)</i>	\$250,000	<b>\$100,000</b>	<b>\$100,000</b>	Regulatory	DePoe
AD-S-41	<b>MISC. ACT 537 PLANNING, FINANCIAL, &amp; LEGAL REVIEWS - LCA funded</b> <i>(prior budget=\$200,000)</i>	\$200,000	<b>\$100,000</b>	<b>\$100,000</b>	Regulatory	DePoe

# Allentown Division Annual Wastewater Projects

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**Mobile Equipment**

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**Other Equipment**

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**Collection System - Development**

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**Capital Management**

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**Sanitary Sewer Main Replacements & Rehab**

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**WWTP General Improvements**

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**PennDOT Relocations**

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**SCADA Master Plan and Upgrades**



# Allentown Division Wastewater – Major Capital Improvement/Large Projects

CP#	Project	2025 Budget \$	2026 Draft Budget \$	2026-2030 Capital Plan \$	Major Drivers	Responsibility
AD-S-13	<b>WWTP REDUNDANT POWER SUPPLY</b> <i>(prior budget = \$0)</i>	\$0	<b>\$70,000</b>	<b>\$1,070,000</b>	Regulatory	Rohrbach
AD-S-20	<b>WWTP ELECTRICAL SUBSTATION NO. 1 REPLACEMENT</b> <i>(prior budget = \$2,200,000)</i>	\$5,250,000	<b>\$825,000</b>	<b>\$825,000</b>	Asset Management, Master Plan	Rohrbach
AD-S-21	<b>WWTP FINAL SETTLING TANK REHABILITATION</b> <i>(prior budget = \$900,000)</i>	\$2,500,000	<b>\$1,545,000</b>	<b>\$1,545,000</b>	Asset Management, Master Plan	Rohrbach
AD-S-23	<b>WWTP WET WEATHER IMPROVEMENTS – PHASE 1</b> <i>(prior budget = \$700,000)</i>	\$750,000	<b>\$6,250,000</b>	<b>\$21,200,000</b>	Master Plan, Regulatory	Rohrbach
AD-S-25	<b>I&amp;I SOURCE REDUCTION PLAN</b> <i>(prior budget = \$3,000,000)</i>	\$3,000,000	<b>\$5,000,000</b>	<b>\$25,750,000</b>	Regulatory	Peters, DePoe



## Allentown Division Wastewater – Additional Major Capital Improvement/Large Projects

CP#	Project	2025 Budget \$	2026 Draft Budget \$	2026-2030 Capital Plan \$	Major Drivers	Responsibility
AD-S-14	<b>WWTP FACILITIES IMPROVEMENTS (buildings)</b> <i>(prior budget=\$0)</i>	\$100,000	<b>\$200,000</b>	<b>\$1,050,000</b>	Efficiency, Health & Safety	Siekmann
AD-S-24	<b>WWTP PLASTIC MEDIA TRICKLING FILTER REHAB.</b> <i>(prior budget=\$0)</i>	\$200,000	<b>\$3,225,000</b>	<b>\$15,975,000</b>	Asset Management; Master Plan	Rohrbach
AD-S-26	<b>WWTP SOLIDS PROCESS IMPROVEMENTS</b> <i>(prior budget=\$0)</i>	\$500,000	<b>\$500,000</b>	<b>\$12,000,000</b>	Regulatory, System Improvement	Rohrbach



# KIWWTP Electrical Substation No. 1 Replacement

**Substation No. 1 & Switchgear**



**Substation No. 1**



# KIWWTP Wet Weather Capacity Enhancement Project

**Main Pumps**

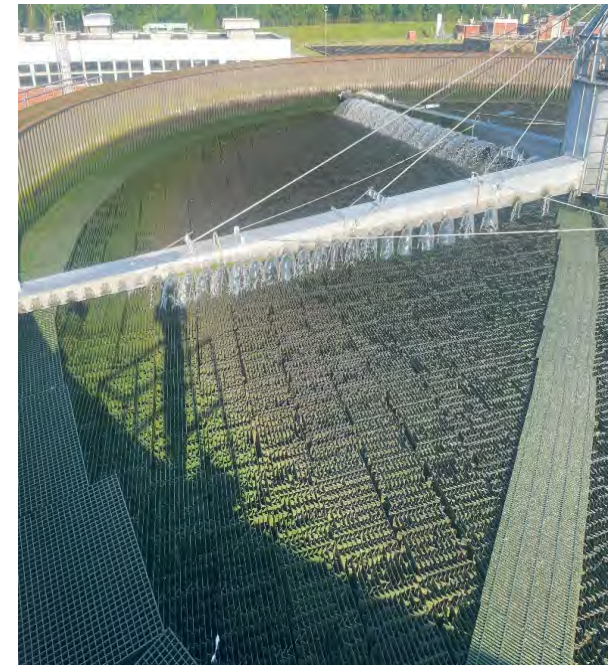


**Auxiliary Pumps**





# KIWWTP Plastic Media Trickling Filters Rehabilitation





# KIWWTP Final Settling Tanks Nos. 1-4 Rehab



## Allentown Division Wastewater – New Projects 2026-2030 Capital Plan

CP#	Project	2025 Budget \$	2026 Draft Capital \$	2026-2030 Capital Plan \$	Major Drivers	Responsibility
AD-S-27	<b>WWTP OCU BUILDING #24 REPLACEMENT</b>	\$0	<b>\$100,000</b>	<b>\$800,000</b>	Asset Management, Master Plan	Siekmann
AD-S-28	<b>WWTP EFFLUENT PUMP STATION UPGRADE</b>	\$0	<b>\$0</b>	<b>\$725,000</b>	Regulatory	Rohrbach
AD-S-29	<b>WWTP FACILITY ELECTRICAL UPGRADES</b>	\$0	<b>\$130,000</b>	<b>\$650,000</b>	Asset Management, Resiliency	Siekmann



# KIWWTP Effluent Pump Station Upgrades

## Pumps



## MCCs



# KIWWTP OCU #24 Building Replacement Project

## Building



## Interior Controls



## Allentown Division Wastewater – Removed Project from 2026-2030 Capital Plan

Reason	Project	2025 Budget \$	Major Drivers	Responsibility
Project completed in 2025	WWTP PRIMARY SLUDGE DIGESTER FEED LINE REPLACEMENT	\$2,700,000	Master Plan, Efficiency	Rohrbach

## LCA Allentown Division – 2026-2030 Capital Plan SUMMARY

SYSTEMS	
Water	\$159,440,000
Wastewater	\$94,764,000
<b>PLAN TOTAL</b>	<b>\$254,204,000</b>

## LCA Allentown Division – 2026-2030 Capital Plan FUNDING SOURCES

SOURCES	
Cash from Operations & Reserves	\$139,032,242
City of Allentown American Rescue Plan Act Grants	\$0
City of Allentown Reimbursements (Act 537 Plan Development)	\$100,000
Grants – Lead Service Line Replacement Program	\$18,670,000
Grants – PFAS Compliance Upgrade Project	\$10,250,000
Grants – I&I Source Reduction Plan Projects	\$0
Borrowed funds – 2024 Bond Issue	\$24,251,758
Borrowed funds – NEW Borrowing	\$61,900,000
<b>PLAN TOTAL</b>	<b>\$254,204,000</b>



# LCA Allentown Division – 2026-2030 Capital Plan From NEW Borrowed Funds

PROJECTS	
Lead Service Line Replacement (non-grant portion) *	\$52,365,000
Water Filtration Plant PFAS Compliance Upgrades *	\$6,260,000
WFP projects	\$3,275,000
<b>TOTAL USE OF BORROWED FUNDS</b>	<b>\$61,900,000</b>

*\* Borrowing may be reduced or increased based on availability of grants to cover Lead Service Line Replacements and/or PFAS Compliance Upgrades*

# CONDENSED CASH FLOW - CITY DIVISION

US DOLLARS	2026	2027	2028	2029	2030
User Charges	65,575,324	70,427,132	75,583,656	80,368,668	84,422,763
Other Operating Revenues	382,636	382,636	382,636	382,636	382,636
Non-Operating Revenues	2,017,155	2,017,155	2,017,155	2,017,155	2,017,155
Operating expenses	(26,729,103)	(27,571,317)	(28,442,454)	(29,343,571)	(30,275,765)
Annual Lease & Other Payments	(1,316,070)	(1,001,244)	(1,022,270)	(1,043,737)	(1,065,656)
Debt Service - Current Debt	(18,172,236)	(18,760,736)	(20,121,486)	(20,759,236)	(21,411,036)
Debt Service - NEW Debt	(315,867)	(879,756)	(2,224,106)	(3,078,223)	(3,690,519)
Investments Converting to Cash	-	-	-	-	-
Grants	6,610,000	13,085,000	6,225,000	3,000,000	-
Proceeds From NEW Debt	5,700,000	9,700,000	22,000,000	14,200,000	10,300,000
Capex	(50,369,500)	(63,223,500)	(58,152,500)	(45,323,500)	(40,857,500)
<b>NET FUND FLOWS</b>	<b>(16,617,661)</b>	<b>(15,824,630)</b>	<b>(3,754,369)</b>	<b>420,192</b>	<b>(177,922)</b>
Plan Volume Increase	0.00%	0.00%	0.00%	0.00%	0.00%
Lease Rate Increase	5.50%	4.60%	4.60%	4.60%	4.60%
Total User Charge Revenue Increase	8.82%	8.04%	8.13%	7.08%	6.86%
Unrestricted Cash Balance	40,095,246	23,849,509	19,659,572	19,629,205	18,985,186
Unrestricted Investments	-	-	-	-	-
Total Unrestricted Balances	40,095,246	23,849,509	19,659,572	19,629,205	18,985,186
Days Operating Cash on Hand	548	316	252	244	229
DEBT SERVICE COVERAGE RATIO	2.16	2.25	2.17	2.20	2.21

# LCA Allentown Division – 2026-2030 Capital Plan

## CUSTOMER RATE PROJECTION

- City customer base rates increase by 4.5 – 5.5% annually by Lease formula
- Additional charges for Capital Cost Recovery Charge and Change of Law fees
- Total rate impact for City customers: 7 – 9% annually

2025 average residential water & sewer bill\* = \$965 per year

2030 estimated average residential water & sewer bill\* = \$1,404 per year

\* Calculated based on average usage of 13,000 gallons per quarter



## 2026-2030 Allentown Division Capital Plan: *RECAP OF DRAFT PLAN*

- **Capital investments slight increase from prior plan**
- **Primary drivers:**
  - **Expansion of LSL and PFAS projects (\$30M)**
- **LCA financial performance maintained with new borrowing**
- **Rate impact of 7-9% per year is significant**
- **Potential upside for City customers if more grant funding awarded**
- **Look for future plan refinement as Regional Sewer Plan finalized**

# Discussion

Questions?