



Lehigh County Authority

2026-2030  
Suburban Division and  
Administration Capital Plan

Preliminary Plan Board Presentation  
August 25, 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~~
- ~~8/11/2024 – 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 Suburban Division Capital Plan Highlights

## Increase from prior 5-year plan

- 2025-2029 Plan Total = \$101,684,500
- 2026-2030 Draft Plan Total = \$67,252,000

## Key drivers for change in capital requirements

- Re-evaluation of timing for Pretreatment Plant Long Term Upgrades / Replacement – costs to be phased for 10-year timeframe
- Completion of some projects reduces impact of these new plan additions

## Major differences from Allentown Division plan

- Lead service line replacements excluded pending further study (SD inventory costs are included)
- Pass-through costs from Allentown Division costs excluded – will show in future rates via cost-sharing agreements

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

- Act 537 Plan finalized in 2025, included detailed financial analysis
- First wave of planned projects captured in this capital plan, more to follow
- Most major projects in the next five years occur in Allentown Division
- Future capital plans to be revised based on final Act 537 Plan, and reflecting updated cost-sharing approaches with customers and municipalities

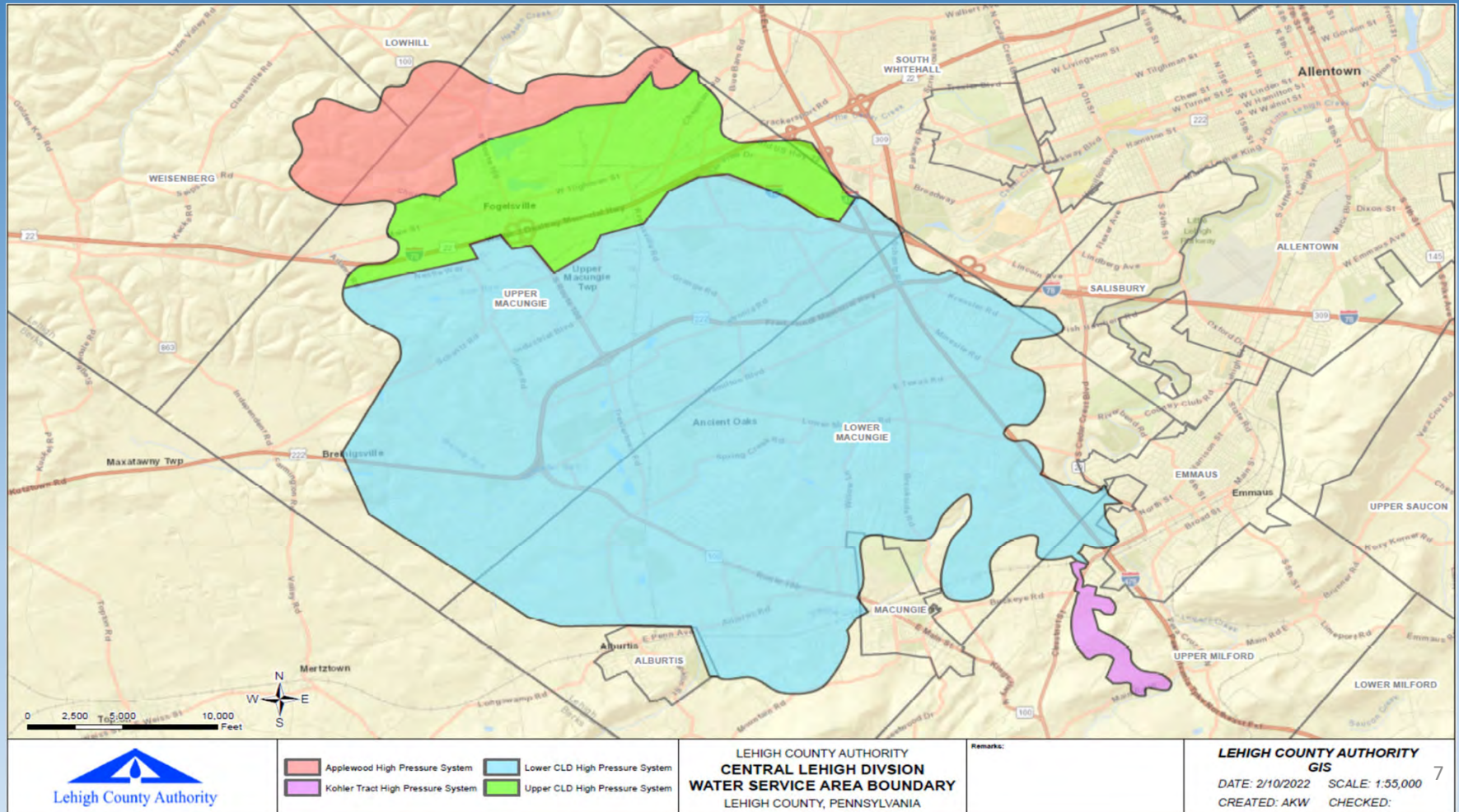
## Administration – 2026 and 5-Year Plan Projects

CP#	Project	2025 Budget \$	2026 draft budget \$	2026-2030 Capital Plan \$	Responsibility
CON-A-1	<b>Computer System Hardware &amp; Software Upgrades</b> <i>(prior budget=\$50,000)</i>	\$50,000	\$130,000	\$530,000	Moughan
CON-A-2	<b>Geographic Information System Upgrades &amp; Application Dev.</b> <i>(prior budget=35,000)</i>	\$50,000	\$50,000	\$160,000	Stevens
CON-A-3	<b>Information Technology Master Plan Update</b> <i>(prior budget = \$50,000)</i>	\$50,000	\$250,000	\$450,000	Moughan
CON-A-4	<b>Document Management</b> <i>(prior budget=\$50,000)</i>	\$25,000	\$100,000	\$310,000	Moughan
CON-A-5	<b>Disaster Recovery/Security Upgrades</b> <i>(prior budget=\$75,000)</i>	\$100,000	\$440,000	\$740,000	Moughan
CON-A-6	<b>CMMS Upgrades</b> <i>(prior budget=\$185,000)</i>	\$40,000	\$250,000	\$850,000	Moughan
CON-A-8	<b>Main Office Improvements</b> <i>(prior budget=\$550,000)</i>	\$950,000	\$100,000	\$2,000,000	Boone

## Administration 2026 -2030 Capital Plan Completed & New Projects

CP#	PROJECT	2025 Budget \$	2026 Draft Budget \$	2026-2030 \$	Major Drivers	Responsibility
REMOVED CON-A-7	<b>NEW MUNIS IMPLEMENTATION - <i>removed</i></b> <i>(prior budget=\$385,000)</i>	\$385,000	<b>\$0</b>	<b>COMPLETED</b>	Efficiency	Neve
NEW CON-A-9	<b>CITY DISTRIBUTION AND COLLECTION BUILDING IMPROVEMENTS – <i>new,</i> <i>planning &amp; design only</i></b> <i>(prior budget=\$0)</i>	\$0	<b>\$100,000</b>	<b>\$300,000</b>	Efficiency	Boone

# Suburban Division Water Projects



# Suburban Division Water – 2025 and 5-Year Projects

## Annual Projects

CP#	PROJECT	2025 Budget \$	2026 Draft Budget \$	2026-2030 \$	Major Drivers	Responsibility
SD-W-A	<b>ANNUAL PROJECTS (<i>breakdown of projects to follow</i>)</b> (prior budget=\$2,367,000)	\$2,492,000	<b>\$2,520,000</b>	<b>\$11,455,000</b>	Required rehab; Asset management	Operations, Volk
SD-W-10	<b>WATER MAIN REPLACEMENT PROJECTS</b> (prior budget=\$2,900,000)	\$0	<b>\$100,000</b>	<b>\$10,350,000</b>	Asset management	Peters



# Suburban Division Annual Water Projects Include:

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**Distribution Mains – Development & Upsizing**

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**General Water System Improvements**

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**Mobile Equipment**

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**New & Replacement Meter Installations**

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**Other Equipment**

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**Reservoir Rehabilitation & Maintenance**

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**Water Company Acquisitions**

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**Water Facility Asset Management Upgrades**

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**Capital Management**

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**Capital Works Miscellaneous Expenses (includes PennDOT permitting)**

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**SCADA and Security Upgrades – Hardware & Software**

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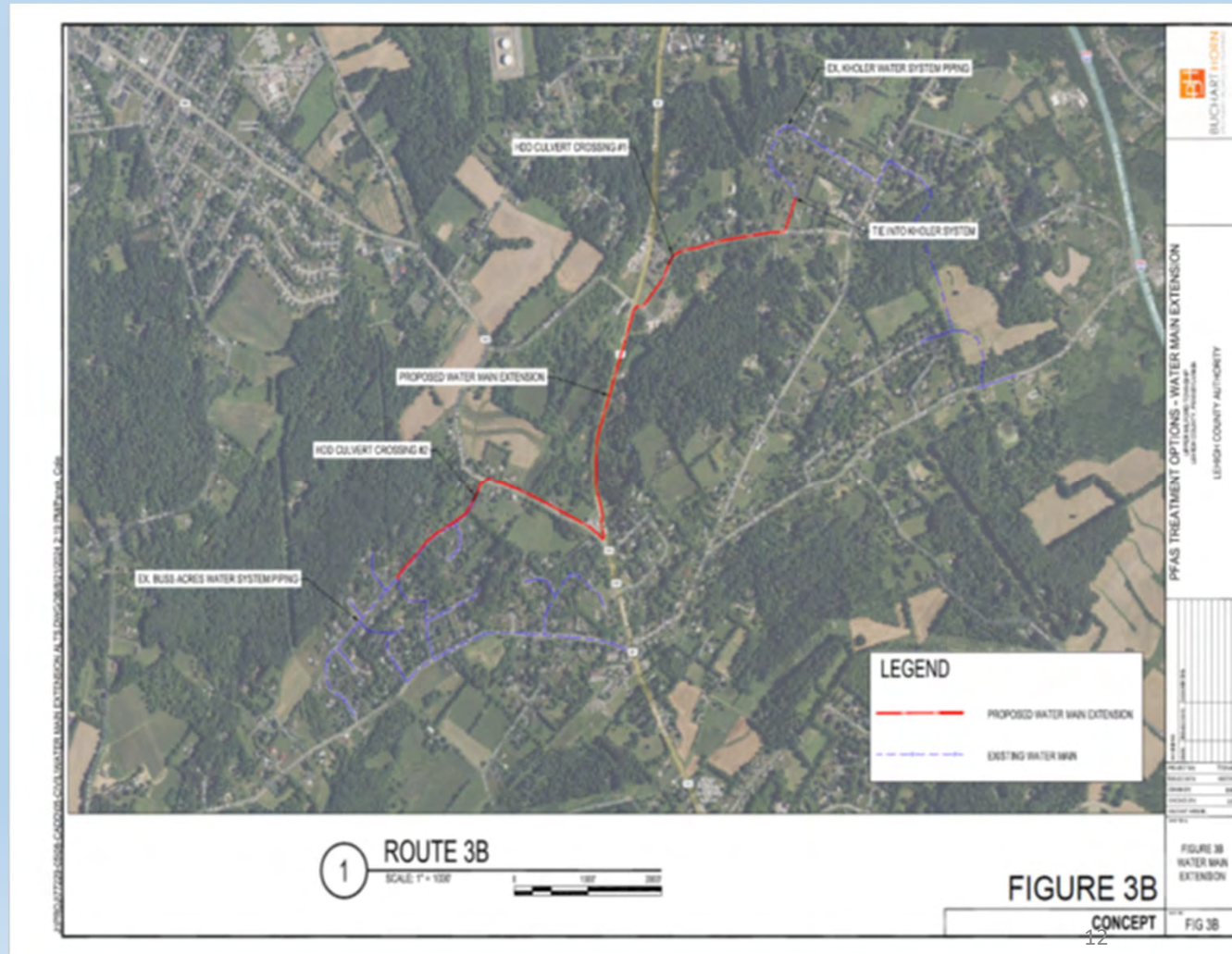
## Suburban Division Water – 2026 and 5-Year System Improvement Projects

CP#4	PROJECT	2025 Budget \$	2026 Draft Budget \$	2026-2030 \$	Major Drivers	Responsibility
SD-W-11	<b>NORTH WHITEHALL DIVISION WATER SYSTEM SUPPLY STUDY &amp; IMPROVEMENTS</b> <i>(Prior Budget=\$100,000)</i>	\$120,000	<b>\$700,000</b>	<b>3,100,000</b>	System Improvement	Kunkel
SD-W-12	<b>WATER SYSTEMS MASTER PLANNING &amp; WATER QUALITY STUDIES</b> <i>(Prior Budget=\$200,000)</i>	\$150,000	<b>\$100,000</b>	<b>\$350,000</b>	System Improvement, Future Growth	Depoe/Kunkel
SD-W-13	<b>UPPER SYSTEM PUMP STATION &amp; WATER MAIN EXTENSION</b> <i>(Prior Budget=\$50,000)</i>	\$50,000	<b>\$50,000</b>	<b>2,050,000</b>	System Improvement; Future Growth	Kunkel
SD-W-14	<b>WATER METER REPLACEMENT PROGRAM</b> <i>(Prior Budget=\$800,000)</i>	\$1,000,000	<b>\$1,050,000</b>	<b>\$5,150,000</b>	Revenue, Efficiency	Kunkel
SD-W-15	<b>CENTRAL LEHIGH SYSTEM SUPPLY IMPROVEMENTS</b> <i>(Prior Budget=\$100,000)</i>	\$180,000	<b>\$165,000</b>	<b>\$165,000</b>	System Improvement; Future Growth	Kunkel
SD-W-16	<b>BUSS ACRES WATER SYSTEM INTERCONNECTION</b> <i>(Prior Budget=\$50,000)</i>	\$270,000	<b>\$600,000</b>	<b>\$2,800,000</b>	Regulatory, System Improvement	Kunkel
SD-W-17	<b>APPLEWOOD PUMP STATION UPGRADE</b> <i>(Prior Budget=\$0)</i>	\$100,000	<b>\$400,000</b>	<b>\$930,000</b>	System Improvement; Efficiency; Future Growth	Kunkel





# Buss Acres Water System Interconnection

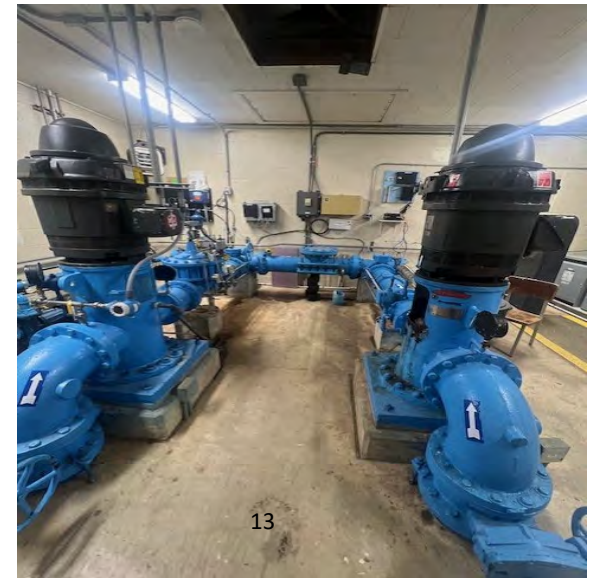


# Applewood Pump Station

**Pump Station with Res. 1 and generator**



**Pump Station interior**



# Suburban Division Water 2026-2030 Capital Plan

## NEW Projects

CP#	PROJECT	2025 Budget \$	2026 Draft Budget \$	2026-2030 \$	Major Drivers	Responsibility
SD-W-18	<b>SMALL SYSTEMS GENERATOR REPLACEMENT</b>	<b>\$0</b>	<b>\$50,000</b>	<b>\$900,000</b>	Resiliency; Improved Service	Siekmann
SD-W-19	<b>LEAK DETECTON PROGRAM</b>	<b>\$0</b>	<b>\$250,000</b>	<b>\$550,000</b>	System Improvement; Revenue	Operations
SD-W-20	<b>LEAD INVENTORY PROGRAM</b>	<b>\$0</b>	<b>\$50,000</b>	<b>\$200,000</b>	Regulatory	Keane- Dengel

## Suburban Water – Financial Analysis 2026-2030

SOURCES	
Cash from operations and reserves	\$23,900,000
New Borrowing	<u>\$14,100,000</u>
Total Sources	<u>\$38,000,000</u>
USES	
Capital project spending	<u>\$38,000,000</u>

- Cash from operations and reserves – \$23,900,000
  - Annual projects – \$11,455,000
  - Upper System Pump Station & Water Main Extension – \$2,050,000 (*potential developer reimbursement, not included in cash flow analysis*)
  - Water Meter Replacement Projects - \$4,100,000
  - Other projects – \$6,295,000,000
- Volume – 1.0% increase per year
- Rates – Years 1-5 – 3.0%
- Borrowing – \$14,100,000 (*assumes no grants received*)
  - Main replacement – \$8,600,000
  - North Whitehall System – \$2,400,000 (*grant application pending*)
  - Buss Acres Water Quality Upgrades – \$2,100,000 (*future grant application*)
  - Water Meter Replacement Program – \$1,000,000 (*grant application pending*)



# Suburban Water – Financial Analysis 2026-2030

CONDENSED CASH FLOW - SUBURBAN WATER					
US DOLLARS	2026	2027	2028	2029	2030
User Charges	19,406,541	20,188,625	21,002,227	21,848,617	22,729,116
Other Operating Revenues	289,811	289,811	289,811	289,811	289,811
Non-Operating Revenues	1,287,635	1,287,635	1,287,635	1,287,635	1,287,635
Operating expenses	(12,753,884)	(13,084,072)	(13,423,378)	(13,772,068)	(14,130,419)
Debt Service - Current Debt	(3,346,027)	(3,576,427)	(3,600,227)	(3,599,970)	(3,600,345)
Debt Service - NEW Debt	-	(434,038)	(651,057)	(775,068)	(874,277)
Investing Activity	-	-	-	-	-
Capital Funding From New Debt	-	7,000,000	3,500,000	2,000,000	1,600,000
Capex	(6,365,000)	(12,658,750)	(7,666,250)	(6,506,250)	(6,063,750)
<b>NET FUND FLOWS</b>	<b>(1,480,924)</b>	<b>(987,216)</b>	<b>738,761</b>	<b>772,707</b>	<b>1,237,771</b>
Plan Volume Increase %	1.00%	1.00%	1.00%	1.00%	1.00%
User Charge Rate Increase %	3.00%	3.00%	3.00%	3.00%	3.00%
Total User Charge Revenue Increase %	4.03%	4.03%	4.03%	4.03%	4.03%
Unrestricted Cash Balance	8,238,462	7,251,246	7,990,007	8,762,714	10,000,485
Unrestricted Investments	2,846,053	2,846,053	2,846,053	2,846,053	2,846,053
Total Unrestricted Balances	11,084,515	10,097,299	10,836,060	11,608,767	12,846,538
Days Cash on Hand	236	202	217	232	258
DEBT SERVICE COVERAGE RATIO	2.46	2.16	2.15	2.21	2.27



## Suburban Division Wastewater Projects



## Suburban Division Wastewater – 2025 and 5-Year Projects

### Annual Projects

CP#	Project	2025 Budget \$	2026 Draft Budget \$	2026-2030 \$	Major Drivers	Responsibility
SD-S-A	<b>ANNUAL PROJECTS</b> <i>(breakdown of projects to follow)</i>	\$835,000	<b>\$962,500</b>	<b>\$3,217,000</b>	Required rehab; Asset management; Efficiency	Volk; Operations

Suburban  
Division Annual  
Wastewater  
Projects  
Include:

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**Mobile Equipment**

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**Other Equipment**

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**General Sewer System Improvements**

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**Wastewater Facilities Asset Management Upgrades**

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**Sewer Company Acquisitions**

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**WLI Capital Management**

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**SCADA and Security Upgrades - Hardware & Software**

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**WLI Collection System & Service Connections**

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**LLRI Collection System & Service Connections**

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**Upper Milford Township Collection System & Service Connections**

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**Northern Lehigh Collection System & Service Connections**

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**Weisenberg Township Collection System & Service Connections**

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**Lynn Township Collection System & Service Connections**

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## Suburban Division Wastewater – 2026 and 5-Year Projects Western Lehigh Interceptor/Little Lehigh Relief Interceptor

CP#	Project	2025 Budget \$	2026 draft budget \$	2026-2030 \$	Major Drivers	Responsibility
SD-S-20	<b>CENTRAL LEHIGH WW CAPACITY PLANNING &amp; EXPANSION</b> <i>(prior budget = \$325,000)</i>	\$400,000	<b>\$100,000</b>	<b>\$500,000</b>	Future growth; Regulatory	DePoe
SD-S-21	<b>SPRING CREEK PUMP STATION UPGRADES</b> <i>(prior budget = \$700,000)</i>	\$1,000,000	<b>\$580,000</b>	<b>\$580,000</b>	Asset management	Kunkel
SD-S-22	<b>SIGNATORY I/I INVESTIGATION &amp; REMEDIATION</b> <i>(prior budget = \$1,000,000)</i>	\$500,000	<b>\$750,000</b>	<b>\$1,250,000</b>	Required rehab; Regulatory	DePoe

## Suburban Division Wastewater 2026 – 2030 Capital Plan Removed/Completed Projects

CP#	PROJECT	2025 Budget \$	Reason	Major Drivers	Responsibility
SD-S-21	<b>WESTERN LEHIGH INTERCEPTOR REHABILITATION &amp; REPAIRS</b>	\$50,000	Project consolidated	Regulatory	DePoe
SD-S-22	<b>SPRING CREEK FORCE MAIN CONDITION ASSESSMENT</b>	\$100,000	Study Completed	Asset management	Kunkel
SD-S-24	<b>SPRING CREEK FORCE MAIN TURNPIKE RELOCATION</b>	\$900,000	Relocation Completed	Asset management	Kunkel
SD-S-26	<b>UPPER WESTERN LEHIGH PUMP STATION AND FORCE MAIN PROJECT</b>	\$1,300,000	Construction to be Completed	Regulatory	Kunkel
SD-S-35	<b>HEIDELBERG HEIGHTS WASTEWATER TREATMENT PLANT REHABILITATION</b>	\$25,000	No major upgrades on horizon	Asset management	Volk
SD-S-40	<b>PARK PUMP STATION UPGRADE (PHASE 2 - Generator)</b>	\$800,000	Construction Completed	Asset management	Kunkel



## Park Pump Station Phase 2 Upgrade – Project Complete





# Lynn Township WWTP Improvements

## New Final Clarifier - Project Complete



## Suburban Division Wastewater – 2026 and 5-Year Projects

### Satellite Systems

CP#	Project	2025 Budget \$	2026 Draft Budget \$	2026-2030 Capital Plan \$	Major Drivers	Responsibility
SD-S-30	<b>WYNNEWOOD I&amp;I INVESTIGATION &amp; REMEDIATION</b> <i>(prior budget = \$125,000)</i>	\$150,000	<b>\$25,000</b>	<b>\$220,000</b>	Required rehab	Peters
SD-S-31	<b>WYNNEWOOD WASTEWATER TREATMENT PLANT EXPANSION</b> <i>(prior budget = \$0)</i>	\$50,000	<b>\$100,000</b>	<b>\$225,000</b>	Future Growth	Volk
SD-S-32	<b>ARCADIA WEST MECHANICAL SCREEN</b> <i>(prior budget = \$75,000)</i>	\$220,000	<b>170,000</b>	<b>\$180,000</b>	System improvement	Siekman
SD-S-33	<b>NORTH WHITEHALL TOWNSHIP ACT 537 PLAN UPDATE</b> <i>(prior budget = \$70,000)</i>	\$70,000	<b>\$50,000</b>	<b>\$70,000</b>	Regulatory; Future Growth	DePoe
SD-S-34	<b>HEIDELBERG HEIGHTS I&amp;I INVESTIGATION &amp; REMEDIATION</b> <i>(prior budget = \$160,000)</i>	\$300,000	<b>\$400,000</b>	<b>\$490,000</b>	Regulatory	Volk
SD-S-35	<b>SAND SPRING WWTP IMPROVEMENTS</b> <i>(prior budget = \$100,000)</i>	\$100,000	<b>\$30,000</b>	<b>\$120,000</b>	Regulatory	Volk
SD-S-36	<b>LYNN TOWNSHIP WWTP IMPROVEMENTS</b> <i>(prior budget = \$500,000)</i>	\$900,000	<b>\$100,000</b>	<b>\$950,000</b>	Asset Management	Volk
SD-S-37	<b>LYNN TOWNSHIP I&amp;I INVESTIGATION &amp; REMEDIATION</b> <i>(prior budget = \$50,000)</i>	\$25,000	<b>\$25,000</b>	<b>\$300,000</b>	Regulatory	Peters



# Arcadia WWTP Mechanical Screen

**Arcadia WWTP, Weisenberg Township**



**Compact screw type screen for pumped raw wastewater**



# Wynnewood WWTP Expansion

## (Access Rising Sun development)





# Suburban Division Wastewater

## Pretreatment Plant Projects 2026-2030

Cap Plan#	Project	2025 Budget \$	2026 Draft Budget \$	2026-2030 \$	Major Drivers	Responsibility
SD-S-10	<b>PRETREATMENT PLANT ANNUAL IMPROVEMENTS</b> <i>(Prior Budget=\$1,000,000)</i>	\$600,000	<b>\$600,000</b>	<b>\$2,400,000</b>	Required rehab; Asset management; System Improvement	Volk
SD-S-11	<b>PRETREATMENT PLANT CRITICAL UPGRADES</b> <i>(Prior Budget=\$0)</i>	\$4,000,000	<b>\$2,500,000</b>	<b>\$2,500,000</b>	Required rehab; Asset Management	Volk
SD-S-12	<b>PRETREATMENT PLANT LONG TERM UPGRADE/REPLACEMENT</b> <i>(Prior Budget=\$0)</i>	\$1,000,000	<b>\$300,000</b>	<b>\$20,800,000</b>	Required Rehab; Asset Management	Volk

# Pretreatment Plant Improvements – Critical Plant Upgrades

## Final Clarifier Rehabilitation

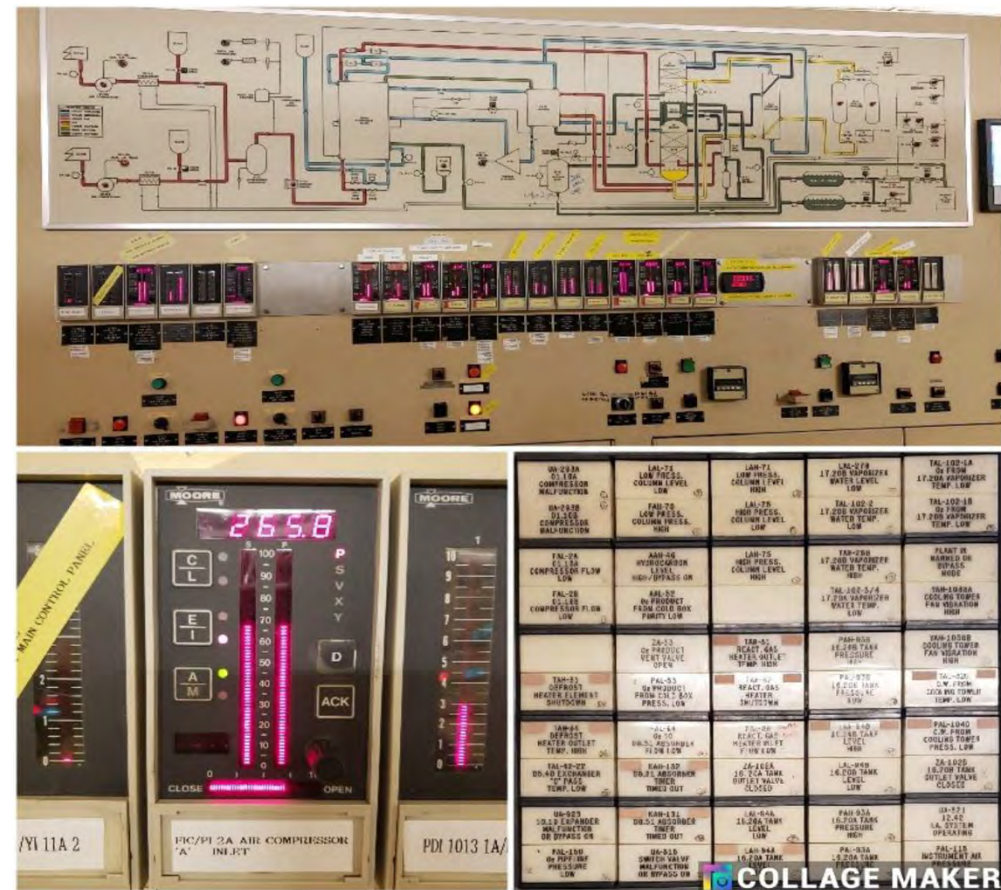
**Final Clarifier #2**



**Final Clarifier #1**







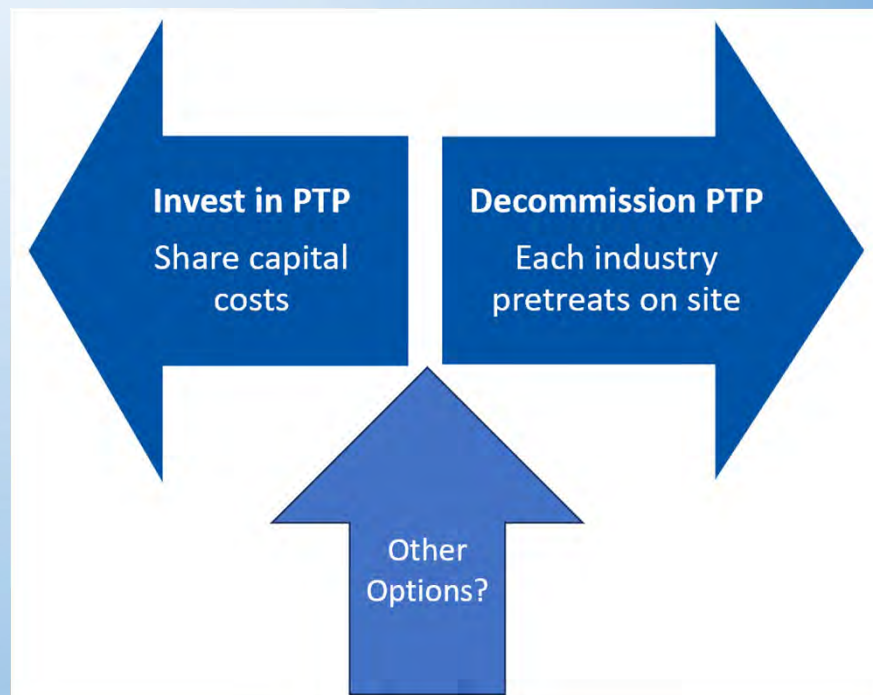


# Pretreatment Plant Replacement and Upgrades



## Customized Industry Approach:

- Boston Beer
- Ocean Spray
- Keurig Dr Pepper
- SunOpta
- Coca-Cola
- Waste Haulers



# Suburban Division Wastewater

## New Project 2026-2030

Cap Plan#	Project	2025 Budget \$	2026 Draft Budget \$	2026-2030 \$	Major Drivers	Responsibility
SD-S-28	<b>SMALL SYSTEMS GENERATOR REPLACEMENT</b>	\$0	<b>\$50,000</b>	<b>\$350,000</b>	System Improvement, Resiliency	Siekmann

## Suburban Wastewater – Financial Analysis 2026-2030

SOURCES	
Cash from operations and reserves	\$11,652,000
New borrowing	<u>\$22,500,000</u>
Total sources	<u>\$34,152,000</u>
USES	
Capital project spending	<u>\$34,152,000</u>

- Cash from Operations – \$11,652,000
  - Annual projects – \$3,217,000
  - PTP – \$3,200,000
  - WLI – \$2,330,000
  - Satellite Systems – \$2,905,000

- Borrowing – \$22,500,000
  - PTP – \$22,500,000


 Contingent on industry decision-making & financing commitments



## Suburban Wastewater – Financial Analysis 2026-2030

<b>CONDENSED CASH FLOW - SUBURBAN WASTEWATER</b>					
<b>Dollars</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
User Charges	20,386,997	19,204,464	18,590,672	18,945,058	19,886,065
Other Operating Revenues	410,203	414,924	419,611	424,253	429,039
Non-Operating Revenues	1,733,496	1,733,496	1,733,496	1,733,496	1,733,496
Operating expenses	(16,472,197)	(16,977,781)	(15,462,397)	(15,873,420)	(16,295,575)
Debt Service - Current Debt	(2,176,924)	(2,176,924)	(2,176,924)	(2,176,924)	(2,176,924)
Debt Service - NEW Debt	(155,014)	(465,041)	(465,041)	(775,068)	(1,395,123)
Investments Converting to Cash	-	-	-	-	-
Proceeds From NEW Debt	2,500,000	5,000,000	-	5,000,000	10,000,000
Capex	(7,072,500)	(7,626,250)	(2,783,250)	(6,473,750)	(11,456,250)
<b>NET FUND FLOWS</b>	<b>(845,939)</b>	<b>(893,113)</b>	<b>(143,833)</b>	<b>803,645</b>	<b>724,728</b>
User Charge Revenue Increase %	2.5%	-5.8%	-3.2%	1.9%	5.0%
Unrestricted Cash Balance	10,154,343	9,261,230	9,117,397	9,921,042	10,645,771
Unrestricted Investments	7,278,350	7,278,350	7,278,350	7,278,350	7,278,350
Total Unrestricted Balances	17,432,693	16,539,580	16,395,747	17,199,392	17,924,121
Unrestricted Cash - Days on Hand	225	199	215	228	238
DEBT SERVICE COVERAGE RATIO	2.60	1.66	2.00	1.77	1.61

***NOTE:*** This cash flow projection does not include an analysis of actual rate impacts. The revenue calculations shown were developed based on recovery of planned costs. Potential changes in the customer base and operational approach for the Industrial Pretreatment Plant will impact revenues and expenses. Potential changes in signatory agreements will impact also rate calculations.

## 2026-2030 Suburban Div. Capital Plan: RECAP OF DRAFT PLAN

- Capital investments decrease by \$34.4 million from prior plan
- Decreases driven by revision of PTP replacement/upgrade strategy; significant unknown factors related to industry decision & commitments
- LCA financial performance maintained with new borrowing
- Modest rate impacts shown, but excludes pass-through from Allentown Division projects – rate refined in annual budget process
- Look for future capital plans to increase as regional Act 537 Plan projects are finalized, with greater impact in future plans

# 2026-2030 Capital Plan Review Process

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# Discussion

Questions?