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Agendas & Minutes Posted:
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LEHIGH COUNTY AUTHORITY

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BOARD MEETING AGENDA – October 13, 2025 – 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 the 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 22, 2025 Board Meeting minutes*

4. Committee Reports

- *None*

5. Public Comments

6. Action / Discussion Items:

FINANCE AND ADMINISTRATION

- *2026 Budget: Final Review (Discussion) (white) (digital Board packet, pages 7-121)*
- *Western Lehigh Interceptor (WLI) – User Charge Report (Approval) (yellow) (digital Board packet, pages 122-155)*

WATER

WASTEWATER

- *Allentown Division – Sanitary Sewer Collection System: I&I Source Reduction Program (LCA Year 2) (green) (Approval) (digital Board packet, pages 156-173)*
- *Allentown Division – Kline's Island WWTP - Building Renovations (Approval) (blue) (digital Board packet, pages 174-176)*

7. Monthly Project Updates / Information Items (1st Board meeting per month) (digital Board packet, pages 177-184) - **October 2025 report attached**
8. Monthly Financial Review (2nd Board meeting per month)
9. Monthly System Operations Overview (2nd Board meeting per month)
10. Staff Comments
11. Solicitor's Comments
12. Public Comments / Other Comments
13. Board Member Comments
14. Executive Sessions
15. Adjournment

UPCOMING BOARD MEETINGS		
October 27, 2025	November 10, 2025	November 24, 2025

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 22, 2025

The Regular Meeting of the Lehigh County Authority Board of Directors was called to order at 12:00 p.m. on Monday, September 22, 2025, Chairman Amir Famili 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. Amir Famili, Jeff Morgan, Sean Ziller, and Peter Dent were present for Roll Call and remained for the duration of the meeting. Kevin Baker entered the meeting at 12:03 p.m. 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, Susan Sampson, and Lisa Miller.

Chairman Famili 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.

REVIEW OF AGENDA

Liesel Gross stated there are no changes to the published agenda and no Executive Session is planned.

APPROVAL OF MINUTES

September 8, 2025 Meeting Minutes

On a motion by Jeff Morgan, seconded by Sean Ziller, the Board approved the minutes from the September 8, 2025 meeting as presented (5-0).

PUBLIC COMMENTS

None.

LCA Pension Plan – Mandatory Municipal Obligation

Ed Klein presented the 2026 Minimum Municipal Obligation (MMO) memorandum and worksheet for the Authority's pension plan, which is required to be provided to the Board annually. No action is required.

2026 Preliminary Budget Review

Liesel Gross noted that today's presentation would provide a more detailed review of the preliminary 2026 Budget figures. A rate overview will be provided at the next Board meeting in October. Board approval of the 2026 Budget is scheduled for the October 27 Board meeting, with rates being adopted in November.

Ms. Gross provided a summary of the budget assumptions for the operating and capital budgets. She provided an overview and summary of the new staffing levels recommended for 2026 and other major cost drivers associated with the Authority's strategic initiatives. The 2026 Budget for personnel costs is \$24.8 million which is a 7.7 percent increase from the 2025 forecast. Factors affecting the increase are the timing of the new hires, an estimated 10 percent benefit cost increase, and wage increases. A summary of other budget assumptions was reviewed.

Ed Klein reviewed the key factors for the Suburban Water Budget noting that operating expenses will increase 7.3 percent from the 2025 forecast. The capital budget of \$6.3 million will be covered using current rates and reserves. No borrowing will be required. A 4 percent revenue increase will be needed to attain desired financial performance metrics for debt service coverage and cash on hand.

The Suburban Wastewater Budget operating expenses will increase 7.2 percent from the 2025 forecast. The capital budget of \$6.9 million will come from current rates and cash reserves with no new borrowing and no new debt service. Signatory rates are under review and will be impacted by capital expenses and pass-through costs from the City Division. A 5 percent rate increase for the Authority's common rate collector systems is planned, which is the first increase since 2013, but likely required annually to support improved cash flows for these small systems. He noted that the approach to eliminate borrowing for 2026 will result in a significant depletion of cash reserves, so that the metric related to days cash on hand will not be met. Liesel Gross explained that this conservative approach is recommended due to the uncertainties regarding future revenues particularly for the Industrial Pretreatment Plant.

The City Division operating expenses will increase 6.3 percent from the 2025 forecast. The capital budget of \$50.4 million will be funded by \$5.7 million in borrowed funds, \$6.6 million in grants, and the remainder from current rates and reserves. Cash flow will be negative due to using up previous funds from borrowing.

Mr. Klein provided a preliminary summary of the 2026 Budget including net income, cash flows, debt service, and capital spending.

Liesel Gross provided a look ahead for the 2026 Budget process which includes a refinement of the budget numbers and an overview of the rates for 2026. Also at the next meeting, there will be another review of the Capital Plan along with any comments that may have been received.

Kevin Baker asked how the recommendations are determined regarding the use of reserves versus borrowing for capital improvements. Ed Klein explained how he calculates the financial metrics and balances the amount of cash on hand in relation to capital needs prior to determining if a new borrowing is required.

Suburban Division – Industrial Pretreatment Plant Master Plan

Jim McQuarrie from AECOM was present to provide an overview and presentation of the study conducted by AECOM that evaluated the options for the next life cycle of the Industrial Pretreatment Plant (PTP). The most critical needs were identified, and projects were developed to address the critical process renovations needed to bridge the reliability of the plant until 2032 at which time significant refurbishment of the plant would occur.

Mr. McQuarrie reviewed various flow and loading scenarios including presentation of process diagrams depicting these scenarios. The evaluation focused on a transition from the current PTP operation to a future state in which Boston Beer and Ocean Spray are pretreating their high-strength waste independently. These industrial flows, along with a portion of Upper Macungie Township's flows, would be re-routed to bypass the PTP, and the facility modified to manage reduced flows and loadings generated by the remaining industrial users and a portion of the Upper Macungie Township flows. The analysis included a review of resulting downstream loadings being discharged to the City of Allentown at Keck's Bridge.

Mr. McQuarrie provided a detailed overview of the sequencing timeline and outlining critical improvements. The initial phase of projects would occur while the Boston Beer on-site treatment project is under construction. Following an acceptable "proving period" to ensure the Boston Beer

treatment system is effective, a second phase of projects would be completed at the PTP to transition to a new operational approach to address the decrease in flows and loads. A breakdown of the construction costs of each scenario was provided, noting the recommended alternative is estimated to cost \$48.1 million in 2025 dollars. The study also reviewed the Hauled Waste Program and showed that there is room to increase the rates and still be competitive.

Mr. McQuarrie reviewed the benefits of the recommended approach, including the availability of capacity for future economic growth, continued removal of fats, oils, and grease from the Western Lehigh Interceptor, and continued operation of the PTP's flow equalization basin to support wet-weather operations.

Mr. Capuzzi reviewed the next steps and critical discussions that must be conducted with the industries in order to move the decision on this project forward. There was some Board discussion regarding cost recovery and participation in the project by the industries and municipalities. Amir Famili commented that the PTP must be self-sustaining and the Authority needs to have commitments from the industrial customers prior to spending the money to upgrade the plant.

Suburban Division – Pretreatment Plant Critical Upgrades

AJ Capuzzi provided an overview of the amendment request to provide additional construction phase services for the Pretreatment Plant Critical Upgrades project. The additional work involves additional inspection services and planning assistance during construction to make sure the plant maintains its required operational performance during the period of time when the clarifiers are taken offline.

On a motion by Jeff Morgan, seconded by Sean Ziller, the Board approved the Professional Services Authorization Amendment: PTP Final Clarifier Rehabilitation Construction Phase Inspection Services to AECOM in the amount of \$147,900.00 (5-0).

Sewer Operations Agreement – Lower Macungie Township Sewer Pump Station & Force Main

Liesel Gross provided an overview of the Sewer Operations Agreement with Lower Macungie Township for the operation of a pump station that is within the Authority's service area. The agreement is similar to an agreement executed with Upper Macungie Township earlier in 2025 for similar services. There was some additional discussion about Authority staffing and the availability of licensed operators.

On a motion by Sean Ziller, seconded by Peter Dent, the Board approved the agreement, including authorizing the Chief Executive Officer to sign the agreement pending final review by the Solicitor (5-0).

MONTHLY FINANCIAL REVIEW

The August 2025 Financial Statements will be provided to the Board separately.

MONTHLY SYSTEM OPERATIONS OVERVIEW

Andrew Moore reviewed the August 2025 report, noting there was one recordable injury accident where an employee injured their finger following an incomplete lock-out procedure on a piece of equipment. Amir Famili asked if the lock-out tag-out procedure was reviewed and action taken to prevent this from happening in the future. Mr. Moore said the Safety Manager is reviewing the incident, so this doesn't happen in the future. He then reviewed other system operational data in the report noting that the water level of the Lehigh River is extremely low. He noted that the Authority's

response to the notice of violation received from the City of Allentown in July is included in this report. There were no boil water advisories, bypasses, or permit exceedances in August.

STAFF COMMENTS

None.

SOLICITOR'S COMMENTS

None.

PUBLIC COMMENTS / OTHER COMMENTS

None.

BOARD MEMBER COMMENTS

None.

EXECUTIVE SESSION

None.

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 1:23 p.m.

Liesel M. Gross
Chief Executive Officer



LEHIGH COUNTY AUTHORITY

2026 BUDGET

DRAFT

October 13, 2026

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Executive Summary

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**LEHIGH COUNTY AUTHORITY
2026 BUDGET
SUMMARY**

Budget Overview	Sub. Water	Sub. Wastewater	City Division	Total
Operating, Non-Operating & Other Revenue	21,727,873	22,718,896	75,431,077	119,877,846
Operating Expenses (net of depreciation)	13,843,538	18,014,274	28,628,713	60,486,525
Net Revenues Available for Debt Service	7,884,335	4,704,622	46,802,364	59,391,321
Debt Service	3,346,027	2,176,924	18,079,392	23,602,343
Debt Service Coverage Ratio (indenture based)	2.36	2.16	2.19	2.12

Capital Budget Overview	Sub. Water	Sub. Wastewater	City Division	Total
Capital Expenses	6,390,000	7,097,500	50,692,000	64,179,500
Funding from 2026 Revenue & Operating Reserves	6,390,000	1,197,500	29,685,037	37,272,537
Funding from Existing Project Reserves	-	5,900,000	15,346,033	21,246,033
Funding from New Borrowing	-	-	5,660,930	5,660,930
Year-End Project Reserve Balance	319,718	55,385	5,338,430	5,713,533

Total Cash Flow	Sub. Water	Sub. Wastewater	City Division	Total
Beginning Operations Cash Balance (2025 forecast)	8,883,860	873,315	25,252,605	35,009,780
2026 Surplus	4,538,308	2,527,698	28,722,972	35,788,978
Provided From (To) Capital	(6,390,000)	(1,197,500)	(29,685,037)	(37,272,537)
Ending Operations Cash Balance	7,032,168	2,203,513	24,290,540	33,526,221
Operating Days Cash on Hand	185	45	310	213
Project Reserve Balance	319,718	55,385	5,338,430	5,713,533
Other Reserves & Investments (includes restricted)	4,765,072	7,634,351	88,285,872	100,685,295
Ending Total Fund Balance - 2026 Budget	12,116,958	9,893,249	117,914,842	139,925,049
Ending Total Fund Balance - 2025 Forecast	13,968,650	14,463,051	134,222,939	162,654,640

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Operating Activities

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Lehigh County Authority

2026 Budget

Operating Budgets Overview

The funds of Lehigh County Authority (“the Authority” or “LCA”) are grouped in the financial statements as Enterprise funds, which are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement like the private sector, in addition to cash flows used more traditionally by the public utility sector. The following enterprise funds are reported as major funds:

- A. Suburban Water Division** – Used to account for the operations of the Suburban Water system’s supply, storage, pumping and treatment facilities and distribution system. The Suburban Water system is a public utility service, which is intended to be maintained on a self-supporting basis.
- B. Suburban Wastewater Division** – Used to account for the operations of the Suburban Wastewater system’s interceptors, collector systems, pump stations, and treatment facilities. The suburban wastewater system is a public utility service, which intends to be maintained on a self-supporting basis.
- C. City Division** – Used to account for the operations of the City of Allentown water and sewer system. The City Division fund is a public utility service, which intends to be maintained on a self-supporting basis. This fund was added in 2013 because of the Authority entering into a 50-year Concession Lease Agreement with the City.

A. Suburban Water Division

The Authority currently owns and operates water systems in 12 municipalities in Lehigh County and one system in Northampton County. Each system is designated as a division within the Authority’s regulatory reporting structure. The Authority is funding all expenses in most of the divisions through a common rate. By municipal agreement, there are 35 customers within the Washington Township Division that are not part of the common rate structure.

Responsibilities for water service include monitoring water quality, operating and maintaining the various supply sources, reservoirs, transmission and distribution pipe networks and customer metering, billing, and response to other related customer service needs.

Each division must comply with all Federal and Pennsylvania Safe Drinking Water Act requirements. Depending on the source (groundwater or purchased surface water), differing analyses are required for water quality monitoring.

Major Budget activities continue to place an emphasis on providing customers with outstanding service. Maintenance programs intended to prolong the useful life of existing facilities, including preventive maintenance, leakage monitoring and repairs, exercising of system valves and fire hydrants, and station improvements and repairs, are on-going.

B. Suburban Wastewater Division

The Authority is responsible for providing a variety of wastewater services. Current operation and maintenance responsibilities include: the Western Lehigh Interceptor (WLI), Little Lehigh Relief Interceptor (LLRI), the LCA Industrial Pretreatment Plant (PTP), collection and treatment in Heidelberg Township, North Whitehall Township, Weisenberg Township and Lynn Township and collector systems within Lowhill Township, Upper Milford Township, Weisenberg Township and Washington Township.

Lehigh County Authority 2026 Budget Operating Budgets Overview

Western Lehigh Interceptor System:

This budget addresses transportation and treatment services provided to various municipalities and assumes an average daily flow of 8 million gallons per day (MGD) not including Emmaus, and 8.5 million gallons per day (MGD) including Emmaus, from the communities served including the Boroughs of Alburtis and Macungie, and the Townships of Lower Macungie, Upper Macungie, Upper Milford, Weisenberg, Lowhill and the LCA Pretreatment Plant (the “Municipalities”). The Municipalities are billed based upon wastewater strength, flow, and reserved capacity. The budget (including the LLRI, described below) includes an estimated 6.2 percent rate increase for the typical residential customer. In addition, the Borough of Emmaus discharges a portion of its flow through the WLI and is billed in accordance with a service agreement. All flows are transported to the City of Allentown for treatment and discharge, with treatment costs allocated to the Municipalities based on the terms of long-standing intermunicipal agreements.

Personnel time is included for the operation and maintenance of the gravity interceptors and the Spring Creek Pump Station (SCPS) and force main. The budget anticipates that the SCPS will operate daily to meet the demand of volume as well as in response to wet weather events according to current wet weather operating protocols.

As part of a comprehensive Infiltration and Inflow (I&I) removal program, flow monitoring of the Authority and Signatory collector system connections has been completed on an ongoing basis over many years, beginning in 2007. The results of the flow monitoring are used to plan I&I removal programs conducted by all Municipalities to lower wet-weather flows and ensure future capacity is available for new system users. In 2020, the Authority and Municipalities developed an Interim Act 537 Plan to address the capacity requirements for the period of 2021 to 2025. A long-term regional Act 537 Plan is on schedule for submission to the Pa. Department of Environmental Protection (DEP) by October 2025. The 2026 Budget includes implementation of initial project planning and construction activities outlined in the long-term plan while the Municipalities await feedback from DEP on the acceptability of the plan.

Sampling and analysis for billing purposes of the LCA Pretreatment Plant and municipal industrial/commercial users, and flow entering the City of Allentown system and that from Emmaus are included.

Little Lehigh Relief Interceptor (LLRI) System:

Phase 1

This system phase, including the Park Pump Station (PPS) and Force Main, serves the Municipalities and the Townships of Salisbury and South Whitehall. The PPS, which has been in service since 1983, provides 20 MGD of relief pumping capacity to bypass a critical portion of the City of Allentown’s interceptor system. From 2021 through 2025, a series of upgrades were completed at the PPS to extend the useful life of this critical facility and ensure continuity of service in the event of power interruptions.

Phase 2

This system phase includes the gravity relief line from Keck’s Bridge to the PPS and serves the Municipalities and the Borough of Emmaus and Salisbury Township. The 2026 Budget anticipates the continuation of increased maintenance costs for cleaning, flow monitoring and odor control.

LCA Industrial Pretreatment Plant (PTP):

LCA took over the operation in May 2006 and ownership in October 2009 of this 5.75 MGD facility built by the County of Lehigh in 1990. Currently the facility provides pretreatment of high strength waste, predominantly generated by food and beverage industrial customers, along with domestic-strength waste generated by upstream commercial and residential properties located in Lowhill, Weisenberg and Upper

Lehigh County Authority

2026 Budget

Operating Budgets Overview

Macungie Townships. The PTP also treats hauled waste, which is a significant revenue source for this plant. The plant is operated through a professional services contract with Jacobs. A 10-year operations contract was negotiated in 2017 with Jacobs to provide savings in the operational costs.

Boston Beer Company (BBC) started brewing operations at the former Pabst Brewery in April 2008. The brewery waste has become a very significant source of both waste and income for the PTP. BBC is the plant's largest customer and continues to increase production annually.

For the past two years, LCA, the Municipalities, and industrial customers have spent considerable time and resources to evaluate options for the next life cycle of the PTP, which is nearing the end of its useful life. As a result of these discussions, BBC has initiated design of a new pretreatment plant to be located on private property to serve BBC's pretreatment needs independently. In 2026, discussions with the remaining industrial customers will continue and a decision made regarding future upgrades that are required if the PTP operation is expected to continue into the future.

Western Weisenberg System:

The Authority owns and operates a 40,000 GPD wastewater treatment plant at the Arcadia West Industrial Park (AWIP). The new plant serves the AWIP and other properties in the New Smithville area of Weisenberg Township. Currently there are 18 commercial customers and 1 institutional customer in this system.

Washington Township System:

LCA provides operating and preventive maintenance services for this system that currently serves 593 residential and commercial customers in the villages of Slatedale and Emerald and surrounding areas in Washington Township. Approximately 130,000 GPD of wastewater is conveyed to and treated at the Borough of Slatington's wastewater treatment plant. Ownership of the system remains with Washington Township.

Common Rate Collector System:

Upper Milford Township

As the wastewater service agency for Upper Milford Township, LCA currently provides all wastewater-related services for the 1,196 residential and 47 commercial customers in the township. The Upper Milford system is connected to the Western Lehigh Interceptor, as described above. Except for significant matters requiring intermunicipal negotiations or consultations, LCA provides general representation for the township on wastewater issues.

Weisenberg Township

As the wastewater service agency for Weisenberg Township, LCA currently provides all wastewater-related services to 146 residential and 3 commercial customers in the Pointe West subdivision and surrounding areas. The Weisenberg system is connected to the Western Lehigh Interceptor, as described above. Except for significant matters requiring intermunicipal negotiations or consultations, LCA provides general representation for the township on wastewater issues.

Lowhill Township

As the wastewater service agency for Lowhill Township, LCA currently provides all wastewater-related services to 43 residential customers in the township. The Lowhill Township system is connected to the Western Lehigh Interceptor, as described above. Except for significant matters requiring intermunicipal negotiations or consultations, LCA provides general representation for the township on wastewater issues.

Lehigh County Authority
2026 Budget
Operating Budgets Overview

Heidelberg Heights

This system, serving 145 customers in Heidelberg Township was purchased by LCA in September 1998. The system includes approximately 6,500 linear feet of collector sewers and a 60,000 gallon per day (GPD) Sequencing Batch Reactor (SBR) activated sludge wastewater treatment plant, which was placed in operation in 2000. The budget includes maintenance activities related to the collection system, emphasizing identification and removal of extraneous flow into the system. The Authority operates the system using LCA personnel and outside operators.

Wynnewood Terrace

The budget includes the operation and maintenance of the Wynnewood Terrace wastewater system in North Whitehall Township. The Authority acquired the system in 2003. The system includes a new 60,000 GPD SBR activated sludge wastewater treatment plant constructed in 2020, three pump stations and collection system currently serving 217 residential and 2 commercial customers. The budget includes maintenance activities related to the collection system, emphasizing identification and removal of extraneous flow into the system. The Authority operates the system using LCA personnel and outside operators.

Sand Spring

The budget includes the operation and maintenance of the Sand Spring wastewater system in North Whitehall Township, which was acquired in 2004. The system includes a new 35,000 GPD SBR activated sludge wastewater treatment plant constructed in 2021 and collection system currently serving 248 residential apartment units and 11 commercial customers. The Authority operates the system using LCA personnel and outside operators.

Lynn Township

The budget includes the operation and maintenance of the Lynn Township wastewater system in Lynn Township. The system includes an 80,000 GPD cast in place extended air wastewater treatment plant and collection system currently serving 414 residential properties, 21 commercial customers, and the Northwestern Lehigh School District educational complex.

C. City Division

The Authority is responsible for operations, maintenance, capital improvements, regulatory compliance, customer service and other services for the City of Allentown water and wastewater systems, under the terms of a 50-year concession lease agreement signed in 2013.

Allentown Water System:

The water system consists of a 30 MGD water treatment plant, (2) water intake structures, (10) storage tanks and reservoirs and (5) pump stations. There are two Water System budgets – Water Filtration Plant budget and Water Distribution System budget. Separate budgets are presented for each division to track and maintain expenses.

Responsibilities for services include monitoring water quality, operating and maintaining the supply sources for the treatment facility, reservoirs, tanks, transmission and distribution pipe networks, customer metering, billing, and response to customer service needs.

The consumer base is located throughout the City of Allentown. Water is also provided to surrounding municipalities using system interconnections. Sources of supply include two groundwater sources (Schantz Spring and Crystal Spring) and two surface water sources (the Little Lehigh Creek and the Lehigh River). Customer growth in the Allentown Division is expected to be minimal.

Lehigh County Authority 2026 Budget Operating Budgets Overview

Major budget activities place an emphasis on providing consumers with outstanding quality water and service. A preventive maintenance program continues to prolong the useful life of existing facilities and equipment. Programs for valve exercising, leak detection, fire hydrant repair/replacement will continue throughout LCA's operation of the leased water system.

Maintenance programs for the treatment plant processes such as filter evaluations, plant equipment repair/replacement will continue to meet the stringent regulations mandated by federal and state regulations for Safe Drinking Water. Continued membership with the Partnership for Safe Water Program provides important additional monitoring of the overall performance of the system and water quality. Significant water system activities include:

- Cost effective use of all four water sources
- Optimization of the treatment process through the Partnership for Safe Water
- Preventative maintenance programs
- Aggressive leak detection program
- Use/Upgrade of the automated monitoring systems to allow for more cost-effective operations
- Long term service contracts for reservoir/tank maintenance program
- Facility master planning completed at five-year intervals to ensure proper planning for replacement of aging equipment and treatment systems

Allentown Wastewater System:

LCA's operation and maintenance responsibilities for the wastewater system include the operation of the Kline's Island Wastewater Treatment Plant and the portion of the collection system that resides in the geographic boundaries of the City of Allentown. There are two Wastewater System budgets – the Wastewater Treatment Plant budget and Sewer Collection System budget. Separate budgets are presented to track and maintain expenses for improved cost control as well as to implement cost-sharing rates with the 14 municipalities that utilize the system outside the City of Allentown. Rate setting for the municipalities is established via service contracts that specify how operating, maintenance and capital costs are distributed.

The 2026 Budget was developed to provide compliance with applicable regulatory requirements utilizing recognized operational, maintenance and industrial pretreatment procedures to effectively convey and process the wastewater generated in the service area of the treatment facility. Compliance with federal, state and local regulations will be an on-going and essential focus for the wastewater staff of the City Division.

The Authority worked with the City of Allentown and the 14 other municipalities served by the system to develop an Interim Act 537 Plan in 2020 to address the capacity requirements for the period of 2021 to 2025. A long-term regional Act 537 Plan is on schedule for submission to DEP by October 2025. The 2026 Budget includes implementation of initial project planning and construction activities outlined in the long-term plan while the municipalities await feedback from DEP on the acceptability of the plan.

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Consolidated Statements

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LEHIGH COUNTY AUTHORITY
PRELIMINARY BUDGET RESULTS
2026 Budget (as of 09-18-25)

	Budget 2026	Forecast 2025	Budget 2025	Actual 2024
NET INCOME				
Suburban Water	2,347,736	3,020,352	3,109,821	2,825,050
Suburban Wastewater	(2,614,647)	(1,990,358)	(1,990,849)	(421,780)
City Division	15,540,642	26,607,421	23,008,783	11,588,644
Total LCA	<u>15,273,731</u>	<u>27,637,415</u>	<u>24,127,755</u>	<u>13,991,914</u>
CASH FLOWS				
Suburban Water	(1,851,692)	(433,351)	(400,000)	825,887
Suburban Wastewater	(4,569,801)	467,092	4,227,607	(4,278,062)
City Division	(16,308,098)	(11,866,582)	(15,865,171)	59,062,913
Total LCA	<u>(22,729,591)</u>	<u>(11,832,841)</u>	<u>(12,037,564)</u>	<u>55,610,737</u>
DEBT SERVICE COVERAGE RATIO				
Suburban Water	2.36	2.25	2.26	2.21
Suburban Wastewater	2.16	2.47	2.43	2.08
City Division	2.19	2.29	2.03	2.29
CAPITAL SPENDING				
Suburban Water	6,390,000	4,774,500	4,774,500	6,085,513
Suburban Wastewater	7,097,500	13,738,000	13,738,000	9,694,215
City Division	50,692,000	50,580,000	50,930,000	18,735,537
Total LCA	<u>64,179,500</u>	<u>69,092,500</u>	<u>69,442,500</u>	<u>34,515,266</u>

LEHIGH COUNTY AUTHORITY
STATEMENTS OF NET POSITION
2026 Budget (as of 09-18-25)

	Suburban Water			
	Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Current Assets:				
Cash and Cash Equivalents	7,351,885	9,203,578	11,249,641	9,636,929
Certificates of Deposit	2,846,053	2,846,053	3,023,130	2,846,053
Accounts Receivable:				
Customers (Net of Allowance)	2,943,200	3,109,653	3,094,686	3,109,653
Financing Contracts	-	-	-	-
Others	345,738	345,738	331,090	345,738
Due from (to) Other Funds	1,089,025	1,089,025	1,624,525	1,089,025
Inventory	267,168	267,168	235,869	267,168
Accrued Interest Receivable	14,888	14,888	14,832	14,888
Prepaid Expenses	246,982	246,982	174,787	246,982
Total Current Assets	15,104,940	17,123,085	19,748,560	17,556,436
Noncurrent Assets:				
Restricted:				
Restricted Cash and Cash Equivalents	-	-	-	-
Restricted for Debt Service	1,658,337	1,658,337	1,907,712	1,658,337
Restricted Certificates of Deposit	-	-	-	-
Investment U.S. Treasury Obligations	-	-	-	-
Developer Escrow Deposit	260,682	260,682	218,888	260,682
Total Restricted Assets	1,919,019	1,919,019	2,126,600	1,919,019
Capital Assets				
Non-depreciable Assets:				
Land	3,734,965	3,734,965	3,734,165	3,734,965
Construction in Progress	18,042,681	11,652,681	13,314,694	6,878,181
Total Capital Assets Not Being Depreciated	21,777,646	15,387,646	17,048,859	10,613,146
Depreciable Assets:				
Wells & Reservoirs	14,058,131	14,058,131	13,439,605	14,058,131
Transmission & Distribution Mains	94,785,760	94,785,760	94,381,777	94,785,760
Services & Hydrants	20,462,771	20,462,771	20,407,091	20,462,771
Interceptor & Collector Systems	-	-	-	-
Building Structure & Appurtenances	31,155,410	31,155,410	30,709,483	31,155,410
Metering System	15,185,882	15,185,882	14,644,182	15,185,882
Equipment and Furnishings	15,326,757	15,326,757	12,589,429	15,326,757
Right-To-Use Leased Assets	648,831	648,831	628,442	648,831
Capacity	1,207,901	1,207,901	1,207,901	1,207,901
Total Capital Assets Being Depreciated	192,831,444	192,831,444	188,007,910	192,831,444
Less accumulated depreciation				
Wells & Reservoirs	(4,418,606)	(4,418,606)	(4,165,881)	(4,418,606)
Transmission & Distribution Mains	(18,154,658)	(18,154,658)	(17,208,857)	(18,154,658)
Services & Hydrants	(6,113,719)	(6,113,719)	(5,780,664)	(6,113,719)
Interceptor & Collector Systems	-	-	-	-
Building Structure & Appurtenances	(13,134,510)	(13,134,510)	(12,696,420)	(13,134,510)
Metering System	(8,170,295)	(8,170,295)	(7,555,313)	(8,170,295)
Equipment and Furnishings	(16,471,978)	(12,296,971)	(14,848,505)	(8,698,962)
Right-To-Use Leased Assets - Amortization	(260,173)	(260,173)	(153,600)	(260,173)
Capacity	(910,212)	(910,212)	(878,379)	(910,212)
Total Accumulated Depreciation	(67,634,152)	(63,459,145)	(63,287,618)	(59,861,136)
Total Capital Assets	146,974,938	144,759,945	141,769,150	143,583,454
Other Assets:				
Long-Term Portion of Receivables - Financing Contracts	-	-	-	-
Intangible Service Concession Arrangement	-	-	-	-
Less Accumulated Amortization	-	-	-	-
Net Pension Asset	-	-	-	-
OPEB Asset	2,251,398	2,251,398	1,780,508	2,251,398
Other Assets	-	-	-	-
Facilities Planning Costs (Net of Accumulated Amortization)	-	-	41,558	-
Total Other Assets	2,251,398	2,251,398	1,822,066	2,251,398
Total Noncurrent Assets	151,145,355	148,930,362	145,717,816	147,753,871
Total Assets	166,250,296	166,053,448	165,466,376	165,310,307
Deferred Outflows of Resources				
Pensions	664,090	664,090	1,036,484	664,090
OPEB	94,977	94,977	178,846	94,977
Refunding Loss on Bonds	-	-	-	-
Total Deferred Outflows	759,067	759,067	1,215,330	759,067
Total Assets and Deferred Outflows of Resources	167,009,363	166,812,515	166,681,706	166,069,374

LEHIGH COUNTY AUTHORITY
STATEMENTS OF NET POSITION
2026 Budget (as of 09-18-25)

	Suburban Water			
	Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Current Liabilities:				
Accounts Payable - Trade	1,068,525	1,068,525	733,425	1,068,525
Accounts Payable - Capital	96,694	96,694	157,611	96,694
Accrued Interest Payable	160,234	160,234	174,202	160,234
Notes Payable	7,100,541	7,100,541	7,100,541	77,856
OPEB-ST	-	-	-	-
Revenue Bonds Payable	2,005,000	2,005,000	2,005,000	2,090,000
Developer Deposits and Other	289,574	289,574	502,974	289,574
Accrued Payroll & Other	235,885	235,885	192,775	235,885
Leased Liabilities GASB - 87 - ST	107,590	107,590	110,414	107,590
Total Current Liabilities	11,064,043	11,064,043	10,976,942	4,126,358
Noncurrent Liabilities:				
Developer Deposits and Other	181,379	181,379	151,547	181,379
Service Concession Arrangement Payable	-	-	-	-
Leased Liabilities GASB - 87 - LT	175,380	175,380	282,970	175,380
Notes Payable	635,264	635,264	635,264	557,408
OPEB Liability	-	-	-	-
Net Pension Liability	294,545	294,545	743,041	294,545
Revenue Bonds Payable (Net of Premium/Discount)	27,147,876	29,298,764	29,343,599	38,591,517
Total Noncurrent Liabilities	28,434,445	30,585,333	31,156,421	39,800,229
Total Liabilities	39,498,488	41,649,376	42,133,363	43,926,587
Deferred Inflows of Resources				
Pensions	-	-	-	-
OPEB	227,592	227,592	-	227,592
Total Deferred Inflows	227,592	227,592	-	227,592
Net Position:				
Net Investment in Capital Assets	109,803,286	105,437,405	102,291,362	101,983,702
Restricted for Debt Service	1,579,403	1,579,403	1,579,403	1,579,403
Restricted for Net Pension Asset	-	-	-	-
Restricted for Net OPEB Asset	2,251,398	2,251,398	1,780,508	2,251,398
Unrestricted	13,649,196	15,667,341	18,897,070	16,100,692
Total Net Position	127,283,283	124,935,547	124,548,343	121,915,195
Total Liabilities, Deferred Inflows of Resources and Net Position	167,009,363	166,812,515	166,681,706	166,069,374

LEHIGH COUNTY AUTHORITY
STATEMENTS OF NET POSITION
2026 Budget (as of 09-18-25)

	Suburban Wastewater			
	Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Current Assets:				
Cash and Cash Equivalents	2,258,899	6,828,700	15,773,001	6,361,608
Certificates of Deposit	7,278,350	7,278,350	6,965,466	7,278,350
Accounts Receivable:				
Customers (Net of Allowance)	4,628,996	4,628,996	4,109,832	4,628,992
Financing Contracts	221,005	221,005	207,224	221,005
Others	591,264	591,264	614,088	591,264
Due from (to) Other Funds	(1,089,025)	(1,089,025)	(1,624,525)	(1,089,025)
Inventory	-	-	-	-
Accrued Interest Receivable	44,546	44,546	31,623	44,546
Prepaid Expenses	171,766	171,766	127,383	171,766
Total Current Assets	14,105,800	18,675,602	26,204,092	18,208,506
Noncurrent Assets:				
Restricted:				
Restricted Cash and Cash Equivalents	348,238	348,238	341,385	348,238
Restricted for Debt Service	-	-	-	-
Restricted Certificates of Deposit	-	-	-	-
Investment U.S. Treasury Obligations	-	-	-	-
Developer Escrow Deposit	7,764	7,764	56,678	7,764
Total Restricted Assets	356,001	356,001	398,063	356,001
Capital Assets				
Non-depreciable Assets:				
Land	2,000,794	2,000,794	1,896,050	2,000,794
Construction in Progress	26,137,556	19,040,056	29,641,565	5,302,056
Total Capital Assets Not Being Depreciated	28,138,351	21,040,851	31,537,615	7,302,851
Depreciable Assets:				
Wells & Reservoirs	3,494,643	3,494,643	3,494,643	3,494,643
Transmission & Distribution Mains	-	-	-	-
Services & Hydrants	-	-	-	-
Interceptor & Collector Systems	42,256,754	42,256,754	41,704,381	42,256,754
Building Structure & Appurtenances	74,869,458	74,869,458	73,177,085	74,869,458
Metering System	429,778	429,778	429,778	429,778
Equipment and Furnishings	25,848,622	25,848,622	24,659,220	25,848,622
Right-To-Use Leased Assets	1,069,150	1,069,150	1,069,151	1,069,150
Capacity	248,561	248,561	248,561	248,561
Total Capital Assets Being Depreciated	148,216,966	148,216,966	144,782,819	148,216,966
Less accumulated depreciation				
Wells & Reservoirs	(920,915)	(920,915)	(857,376)	(920,915)
Transmission & Distribution Mains	-	-	-	-
Services & Hydrants	-	-	-	-
Interceptor & Collector Systems	(13,085,488)	(13,085,488)	(12,716,539)	(13,085,488)
Building Structure & Appurtenances	(31,016,875)	(31,016,875)	(28,811,524)	(31,016,875)
Metering System	(318,289)	(318,289)	(307,985)	(318,289)
Equipment and Furnishings	(36,848,690)	(29,705,514)	(35,855,726)	(22,623,738)
Right-To-Use Leased Assets - Amortization	(932,530)	(932,530)	(854,498)	(932,530)
Capacity	-	-	-	-
Total Accumulated Depreciation	(83,122,788)	(75,979,612)	(79,403,649)	(68,897,835)
Total Capital Assets	93,232,529	93,278,205	96,916,785	86,621,981
Other Assets:				
Long-Term Portion of Receivables - Financing Contracts	-	-	533,320	-
Intangible Service Concession Arrangement	-	-	-	-
Less Accumulated Amortization	-	-	-	-
Net Pension Asset	(148,270)	(148,270)	-	(148,270)
OPEB Asset	-	-	-	-
Other Assets	-	-	-	-
Facilities Planning Costs (Net of Accumulated Amortization)	1,438,571	1,438,571	3,487,987	1,438,571
Total Other Assets	1,290,301	1,290,301	4,021,307	1,290,301
Total Noncurrent Assets	94,878,831	94,924,507	101,336,155	88,268,284
Total Assets	108,984,631	113,600,109	127,540,247	106,476,790
Deferred Outflows of Resources				
Pensions	334,297	334,297	521,755	334,297
OPEB	351,365	351,365	-	351,365
Refunding Loss on Bonds	-	-	-	-
Total Deferred Outflows	685,662	685,662	521,755	685,662
Total Assets and Deferred Outflows of Resources	109,670,293	114,285,771	128,062,002	107,162,451

LEHIGH COUNTY AUTHORITY
STATEMENTS OF NET POSITION
2026 Budget (as of 09-18-25)

	Suburban Wastewater			
	Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Current Liabilities:				
Accounts Payable - Trade	3,141,607	3,141,607	2,676,456	3,141,595
Accounts Payable - Capital	413,291	413,291	69,251	413,291
Accrued Interest Payable	-	-	-	-
Notes Payable	473,347	473,347	473,347	611,347
OPEB-ST	-	-	-	-
Revenue Bonds Payable	-	-	131,560	-
Developer Deposits and Other	10,714	10,714	2,950	10,714
Accrued Payroll & Other	101,090	101,090	82,618	101,094
Leased Liabilities GASB - 87 - ST	81,308	81,308	72,095	81,308
Total Current Liabilities	4,221,357	4,221,357	3,508,277	4,359,349
Noncurrent Liabilities:				
Developer Deposits and Other	27,489	27,489	27,489	27,489
Service Concession Arrangement Payable	-	-	-	-
Leased Liabilities GASB - 87 - LT	51,484	51,484	132,791	51,484
Notes Payable	4,164,969	4,164,969	8,333,987	4,164,969
OPEB Liability	-	-	-	-
Net Pension Liability	-	-	374,039	-
Revenue Bonds Payable (Net of Premium/Discount)	7,250,838	9,251,669	20,156,906	-
Total Noncurrent Liabilities	11,494,780	13,495,610	29,025,212	4,243,941
Total Liabilities	15,716,136	17,716,967	32,533,489	8,603,290
Deferred Inflows of Resources				
Pensions	-	-	-	-
OPEB	(1)	(1)	-	(1)
Total Deferred Inflows	(1)	(1)	-	(1)
Net Position:				
Net Investment in Capital Assets	81,210,583	79,255,428	67,616,099	81,712,874
Restricted for Debt Service	-	-	-	-
Restricted for Net Pension Asset	(148,270)	(148,270)	-	(148,270)
Restricted for Net OPEB Asset	-	-	-	-
Unrestricted	12,891,844	17,461,646	27,912,414	16,994,558
Total Net Position	93,954,158	96,568,804	95,528,513	98,559,162
Total Liabilities, Deferred Inflows of Resources and Net Position	109,670,293	114,285,770	128,062,002	107,162,451

LEHIGH COUNTY AUTHORITY
STATEMENTS OF NET POSITION
2026 Budget (as of 09-18-25)

	City Division			
	Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Current Assets:				
Cash and Cash Equivalents	27,313,142	28,275,206	59,362,926	19,561,788
Certificates of Deposit	-	-	-	-
Accounts Receivable:				
Customers (Net of Allowance)	7,793,292	7,793,292	8,677,130	9,823,040
Financing Contracts	-	-	-	-
Others	7,957,807	7,957,807	4,545,547	7,957,807
Due from (to) Other Funds	-	-	-	-
Inventory	-	-	-	-
Accrued Interest Receivable	483,020	483,020	340,774	483,020
Prepaid Expenses	617,941	617,941	305,329	617,941
Total Current Assets	44,165,203	45,127,267	73,231,706	38,443,596
Noncurrent Assets:				
Restricted:				
Restricted Cash and Cash Equivalents	58,797,532	74,143,566	33,269,506	94,723,566
Restricted for Debt Service	31,800,765	31,800,765	30,004,516	31,800,765
Restricted Certificates of Deposit	-	-	-	-
Investment U.S. Treasury Obligations	-	-	-	-
Developer Escrow Deposit	3,403	3,403	32,106	3,403
Total Restricted Assets	90,601,699	105,947,733	63,306,128	126,527,733
Capital Assets				
Non-depreciable Assets:				
Land	-	-	-	-
Construction in Progress	97,172,000	50,580,000	73,910,200	-
Total Capital Assets Not Being Depreciated	97,172,000	50,580,000	73,910,200	-
Depreciable Assets:				
Wells & Reservoirs	-	-	-	-
Transmission & Distribution Mains	-	-	-	-
Services & Hydrants	-	-	-	-
Interceptor & Collector Systems	-	-	-	-
Building Structure & Appurtenances	13,630	13,630	13,630	13,630
Metering System	-	-	-	-
Equipment and Furnishings	4,975,496	4,975,496	3,896,125	4,975,496
Right-To-Use Leased Assets	1,249,776	1,249,776	1,451,201	1,249,776
Capacity	-	-	-	-
Total Capital Assets Being Depreciated	6,238,902	6,238,902	5,360,956	6,238,902
Less accumulated depreciation				
Wells & Reservoirs	-	-	-	-
Transmission & Distribution Mains	-	-	-	-
Services & Hydrants	-	-	-	-
Interceptor & Collector Systems	-	-	-	-
Building Structure & Appurtenances	(13,630)	(13,630)	(13,630)	(13,630)
Metering System	-	-	-	-
Equipment and Furnishings	(16,380,814)	(9,072,405)	(3,106,376)	(2,563,448)
Right-To-Use Leased Assets - Amortization	(462,081)	(462,081)	(414,683)	(462,081)
Capacity	-	-	-	-
Total Accumulated Depreciation	(16,856,525)	(9,548,116)	(3,534,689)	(3,039,159)
Total Capital Assets	86,554,377	47,270,786	75,736,467	3,199,743
Other Assets:				
Long-Term Portion of Receivables - Financing Contracts	-	-	-	-
Intangible Service Concession Arrangement	312,603,013	312,603,013	243,165,931	312,603,013
Less Accumulated Amortization	(65,009,551)	(65,009,551)	(5,934,637)	(65,009,551)
Net Pension Asset	-	-	-	-
OPEB Asset	-	-	-	-
Other Assets	10,843,104	10,843,104	5,870,088	10,843,104
Facilities Planning Costs (Net of Accumulated Amortization)	-	-	-	-
Total Other Assets	258,436,566	258,436,566	243,101,381	258,436,566
Total Noncurrent Assets	435,592,643	411,655,086	382,143,976	388,164,043
Total Assets	479,757,845	456,782,352	455,375,682	426,607,639
Deferred Outflows of Resources				
Pensions	2,465,820	2,465,820	2,704,422	2,465,820
OPEB	566,329	566,329	1,551,697	566,329
Refunding Loss on Bonds	27,167,919	27,167,919	24,392,989	27,167,919
Total Deferred Outflows	30,200,068	30,200,068	28,649,108	30,200,068
Total Assets and Deferred Outflows of Resources	509,957,913	486,982,420	484,024,790	456,807,707

LEHIGH COUNTY AUTHORITY
STATEMENTS OF NET POSITION
2026 Budget (as of 09-18-25)

	City Division			
	Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Current Liabilities:				
Accounts Payable - Trade	7,143,689	7,143,689	7,171,056	3,043,263
Accounts Payable - Capital	735,978	735,978	272,215	735,978
Accrued Interest Payable	1,521,156	1,521,156	986,803	1,521,156
Notes Payable	1,320,000	1,320,000	1,320,000	63,182
OPEB-ST	-	-	-	-
Revenue Bonds Payable	2,851,749	2,851,749	2,851,749	4,641,701
Developer Deposits and Other	38,338	38,338	62,916	38,338
Accrued Payroll & Other	630,593	630,593	300,235	630,593
Leased Liabilities GASB - 87 - ST	190,810	190,810	238,074	190,810
Total Current Liabilities	14,432,313	14,432,313	13,203,048	10,865,021
Noncurrent Liabilities:				
Developer Deposits and Other	91,037	91,037	44,037	91,037
Service Concession Arrangement Payable	71,551,874	71,551,874	96,353,866	71,551,874
Leased Liabilities GASB - 87 - LT	377,119	377,119	574,862	377,119
Notes Payable	1,214,338	1,214,338	-	1,214,338
OPEB Liability	2,528,694	2,528,694	2,380,477	2,528,694
Net Pension Liability	1,093,669	1,093,669	2,818,978	1,093,669
Revenue Bonds Payable (Net of Premium/Discount)	409,451,700	402,016,848	377,827,651	402,016,848
Total Noncurrent Liabilities	486,308,431	478,873,579	479,999,870	478,873,579
Total Liabilities	500,740,744	493,305,893	493,202,918	489,738,601
Deferred Inflows of Resources				
Pensions	-	-	-	-
OPEB	1,197,622	1,197,622	1,479,746	1,197,622
Total Deferred Inflows	1,197,622	1,197,622	1,479,746	1,197,622
Net Position:				
Net Investment in Capital Assets	83,452,110	44,168,519	73,603,531	1,354,294
Restricted for Debt Service	-	-	-	-
Restricted for Net Pension Asset	-	-	-	-
Restricted for Net OPEB Asset	-	-	-	-
Unrestricted	(75,432,564)	(51,689,614)	(84,261,405)	(35,482,810)
Total Net Position	8,019,547	(7,521,095)	(10,657,874)	(34,128,516)
Total Liabilities, Deferred Inflows of Resources and Net Position	509,957,913	486,982,419	484,024,790	456,807,707

LEHIGH COUNTY AUTHORITY
STATEMENTS OF NET POSITION
2026 Budget (as of 09-18-25)

	Total LCA			
	Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Current Assets:				
Cash and Cash Equivalents	36,923,926	44,307,484	86,385,569	35,560,325
Certificates of Deposit	10,124,403	10,124,403	9,988,596	10,124,403
Accounts Receivable:	-	-	-	-
Customers (Net of Allowance)	15,365,488	15,531,941	15,881,648	17,561,685
Financing Contracts	221,005	221,005	207,224	221,005
Others	8,894,810	8,894,810	5,490,725	8,894,810
Due from (to) Other Funds	-	-	-	-
Inventory	267,168	267,168	235,869	267,168
Accrued Interest Receivable	542,454	542,454	387,229	542,454
Prepaid Expenses	1,036,689	1,036,689	607,499	1,036,689
Total Current Assets	73,375,943	80,925,954	119,184,359	74,208,539
Noncurrent Assets:				
Restricted:				
Restricted Cash and Cash Equivalents	59,145,770	74,491,804	33,610,891	95,071,803
Restricted for Debt Service	33,459,102	33,459,102	31,912,228	33,459,102
Restricted Certificates of Deposit	-	-	-	-
Investment U.S. Treasury Obligations	-	-	-	-
Developer Escrow Deposit	271,849	271,849	307,671	271,849
Total Restricted Assets	92,876,720	108,222,754	65,830,791	128,802,754
Capital Assets				
Non-depreciable Assets:				
Land	5,735,759	5,735,759	5,630,215	5,735,759
Construction in Progress	141,352,237	81,272,737	116,866,459	12,180,238
Total Capital Assets Not Being Depreciated	147,087,997	87,008,497	122,496,674	17,915,997
Depreciable Assets:				
Wells & Reservoirs	17,552,774	17,552,774	16,934,248	17,552,774
Transmission & Distribution Mains	94,785,760	94,785,760	94,381,777	94,785,760
Services & Hydrants	20,462,771	20,462,771	20,407,091	20,462,771
Interceptor & Collector Systems	42,256,754	42,256,754	41,704,381	42,256,754
Building Structure & Appurtenances	106,038,497	106,038,497	103,900,198	106,038,497
Metering System	15,615,660	15,615,660	15,073,960	15,615,660
Equipment and Furnishings	46,150,875	46,150,875	41,144,774	46,150,875
Right-To-Use Leased Assets	2,967,758	2,967,758	3,148,794	2,967,758
Capacity	1,456,462	1,456,462	1,456,462	1,456,462
Total Capital Assets Being Depreciated	347,287,312	347,287,312	338,151,685	347,287,312
Less accumulated depreciation				
Wells & Reservoirs	(5,339,521)	(5,339,521)	(5,023,257)	(5,339,521)
Transmission & Distribution Mains	(18,154,658)	(18,154,658)	(17,208,857)	(18,154,658)
Services & Hydrants	(6,113,719)	(6,113,719)	(5,780,664)	(6,113,719)
Interceptor & Collector Systems	(13,085,488)	(13,085,488)	(12,716,539)	(13,085,488)
Building Structure & Appurtenances	(44,165,015)	(44,165,015)	(41,521,574)	(44,165,015)
Metering System	(8,488,584)	(8,488,584)	(7,863,299)	(8,488,584)
Equipment and Furnishings	(69,701,483)	(51,074,891)	(53,810,607)	(33,886,149)
Right-To-Use Leased Assets - Amortization	(1,654,785)	(1,654,785)	(1,422,782)	(1,654,785)
Capacity	(910,212)	(910,212)	(878,379)	(910,212)
Total Accumulated Depreciation	(167,613,465)	(148,986,873)	(146,225,956)	(131,798,131)
Total Capital Assets	326,761,844	285,308,936	314,422,402	233,405,178
Other Assets:				
Long-Term Portion of Receivables - Financing Contracts	-	-	533,320	-
Intangible Service Concession Arrangement	312,603,013	312,603,013	243,165,931	312,603,013
Less Accumulated Amortization	(65,009,551)	(65,009,551)	(5,934,637)	(65,009,551)
Net Pension Asset	(148,270)	(148,270)	-	(148,270)
OPEB Asset	2,251,398	2,251,398	1,780,508	2,251,398
Other Assets	10,843,104	10,843,104	5,870,088	10,843,104
Facilities Planning Costs (Net of Accumulated Amortization)	1,438,571	1,438,571	3,529,545	1,438,571
Total Other Assets	261,978,265	261,978,265	248,944,754	261,978,265
Total Noncurrent Assets	681,616,829	655,509,955	629,197,947	624,186,197
Total Assets	754,992,773	736,435,909	748,382,306	698,394,736
Deferred Outflows of Resources				
Pensions	3,464,207	3,464,207	4,262,661	3,464,207
OPEB	1,012,671	1,012,671	1,730,543	1,012,671
Refunding Loss on Bonds	27,167,919	27,167,919	24,392,989	27,167,919
Total Deferred Outflows	31,644,796	31,644,796	30,386,193	31,644,796
Total Assets and Deferred Outflows of Resources	786,637,569	768,080,705	778,768,499	730,039,532

LEHIGH COUNTY AUTHORITY
STATEMENTS OF NET POSITION
2026 Budget (as of 09-18-25)

	Total LCA			
	Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Current Liabilities:				
Accounts Payable - Trade	11,353,822	11,353,822	10,580,937	7,253,384
Accounts Payable - Capital	1,245,962	1,245,962	499,077	1,245,962
Accrued Interest Payable	1,681,390	1,681,390	1,161,005	1,681,390
Notes Payable	8,893,888	8,893,888	8,893,888	752,385
OPEB-ST	-	-	-	-
Revenue Bonds Payable	4,856,749	4,856,749	4,988,309	6,731,701
Developer Deposits and Other	338,626	338,626	568,840	338,626
Accrued Payroll & Other	967,568	967,568	575,628	967,572
Leased Liabilities GASB - 87 - ST	379,708	379,708	420,583	379,708
Total Current Liabilities	29,717,713	29,717,713	27,688,267	19,350,728
Noncurrent Liabilities:				
Developer Deposits and Other	299,905	299,905	223,073	299,905
Service Concession Arrangement Payable	71,551,874	71,551,874	96,353,866	71,551,874
Leased Liabilities GASB - 87 - LT	603,983	603,983	990,623	603,983
Notes Payable	6,014,571	6,014,571	8,969,251	5,936,715
OPEB Liability	2,528,694	2,528,694	2,380,477	2,528,694
Net Pension Liability	1,388,214	1,388,214	3,936,058	1,388,214
Revenue Bonds Payable (Net of Premium/Discount)	443,850,414	440,567,281	427,328,156	440,608,365
Total Noncurrent Liabilities	526,237,655	522,954,522	540,181,503	522,917,750
Total Liabilities	555,955,368	552,672,235	567,869,770	542,268,478
Deferred Inflows of Resources				
Pensions	-	-	-	-
OPEB	1,425,213	1,425,213	1,479,746	1,425,213
Total Deferred Inflows	1,425,213	1,425,213	1,479,746	1,425,213
Net Position:				
Net Investment in Capital Assets	274,465,980	228,861,353	243,510,992	185,050,870
Restricted for Debt Service	1,579,403	1,579,403	1,579,403	1,579,403
Restricted for Net Pension Asset	(148,270)	(148,270)	-	(148,270)
Restricted for Net OPEB Asset	2,251,398	2,251,398	1,780,508	2,251,398
Unrestricted	(48,891,523)	(18,560,628)	(37,451,920)	(2,387,560)
Total Net Position	229,256,987	213,983,257	209,418,983	186,345,841
Total Liabilities, Deferred Inflows of Resources and Net Position	786,637,568	768,080,705	778,768,499	730,039,532

LEHIGH COUNTY AUTHORITY
CASH & INVESTMENT SUMMARY
2026 Budget (as of 09-18-25)

		Suburban Water			
		Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Cash					
Operating					
Unrestricted		7,032,168	8,883,860	9,207,184	9,317,211
Restricted		-	-	-	-
Total Operating		7,032,168	8,883,860	9,207,184	9,317,211
Capital					
Unrestricted		319,718	319,718	2,042,457	319,718
Restricted		-	-	-	-
Total Capital		319,718	319,718	2,042,457	319,718
Other Restricted					
Debt Reserves		1,658,337	1,658,337	1,907,712	1,658,337
Escrow		260,682	260,682	218,888	260,682
Total Other Restricted		1,919,019	1,919,019	2,126,600	1,919,019
Total Cash		9,270,905	11,122,597	13,376,241	11,555,948
Investments					
Operating					
Unrestricted		1,846,053	1,845,869	2,023,130	1,845,869
Restricted		-	-	-	-
Total Operating		1,846,053	1,845,869	2,023,130	1,845,869
Capital					
Unrestricted		1,000,000	1,000,184	1,000,000	1,000,184
Restricted		-	-	-	-
Total Capital		1,000,000	1,000,184	1,000,000	1,000,184
Other Restricted					
Debt Reserves		-	-	-	-
Escrow		-	-	-	-
Total Other Restricted		-	-	-	-
Total Investments		2,846,053	2,846,053	3,023,130	2,846,053
Total Cash and Investments		12,116,957	13,968,650	16,399,371	14,402,001
Summary					
Cash					
Unrestricted		7,351,885	9,203,578	11,249,641	9,636,929
Restricted		1,919,019	1,919,019	2,126,600	1,919,019
Total Cash		9,270,905	11,122,597	13,376,241	11,555,948
Investments					
Unrestricted		2,846,053	2,846,053	3,023,130	2,846,053
Restricted		-	-	-	-
Total Investments		2,846,053	2,846,053	3,023,130	2,846,053
Total Cash and Investments		12,116,957	13,968,650	16,399,371	14,402,001

LEHIGH COUNTY AUTHORITY
CASH & INVESTMENT SUMMARY
2026 Budget (as of 09-18-25)

		Suburban Wastewater			
		Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Cash					
Operating					
Unrestricted		2,203,514	873,315	8,100,982	406,224
Restricted		9,877	9,877	3,453	9,877
Total Operating		2,213,391	883,193	8,104,436	416,101
Capital					
Unrestricted		55,385	5,955,385	7,672,019	5,955,385
Restricted		338,360	338,360	337,932	338,360
Total Capital		393,745	6,293,745	8,009,951	6,293,745
Other Restricted					
Debt Reserves		-	-	-	-
Escrow		7,764	7,764	56,678	7,764
Total Other Restricted		7,764	7,764	56,678	7,764
Total Cash		2,614,900	7,184,701	16,171,064	6,717,610
Investments					
Operating					
Unrestricted		7,278,350	7,278,350	6,965,466	7,278,350
Restricted		-	-	-	-
Total Operating		7,278,350	7,278,350	6,965,466	7,278,350
Capital					
Unrestricted		-	-	-	-
Restricted		-	-	-	-
Total Capital		-	-	-	-
Other Restricted					
Debt Reserves		-	-	-	-
Escrow		-	-	-	-
Total Other Restricted		-	-	-	-
Total Investments		7,278,350	7,278,350	6,965,466	7,278,350
Total Cash and Investments		9,893,250	14,463,051	23,136,530	13,995,960
Summary					
Cash					
Unrestricted		2,258,899	6,828,700	15,773,001	6,361,608
Restricted		356,001	356,001	398,063	356,001
Total Cash		2,614,900	7,184,701	16,171,064	6,717,610
Investments					
Unrestricted		7,278,350	7,278,350	6,965,466	7,278,350
Restricted		-	-	-	-
Total Investments		7,278,350	7,278,350	6,965,466	7,278,350
Total Cash and Investments		9,893,250	14,463,051	23,136,530	13,995,960

LEHIGH COUNTY AUTHORITY
CASH & INVESTMENT SUMMARY
2026 Budget (as of 09-18-25)

		City Division			
		Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Cash					
Operating					
Unrestricted		24,290,541	25,252,605	56,340,325	16,539,187
Restricted		51,297,497	66,643,530	25,769,470	87,223,530
Total Operating		75,588,038	91,896,135	82,109,796	103,762,717
Capital					
Unrestricted		3,022,601	3,022,601	3,022,601	3,022,601
Restricted		7,500,035	7,500,035	7,500,035	7,500,035
Total Capital		10,522,636	10,522,636	10,522,636	10,522,636
Other Restricted					
Debt Reserves		31,800,765	31,800,765	30,004,516	31,800,765
Escrow		3,403	3,403	32,106	3,403
Total Other Restricted		31,804,167	31,804,167	30,036,622	31,804,167
Total Cash		117,914,842	134,222,939	122,669,054	146,089,521
Investments					
Operating					
Unrestricted		-	-	-	-
Restricted		-	-	-	-
Total Operating		-	-	-	-
Capital					
Unrestricted		-	-	-	-
Restricted		-	-	-	-
Total Capital		-	-	-	-
Other Restricted					
Debt Reserves		-	-	-	-
Escrow		-	-	-	-
Total Other Restricted		-	-	-	-
Total Investments		-	-	-	-
Total Cash and Investments		117,914,842	134,222,939	122,669,054	146,089,521
Summary					
Cash					
Unrestricted		27,313,142	28,275,206	59,362,926	19,561,788
Restricted		90,601,699	105,947,733	63,306,128	126,527,733
Total Cash		117,914,842	134,222,939	122,669,054	146,089,521
Investments					
Unrestricted		-	-	-	-
Restricted		-	-	-	-
Total Investments		-	-	-	-
Total Cash and Investments		117,914,842	134,222,939	122,669,054	146,089,521

LEHIGH COUNTY AUTHORITY
CASH & INVESTMENT SUMMARY
2026 Budget (as of 09-18-25)

Total LCA				
	Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Cash				
Operating				
Unrestricted	33,526,223	35,009,780	73,648,491	26,262,621
Restricted	-	-	-	-
Total Operating	33,526,223	35,009,780	73,648,491	26,262,621
Capital				
Unrestricted	3,397,704	9,297,704	12,737,077	9,297,704
Restricted	7,838,396	7,838,396	7,837,967	7,838,396
Total Capital	11,236,099	17,136,099	20,575,045	17,136,099
Other Restricted				
Debt Reserves	33,459,102	33,459,102	31,912,228	33,459,102
Escrow	271,849	271,849	307,671	271,849
Total Other Restricted	33,730,951	33,730,951	32,219,899	33,730,951
Total Cash	78,493,272	85,876,830	126,443,435	77,129,671
Investments				
Operating				
Unrestricted	9,124,403	9,124,219	8,988,596	9,124,219
Restricted	-	-	-	-
Total Operating	9,124,403	9,124,219	8,988,596	9,124,219
Capital				
Unrestricted	1,000,000	1,000,184	1,000,000	1,000,184
Restricted	-	-	-	-
Total Capital	1,000,000	1,000,184	1,000,000	1,000,184
Other Restricted				
Debt Reserves	-	-	-	-
Escrow	-	-	-	-
Total Other Restricted	-	-	-	-
Total Investments	10,124,403	10,124,403	9,988,596	10,124,403
Total Cash and Investments	88,617,675	96,001,232	136,432,031	87,254,073
Summary				
Cash				
Unrestricted	36,923,926	44,307,484	86,385,569	35,560,325
Restricted	92,876,720	108,222,754	65,830,791	128,802,754
Total Cash	129,800,646	152,530,237	152,216,359	164,363,078
Investments				
Unrestricted	10,124,403	10,124,403	9,988,596	10,124,403
Restricted	-	-	-	-
Total Investments	10,124,403	10,124,403	9,988,596	10,124,403
Total Cash and Investments	139,925,049	162,654,640	162,204,955	174,487,481

LEHIGH COUNTY AUTHORITY
STATEMENTS OF CASH FLOWS - SUMMARY
2026 Budget (as of 09-18-25)

	Suburban Water			
	Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Cash Flows From Operating Activities				
Cash Received From Customers	19,567,397	18,654,754	18,431,443	17,387,628
Cash Payments To Suppliers For Goods And Services	(7,197,109)	(7,480,349)	(6,748,749)	(6,368,812)
Cash Payments To Employees For Services	(5,896,946)	(5,483,834)	(5,439,006)	(5,050,268)
Other Operating Cash Receipts	289,811	289,811	392,999	83,483
Net Cash Provided By Operating Activities	6,763,153	5,980,381	6,636,688	6,052,031
Cash Flows From Noncapital Financing Activities				
Interest Paid on Revenue Bonds and Notes	-	-	-	-
Facility Improvement Payments	-	-	-	-
Payments to the City of Allentown	(548,000)	-	-	535,500
Transfers To/From Other Funds	-	-	-	-
Net Cash Provided By (Used in) Noncapital Financing Activities	(548,000)	-	-	535,500
Cash Flows From Capital And Related Financing Activities				
Receipts/(Release) of Developer Deposits	-	-	-	-
Payments of Developer Deposits	-	-	-	(183,568)
Payments of Facilities Planning Costs	-	-	-	41,558
Acquisition and Construction of Property and Equipment	(6,390,000)	(4,774,500)	(4,774,500)	(9,252,719)
Cash Received from Tapping and Capital Recovery Fees	418,873	418,873	409,515	384,729
Cash Received from Meter Sales	130,423	130,423	142,308	161,032
Cash Received from Inspection, Plan Reviews, & Proj. Reimbursements	396,319	396,319	501,612	235,431
Other Capital Cash Receipts	179,521	179,521	180,683	316,394
Grants	-	-	-	176,239
Other Capital Cash Payments	(201,483)	(201,483)	(221,483)	(69,167)
Revenue Bond and Note Issuance Proceeds	-	7,100,541	-	(2,350,761)
Principal Paid On Revenue Bonds	(2,150,888)	(9,377,753)	(2,277,211)	-
Notes Payable	-	-	-	5,164,681
Interest Paid on Revenue Bonds and Notes	(1,361,592)	(1,197,656)	(1,197,656)	(1,105,041)
Net Cash Provided by (Used in) Capital & Related Financing Activities	(8,978,827)	(7,325,714)	(7,236,732)	(6,481,193)
Cash Flows From investing Activities				
Maturities of Certificates Of Deposit	-	-	-	177,077
Purchase of Certificates Of Deposit	-	-	-	-
Purchase of U.S. Treasury Obligations	-	-	-	-
Maturities of U.S. Treasury Obligations	-	-	-	-
Interest Received On Investments	911,982	911,982	200,044	542,472
Net Cash Provided by (Used in) Investing Activities	911,982	911,982	200,044	719,549
Net Increase (Decrease) in Cash	(1,851,692)	(433,351)	(400,000)	825,887
Cash:				
Beginning	11,122,597	11,555,948	13,776,241	10,730,061
Ending	9,270,905	11,122,597	13,376,241	11,555,948
Cash Consisted of the Following:				
Cash and Cash Equivalents	7,351,885	9,203,578	11,249,641	9,636,929
Restricted Cash and Cash Equivalents	1,919,019	1,919,019	2,126,600	1,919,019
Total Cash and Cash Equivalents	9,270,905	11,122,597	13,376,241	11,555,948

LEHIGH COUNTY AUTHORITY
STATEMENTS OF CASH FLOWS - SUMMARY
2026 Budget (as of 09-18-25)

	Suburban Wastewater			
	Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Cash Flows From Operating Activities				
Cash Received From Customers	20,552,544	19,388,716	19,479,974	18,004,227
Cash Payments To Suppliers For Goods And Services	(14,811,240)	(13,496,404)	(13,213,278)	(12,990,752)
Cash Payments To Employees For Services	(3,180,381)	(2,869,225)	(2,988,124)	(2,055,174)
Other Operating Cash Receipts	410,203	302,788	280,464	1,524,585
Net Cash Provided By Operating Activities	2,971,126	3,325,874	3,559,035	4,482,886
Cash Flows From Noncapital Financing Activities				
Interest Paid on Revenue Bonds and Notes	-	-	-	-
Facility Improvement Payments	-	-	-	-
Payments to the City of Allentown	-	-	-	-
Transfers To/From Other Funds	-	-	-	(535,500)
Net Cash Provided By (Used in) Noncapital Financing Activities	-	-	-	(535,500)
Cash Flows From Capital And Related Financing Activities				
Receipts/(Release) of Developer Deposits	-	-	-	-
Payments of Developer Deposits	-	-	-	7,764
Payments of Facilities Planning Costs	-	-	-	2,049,416
Acquisition and Construction of Property and Equipment	(7,097,500)	(13,738,000)	(18,738,000)	(11,847,149)
Cash Received from Tapping and Capital Recovery Fees	1,688,651	1,708,021	1,688,651	1,347,166
Cash Received from Meter Sales	-	-	-	-
Cash Received from Inspection, Plan Reviews, & Proj. Reimbursements	5,555	44,321	5,555	3,732
Other Capital Cash Receipts	2,683	1,987	2,683	405
Grants	-	-	-	367,411
Other Capital Cash Payments	(22,653)	(22,653)	(22,653)	116,465
Revenue Bond and Note Issuance Proceeds	(2,000,831)	-	-	-
Principal Paid On Revenue Bonds	-	9,251,673	17,849,169	(1,010,825)
Notes Payable	-	(138,000)	-	505,736
Interest Paid on Revenue Bonds and Notes	(176,093)	(290,602)	(176,093)	(136,537)
Net Cash Provided by (Used in) Capital & Related Financing Activities	(7,600,188)	(3,183,253)	609,312	(8,596,418)
Cash Flows From investing Activities				
Maturities of Certificates Of Deposit	-	-	-	(312,884)
Purchase of Certificates Of Deposit	-	-	-	-
Purchase of U.S. Treasury Obligations	-	-	-	-
Maturities of U.S. Treasury Obligations	-	-	-	-
Interest Received On Investments	59,260	324,470	59,260	683,853
Net Cash Provided by (Used in) Investing Activities	59,260	324,470	59,260	370,969
Net Increase (Decrease) in Cash	(4,569,801)	467,092	4,227,607	(4,278,062)
Cash:				
Beginning	7,184,701	6,717,610	11,943,457	10,995,672
Ending	2,614,900	7,184,701	16,171,064	6,717,610
Cash Consisted of the Following:				
Cash and Cash Equivalents	2,258,899	6,828,700	15,773,001	6,361,608
Restricted Cash and Cash Equivalents	356,001	356,001	398,063	356,001
Total Cash and Cash Equivalents	2,614,900	7,184,701	16,171,064	6,717,610

LEHIGH COUNTY AUTHORITY
STATEMENTS OF CASH FLOWS - SUMMARY
2026 Budget (as of 09-18-25)

	City Division			
	Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Cash Flows From Operating Activities				
Cash Received From Customers	64,988,654	61,181,010	59,150,385	53,405,563
Cash Payments To Suppliers For Goods And Services	(9,250,704)	(4,867,234)	(8,426,953)	(6,402,948)
Cash Payments To Employees For Services	(17,994,518)	(17,244,092)	(17,247,456)	(13,714,492)
Other Operating Cash Receipts	382,636	389,551	382,636	505,304
Net Cash Provided By Operating Activities	38,126,068	39,459,235	33,858,613	33,793,427
Cash Flows From Noncapital Financing Activities				
Interest Paid on Revenue Bonds and Notes	(12,418,462)	(21,330,788)	(17,415,690)	23,659,735
Facility Improvement Payments	-	-	-	-
Payments to the City of Allentown	(1,383,491)	(1,323,915)	(1,323,915)	(1,384,394)
Transfers To/From Other Funds	-	-	-	-
Net Cash Provided By (Used in) Noncapital Financing Activities	(13,801,953)	(22,654,703)	(18,739,605)	22,275,341
Cash Flows From Capital And Related Financing Activities				
Receipts/(Release) of Developer Deposits	-	-	-	-
Payments of Developer Deposits	-	-	-	22,422
Payments of Facilities Planning Costs	-	-	-	-
Acquisition and Construction of Property and Equipment	(46,592,000)	(50,580,000)	(46,830,000)	(1,157,360)
Cash Received from Tapping and Capital Recovery Fees	1,299,622	2,075,097	2,009,952	2,437,471
Cash Received from Meter Sales	32,322	40,936	32,322	58,466
Cash Received from Inspection, Plan Reviews, & Proj. Reimbursements	632,306	1,460,923	1,382,306	3,984,943
Other Capital Cash Receipts	52,905	90,523	88,609	254,620
Grants	6,610,000	-	-	-
Other Capital Cash Payments	(4,100,000)	(3,625,426)	(4,100,000)	(7,961,374)
Revenue Bond and Note Issuance Proceeds	7,434,852	56,627,652	-	-
Principal Paid On Revenue Bonds	-	-	-	-
Notes Payable	(7,434,852)	(55,370,834)	-	(245,008)
Interest Paid on Revenue Bonds and Notes	-	-	-	-
Net Cash Provided by (Used in) Capital & Related Financing Activities	(42,064,845)	(49,281,130)	(47,416,811)	(2,605,820)
Cash Flows From investing Activities				
Maturities of Certificates Of Deposit	-	-	-	-
Purchase of Certificates Of Deposit	-	-	-	-
Purchase of U.S. Treasury Obligations	-	-	-	-
Maturities of U.S. Treasury Obligations	-	-	-	-
Interest Received On Investments	1,432,632	20,610,016	16,432,632	5,599,965
Net Cash Provided by (Used in) Investing Activities	1,432,632	20,610,016	16,432,632	5,599,965
Net Increase (Decrease) in Cash	(16,308,098)	(11,866,582)	(15,865,171)	59,062,913
Cash:				
Beginning	134,222,939	146,089,521	138,534,225	87,026,608
Ending	117,914,841	134,222,939	122,669,054	146,089,521
Cash Consisted of the Following:				
Cash and Cash Equivalents	27,313,142	28,275,206	59,362,926	19,561,788
Restricted Cash and Cash Equivalents	90,601,699	105,947,733	63,306,128	126,527,733
Total Cash and Cash Equivalents	117,914,842	134,222,939	122,669,054	146,089,521

LEHIGH COUNTY AUTHORITY
STATEMENTS OF CASH FLOWS - SUMMARY
2026 Budget (as of 09-18-25)

	Total LCA			
	Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Cash Flows From Operating Activities				
Cash Received From Customers	105,108,595	99,224,480	97,061,803	88,797,418
Cash Payments To Suppliers For Goods And Services	(31,259,053)	(25,843,988)	(28,388,980)	(25,762,512)
Cash Payments To Employees For Services	(27,071,845)	(25,597,151)	(25,674,586)	(20,819,934)
Other Operating Cash Receipts	1,082,650	982,149	1,056,099	2,113,372
Net Cash Provided By Operating Activities	47,860,347	48,765,490	44,054,336	44,328,344
Cash Flows From Noncapital Financing Activities				
Interest Paid on Revenue Bonds and Notes	(12,418,462)	(21,330,788)	(17,415,690)	23,659,735
Facility Improvement Payments	-	-	-	-
Payments to the City of Allentown	(1,931,491)	(1,323,915)	(1,323,915)	(848,894)
Transfers To/From Other Funds	-	-	-	(535,500)
Net Cash Provided By (Used in) Noncapital Financing Activities	(14,349,953)	(22,654,703)	(18,739,605)	22,275,341
Cash Flows From Capital And Related Financing Activities				
Receipts/(Release) of Developer Deposits	-	-	-	-
Payments of Developer Deposits	-	-	-	(153,382)
Payments of Facilities Planning Costs	-	-	-	2,090,974
Acquisition and Construction of Property and Equipment	(60,079,500)	(69,092,500)	(70,342,500)	(22,257,228)
Cash Received from Tapping and Capital Recovery Fees	3,407,146	4,201,991	4,108,118	4,169,366
Cash Received from Meter Sales	162,745	171,359	174,630	219,498
Cash Received from Inspection, Plan Reviews, & Proj. Reimbursements	1,034,180	1,901,563	1,889,473	4,224,106
Other Capital Cash Receipts	235,109	272,031	271,975	571,419
Grants	6,610,000	-	-	543,649
Other Capital Cash Payments	(4,324,136)	(3,849,562)	(4,344,136)	(7,914,077)
Revenue Bond and Note Issuance Proceeds	5,434,021	63,728,193	-	(2,350,761)
Principal Paid On Revenue Bonds	(2,150,888)	(126,080)	15,571,958	(1,010,825)
Notes Payable	(7,434,852)	(55,508,834)	-	5,425,409
Interest Paid on Revenue Bonds and Notes	(1,537,685)	(1,488,258)	(1,373,749)	(1,241,578)
Net Cash Provided by (Used in) Capital & Related Financing Activities	(58,643,859)	(59,790,097)	(54,044,231)	(17,683,431)
Cash Flows From investing Activities				
Maturities of Certificates Of Deposit	-	-	-	(135,807)
Purchase of Certificates Of Deposit	-	-	-	-
Purchase of U.S. Treasury Obligations	-	-	-	-
Maturities of U.S. Treasury Obligations	-	-	-	-
Interest Received On Investments	2,403,874	21,846,468	16,691,936	6,826,290
Net Cash Provided by (Used in) Investing Activities	2,403,874	21,846,468	16,691,936	6,690,483
Net Increase (Decrease) in Cash	(22,729,591)	(11,832,841)	(12,037,564)	55,610,737
Cash:				
Beginning	152,530,237	164,363,078	164,253,924	108,752,341
Ending	129,800,646	152,530,237	152,216,359	164,363,078
Cash Consisted of the Following:				
Cash and Cash Equivalents	36,923,926	44,307,484	86,385,569	35,560,325
Restricted Cash and Cash Equivalents	92,876,720	108,222,754	65,830,791	128,802,754
Total Cash and Cash Equivalents	129,800,646	152,530,238	152,216,359	164,363,078

LEHIGH COUNTY AUTHORITY
STATEMENTS OF ACTIVITIES AND CHANGES IN NET POSITION
2026 Budget (as of 09-18-25)

	Suburban Water			
	Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Operating Revenues:				
User Charges				
Charges for Services	19,400,944	18,654,754	18,431,443	17,417,243
Other Income	289,811	289,811	392,999	83,483
Total Charges for Services	19,690,755	18,944,564	18,824,442	17,500,727
Connection & System Charges				
Tapping and Capital Recovery Fees	346,303	339,634	336,945	350,710
Capital Cost Recovery	-	-	-	-
Distribution Tapping Fees	72,570	79,239	72,570	34,019
Meter Sales	130,423	130,423	142,308	161,032
Inspection and Plan Reviews	108,096	108,096	122,409	68,429
Project Reimbursements	288,223	288,223	379,203	167,002
Total Connection & System Charges	945,615	945,616	1,053,435	781,191
Other Miscellaneous Income	179,521	179,521	180,683	316,394
Total Operating Revenues	20,815,891	20,069,701	20,058,560	18,598,312
Operating Expenses:				
Personnel	4,706,501	4,303,459	4,316,490	4,032,115
General & Administrative	1,190,445	1,180,375	1,122,516	825,732
Utilities	603,704	596,384	550,628	492,836
Materials and Supplies	1,305,647	1,305,320	1,373,473	903,796
Miscellaneous Services	5,835,758	5,578,645	4,824,648	5,072,984
Treatment and Transportation	-	-	-	-
Depreciation and Amortization	4,175,007	3,598,008	3,541,890	4,065,244
Major Maintenance Expenses	-	-	-	-
Other Miscellaneous	201,483	201,483	221,483	8,250
Total Operating Expenses	18,018,545	16,763,675	15,951,128	15,400,956
Net Operating Profit (Loss)	2,797,346	3,306,026	4,107,433	3,197,356
Non-Operating Income (Expense)				
Interest Income	911,982	918,119	203,191	697,446
Interest (Expense)	(1,361,592)	(1,197,656)	(1,197,656)	(1,091,073)
Unrealized Gain on Investment	-	(4,155)	-	10,052
Unrealized (Loss) on Investment	-	(1,981)	(3,147)	6,694
Capital Contributed	-	-	-	176,239
Other Miscellaneous	-	-	-	(171,664)
Net Non-Operating Income (Expense)	(449,610)	(285,674)	(997,612)	(372,306)
Net Income (Loss)	2,347,736	3,020,352	3,109,821	2,825,050
Net Position at Beginning of Year (As Restated)	124,935,547	121,915,195	121,438,523	119,090,145
Cumulative Effect of Change in Accounting principle	-	-	-	-
Net Position at Beginning of Year	124,935,547	121,915,195	121,438,523	119,090,145
Net Position at End of Year	127,283,283	124,935,547	124,548,343	121,915,195
<u>CAPITAL EXPENSES</u>				
Capital Water	6,035,000	4,362,000	4,362,000	4,983,728
Capital WasteWater	-	-	-	-
Administration (Allocated)	355,000	412,500	412,500	1,101,785
	6,390,000	4,774,500	4,774,500	6,085,513

LEHIGH COUNTY AUTHORITY
STATEMENTS OF ACTIVITIES AND CHANGES IN NET P
2026 Budget (as of 09-18-25)

	Suburban Wastewater			
	Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Operating Revenues:				
User Charges				
Charges for Services	20,552,544	19,388,716	19,479,974	18,284,578
Other Income	410,203	302,788	280,464	1,524,585
Total Charges for Services	20,962,747	19,691,504	19,760,438	19,809,163
Connection & System Charges				
Tapping and Capital Recovery Fees	1,688,651	1,708,021	1,688,651	1,347,166
Capital Cost Recovery	-	-	-	-
Distribution Tapping Fees	-	-	-	-
Meter Sales	-	-	-	-
Inspection and Plan Reviews	4,295	4,299	4,295	-
Project Reimbursements	1,260	40,030	1,260	3,732
Total Connection & System Charges	1,694,206	1,752,350	1,694,206	1,350,898
Other Miscellaneous Income	2,683	1,987	2,683	405
Total Operating Revenues	22,659,636	21,445,840	21,457,327	21,160,465
Operating Expenses:				
Personnel	2,536,754	2,175,634	2,206,442	1,654,801
General & Administrative	643,626	693,587	781,682	333,442
Utilities	370,859	312,109	307,879	263,757
Materials and Supplies	657,698	656,210	689,690	409,228
Miscellaneous Services	8,030,000	7,910,524	7,969,739	7,157,875
Treatment and Transportation	5,752,683	4,617,574	4,245,970	5,509,024
Depreciation and Amortization	7,143,176	7,081,776	7,107,287	6,954,193
Major Maintenance Expenses	-	-	-	-
Other Miscellaneous	22,653	22,653	22,653	227,575
Total Operating Expenses	25,157,450	23,470,067	23,331,343	22,509,895
Net Operating Profit (Loss)	(2,497,814)	(2,024,226)	(1,874,016)	(1,349,430)
Non-Operating Income (Expense)				
Interest Income	59,260	432,545	207,242	635,893
Interest (Expense)	(176,093)	(290,602)	(176,093)	(136,537)
Unrealized Gain on Investment	-	(9,679)	(2,886)	36,350
Unrealized (Loss) on Investment	-	(98,395)	(145,096)	24,533
Capital Contributed	-	-	-	367,411
Other Miscellaneous	-	-	-	-
Net Non-Operating Income (Expense)	(116,833)	33,868	(116,833)	927,650
Net Income (Loss)	(2,614,647)	(1,990,358)	(1,990,849)	(421,780)
Net Position at Beginning of Year (As Restated)	96,568,804	98,559,162	97,519,362	98,980,942
Cumulative Effect of Change in Accounting principle	-	-	-	-
Net Position at Beginning of Year	96,568,804	98,559,162	97,519,362	98,980,942
Net Position at End of Year	93,954,158	96,568,804	95,528,513	98,559,162
CAPITAL EXPENSES				
Capital Water	-	-	-	-
Capital WasteWater	6,742,500	13,325,500	13,325,500	9,694,215
Administration (Allocated)	355,000	412,500	412,500	-
	7,097,500	13,738,000	13,738,000	9,694,215

LEHIGH COUNTY AUTHORITY
STATEMENTS OF ACTIVITIES AND CHANGES IN NET P
2026 Budget (as of 09-18-25)

	City Division			
	Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Operating Revenues:				
User Charges				
Charges for Services	64,988,654	59,151,262	59,150,385	57,626,711
Other Income	382,636	389,551	382,636	505,299
Total Charges for Services	65,371,290	59,540,813	59,533,021	58,132,011
Connection & System Charges				
Tapping and Capital Recovery Fees	447,232	492,357	447,232	331,907
Capital Cost Recovery	850,217	1,580,094	1,560,547	2,104,222
Distribution Tapping Fees	2,173	2,646	2,173	1,343
Meter Sales	32,322	40,936	32,322	58,466
Inspection and Plan Reviews	14,187	14,187	14,187	(500)
Project Reimbursements	618,119	1,446,736	1,368,119	3,985,443
Total Connection & System Charges	1,964,250	3,576,956	3,424,580	6,480,879
Other Miscellaneous Income	52,905	90,523	88,609	254,620
Total Operating Revenues	67,388,445	63,208,292	63,046,210	64,867,510
Operating Expenses:				
Personnel	14,720,010	14,010,800	13,975,346	11,262,555
General & Administrative	3,274,508	3,233,292	3,272,110	2,127,095
Utilities	2,143,389	2,119,257	2,083,602	1,833,941
Materials and Supplies	3,924,700	3,752,651	3,677,870	3,084,944
Miscellaneous Services	3,170,615	2,609,068	2,653,796	2,537,609
Treatment and Transportation	12,000	11,685	11,685	11,933
Depreciation and Amortization	7,308,409	6,508,957	6,516,803	7,116,269
Major Maintenance Expenses	4,100,000	4,100,426	4,100,000	8,425,137
Other Miscellaneous	-	-	-	-
Total Operating Expenses	38,653,631	36,346,136	36,291,211	36,399,482
Net Operating Profit (Loss)	28,734,814	26,862,156	26,754,999	28,468,029
Non-Operating Income (Expense)				
Interest Income	1,432,632	5,610,016	1,432,632	5,742,204
Interest (Expense)	(21,236,805)	(20,864,751)	(20,178,848)	(22,621,589)
Unrealized Gain on Investment	-	-	-	-
Unrealized (Loss) on Investment	-	-	-	-
Capital Contributed	-	-	-	-
Other Miscellaneous	6,610,000	15,000,000	15,000,000	-
Net Non-Operating Income (Expense)	(13,194,173)	(254,735)	(3,746,216)	(16,879,385)
Net Income (Loss)	15,540,642	26,607,421	23,008,783	11,588,644
Net Position at Beginning of Year (As Restated)	(7,521,095)	(34,128,516)	(33,666,657)	(45,717,160)
Cumulative Effect of Change in Accounting principle	-	-	-	-
Net Position at Beginning of Year	(7,521,095)	(34,128,516)	(33,666,657)	(45,717,160)
Net Position at End of Year	8,019,547	(7,521,095)	(10,657,874)	(34,128,516)
CAPITAL EXPENSES				
Capital Water	28,095,000	30,690,000	30,690,000	9,518,875
Capital WasteWater	21,887,000	19,415,000	19,415,000	9,216,663
Administration (Allocated)	710,000	475,000	825,000	-
Total Capital Expenses	50,692,000	50,580,000	50,930,000	18,735,537

LEHIGH COUNTY AUTHORITY
STATEMENTS OF ACTIVITIES AND CHANGES IN NET P
2026 Budget (as of 09-18-25)

	Total LCA			
	Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Operating Revenues:				
User Charges				
Charges for Services	104,942,142	97,194,732	97,061,803	93,328,533
Other Income	1,082,650	982,149	1,056,099	2,113,367
Total Charges for Services	106,024,792	98,176,881	98,117,902	95,441,900
Connection & System Charges				
Tapping and Capital Recovery Fees	2,482,186	2,540,012	2,472,828	2,029,782
Capital Cost Recovery	850,217	1,580,094	1,560,547	2,104,222
Distribution Tapping Fees	74,743	81,885	74,743	35,362
Meter Sales	162,745	171,359	174,630	219,498
Inspection and Plan Reviews	126,578	126,582	140,891	67,929
Project Reimbursements	907,602	1,774,989	1,748,582	4,156,177
Total Connection & System Charges	4,604,071	6,274,921	6,172,221	8,612,968
Other Miscellaneous Income	235,109	272,031	271,975	571,420
Total Operating Revenues	110,863,972	104,723,833	104,562,098	104,626,288
Operating Expenses:				
Personnel	21,963,266	20,489,893	20,498,278	16,949,471
General & Administrative	5,108,579	5,107,254	5,176,308	3,286,268
Utilities	3,117,952	3,027,750	2,942,109	2,590,533
Materials and Supplies	5,888,045	5,714,181	5,741,033	4,397,968
Miscellaneous Services	17,036,373	16,098,237	15,448,183	14,768,468
Treatment and Transportation	5,764,683	4,629,259	4,257,655	5,520,957
Depreciation and Amortization	18,626,592	17,188,742	17,165,980	18,135,705
Major Maintenance Expenses	4,100,000	4,100,426	4,100,000	8,425,137
Other Miscellaneous	224,136	224,136	244,136	235,825
Total Operating Expenses	81,829,626	76,579,877	75,573,682	74,310,333
Net Operating Profit (Loss)	29,034,346	28,143,956	28,988,416	30,315,955
Non-Operating Income (Expense)				
Interest Income	2,403,874	6,960,680	1,843,065	7,075,542
Interest (Expense)	(22,774,490)	(22,353,009)	(21,552,597)	(23,849,198)
Unrealized Gain on Investment	-	(13,835)	(2,886)	46,402
Unrealized (Loss) on Investment	-	(100,376)	(148,243)	31,228
Capital Contributed	-	-	-	543,649
Other Miscellaneous	6,610,000	15,000,000	15,000,000	(171,664)
Net Non-Operating Income (Expense)	(13,760,616)	(506,541)	(4,860,661)	(16,324,041)
Net Income (Loss)	15,273,731	27,637,415	24,127,755	13,991,914
Net Position at Beginning of Year (As Restated)	213,983,257	186,345,841	185,291,228	172,353,927
Cumulative Effect of Change in Accounting principle	-	-	-	-
Net Position at Beginning of Year	213,983,257	186,345,841	185,291,228	172,353,927
Net Position at End of Year	229,256,987	213,983,257	209,418,983	186,345,841
<u>CAPITAL EXPENSES</u>				
Capital Water	34,130,000	35,052,000	35,052,000	14,502,603
Capital WasteWater	28,629,500	32,740,500	32,740,500	18,910,878
Administration (Allocated)	1,420,000	1,300,000	1,650,000	1,101,785
	64,179,500	69,092,500	69,442,500	34,515,266

LEHIGH COUNTY AUTHORITY
STATEMENTS CHANGES IN NET POSITION - AUDIT FORMAT
2026 Budget (as of 09-18-25)

	Suburban Water			
	Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Operating Revenues:				
User Charges				
Charges for Services	19,400,944	18,654,754	18,431,443	17,417,243
Other Income	289,811	289,811	392,999	83,483
Total Charges for Services	19,690,755	18,944,564	18,824,442	17,500,727
Operating Expenses:				
Personnel	4,706,501	4,303,459	4,316,490	4,032,115
General & Administrative	1,190,445	1,180,375	1,122,516	825,732
Utilities	603,704	596,384	550,628	492,836
Materials and Supplies	1,305,647	1,305,320	1,373,473	903,796
Miscellaneous Services	5,835,758	5,578,645	4,824,648	5,072,984
Treatment and Transportation	-	-	-	-
Depreciation and Amortization	4,175,007	3,598,008	3,541,890	4,065,244
Total Operating Expenses	17,817,062	16,562,192	15,729,645	15,392,706
Total Operating Income (Loss)	1,873,693	2,382,373	3,094,798	2,108,020
NonOperating Revenues (Expenses):				
Tapping and Capital Recovery Fees	418,873	418,873	409,515	384,729
Meter Sales	130,423	130,423	142,308	161,032
Inspection, Plan Reviews, and Project Reimbursements	396,319	396,319	501,612	235,431
Investment Earnings	911,982	911,982	200,044	714,192
Interest Expense	(1,361,592)	(1,197,656)	(1,197,656)	(1,091,073)
Other Expense	(201,483)	(201,483)	(221,483)	(179,914)
Other Miscellaneous Income	179,521	179,521	180,683	316,394
Total Nonoperating Revenues/(Expenses)	474,043	637,979	15,023	540,791
Increase (Decrease) in net position before capital contributions	2,347,736	3,020,352	3,109,821	2,648,811
Capital Contributions:				
Capital Grant	-	-	-	-
Capital Assets Provided by Developers and Others	-	-	-	176,239
Total Capital Contributions	-	-	-	176,239
Increase (Decrease) in net position	2,347,736	3,020,352	3,109,821	2,825,050
Net Position at Beginning of Year	124,935,547	121,915,195	121,438,523	119,090,145
Net Position at End of Year	127,283,283	124,935,547	124,548,343	121,915,195

LEHIGH COUNTY AUTHORITY
STATEMENTS CHANGES IN NET POSITION - AUDIT FORMAT
2026 Budget (as of 09-18-25)

		Suburban Wastewater			
		Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Operating Revenues:					
User Charges					
Charges for Services		20,552,544	19,388,716	19,479,974	18,284,578
Other Income		410,203	302,788	280,464	1,524,585
Total Charges for Services		20,962,747	19,691,504	19,760,438	19,809,163
Operating Expenses:					
Personnel		2,536,754	2,175,634	2,206,442	1,654,801
General & Administrative		643,626	693,587	781,682	333,442
Utilities		370,859	312,109	307,879	263,757
Materials and Supplies		657,698	656,210	689,690	409,228
Miscellaneous Services		8,030,000	7,910,524	7,969,739	7,157,875
Treatment and Transportation		5,752,683	4,617,574	4,245,970	5,509,024
Depreciation and Amortization		7,143,176	7,081,776	7,107,287	6,954,193
Total Operating Expenses		25,134,797	23,447,414	23,308,690	22,282,320
Total Operating Income (Loss)		(4,172,050)	(3,755,910)	(3,548,252)	(2,473,157)
NonOperating Revenues (Expenses):					
Tapping and Capital Recovery Fees		1,688,651	1,708,021	1,688,651	1,347,166
Meter Sales		-	-	-	-
Inspection, Plan Reviews, and Project Reimbursements		5,555	44,329	5,555	3,732
Investment Earnings		59,260	324,470	59,260	696,776
Interest Expense		(176,093)	(290,602)	(176,093)	(136,537)
Other Expense		(22,653)	(22,653)	(22,653)	(227,575)
Other Miscellaneous Income		2,683	1,987	2,683	405
Total Nonoperating Revenues/(Expenses)		1,557,403	1,765,552	1,557,403	1,683,967
Increase (Decrease) in net position before capital contributions		(2,614,647)	(1,990,358)	(1,990,849)	(789,190)
Capital Contributions:					
Capital Grant		-	-	-	-
Capital Assets Provided by Developers and Others		-	-	-	367,411
Total Capital Contributions		-	-	-	367,411
Increase (Decrease) in net position		(2,614,647)	(1,990,358)	(1,990,849)	(421,780)
Net Position at Beginning of Year		96,568,804	98,559,162	97,519,362	98,980,942
Net Position at End of Year		93,954,158	96,568,804	95,528,513	98,559,162

LEHIGH COUNTY AUTHORITY
STATEMENTS CHANGES IN NET POSITION - AUDIT FORMAT
2026 Budget (as of 09-18-25)

	City Division			
	Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Operating Revenues:				
User Charges				
Charges for Services	64,988,654	59,151,262	59,150,385	57,626,711
Other Income	382,636	389,551	382,636	505,299
Total Charges for Services	65,371,290	59,540,813	59,533,021	58,132,011
Operating Expenses:				
Personnel	14,720,010	14,010,800	13,975,346	11,262,555
General & Administrative	3,274,508	3,233,292	3,272,110	2,127,095
Utilities	2,143,389	2,119,257	2,083,602	1,833,941
Materials and Supplies	3,924,700	3,752,651	3,677,870	3,084,944
Miscellaneous Services	3,170,615	2,609,068	2,653,796	2,537,609
Treatment and Transportation	12,000	11,685	11,685	11,933
Depreciation and Amortization	7,308,409	6,508,957	6,516,803	7,116,269
Total Operating Expenses	34,553,631	32,245,710	32,191,211	27,974,345
Total Operating Income (Loss)	30,817,659	27,295,103	27,341,810	30,157,666
NonOperating Revenues (Expenses):				
Tapping and Capital Recovery Fees	1,299,622	2,075,097	2,009,952	2,437,471
Meter Sales	32,322	40,936	32,322	58,466
Inspection, Plan Reviews, and Project Reimbursements	632,306	1,460,923	1,382,306	3,984,943
Investment Earnings	1,432,632	5,610,016	1,432,632	5,742,204
Interest Expense	(21,236,805)	(20,864,751)	(20,178,848)	(22,621,589)
Other Expense	2,510,000	10,899,574	10,900,000	(8,425,137)
Other Miscellaneous Income	52,905	90,523	88,609	254,620
Total Nonoperating Revenues/(Expenses)	(15,277,018)	(687,683)	(4,333,027)	(18,569,022)
Increase (Decrease) in net position before capital contributions	15,540,642	26,607,421	23,008,783	11,588,644
Capital Contributions:				
Capital Grant	-	-	-	-
Capital Assets Provided by Developers and Others	-	-	-	-
Total Capital Contributions	-	-	-	-
Increase (Decrease) in net position	15,540,642	26,607,421	23,008,783	11,588,644
Net Position at Beginning of Year	(7,521,095)	(34,128,516)	(33,666,657)	(45,717,160)
Net Position at End of Year	8,019,547	(7,521,095)	(10,657,874)	(34,128,516)

LEHIGH COUNTY AUTHORITY
STATEMENTS CHANGES IN NET POSITION - AUDIT FORMAT
2026 Budget (as of 09-18-25)

	Total LCA			
	Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Operating Revenues:				
User Charges				
Charges for Services	104,942,142	97,194,732	97,061,803	93,328,533
Other Income	1,082,650	982,149	1,056,099	2,113,367
Total Charges for Services	106,024,792	98,176,881	98,117,902	95,441,900
Operating Expenses:				
Personnel	21,963,266	20,489,893	20,498,278	16,949,471
General & Administrative	5,108,579	5,107,254	5,176,308	3,286,268
Utilities	3,117,952	3,027,750	2,942,109	2,590,533
Materials and Supplies	5,888,045	5,714,181	5,741,033	4,397,968
Miscellaneous Services	17,036,373	16,098,237	15,448,183	14,768,468
Treatment and Transportation	5,764,683	4,629,259	4,257,655	5,520,957
Depreciation and Amortization	18,626,592	17,188,742	17,165,980	18,135,705
Total Operating Expenses	77,505,490	72,255,315	71,229,546	65,649,371
Total Operating Income (Loss)	28,519,302	25,921,566	26,888,356	29,792,529
NonOperating Revenues (Expenses):				
Tapping and Capital Recovery Fees	3,407,146	4,201,991	4,108,118	4,169,365
Meter Sales	162,745	171,359	174,630	219,498
Inspection, Plan Reviews, and Project Reimbursements	1,034,180	1,901,571	1,889,473	4,224,105
Investment Earnings	2,403,874	6,846,468	1,691,936	7,153,172
Interest Expense	(22,774,490)	(22,353,009)	(21,552,597)	(23,849,198)
Other Expense	2,285,864	10,675,438	10,655,864	(8,832,626)
Other Miscellaneous Income	235,109	272,031	271,975	571,420
Total Nonoperating Revenues/(Expenses)	(13,245,572)	1,715,849	(2,760,601)	(16,344,265)
Increase (Decrease) in net position before capital contributions	15,273,731	27,637,415	24,127,755	13,448,264
Capital Contributions:				
Capital Grant	-	-	-	-
Capital Assets Provided by Developers and Others	-	-	-	543,649
Total Capital Contributions	-	-	-	543,649
Increase (Decrease) in net position	15,273,731	27,637,415	24,127,755	13,991,914
Net Position at Beginning of Year	213,983,257	186,345,841	185,291,228	172,353,927
Net Position at End of Year	229,256,987	213,983,257	209,418,983	186,345,841

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System Statements

LEHIGH COUNTY AUTHORITY
STATEMENTS OF ACTIVITIES - SUBURBAN - WATER FUND
2026 Budget (as of 09-18-25)

	Undesignated 200	Western Lehigh Service Area			S. Lehigh
		Central Lehigh 205	Arcadia West 255	Emmaus 245	Beverly Hills 235
Operating Revenues:					
User Charges					
Large Industrial	-	2,228,202	-	-	-
Other Industrial/Commercial	-	6,926,070	38,444	3,144	-
Residential	-	7,160,227	-	137,377	13,294
Penalties	-	150,480	2,940	1,388	196
Private Fire Service	-	815,995	204,346	-	-
Public Fire Service	-	787,720	-	-	-
User Charges - Municipal	-	-	-	-	-
User Charges - Residential & Commercial	-	-	-	-	-
User Charges - Hauler	-	-	-	-	-
Hauler Fees	-	-	-	-	-
Industrial Charges	-	-	-	-	-
Industrial Pretreatment Revenues	-	-	-	-	-
Municipal	-	-	-	-	-
Leachate Program Revenues	-	-	-	-	-
Other Income	-	-	-	-	-
Other Water Sales	-	99,560	-	-	-
Provision for Doubtful Debts	-	13,543	-	(137)	3
Total Charges for Services	-	18,181,798	245,730	141,772	13,493
Miscellaneous	-	265,491	172	686	-
Total User Charges	-	18,447,289	245,902	142,458	13,493
Connection & System Charges					
Supply/Tapping Fees	-	306,055	36,861	-	-
Capital Cost Recovery	-	-	-	-	-
Distribution Tapping Fees	-	54,598	-	8,172	-
Meter Sales	-	125,857	2,455	-	-
Inspection & Review Fees	-	99,339	8,757	-	-
Developer Reimbursement	-	269,596	7,683	-	-
Total Connection & System Charges	-	855,445	55,756	8,172	-
Other Miscellaneous Revenues					
Other Income	-	177,971	283	131	26
Total Other Miscellaneous Revenues	-	177,971	283	131	26
Total Operating Revenues	-	19,480,705	301,941	150,761	13,519

LEHIGH COUNTY AUTHORITY
STATEMENTS OF ACTIVITIES - SUBURBAN - WATER FUND
2026 Budget (as of 09-18-25)

	Undesignated 200	Western Lehigh Service Area			S. Lehigh
		Central Lehigh 205	Arcadia West 255	Emmaus 245	Beverly Hills 235
Operating Expenses:					
Personnel					
Salaries and Wages	-	2,093,602	46,991	9,510	37,898
Overtime	-	195,453	2,729	1,668	5,449
Taxes	-	175,113	3,804	855	3,316
Fringe Benefits	-	1,409,908	24,805	5,861	22,508
Other Personnel Related	-	-	-	-	-
Total Personnel	-	3,874,075	78,329	17,894	69,170
Purchase of Services					
Shared Services - General & Administrative	-	1,099,856	16,533	3,253	1,922
Utilities	-	498,755	12,031	625	7,083
Compliance	-	40,000	4,000	3,900	630
Contract Operating Svcs	-	2,500	2,500	-	1,700
Engineering	-	40,000	-	-	-
Exceptional Strength Analysis	-	-	-	-	-
Extraordinary Expenditures	-	-	-	-	-
Fleet Management Services	-	80,000	-	-	-
General Analyses	-	117,980	6,534	29,513	3,978
Planning Expenses	-	-	-	-	-
Industrial Meter Testing	-	-	-	-	-
Maintenance Services	-	521,000	25,200	4,000	11,200
Miscellaneous Services	-	77,400	-	-	2,400
Leased Equipment	-	-	-	-	-
Rental	-	-	-	-	-
Residuals	-	-	-	-	-
Water Purchases	-	4,014,000	-	25,000	-
System Planning / Capital Management	-	-	-	-	-
LCA WWTP Treatment/Removals	-	-	-	-	-
Treatment and Transportation	-	-	-	-	-
Total Purchase of Services	-	6,491,491	66,798	66,291	28,913
Materials & Supplies					
Purification Chemicals	-	45,000	8,000	-	1,395
Purification Supplies	-	48,000	3,500	-	500
Pump Supplies	-	51,200	5,500	-	3,500
Misc. Materials & Supplies	-	222,952	5,825	-	3,000
Fuel & Mileage	-	95,000	6,200	500	4,200
Fleet Management Supplies	-	20,000	-	-	-
Equipment	-	150,000	1,500	500	1,000
Distribution & Transmission Supplies	-	346,000	12,000	9,000	3,000
Collection System Supplies	-	-	-	-	-
Total Materials & Supplies	-	978,152	42,525	10,000	16,595
Depreciation and Amortization	-	4,175,007	-	-	-
Other Expenses					
Major Maintenance Expenses	-	-	-	-	-
Other Miscellaneous	201,483	-	-	-	-
Total Other Expenses	201,483	-	-	-	-
Total Operating Expenses	201,483	15,518,726	187,652	94,185	114,678
Net Operating Profit (Loss)	(201,483)	3,961,979	114,289	56,576	(101,160)
Non-Operating Income (Expense)					
Interest Income	877,881	34,101	-	-	-
Interest (Expense)	(5,342)	(1,356,250)	-	-	-
Unrealized Gain on Investment	-	-	-	-	-
Unrealized (Loss) on Investment	-	-	-	-	-
Capital Contributed	-	-	-	-	-
Other Miscellaneous	-	-	-	-	-
Net Non-Operating Income (Expense)	872,539	(1,322,149)	-	-	-
Net Income (Loss)	671,056	2,639,830	114,289	56,576	(101,160)

LEHIGH COUNTY AUTHORITY
STATEMENTS OF ACTIVITIES - SUBURBAN - WATER FUND
2026 Budget (as of 09-18-25)

Operating Revenues:

User Charges

Large Industrial	-	-	-	-	-	-
Other Industrial/Commercial	82,588	5,050	-	-	-	-
Residential	370,331	111,748	11,401	58,850	17,521	35,047
Penalties	3,090	2,721	237	977	193	503
Private Fire Service	7,982	1,597	-	-	-	-
Public Fire Service	36,772	16,488	-	-	-	-
User Charges - Municipal	-	-	-	-	-	-
User Charges - Residential & Commercial	-	-	-	-	-	-
User Charges - Hauler	-	-	-	-	-	-
Hauler Fees	-	-	-	-	-	-
Industrial Charges	-	-	-	-	-	-
Industrial Pretreatment Revenues	-	-	-	-	-	-
Municipal	-	-	-	-	-	-
Leachate Program Revenues	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
Other Water Sales	-	-	-	-	-	-
Provision for Doubtful Debts	(246)	(5,028)	-	-	0	96
Total Charges for Services	500,518	132,575	11,638	59,827	17,715	35,646

Miscellaneous

4,340	5,026	343	-	172	1,374
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Total User Charges

504,858	137,601	11,981	59,827	17,887	37,020
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Connection & System Charges

Supply/Tapping Fees	2,617	770	-	-	-	-
Capital Cost Recovery	-	-	-	-	-	-
Distribution Tapping Fees	5,521	4,279	-	-	-	-
Meter Sales	1,585	526	-	-	-	-
Inspection & Review Fees	-	-	-	-	-	-
Developer Reimbursement	1,487	2,152	-	2,355	-	4,950

Total Connection & System Charges

11,210	7,727	-	2,355	-	4,950
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Other Miscellaneous Revenues

Other Income	483	222	-	144	13	209
Total Other Miscellaneous Revenues	483	222	-	144	13	209

Total Operating Revenues

516,551	145,550	11,981	62,326	17,900	42,179
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LEHIGH COUNTY AUTHORITY
STATEMENTS OF ACTIVITIES - SUBURBAN - WATER FUND
2026 Budget (as of 09-18-25)

Northern Lehigh Service Area						
	North Whitehall 210	Washington 215	Mill Creek 220	Heidelberg 225	PL of Lynn 230	Madison North 260
Operating Expenses:						
Personnel						
Salaries and Wages	82,284	26,392	23,298	65,204	13,769	28,786
Overtime	16,121	6,109	4,229	9,089	2,493	4,683
Taxes	7,528	2,486	2,106	5,683	1,244	2,560
Fringe Benefits	52,076	17,407	14,470	38,457	8,559	17,532
Other Personnel Related	-	-	-	-	-	-
Total Personnel	158,010	52,394	44,103	118,434	26,065	53,561
Purchase of Services						
Shared Services - General & Administrative	30,449	2,921	2,993	10,687	6,255	6,269
Utilities	22,917	1,563	8,542	19,792	6,458	7,292
Compliance	4,700	2,600	420	2,100	630	630
Contract Operating Svcs	11,000	-	2,500	7,500	3,000	2,200
Engineering	-	-	-	-	-	-
Exceptional Strength Analysis	-	-	-	-	-	-
Extraordinary Expenditures	-	-	-	-	-	-
Fleet Management Services	-	-	-	-	-	-
General Analyses	2,521	2,007	3,928	16,001	4,029	4,142
Planning Expenses	-	-	-	-	-	-
Industrial Meter Testing	-	-	-	-	-	-
Maintenance Services	26,900	6,800	33,000	32,200	13,700	17,000
Miscellaneous Services	2,950	3,700	2,300	-	6,000	1,000
Leased Equipment	-	-	-	-	-	-
Rental	-	-	-	-	-	-
Residuals	-	-	-	-	-	-
Water Purchases	465,000	101,000	-	-	-	-
System Planning / Capital Management	-	-	-	-	-	-
LCA WWTP Treatment/Removals	-	-	-	-	-	-
Treatment and Transportation	-	-	-	-	-	-
Total Purchase of Services	566,437	120,590	53,683	88,280	40,071	38,533
Materials & Supplies						
Purification Chemicals	500	-	1,200	1,300	1,000	400
Purification Supplies	250	1,000	6,000	6,000	-	400
Pump Supplies	12,000	-	2,500	4,000	3,000	5,200
Misc. Materials & Supplies	11,650	2,600	11,600	10,300	1,600	2,000
Fuel & Mileage	8,600	3,200	2,500	4,500	4,000	4,000
Fleet Management Supplies	-	-	-	-	-	-
Equipment	8,000	3,500	9,000	7,500	1,000	3,000
Distribution & Transmission Supplies	38,000	4,700	2,000	8,500	4,500	10,000
Collection System Supplies	-	-	-	-	-	-
Total Materials & Supplies	79,000	15,000	34,800	42,100	15,100	25,000
Depreciation and Amortization	-	-	-	-	-	-
Other Expenses						
Major Maintenance Expenses	-	-	-	-	-	-
Other Miscellaneous	-	-	-	-	-	-
Total Other Expenses	-	-	-	-	-	-
Total Operating Expenses	803,446	187,984	132,586	248,814	81,237	117,094
Net Operating Profit (Loss)	(286,896)	(42,433)	(120,605)	(186,488)	(63,337)	(74,915)
Non-Operating Income (Expense)						
Interest Income	-	-	-	-	-	-
Interest (Expense)	-	-	-	-	-	-
Unrealized Gain on Investment	-	-	-	-	-	-
Unrealized (Loss) on Investment	-	-	-	-	-	-
Capital Contributed	-	-	-	-	-	-
Other Miscellaneous	-	-	-	-	-	-
Net Non-Operating Income (Expense)	-	-	-	-	-	-
Net Income (Loss)	(286,896)	(42,433)	(120,605)	(186,488)	(63,337)	(74,915)

LEHIGH COUNTY AUTHORITY
STATEMENTS OF ACTIVITIES - SUBURBAN - WATER FUND
2026 Budget (as of 09-18-25)

Operating Revenues:

User Charges

Large Industrial
Other Industrial/Commercial
Residential
Penalties
Private Fire Service
Public Fire Service
User Charges - Municipal
User Charges - Residential & Commercial
User Charges - Hauler
Hauler Fees
Industrial Charges
Industrial Pretreatment Revenues
Municipal
Leachate Program Revenues
Other Income
Other Water Sales
Provision for Doubtful Debts
Total Charges for Services

Miscellaneous

Total User Charges

Connection & System Charges

Supply/Tapping Fees
Capital Cost Recovery
Distribution Tapping Fees
Meter Sales
Inspection & Review Fees
Developer Reimbursement

Total Connection & System Charges

Other Miscellaneous Revenues

Other Income

Total Other Miscellaneous Revenues

Total Operating Revenues

Northampton	
CFE 240	Buss Acres 250
-	-
-	763
20,521	38,534
216	201
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
20,737	39,497
12,207	-
32,944	39,497
-	-
-	-
-	-
-	-
-	-
-	-
-	-
13	26
13	26
32,957	39,523

LEHIGH COUNTY AUTHORITY
STATEMENTS OF ACTIVITIES - SUBURBAN - WATER FUND
2026 Budget (as of 09-18-25)

	Northampton	
	CFE	Buss Acres
	240	250
Operating Expenses:		
Personnel		
Salaries and Wages	79,917	34,027
Overtime	6,709	13,243
Taxes	6,627	3,616
Fringe Benefits	43,766	26,563
Other Personnel Related	-	-
Total Personnel	137,018	77,448
Purchase of Services		
Shared Services - General & Administrative	5,563	3,745
Utilities	7,500	11,146
Compliance	630	630
Contract Operating Svcs	2,600	4,400
Engineering	-	-
Exceptional Strength Analysis	-	-
Extraordinary Expenditures	-	-
Fleet Management Services	-	-
General Analyses	3,826	4,079
Planning Expenses	-	-
Industrial Meter Testing	-	-
Maintenance Services	7,500	14,500
Miscellaneous Services	1,200	1,500
Leased Equipment	-	-
Rental	-	-
Residuals	-	-
Water Purchases	-	-
System Planning / Capital Management	-	-
LCA WWTP Treatment/Removals	-	-
Treatment and Transportation	-	-
Total Purchase of Services	28,820	40,000
Materials & Supplies		
Purification Chemicals	1,200	2,000
Purification Supplies	3,500	3,000
Pump Supplies	2,500	2,000
Misc. Materials & Supplies	2,750	2,225
Fuel & Mileage	5,700	4,300
Fleet Management Supplies	-	-
Equipment	2,500	3,200
Distribution & Transmission Supplies	4,000	8,500
Collection System Supplies	-	-
Total Materials & Supplies	22,150	25,225
Depreciation and Amortization	-	-
Other Expenses		
Major Maintenance Expenses	-	-
Other Miscellaneous	-	-
Total Other Expenses	-	-
Total Operating Expenses	187,988	142,673
Net Operating Profit (Loss)	(155,031)	(103,150)
Non-Operating Income (Expense)		
Interest Income	-	-
Interest (Expense)	-	-
Unrealized Gain on Investment	-	-
Unrealized (Loss) on Investment	-	-
Capital Contributed	-	-
Other Miscellaneous	-	-
Net Non-Operating Income (Expense)	-	-
Net Income (Loss)	(155,031)	(103,150)

LEHIGH COUNTY AUTHORITY
STATEMENTS OF ACTIVITIES - SUBURBAN - WATER FUND
2026 Budget (as of 09-18-25)

	Total			
	Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Operating Revenues:				
User Charges				
Large Industrial	2,228,202	2,103,833	2,117,415	1,726,298
Other Industrial/Commercial	7,056,059	7,087,800	6,912,211	6,724,113
Residential	7,974,850	7,675,523	7,599,722	7,285,423
Penalties	163,141	148,736	215,995	163,932
Private Fire Service	1,029,921	1,008,585	1,018,276	954,076
Public Fire Service	840,980	516,646	509,067	505,522
User Charges - Municipal	-	-	-	-
User Charges - Residential & Commercial	-	-	-	-
User Charges - Hauler	-	-	-	-
Hauler Fees	-	-	-	-
Industrial Charges	-	-	-	-
Industrial Pretreatment Revenues	-	-	-	-
Municipal	-	-	-	-
Leachate Program Revenues	-	-	-	-
Other Income	-	-	-	-
Other Water Sales	99,560	113,631	99,327	50,225
Provision for Doubtful Debts	8,230	-	(40,570)	7,654
Total Charges for Services	19,400,944	18,654,754	18,431,443	17,417,243
Miscellaneous	289,811	289,811	392,999	83,483
Total User Charges	19,690,755	18,944,564	18,824,442	17,500,727
Connection & System Charges				
Supply/Tapping Fees	346,303	339,634	336,945	350,710
Capital Cost Recovery	-	-	-	-
Distribution Tapping Fees	72,570	79,239	72,570	34,019
Meter Sales	130,423	130,423	142,308	161,032
Inspection & Review Fees	108,096	108,096	122,409	68,429
Developer Reimbursement	288,223	288,223	379,203	167,002
Total Connection & System Charges	945,615	945,616	1,053,435	781,191
Other Miscellaneous Revenues				
Other Income	179,521	179,521	180,683	316,394
Total Other Miscellaneous Revenues	179,521	179,521	180,683	316,394
Total Operating Revenues	20,815,891	20,069,701	20,058,560	18,598,312

LEHIGH COUNTY AUTHORITY
STATEMENTS OF ACTIVITIES - SUBURBAN - WATER FUND
2026 Budget (as of 09-18-25)

	Total			
	Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Operating Expenses:				
Personnel				
Salaries and Wages	2,541,678	2,419,326	2,474,886	2,476,962
Overtime	267,973	260,705	220,465	316,300
Taxes	214,938	229,594	223,817	208,715
Fringe Benefits	1,681,912	1,393,834	1,397,322	1,030,139
Other Personnel Related	-	-	-	-
Total Personnel	4,706,501	4,303,459	4,316,490	4,032,115
Purchase of Services				
Shared Services - General & Administrative	1,190,445	1,180,375	1,122,516	825,732
Utilities	603,704	596,384	550,628	492,836
Compliance	60,870	46,897	45,897	47,615
Contract Operating Svcs	39,900	38,185	39,260	32,425
Engineering	40,000	54,505	56,441	64,725
Exceptional Strength Analysis	-	-	-	-
Extraordinary Expenditures	-	-	-	-
Fleet Management Services	80,000	56,076	60,787	63,388
General Analyses	198,538	99,297	91,911	118,252
Planning Expenses	-	-	-	-
Industrial Meter Testing	-	-	-	-
Maintenance Services	713,000	668,615	633,894	501,095
Miscellaneous Services	98,450	116,070	112,474	200,746
Leased Equipment	-	-	-	-
Rental	-	-	-	-
Residuals	-	-	-	-
Water Purchases	4,605,000	4,499,000	3,783,984	4,044,738
System Planning / Capital Management	-	-	-	-
LCA WWTP Treatment/Removals	-	-	-	-
Treatment and Transportation	-	-	-	-
Total Purchase of Services	7,629,907	7,355,404	6,497,792	6,391,552
Materials & Supplies				
Purification Chemicals	61,995	213,403	225,746	114,499
Purification Supplies	72,150	63,561	55,827	46,287
Pump Supplies	91,400	130,066	112,390	95,371
Misc. Materials & Supplies	276,502	103,660	111,171	149,916
Fuel & Mileage	142,700	78,884	78,467	69,370
Fleet Management Supplies	20,000	7,952	9,824	13,828
Equipment	190,700	170,915	195,563	173,931
Distribution & Transmission Supplies	450,200	536,879	584,485	240,593
Collection System Supplies	-	-	-	-
Total Materials & Supplies	1,305,647	1,305,320	1,373,473	903,796
Depreciation and Amortization	4,175,007	3,598,008	3,541,890	4,065,244
Other Expenses				
Major Maintenance Expenses	-	-	-	-
Other Miscellaneous	201,483	201,483	221,483	8,250
Total Other Expenses	201,483	201,483	221,483	8,250
Total Operating Expenses	18,018,545	16,763,675	15,951,128	15,400,956
Net Operating Profit (Loss)	2,797,346	3,306,026	4,107,433	3,197,356
Non-Operating Income (Expense)				
Interest Income	911,982	918,119	203,191	697,446
Interest (Expense)	(1,361,592)	(1,197,656)	(1,197,656)	(1,091,073)
Unrealized Gain on Investment	-	(4,155)	-	10,052
Unrealized (Loss) on Investment	-	(1,981)	(3,147)	6,694
Capital Contributed	-	-	-	176,239
Other Miscellaneous	-	-	-	(171,664)
Net Non-Operating Income (Expense)	(449,610)	(285,674)	(997,612)	(372,306)
Net Income (Loss)	2,347,736	3,020,352	3,109,821	2,825,050

LEHIGH COUNTY AUTHORITY
STATEMENTS OF ACTIVITIES - SUBURBAN - WASTEWATER FUND
2026 Budget (as of 09-18-25)

	Interceptor Group		
	WLI 360	LLRI 1 365	LLRI 2 370
Operating Revenues:			
User Charges			
Large Industrial	-	-	-
Other Industrial/Commercial	-	-	-
Residential	-	-	-
Penalties	-	-	-
Private Fire Service	-	-	-
Public Fire Service	-	-	-
User Charges - Municipal	10,784,657	435,695	54,029
User Charges - Residential & Commercial	367,350	-	-
User Charges - Hauler	-	-	-
Hauler Fees	-	-	-
Industrial Charges	-	-	-
Industrial Pretreatment Revenues	-	-	-
Municipal	-	-	-
Leachate Program Revenues	-	-	-
Other Income	-	-	-
Other Water Sales	-	-	-
Provision for Doubtful Debts	-	-	-
Total Charges for Services	11,152,007	435,695	54,029
Miscellaneous	318,106	199	-
Total User Charges	11,470,113	435,894	54,029
Connection & System Charges			
Supply/Tapping Fees	1,390,441	-	242,272
Capital Cost Recovery	-	-	-
Distribution Tapping Fees	-	-	-
Meter Sales	-	-	-
Inspection & Review Fees	-	-	-
Developer Reimbursement	-	-	-
Total Connection & System Charges	1,390,441	-	242,272
Other Miscellaneous Revenues			
Other Income	-	-	-
Total Other Miscellaneous Revenues	-	-	-
Total Operating Revenues	12,860,554	435,894	296,301

LEHIGH COUNTY AUTHORITY
STATEMENTS OF ACTIVITIES - SUBURBAN - WASTEWATER FUND
2026 Budget (as of 09-18-25)

	Interceptor Group		
	WLI 360	LLRI 1 365	LLRI 2 370
Operating Expenses:			
Personnel			
Salaries and Wages	443,599	102,312	22,619
Overtime	32,506	5,967	650
Taxes	36,422	8,283	1,780
Fringe Benefits	283,003	43,672	9,057
Other Personnel Related	-	-	-
Total Personnel	795,530	160,234	34,106
Purchase of Services			
Shared Services - General & Administrative	249,034	23,703	616
Utilities	94,607	166,055	-
Compliance	100	350	-
Contract Operating Svcs	-	-	-
Engineering	-	3,255	-
Exceptional Strength Analysis	-	-	-
Extraordinary Expenditures	-	-	-
Fleet Management Services	25,000	-	-
General Analyses	72,723	-	-
Planning Expenses	-	-	-
Industrial Meter Testing	-	-	-
Maintenance Services	204,350	34,200	11,970
Miscellaneous Services	77,600	8,000	-
Leased Equipment	-	-	-
Rental	-	-	-
Residuals	-	-	-
Water Purchases	-	-	-
System Planning / Capital Management	-	-	-
LCA WWTP Treatment/Removals	-	-	-
Treatment and Transportation	5,742,433	-	-
Total Purchase of Services	6,465,846	235,563	12,586
Materials & Supplies			
Purification Chemicals	-	-	-
Purification Supplies	-	-	-
Pump Supplies	1,500	15,000	-
Misc. Materials & Supplies	102,798	4,200	21,000
Fuel & Mileage	22,500	5,500	2,000
Fleet Management Supplies	13,000	-	-
Equipment	1,500	3,000	-
Distribution & Transmission Supplies	-	-	-
Collection System Supplies	-	-	-
Total Materials & Supplies	141,298	27,700	23,000
Depreciation and Amortization	3,864,462	255,682	45,057
Other Expenses			
Major Maintenance Expenses	-	-	-
Other Miscellaneous	19,321	753	169
Total Other Expenses	19,321	753	169
Total Operating Expenses	11,286,458	679,932	114,918
Net Operating Profit (Loss)	1,574,096	(244,038)	181,383
Non-Operating Income (Expense)			
Interest Income	-	-	57,360
Interest (Expense)	(66,704)	-	-
Unrealized Gain on Investment	-	-	-
Unrealized Loss on Investment	-	-	-
Capital Contributed	-	-	-
Other Miscellaneous	-	-	-
Net Non-Operating Income (Expense)	(66,704)	-	57,360
Net Income (Loss)	1,507,392	(244,038)	238,743

LEHIGH COUNTY AUTHORITY
STATEMENTS OF ACTIVITIES - SUBURBAN - WASTEWATER
2026 Budget (as of 09-18-25)

Operating Revenues:

User Charges

Large Industrial
Other Industrial/Commercial
Residential
Penalties
Private Fire Service
Public Fire Service
User Charges - Municipal
User Charges - Residential & Commercial
User Charges - Hauler
Hauler Fees
Industrial Charges
Industrial Pretreatment Revenues
Municipal
Leachate Program Revenues
Other Income
Other Water Sales
Provision for Doubtful Debts
Total Charges for Services

Miscellaneous

Total User Charges

Connection & System Charges

Supply/Tapping Fees
Capital Cost Recovery
Distribution Tapping Fees
Meter Sales
Inspection & Review Fees
Developer Reimbursement

Total Connection & System Charges

Other Miscellaneous Revenues

Other Income

Total Other Miscellaneous Revenues

Total Operating Revenues

CRCS					
Heidelberg 325	Upper Milford 340	Wynnewood 330	Weisenberg 345	Sand Spring 335	Lowhill Twp. 350
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,122	4,841	915	464	753	42
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
72,823	432,222	142,200	62,099	158,971	13,771
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
356	(55,906)	(2,441)	(835)	10	(186)
74,301	381,158	140,674	61,727	159,734	13,627
-	3,062	191	1,010	-	-
74,301	384,220	140,865	62,737	159,734	13,627
-	25,095	30,843	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,668	106	-	-	-
-	2	1,105	-	-	-
-	26,765	32,054	-	-	-
-	1,032	206	-	-	-
-	1,032	206	-	-	-
74,301	412,017	173,125	62,737	159,734	13,627

LEHIGH COUNTY AUTHORITY
STATEMENTS OF ACTIVITIES - SUBURBAN - WASTEWATER
2026 Budget (as of 09-18-25)

	CRCS					
	Heidelberg 325	Upper Milford 340	Wynnewood 330	Weisenberg 345	Sand Spring 335	Lowhill Twp. 350
Operating Expenses:						
Personnel						
Salaries and Wages	129,305	25,974	135,196	939	167,427	1,593
Overtime	17,740	10,151	17,116	7	14,272	-
Taxes	11,249	2,764	11,652	72	13,900	122
Fringe Benefits	62,535	17,685	64,166	544	75,430	595
Other Personnel Related	-	-	-	-	-	-
Total Personnel	220,830	56,573	228,130	1,562	271,029	2,310
Purchase of Services						
Shared Services - General & Administrative	39,411	2,103	45,520	3,088	88,615	361
Utilities	14,685	-	22,670	-	15,320	-
Compliance	8,000	-	4,000	-	3,000	-
Contract Operating Svcs	10,290	-	14,800	-	11,655	-
Engineering	-	-	-	-	-	-
Exceptional Strength Analysis	-	-	-	-	-	-
Extraordinary Expenditures	-	-	-	-	-	-
Fleet Management Services	-	-	-	-	-	-
General Analyses	16,000	-	11,596	-	20,000	-
Planning Expenses	-	-	-	-	-	-
Industrial Meter Testing	-	-	-	-	-	-
Maintenance Services	107,650	9,450	31,340	500	15,900	2,700
Miscellaneous Services	1,000	-	225	-	5,000	-
Leased Equipment	-	-	-	-	-	-
Rental	-	-	-	-	-	-
Residuals	20,000	-	45,000	-	90,000	-
Water Purchases	-	-	-	-	-	-
System Planning / Capital Management	-	-	-	-	-	-
LCA WWTP Treatment/Removals	-	-	-	-	-	-
Treatment and Transportation	-	7,500	-	2,000	-	750
Total Purchase of Services	217,035	19,053	175,151	5,588	249,490	3,811
Materials & Supplies						
Purification Chemicals	40,000	-	23,000	-	40,000	-
Purification Supplies	1,200	-	500	-	1,200	-
Pump Supplies	1,200	-	2,000	-	700	-
Misc. Materials & Supplies	10,900	2,500	10,000	1,700	8,900	-
Fuel & Mileage	6,000	2,200	5,000	1,500	5,750	-
Fleet Management Supplies	-	-	-	-	-	-
Equipment	4,500	-	17,800	-	2,500	-
Distribution & Transmission Supplies	-	-	-	-	-	-
Collection System Supplies	2,500	5,000	3,000	10,000	2,000	1,800
Total Materials & Supplies	66,300	9,700	61,300	13,200	61,050	1,800
Depreciation and Amortization	81,918	105,079	190,108	10,359	262,023	-
Other Expenses						
Major Maintenance Expenses	-	-	-	-	-	-
Other Miscellaneous	-	159	-	-	-	-
Total Other Expenses	-	159	-	-	-	-
Total Operating Expenses	586,083	190,565	654,689	30,710	843,592	7,921
Net Operating Profit (Loss)	(511,782)	221,452	(481,564)	32,027	(683,858)	5,706
Non-Operating Income (Expense)						
Interest Income	-	-	-	-	-	-
Interest (Expense)	-	(68,550)	(11,117)	-	-	-
Unrealized Gain on Investment	-	-	-	-	-	-
Unrealized Loss on Investment	-	-	-	-	-	-
Capital Contributed	-	-	-	-	-	-
Other Miscellaneous	-	-	-	-	-	-
Net Non-Operating Income (Expense)	-	(68,550)	(11,117)	-	-	-
Net Income (Loss)	(511,782)	152,902	(492,681)	32,027	(683,858)	5,706

LEHIGH COUNTY AUTHORITY
STATEMENTS OF ACTIVITIES - SUBURBAN - WASTEWATER
2026 Budget (as of 09-18-25)

					W. Weisenberg
	NLSA 305	Washington 320	Lynn Twp. 315	PTP 355	Arcadia West 310
Operating Revenues:					
User Charges					
Large Industrial	-	-	-	-	-
Other Industrial/Commercial	-	-	-	-	55,980
Residential	-	-	-	-	-
Penalties	-	13	11,780	30,390	3,622
Private Fire Service	-	-	-	-	-
Public Fire Service	-	-	-	-	-
User Charges - Municipal	-	-	-	-	-
User Charges - Residential & Commercial	-	-	369,350	4,164,129	-
User Charges - Hauler	-	-	-	3,167,425	-
Hauler Fees	-	-	-	36,298	-
Industrial Charges	-	-	-	190,618	-
Industrial Pretreatment Revenues	-	-	-	-	-
Municipal	-	-	-	-	-
Leachate Program Revenues	-	-	-	-	-
Other Income	-	-	-	-	-
Other Water Sales	-	-	-	-	-
Provision for Doubtful Debts	-	6,976	14,300	(9,900)	38,612
Total Charges for Services	-	6,989	395,429	7,578,959	98,215
Miscellaneous	44,978	15,548	1,254	25,855	-
Total User Charges	44,978	22,537	396,683	7,604,814	98,215
Connection & System Charges					
Supply/Tapping Fees	-	-	-	-	-
Capital Cost Recovery	-	-	-	-	-
Distribution Tapping Fees	-	-	-	-	-
Meter Sales	-	-	-	-	-
Inspection & Review Fees	-	212	-	-	2,309
Developer Reimbursement	-	43	21	-	89
Total Connection & System Charges	-	255	21	-	2,398
Other Miscellaneous Revenues					
Other Income	-	206	1,239	-	-
Total Other Miscellaneous Revenues	-	206	1,239	-	-
Total Operating Revenues	44,978	22,998	397,943	7,604,814	100,613

LEHIGH COUNTY AUTHORITY
STATEMENTS OF ACTIVITIES - SUBURBAN - WASTEWATER
2026 Budget (as of 09-18-25)

					W. Weisenberg
	NLSA 305	Washington 320	Lynn Twp. 315	PTP 355	Arcadia West 310
Operating Expenses:					
Personnel					
Salaries and Wages	328	51,543	185,932	104,849	136,702
Overtime	-	2,510	18,263	-	15,224
Taxes	25	4,135	15,621	8,021	11,622
Fringe Benefits	122	22,972	84,747	39,836	63,996
Other Personnel Related	-	-	-	-	-
Total Personnel	475	81,160	304,563	152,706	227,545
Purchase of Services					
Shared Services - General & Administrative	-	19,602	105,300	12,432	53,841
Utilities	-	474	20,843	-	36,205
Compliance	-	100	4,000	-	1,000
Contract Operating Svcs	-	-	-	6,759,351	-
Engineering	-	-	-	-	-
Exceptional Strength Analysis	-	-	-	-	-
Extraordinary Expenditures	-	-	-	-	-
Fleet Management Services	-	-	-	-	-
General Analyses	-	-	9,441	-	11,655
Planning Expenses	-	-	-	-	-
Industrial Meter Testing	-	-	-	-	-
Maintenance Services	1,000	42,700	44,700	150,000	65,000
Miscellaneous Services	-	-	-	400	-
Leased Equipment	-	-	-	-	-
Rental	-	-	-	-	-
Residuals	-	-	45,000	-	30,000
Water Purchases	-	-	-	-	-
System Planning / Capital Management	-	-	-	-	-
LCA WWTP Treatment/Removals	-	-	-	-	-
Treatment and Transportation	-	-	-	-	-
Total Purchase of Services	1,000	62,876	229,285	6,922,183	197,700
Materials & Supplies					
Purification Chemicals	-	-	80,000	-	23,000
Purification Supplies	-	-	5,000	-	5,000
Pump Supplies	-	-	4,000	-	6,000
Misc. Materials & Supplies	-	2,700	19,500	-	12,500
Fuel & Mileage	-	3,500	3,500	6,000	6,000
Fleet Management Supplies	-	-	-	-	-
Equipment	-	750	30,000	-	30,000
Distribution & Transmission Supplies	-	-	-	-	-
Collection System Supplies	-	2,400	7,500	-	5,000
Total Materials & Supplies	-	9,350	149,500	6,000	87,500
Depreciation and Amortization	615	-	149,471	2,034,293	144,109
Other Expenses					
Major Maintenance Expenses	-	-	-	-	-
Other Miscellaneous	-	381	1,338	531	-
Total Other Expenses	-	381	1,338	531	-
Total Operating Expenses	2,090	153,767	834,158	9,115,713	656,854
Net Operating Profit (Loss)	42,888	(130,769)	(436,214)	(1,510,899)	(556,242)
Non-Operating Income (Expense)					
Interest Income	-	-	-	-	1,900
Interest (Expense)	-	-	-	-	(29,722)
Unrealized Gain on Investment	-	-	-	-	-
Unrealized Loss on Investment	-	-	-	-	-
Capital Contributed	-	-	-	-	-
Other Miscellaneous	-	-	-	-	-
Net Non-Operating Income (Expense)	-	-	-	-	(27,822)
Net Income (Loss)	42,888	(130,769)	(436,214)	(1,510,899)	(584,064)

LEHIGH COUNTY AUTHORITY
STATEMENTS OF ACTIVITIES - SUBURBAN - WASTEWATER
2026 Budget (as of 09-18-25)

	Total			
	Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Operating Revenues:				
User Charges				
Large Industrial	-	-	-	-
Other Industrial/Commercial	55,980	47,987	47,427	45,721
Residential	-	-	-	-
Penalties	53,942	28,848	29,398	59,934
Private Fire Service	-	-	-	-
Public Fire Service	-	-	-	-
User Charges - Municipal	11,274,381	10,367,249	10,551,451	10,205,898
User Charges - Residential & Commercial	5,782,915	5,119,771	5,114,354	4,961,307
User Charges - Hauler	3,167,425	3,581,571	3,543,802	2,832,438
Hauler Fees	36,298	36,010	10,132	13,300
Industrial Charges	190,618	212,279	275,357	174,380
Industrial Pretreatment Revenues	-	-	-	-
Municipal	-	-	-	-
Leachate Program Revenues	-	-	-	-
Other Income	-	-	-	-
Other Water Sales	-	-	-	-
Provision for Doubtful Debts	(9,014)	(5,000)	(91,945)	(8,399)
Total Charges for Services	20,552,544	19,388,716	19,479,974	18,284,578
Miscellaneous	410,203	302,788	280,464	1,524,585
Total User Charges	20,962,747	19,691,504	19,760,438	19,809,163
Connection & System Charges				
Supply/Tapping Fees	1,688,651	1,708,021	1,688,651	1,347,166
Capital Cost Recovery	-	-	-	-
Distribution Tapping Fees	-	-	-	-
Meter Sales	-	-	-	-
Inspection & Review Fees	4,295	4,299	4,295	-
Developer Reimbursement	1,260	40,030	1,260	3,732
Total Connection & System Charges	1,694,206	1,752,350	1,694,206	1,350,898
Other Miscellaneous Revenues				
Other Income	2,683	1,987	2,683	405
Total Other Miscellaneous Revenues	2,683	1,987	2,683	405
Total Operating Revenues	22,659,636	21,445,840	21,457,327	21,160,465

LEHIGH COUNTY AUTHORITY
STATEMENTS OF ACTIVITIES - SUBURBAN - WASTEWATER
2026 Budget (as of 09-18-25)

	Total			
	Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Operating Expenses:				
Personnel				
Salaries and Wages	1,508,318	1,302,051	1,319,366	1,009,678
Overtime	134,408	123,170	115,874	116,502
Taxes	125,669	99,950	103,865	84,612
Fringe Benefits	768,360	650,464	667,337	444,008
Other Personnel Related	-	-	-	-
Total Personnel	2,536,754	2,175,634	2,206,442	1,654,801
Purchase of Services				
Shared Services - General & Administrative	643,626	693,587	781,682	333,442
Utilities	370,859	312,109	307,879	263,757
Compliance	20,550	18,045	21,551	23,804
Contract Operating Svcs	6,796,096	6,720,861	6,755,320	6,408,614
Engineering	3,255	301,934	301,684	4,645
Exceptional Strength Analysis	-	-	-	-
Extraordinary Expenditures	-	-	-	-
Fleet Management Services	25,000	31,656	21,428	46,997
General Analyses	141,414	137,328	141,922	116,459
Planning Expenses	-	-	-	-
Industrial Meter Testing	-	-	-	-
Maintenance Services	721,460	456,856	447,234	210,368
Miscellaneous Services	92,225	128,317	135,836	225,789
Leased Equipment	-	-	-	-
Rental	-	-	-	-
Residuals	230,000	115,526	144,764	121,200
Water Purchases	-	-	-	-
System Planning / Capital Management	-	-	-	-
LCA WWTP Treatment/Removals	-	-	-	-
Treatment and Transportation	5,752,683	4,617,574	4,245,970	5,509,024
Total Purchase of Services	14,797,169	13,533,793	13,305,271	13,264,098
Materials & Supplies				
Purification Chemicals	206,000	182,964	181,010	158,031
Purification Supplies	12,900	-	-	-
Pump Supplies	30,400	9,435	8,690	14,661
Misc. Materials & Supplies	196,698	129,762	141,587	101,315
Fuel & Mileage	69,450	33,659	33,160	30,692
Fleet Management Supplies	13,000	9,841	9,819	14,108
Equipment	90,050	290,550	315,424	90,421
Distribution & Transmission Supplies	-	-	-	-
Collection System Supplies	39,200	-	-	-
Total Materials & Supplies	657,698	656,210	689,690	409,228
Depreciation and Amortization	7,143,176	7,081,776	7,107,287	6,954,193
Other Expenses				
Major Maintenance Expenses	-	-	-	-
Other Miscellaneous	22,653	22,653	22,653	227,575
Total Other Expenses	22,653	22,653	22,653	227,575
Total Operating Expenses	25,157,450	23,470,067	23,331,343	22,509,895
Net Operating Profit (Loss)	(2,497,814)	(2,024,226)	(1,874,016)	(1,349,430)
Non-Operating Income (Expense)				
Interest Income	59,260	432,545	207,242	635,893
Interest (Expense)	(176,093)	(290,602)	(176,093)	(136,537)
Unrealized Gain on Investment	-	(9,679)	(2,886)	36,350
Unrealized Loss on Investment	-	(98,395)	(145,096)	24,533
Capital Contributed	-	-	-	367,411
Other Miscellaneous	-	-	-	-
Net Non-Operating Income (Expense)	(116,833)	33,868	(116,833)	927,650
Net Income (Loss)	(2,614,647)	(1,990,358)	(1,990,849)	(421,780)

LEHIGH COUNTY AUTHORITY
STATEMENTS OF ACTIVITIES - CITY - DIVISION FUND
2026 Budget (as of 09-18-25)

City Division - Systems						
	Undesignated 400	WFP 405	DIST 410	WWTP 415	WWCOLL 420	LAB 495
Operating Revenues:						
User Charges						
Large Industrial	-	-	-	-	-	-
Other Industrial/Commercial	-	-	5,796,879	-	-	-
Residential	-	-	22,079,238	-	-	-
Penalties	-	-	657,038	-	361,527	-
Private Fire Service	-	-	77,753	-	-	-
Public Fire Service	-	-	211	-	-	-
User Charges - Municipal	-	-	-	-	10,640,463	-
User Charges - Residential & Commercial	-	-	-	-	16,003,434	-
User Charges - Hauler	-	-	-	173,885	-	-
Hauler Fees	-	-	-	-	-	-
Industrial Charges	-	-	-	-	-	-
Industrial Pretreatment Revenues	-	-	-	173,102	-	-
Municipal	-	-	-	-	-	-
Leachate Program Revenues	-	-	-	783,833	-	-
Other Income	-	-	-	-	-	-
Other Water Sales	-	-	8,352,653	-	-	-
Provision for Doubtful Debts	-	-	(68,394)	-	(42,968)	-
Total Charges for Services	-	-	36,895,378	1,130,820	26,962,456	-
Miscellaneous	-	234	237,118	10,544	24,200	110,540
Total User Charges	-	234	37,132,496	1,141,364	26,986,656	110,540
Connection & System Charges						
Supply/Tapping Fees	-	-	249,997	-	197,235	-
Capital Cost Recovery	-	-	277,717	-	572,500	-
Distribution Tapping Fees	-	-	1,435	-	738	-
Meter Sales	-	-	32,322	-	-	-
Inspection & Review Fees	-	-	10,641	-	3,546	-
Developer Reimbursement	-	-	292,054	72,039	254,026	-
Total Connection & System Charges	-	-	864,166	72,039	1,028,045	-
Other Miscellaneous Revenues						
Other Income	-	12,641	25,125	-	-	15,139
Total Other Miscellaneous Revenues	-	12,641	25,125	-	-	15,139
Total Operating Revenues	-	12,875	38,021,787	1,213,403	28,014,701	125,679

LEHIGH COUNTY AUTHORITY
STATEMENTS OF ACTIVITIES - CITY - DIVISION FUND
2026 Budget (as of 09-18-25)

City Division - Systems						
	Undesignated 400	WFP 405	DIST 410	WWTP 415	WWCOLL 420	LAB 495
Operating Expenses:						
Personnel						
Salaries and Wages	-	2,287,966	2,494,449	2,426,589	1,264,652	695,267
Overtime	-	337,011	315,857	482,049	96,041	35,693
Taxes	-	200,811	214,988	222,511	104,093	55,918
Fringe Benefits	-	745,365	813,103	1,223,108	460,093	244,448
Other Personnel Related	-	-	-	-	-	-
Total Personnel	-	3,571,152	3,838,398	4,354,256	1,924,879	1,031,326
Purchase of Services						
Shared Services - General & Administrative	-	734,232	737,145	1,135,532	418,473	249,126
Utilities	-	975,397	41,393	1,072,687	40,912	13,000
Compliance	-	52,041	-	-	-	5,959
Contract Operating Svcs	-	-	6,000	-	70,000	80,000
Engineering	-	60,000	31,920	10,000	2,200	-
Exceptional Strength Analysis	-	-	-	-	-	-
Extraordinary Expenditures	-	-	200,000	-	200,000	-
Fleet Management Services	-	44,205	100,000	135,000	150,000	-
General Analyses	-	45,000	-	30,000	-	50,000
Planning Expenses	-	-	-	-	-	-
Industrial Meter Testing	-	-	5,565	1,000	-	-
Maintenance Services	-	416,986	249,921	408,316	137,223	21,400
Miscellaneous Services	-	101,521	44,021	121,781	42,557	4,000
Leased Equipment	-	-	-	-	-	-
Rental	-	-	-	-	-	-
Residuals	-	-	-	339,000	-	-
Water Purchases	-	5,000	-	-	-	-
System Planning / Capital Management	-	-	-	-	-	-
LCA WWTP Treatment/Removals	-	-	-	-	-	-
Treatment and Transportation	-	-	-	-	12,000	-
Total Purchase of Services	-	2,434,382	1,415,965	3,253,316	1,073,364	423,486
Materials & Supplies						
Purification Chemicals	-	775,000	-	650,000	-	-
Purification Supplies	-	30,000	-	-	-	-
Pump Supplies	-	9,500	-	36,000	-	-
Misc. Materials & Supplies	-	128,300	60,000	225,800	60,000	126,600
Fuel & Mileage	-	9,500	60,000	55,000	60,000	-
Fleet Management Supplies	-	-	14,000	45,000	14,000	-
Equipment	-	220,000	162,000	223,000	40,000	40,000
Distribution & Transmission Supplies	-	-	681,000	-	-	-
Collection System Supplies	-	-	-	-	200,000	-
Total Materials & Supplies	-	1,172,300	977,000	1,234,800	374,000	166,600
Depreciation and Amortization	7,059,482	54,903	27,241	106,289	60,494	-
Other Expenses						
Major Maintenance Expenses	4,100,000	-	-	-	-	-
Other Miscellaneous	-	-	-	-	-	-
Total Other Expenses	4,100,000	-	-	-	-	-
Total Operating Expenses	11,159,482	7,232,737	6,258,603	8,948,660	3,432,737	1,621,412
Net Operating Profit (Loss)	(11,159,482)	(7,219,862)	31,763,184	(7,735,258)	24,581,965	(1,495,733)
Non-Operating Income (Expense)						
Interest Income	1,432,632	-	-	-	-	-
Interest (Expense)	(21,236,805)	-	-	-	-	-
Unrealized Gain on Investment	-	-	-	-	-	-
Unrealized Loss on Investment	-	-	-	-	-	-
Capital Contributed	-	-	-	-	-	-
Other Miscellaneous	6,610,000	-	-	-	-	-
Net Non-Operating Income (Expense)	(13,194,173)	-	-	-	-	-
Net Income (Loss)	(24,353,655)	(7,219,862)	31,763,184	(7,735,258)	24,581,965	(1,495,733)

LEHIGH COUNTY AUTHORITY
STATEMENTS OF ACTIVITIES - CITY - DIVISION FUND
2026 Budget (as of 09-18-25)

	Total			
	Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Operating Revenues:				
User Charges				
Large Industrial	-	-	-	-
Other Industrial/Commercial	5,796,879	5,789,147	5,777,943	5,442,560
Residential	22,079,238	21,357,119	21,046,832	20,388,287
Penalties	1,018,565	704,793	736,556	796,082
Private Fire Service	77,753	73,342	73,666	68,333
Public Fire Service	211	2,539	2,598	1,000
User Charges - Municipal	10,640,463	9,261,424	9,667,301	10,102,251
User Charges - Residential & Commercial	16,003,434	15,157,417	15,167,889	13,849,795
User Charges - Hauler	173,885	165,411	143,933	110,840
Hauler Fees	-	-	-	-
Industrial Charges	-	-	-	-
Industrial Pretreatment Revenues	173,102	124,024	110,102	95,550
Municipal	-	-	-	-
Leachate Program Revenues	783,833	460,804	333,788	350,994
Other Income	-	-	-	-
Other Water Sales	8,352,653	6,055,242	6,089,777	6,522,953
Provision for Doubtful Debts	(111,362)	-	-	(101,933)
Total Charges for Services	64,988,654	59,151,262	59,150,385	57,626,711
Miscellaneous	382,636	389,551	382,636	505,299
Total User Charges	65,371,290	59,540,813	59,533,021	58,132,011
Connection & System Charges				
Supply/Tapping Fees	447,232	492,357	447,232	331,907
Capital Cost Recovery	850,217	1,580,094	1,560,547	2,104,222
Distribution Tapping Fees	2,173	2,646	2,173	1,343
Meter Sales	32,322	40,936	32,322	58,466
Inspection & Review Fees	14,187	14,187	14,187	(500)
Developer Reimbursement	618,119	1,446,736	1,368,119	3,985,443
Total Connection & System Charges	1,964,250	3,576,956	3,424,580	6,480,879
Other Miscellaneous Revenues				
Other Income	52,905	90,523	88,609	254,620
Total Other Miscellaneous Revenues	52,905	90,523	88,609	254,620
Total Operating Revenues	67,388,445	63,208,292	63,046,210	64,867,510

LEHIGH COUNTY AUTHORITY
STATEMENTS OF ACTIVITIES - CITY - DIVISION FUND
2026 Budget (as of 09-18-25)

	Total			
	Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Operating Expenses:				
Personnel				
Salaries and Wages	9,168,923	8,720,453	8,751,560	7,094,419
Overtime	1,266,651	1,208,241	1,198,845	1,217,203
Taxes	798,321	724,012	722,965	619,392
Fringe Benefits	3,486,115	3,358,093	3,301,976	2,331,541
Other Personnel Related	-	-	-	-
Total Personnel	14,720,010	14,010,800	13,975,346	11,262,555
Purchase of Services				
Shared Services - General & Administrative	3,274,508	3,233,292	3,272,110	2,127,095
Utilities	2,143,389	2,119,257	2,083,602	1,833,941
Compliance	58,000	57,715	43,000	68,025
Contract Operating Svcs	156,000	224,549	224,484	145,646
Engineering	104,120	138,985	130,379	74,853
Exceptional Strength Analysis	-	-	-	-
Extraordinary Expenditures	400,000	134,685	134,685	508,830
Fleet Management Services	429,205	253,698	256,528	262,592
General Analyses	125,000	77,532	81,070	46,325
Planning Expenses	-	-	-	-
Industrial Meter Testing	6,565	3,400	3,400	506
Maintenance Services	1,233,845	1,063,687	1,071,521	921,020
Miscellaneous Services	313,880	253,129	276,029	191,710
Leased Equipment	-	-	-	-
Rental	-	-	-	-
Residuals	339,000	400,488	431,500	316,816
Water Purchases	5,000	1,201	1,200	1,287
System Planning / Capital Management	-	-	-	-
LCA WWTP Treatment/Removals	-	-	-	-
Treatment and Transportation	12,000	11,685	11,685	11,933
Total Purchase of Services	8,600,512	7,973,302	8,021,192	6,510,577
Materials & Supplies				
Purification Chemicals	1,425,000	1,778,787	1,793,380	1,406,045
Purification Supplies	30,000	18,487	20,000	16,222
Pump Supplies	45,500	53,665	56,300	46,043
Misc. Materials & Supplies	600,700	565,427	574,232	543,965
Fuel & Mileage	184,500	156,005	156,903	139,408
Fleet Management Supplies	73,000	60,560	49,611	24,606
Equipment	685,000	422,580	431,670	322,547
Distribution & Transmission Supplies	681,000	697,142	595,774	586,109
Collection System Supplies	200,000	-	-	-
Total Materials & Supplies	3,924,700	3,752,651	3,677,870	3,084,944
Depreciation and Amortization	7,308,409	6,508,957	6,516,803	7,116,269
Other Expenses				
Major Maintenance Expenses	4,100,000	4,098,331	4,100,000	5,736,126
Other Miscellaneous	-	2,095	-	2,689,011
Total Other Expenses	4,100,000	4,100,426	4,100,000	8,425,137
Total Operating Expenses	38,653,631	36,346,136	36,291,211	36,399,482
Net Operating Profit (Loss)	28,734,814	26,862,156	26,754,999	28,468,029
Non-Operating Income (Expense)				
Interest Income	1,432,632	5,610,016	1,432,632	5,742,204
Interest (Expense)	(21,236,805)	(20,864,751)	(20,178,848)	(22,621,589)
Unrealized Gain on Investment	-	-	-	-
Unrealized Loss on Investment	-	-	-	-
Capital Contributed	-	-	-	-
Other Miscellaneous	6,610,000	15,000,000	15,000,000	-
Net Non-Operating Income (Expense)	(13,194,173)	(254,735)	(3,746,216)	(16,879,385)
Net Income (Loss)	15,540,642	26,607,421	23,008,783	11,588,644

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Capital Spending

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Lehigh County Authority
2026 Budget
Capital Budgets Overview

Suburban Water Division:

The Suburban Water Division Capital Budget focuses on projects that deliver long-term system improvements, enhance reliability, and ensure the continuous supply of safe drinking water to the community.

Project	2026 Budget	2026 Project Stage
Annual Projects	\$2,520,000	Miscellaneous
Buss Acres Water Quality Upgrade	\$600,000	Final Design
Applewood Pump Station Upgrade	\$400,000	Final Design & Construction
Central Lehigh System Supply Improvements	\$165,000	Construction
Upper System Pump Station & Main Extension	\$50,000	Final Design & Permitting
Water Systems Master Planning & Water Quality Studies	\$100,000	Planning
North Whitehall Division Water System Supply Study & Improvements	\$700,000	Final Design & Construction
Water Meter Replacement Program	\$1,050,000	Procurement & Construction
Water Main Replacement Project	\$100,000	Design
Small Systems Generator Replacement	\$50,000	Design
Suburban Leak Detection System	\$250,000	Procurement & Installation
Lead Service Inventory Program	\$50,000	Planning
TOTAL	\$6,035,000	

Annual Projects

These projects are part of recurring annual capital work that includes the following: 1) water main extensions; 2) distribution main development and service connections; 3) distribution mains upsizing; 4) reservoir rehabilitation and maintenance; 5) general water system improvements; 6) water company acquisitions; 7) SCADA upgrades; 8) mobile equipment; 9) water facilities asset management improvements; 10) other equipment; 11) capital management; and 12) capital works miscellaneous expenses. Budgeted costs includes staff and consultant work.

Buss Acres Water Quality Upgrade

In January 2023, Pennsylvania's PFAS maximum contaminant levels (MCLs) were established by DEP. Water quality analysis of the two wells serving the Buss Acres Water System show some levels in exceedance of these MCLs. A study to identify PFAS treatment options for the two wells was completed in 2024. This project will implement the option selected from that study, which includes a water system interconnection with the Central Lehigh Division (CLD). Engineering design began in 2025, with final design, permitting, easement procurement and bidding to occur in 2026.

Applewood Pump Station Upgrade

This project involves a mechanical upgrade to the Applewood Pump Station, including replacing pumps and control valves which have reached the end of their service life. The project will also include hypochlorite system improvements at several well station sites within the Central Lehigh Division. Final design, permitting, and bidding will conclude in 2026 with construction commencing late 2026.

Central Lehigh System Supply Improvements

There are several inactive wells in the Central Lehigh Division (CLD) that were taken off-line for various reasons over the years and reactivating these wells would require extensive improvements and/or permitting. There is concern that the current production capacity of the active wells in CLD does not provide 100% redundancy with the City of Allentown interconnection. Also, the Upper System, located

Lehigh County Authority 2026 Budget Capital Budgets Overview

north of I-78 in the Fogelsville area, has been experiencing rapid development and it is anticipated that additional water demands from a potential large industrial user(s) will require additional water storage to enhance system resiliency and redundancy. A multi-year Suburban Division CLD Master Plan commenced in 2022 to identify the following: 1) CLD system demand projections; 2) CLD system supply evaluation; 3) CLD distribution system capacity evaluation; 4) alternatives evaluation; and 5) prioritized capital improvement plan. The immediate need identified within the Master Plan was to enhance the existing Bortz Interconnect with South Whitehall Township. This will be completed in 2026.

Upper System Pump Station and Water Main Extension

The objective of this project is to supplement Central Lehigh Upper System supply and pressure to meet the water needs of a proposed large industrial development in the area west of the village of Fogelsville and provide adequate capacity to serve future industrial and residential customers in the area. The recently installed water main extension under I-78 and proposed regional pump station will also enhance system resilience and redundancy, in the event of operational issues with the CLD Auxiliary Pump Station or with the Upper System wells. Based on the most recent planning module data, zoning mapping and growth projections provided by Upper Macungie Township, the proposed pump station will have a design capacity of 1,000 gpm (1.44 million gallons per day). The timeline for construction of the pump station will be dependent upon the construction schedule for a proposed large industrial development. The 2026 budget includes final design and permitting costs.

Water Systems Master Planning and Water Quality Studies

This project involves the preparation of water system master planning for two major Suburban water systems – Central Lehigh Division (CLD) and North Whitehall Division (NWD). The ongoing study will review supply requirements to meet current and future demands, and evaluate water sources, storage, and interconnections to ensure long-term supply needs can be met. Continued planning/study efforts are budgeted for 2026. This project also consists of water quality studies and rehabilitation work to comply with evolving state and federal water quality regulations. The primary project locations for these water quality studies are within LCA's satellite systems, which are small developer-built systems acquired by LCA and upgraded over the years. This initiative includes investigation for the presence of PFAS chemicals, which drinking water limits have been proposed by EPA and DEP. Continued planning and study efforts are budgeted for 2026.

North Whitehall Division Water System Supply Study and Improvements

This project focuses on developing and implementing improvements to provide an additional supply interconnection for the North Whitehall Division, which is presently served by a single connection with the Northampton Borough Municipal Authority (NBMA). This will enhance NWD system resiliency and provide redundancy with the existing single connection and potential source of failure. The project will also ensure meeting long-term supply needs by including the looping of dead-end mains in the NWD system. Final design, permitting, bidding and easement acquisition are to be completed in 2026 along with the commencement of construction.

Water Meter Replacement Program

The program consists of annual projects to replace aging and inoperable water meters. The meter replacement program will prioritize the replacements according to operable status and age, and all new meters will have radio read capability, which will be compliant with a future fixed base meter reading system.

Water Main Replacement Projects

This is an on-going project to replace aging water mains in LCA's Suburban Division that have a history of high pipe break rates (number of breaks per mile) and/or exhibit a high risk of failure through condition assessment investigations. These projects enhance system resiliency and reduce service interruptions and

Lehigh County Authority
2026 Budget
Capital Budgets Overview

water loss. The budget assumes that the program will complete the next main replacement cycle design in 2026 with construction to follow in 2027.

Small Water Systems Generator Replacement

This is a multi-year project focused on LCA owned small systems that currently do not have backup power or already have an existing generator that is at the end of its service life.

Suburban Leak Detection Program

This project will improve leak detection monitoring capability in LCA water systems, and the data will be used to target and prioritize system repairs and main replacements. Project scope involves leak loggers and pressure sensors to be installed in strategic locations throughout LCA Suburban water systems.

Suburban Lead Service Inventory Program

This project involves investigation of water service materials in the Suburban water systems to identify and inventory the existing public and private side lead pipe material.

Suburban Wastewater Division:

The major activities included in the Suburban Wastewater Division Capital Budget are focused on addressing the long-term capacity and service requirements in the Western Lehigh service area, planning for the future industrial pretreatment needs in this region, and addressing leakage and aging infrastructure in all sewer service areas within the Suburban Wastewater Division.

Project	2026 Budget	2026 Project Stage
Annual Projects	\$962,500	Miscellaneous
Pretreatment Plant Improvements	\$600,000	Annual Construction
Pretreatment Plant Critical Upgrades	\$2,500,000	Construction
Pretreatment Plant Long Term Upgrade/Replacement	\$300,000	Design
Central Lehigh County Wastewater Capacity Planning & Expansion	\$100,000	Planning
Spring Creek Pump Station Upgrade	\$580,000	Construction
Signatory I/I Investigation & Remediation	\$750,000	Construction
Wynnewood I/I Investigation & Remediation	\$25,000	Planning & Design
Wynnewood WWTP Expansion	\$100,000	Final Design & Permitting
Arcadia West WWTP Mechanical Screen	\$170,000	Construction
North Whitehall Township Act 537 Sewage Facilities Planning	\$50,000	Planning
Heidelberg Heights I & I Investigation & Remediation Program	\$400,000	Planning & Construction
Sand Spring WWTP Improvements	\$30,000	Planning
Lynn Township WWTP Improvements	\$100,000	Planning
Lynn Township I & I Investigation & Remediation	\$25,000	Construction
Small Systems Generator Replacement	\$50,000	Design
TOTAL	\$6,742,500	

Annual Projects

These projects are part of recurring annual capital work that includes the following: 1) mobile equipment; 2) sewer company acquisitions; 3) other equipment; 4) wastewater facility asset management upgrades; 5) capital management; 6) sewer main connections; 7) general sewer system improvements; and SCADA upgrades.

Lehigh County Authority 2026 Budget Capital Budgets Overview

Wastewater Pretreatment Plant - General Improvements

This is an on-going multi-year program to upgrade processes and replace equipment in accordance with asset management planning and risk prioritization. Electrical system components were repaired and upgraded in 2025 as a result of a comprehensive electrical testing program conducted in 2024. Annual paving projects, SCADA/security upgrades, building repairs, and major equipment replacements are also part of this annual program.

Wastewater Pretreatment Plant – Critical Upgrades

A critical upgrade project commenced in 2024 with construction starting in 2025 and lasting until 2026 to address four primary process areas that have major equipment at the end of its service life. The process areas are - aeration (air deck mixers and aeration instrumentation), final settling (final clarifier mechanical equipment), cryogenic plant (mechanical), and solids processing (solids buildings HVAC systems). The objective of the critical plant upgrade project is to address high risk areas and maintain treatment performance in the near term until a long-term major facility upgrade or replacement of the facility is completed.

Wastewater Pretreatment Plant – Long Term Upgrade/Replacement

Due to existing age and some industries deciding to pretreat their own waste, major long-term modifications to the pretreatment plant are planned under this project. This project assumes those industries (who choose not to pretreat) with high strength waste will be treated at a significantly modified pretreatment facility. This newly modified facility plant will also continue to treat hauled-in waste. To convey the wastewater to the newly modified plant, Upper Macungie Township and Western Lehigh Interceptor conveyance changes are also needed. A portion of the existing domestic and other commercial waste will bypass the modified facility and receive treatment at the Kline's Island wastewater treatment plant in Allentown. The project includes design, equipment procurement, construction and construction management. Planning for this facility occurred in 2024 and 2025 with design work expected to start in 2026.

Central Lehigh County Wastewater Capacity Planning & Expansion

This project is related to DEP mandated Act 537 sewer planning for the entire Kline's Island Sewer System and is intended to provide a long-term solution in the form of a regional DEP Act 537 Sewage Facilities Plan. Various consultants performed extensive planning from 2021 through 2024 in preparation for a late 2025 Act 537 Plan submission to PA DEP. A modest amount of funding is needed in 2026 to address any Act 537 Plan comments as they arise. In addition, efforts in 2026 will be focused on continued collaboration with the Western Lehigh communities, and work toward regional approaches on key programs such as leakage removal, sewage billing meters, and high-strength surcharges.

Spring Creek Pump Station Upgrade

The Spring Creek Pump Station was constructed in 1996 as a wet weather bypass station and has since become an integral part of the Western Lehigh collection system. This project consists of an in-kind replacement of the three 230 HP submersible pumps which have reached the end of their useful life.

Signatory I&I Investigation & Remediation Program

LCA provides leadership, technical expertise and administration for coordinating the inflow and infiltration (I&I) removal projects located within the Signatory sewer systems. Annual engineering assistance for the Western Lehigh Sewer group is included within this project. These annual efforts in 2026 include the following: planning for a new LCA Meter Station #4, continued temporary flow metering as needed, miscellaneous manhole rehab and joint repairs (Upper Milford Township) as needed, and finalizing plans for the rehab of the existing Western Lehigh Interceptor (WLI) from Spring Creek Pump Station to Park Pump Station. In addition, preliminary work on the proposed parallel of the WLI is anticipated.

Lehigh County Authority 2026 Budget Capital Budgets Overview

Wynnewood I&I Investigation and Remediation Program

The Wynnewood Inflow and Infiltration (I&I) Investigation and Remediation Program is a targeted, multi-year initiative aimed at identifying and mitigating sources of excess water entering the sanitary sewer system. Inflow refers to stormwater entering the system through direct connections such as downspouts or manhole covers, while infiltration involves groundwater seeping in through cracks, joints, or deteriorated pipe materials. Both contribute to hydraulic overload conditions, particularly during wet weather, which can strain treatment capacity and compromise regulatory compliance. Pipe deficiencies were identified in prior CCTV investigations and are to be repaired under this project, which includes: (a) trenchless repairs via grouting and/or lining and (b) digging and replacing sections of pipe.

Wynnewood WWTP Expansion

The Wynnewood Wastewater Treatment Plant (WWTP), located in North Whitehall Township, was acquired by LCA in 2003 and was completely replaced in 2020 with a new 60,000 gallon per day SBR plant. In 2023, representatives of a proposed development in the vicinity of the WWTP (Rising Sun Road) requested a connection to the plant. LCA then commissioned a feasibility study performed by an engineering firm to determine the reserve capacity at the WWTP, quantify the WWTP capacity expansion that would be needed, and evaluate facility upgrade alternatives to accommodate the development. The study determined that the existing facility has limited reserve capacity and must be expanded to accommodate the build-out of the proposed development. This project includes design, permitting, and construction of the capacity expansion of the existing WWTP, along with dedicated conveyance facilities to include a proposed pump station and force main. All costs (including design and construction) associated with this project are to be reimbursed by the developer. Construction is anticipated for completion in late 2027.

Arcadia West WWTP Mechanical Screen

This project consists of the installation of two automatic mechanical screening units at the head end of each Sequencing Batch Reactor (SBR) tank. Also included is the construction of above-grade platforms and enclosures to support the screening systems and protect against weather elements. Piping, electrical, and control system improvements are also included for the two new screens. The project is expected to be completed in 2026.

North Whitehall Township Act 537 Planning

This project involves the development of an Act 537 Sewage Facilities Plan for North Whitehall Township. This is a coordinated, cost sharing effort between the Township and LCA and has been underway since late 2023. Amongst other items, the project will incorporate regional sewer facilities planning concepts to evaluate the feasibility of consolidating wastewater treatment plants currently servicing small areas. The Plan is expected to be ready for Township approval in late 2026 or early 2027.

Heidelberg Heights I&I Investigation and Remediation Program

This project is driven by a PA DEP Consent Order and Agreement (CO&A) as a result of continued hydraulic overloads at the Heidelberg Heights WWTP. Public sewer mains and laterals were replaced and manholes were sealed as part of an annual corrective action plan. Persistent system leakage has been traced to the private side of the sewer system, which is the focus of this program moving forward. In 2026, a private lateral rehabilitation project will be completed.

Sand Spring WWTP Improvements

The Sand Spring WWTP was recently upgraded in 2021 but has been experiencing compliance issues related to nitrification performance due to higher-than-expected influent loadings. An intensification and optimization upgrade was completed in 2024 followed by a process demonstration period and final report. The report identified near term and long-term upgrade recommendations. In 2026, the focus will be on the near-term improvements identified.

Lehigh County Authority **2026 Budget** **Capital Budgets Overview**

Lynn Township WWTP Improvements

Originally built in the 1970s and acquired by LCA in 2012, this project consists of major facility upgrades. These upgrades will include aeration tank rehabilitation, chlorine contact tank relocation, operations performance optimization, and asset management driven upgrades.

Lynn Township I&I Investigation and Remediation Program

This project is the result of a DEP mandated Corrective Action Plan (CAP) to reduce I&I into the sanitary sewer system. This CAP is needed to prevent system overflows, WWTP bypasses, and discharge permit violations. The project includes updated CCTV inspection of the sewer collection system, spot repairs at leak locations, cured in place lining work, and private side system investigation and enforcement/removal of prohibited connections.

Small Systems Generator Replacement

This is a multi-year project focused on LCA owned small systems that presently do not have backup power or have an existing generator that is at the end of its service life.

Administrative Division:

The Administrative Division Capital Budget focuses on projects that benefit the organization across all service areas and divisions.

Project	2026 Budget	2026 Project Stage
Computer System Hardware & Software Upgrades	\$130,000	Miscellaneous
GIS Upgrades & Application Development	\$50,000	Miscellaneous
Information Technology Master Plan Update	\$250,000	Miscellaneous
Document Management	\$100,000	Miscellaneous
Disaster Recovery/Security Upgrades	\$440,000	Miscellaneous
CMMS Upgrades	\$250,000	Miscellaneous
Main Office Improvements	\$100,000	Miscellaneous
D&C Building Improvements	\$100,000	Miscellaneous
TOTAL	\$1,420,000	

Computer System Hardware & Software Upgrades

This project includes both hardware and software costs for server replacements for units older than six years. This project also includes funding for City and Suburban Division AI technology.

GIS Upgrades & Application Development

This project supports the continued development of LCA's Geographic Information System (GIS). The scope includes implementation of ESRI's event server (for SCADA integration), replacement of the existing GIS network, upgrades to the web and mobile GIS platforms, and completion and adoption of a GIS Strategic Plan.

Information Technology Master Plan Update

This project provides the framework and guidance for updating and implementing technology systems across the organization, and includes funding for investigation, purchasing, implementing, and supporting IT hardware and software.

Document Management

This project entails an Electronic Document Management System (EDMS) to store, search, retrieve, and share documents. Digital, cross-referenced documents will improve accessibility and enhance workflow.

Lehigh County Authority **2026 Budget** **Capital Budgets Overview**

Disaster Recovery/Security Upgrades

This project address areas to add or supplement security and includes development of physical plant security master plans and perimeter studies at KIWWTP, WFP and other major LCA facilities. The project also includes the installation of cameras at numerous sites and improving disaster recovery and resilience in the event of a catastrophic event. In addition, the project also involves cybersecurity and AI measures to project computer and data infrastructure.

CMMS Upgrades

This project entails the upgrade/re-implementation of multiple modules of the Computerized Maintenance Management System (CMMS). The current CMMS has limitations, and a new system will achieve goals established in the Strategic Asset Management Plan. The project will provide more opportunities for automation of vertical asset management and other security enhancements.

Main Office Improvements

This project entails improvements to the LCA main operations center, and includes building addition(s), department area renovations, HVAC improvements, space optimization studies, building security, parking lot improvements, and ADA/Building Code improvements.

D&C Building Improvements

The Building Optimization Study and Facilities Master Plan effort has identified several deficiencies at the City's Distribution and Collection (D&C). Renovating the building will likely require considerable modifications to meet current building and electrical code requirements. This project is for the study and design phase only, given that the scope of the renovations/improvements are still to be determined.

City Division - Water System:

Water projects in the 2026 budget focus on regulatory compliance, immediate and future needs at the Water Filtration Plant (WFP) and addressing the Lease operating standards.

Project	2026 Budget	2026 Project Stage
Annual Projects	\$2,685,000	Miscellaneous
Indenture Improvements	\$100,000	Construction
Tank and Reservoir Rehabilitation	\$200,000	Construction
Large Diameter Valve Replacement Project	\$500,000	Construction
Schantz Spring Water Treatment Upgrades	\$75,000	Planning & Design
Leak Detection Program	\$250,000	Construction
WFP Roof Replacement Project	\$50,000	Design
Annual Water Main Replacement – Cycle 9	\$4,500,000	Construction
PFAS Compliance Planning & Upgrades	\$550,000	Final Design & Bidding
WFP Redundant Raw Water Line Project	\$1,000,000	Construction
Water Meter Replacement Program	\$500,000	Construction
WFP Filter Upgrade Project	\$2,260,000	Construction
Lehigh River Intake & Transmission Upgrades	\$1,000,000	Construction
WFP Facility Electrical Upgrades	\$100,000	Design
WFP HVAC Upgrade Project – Phase 2	\$1,325,000	Construction
Lead Service Line Replacement Program	\$13,000,000	Construction
TOTAL	\$28,095,000	

Lehigh County Authority

2026 Budget

Capital Budgets Overview

Annual Projects

The annual projects include general water system replacements, mobile equipment, new and replacement meter installations, other equipment, routine reservoir rehab/maintenance, mobile equipment, WFP general improvements, general system replacements, SCADA upgrades, East Side transmission main repairs, and Bethlehem interconnection. Also included is a portion of the Administration Capital Expenses that directly benefit the Allentown Division.

Indenture Improvements

This project addresses deficiencies identified in the annual Indenture Report. The project includes general concrete repairs, structural upgrades and repairs, pipe coatings, concrete and steel reservoir coatings, security upgrades, and electrical upgrades.

Tank and Reservoir Rehabilitation

This project involves mechanical upgrades, coatings, and miscellaneous rehabilitation of concrete tanks and reservoirs. The multi-year project includes replacement of process valves, HVAC and building rehabilitation, electrical upgrades, and mixing system replacements.

Large Diameter Valve Replacement Project

The objective of this multi-year project is to replace critical aging/inoperable large diameter valves in the distribution system. There are many critical large diameter valves that control supply throughout the system that are inoperable or do not seal properly. It is essential that these large diameter valves operate as designed to facilitate isolating key areas of the system during emergency events and maintenance operation. Construction phase is budgeted for 2026.

Schantz Spring Water Treatment Upgrades

This project is to perform a study and subsequent design for treatment of the raw water at Schantz Spring to determine if the spring should be classified as “groundwater under direct influence of surface water” (GUDI). If the source is designated as GUDI, treatment will be required.

Leak Detection Program

This project will improve leak detection monitoring capabilities in the Allentown Division water system. The data will be used to target and prioritize system repairs and main replacements. Project scope involves leak loggers and pressure sensors to be installed in strategic locations throughout the system.

WFP Roof Replacement Upgrade Project

There are various roof structures on the Water Filtration Plant that are in need of replacement due to age and leaks. Once the HVAC upgrades (Phase 2) are complete, new roofs will be installed on the administration wing of the WFP which includes the roof over the lab/operations area (as well as the High Service Pump area). Design anticipated to begin in 2026 with construction to follow the Phase 2 HVAC upgrade construction.

Annual Water Main Replacement – Cycle 9

In late 2024, the City of Allentown and LCA reached agreement that four (4) miles of water main would be replaced during the time period of 2025 to 2028, per the amended Lease Agreement. The program’s objective is to replace aging spun-cast and pit cast iron pipe in the system and addressing high priority line segments. The project areas are prioritized based on breakage and leak history. The Cycle 9 water main replacement will be a two-mile project in 2026.

PFAS Compliance Planning and Upgrades

This project consists of water quality studies and facilities upgrades to comply with evolving state and federal water quality standards regarding PFAS chemicals removal from drinking water. Project costs

Lehigh County Authority 2026 Budget Capital Budgets Overview

reflect design and construction of plant modifications to treat the Crystal Spring source. Final design, permitting, and bidding are budgeted for 2026.

WFP Redundant Raw Water Line Project

The raw water line that connects to the WFP influent channel is a single point of failure that requires periodic maintenance and cleaning and is not operating under optimum hydraulic conditions due to a possible blockage or obstruction. A redundant raw water line is proposed to improve plant capacity, enhance resiliency and enable maintenance activities on the existing line.

Water Meter Replacement Program

This annual project consists of replacement of residential and commercial meters that are at the end of their expected life span and have either failed or are showing signs of failure. The 2026 project is for the completion of the replacement of over 4,000 Badger water meters ranging in size from 5/8" to 2" that have outdated receiver transmitter units.

WFP Filter Upgrade Project

This multi-year project consists of rehabilitation of the existing eight dual-bay gravity filters, including underdrain replacements, media replacements, valve replacements, air scour system installation, and related electrical upgrades. The filtration system operation is critical to maintaining regulatory compliance, and the project is cited as a near term, high priority project in the 2017 WFP Master Plan as the existing equipment has reached the end of its service life. Construction commenced in 2024 and will finish in 2027.

Lehigh River Intake and Transmission Upgrades

This project consists of improvements to the pumping, intake and addition of a chemical feed system for taste & odor control. This project was identified in the 2017 and 2022 Master Plans and improvements are necessary for the Lehigh River to be a more reliable source and allow for more frequent operation and use when the Little Lehigh Creek source must be taken out of service to repair. Construction will commence in 2026.

WFP Facility Electrical Upgrades

This project involves electrical upgrades to the Water Filtration Plant, as the existing equipment has reached the end of its useful life. This will include upgrades to the main switchgear, the 480V power zone house, and various motor control centers.

WFP HVAC Phase 2 Upgrade Project

The WFP currently has an aging HVAC system that requires extensive maintenance and is past its useful life and in need of replacement. Upgrades to the existing HVAC system will be completed in phases with Phase 1 being the 1st floor offices/customer service area. Phase 2 will include the 1st floor lab/operator's area, as well as the 2nd floor. Construction phase is budgeted in 2026.

Lead Service Line Replacement Program

This is a multi-year project to replace public and private lead water services in the City. The program commenced in 2023 for the inventory phase, to be followed by annual lead service line replacements prioritized according to number/concentration of services per neighborhood and other ranking factors. The Cycle 2 lead service line replacement construction will commence in early 2026.

Lehigh County Authority
2026 Budget
Capital Budgets Overview

City Division - Wastewater System:

Wastewater projects in 2026 will focus on regulatory compliance, immediate and future needs at the Kline's Island Wastewater Treatment Plant (KIWWTP), and addressing the Lease operating standards.

Project	2026 Budget	2026 Project Stage
Annual Projects	\$2,142,000	Miscellaneous
Indenture Report Improvements	\$200,000	Construction
Manhole Inspection & Sealing Program	\$1,000,000	Design & Construction
WWTP Redundant Power Supply	\$70,000	Design
WWTP Facilities Improvements	\$200,000	Design
OCU Building #24 Replacement	\$100,000	Design
WWTP Facility Electrical Upgrades	\$130,000	Design
WWTP Electrical Substation Replacement Phase 2	\$825,000	Construction
WWTP Wet Weather Capacity – Main & Auxiliary Pump Station Improvements	\$6,250,000	Design & Permitting
WWTP Final Clarifier 1-4 Rehabilitation	\$1,545,000	Construction
WWTP Plastic Media Trickling Filter Rehabilitation	\$ 3,225,000	Construction
Source Reduction Plan – I&I Elimination Program	\$5,000,000	Planning & Construction
WWTP Solids Process Improvements	\$1,000,000	Design & Construction
Act 537 Alternatives Analyses	\$100,000	Planning
Miscellaneous Act 537 Planning, Financial, and Legal Reviews	\$100,000	Planning
TOTAL	\$21,887,000	

Annual Projects

The annual projects include mobile equipment, other equipment, sanitary sewer main replacements and rehabilitation, WWTP general improvements, SCADA upgrades, and asset management studies. The Lease-required cyclical cleaning and rehabilitation of the anaerobic digesters is included within the annual projects. Also included is a portion of the Administration Capital Expenses that directly benefit the Allentown Division.

Indenture Report Improvements

This project addresses deficiencies identified in the Annual Trust Indenture Report. The project includes general concrete repairs, structural upgrades and repairs, pipe coatings, concrete tank repairs/upgrades, security upgrades and electrical upgrades.

Manhole Inspection and Sealing Program

This project is driven by the Act 537 Plan and is a program to eliminate inflow and infiltration into City manholes. This annual program includes an inspection of all City manhole inventory (1/2 of the inventory was inspected from late 2022 – through mid-2025) and rehab approximately 300-400 sanitary sewer manholes every year through 2035. The project is included in the City's Source Reduction Plan for the Act 537 Plan. A pilot program of roughly 250 manholes has been completed in 2025 and the next rehab package will proceed in 2026.

WWTP Redundant Power Supply

KIWWTP is provided electrical service from two 12.4 kV power transmission line feeds from a single PPL substation. In order to improve facility resilience and avoid plant bypasses and compliance violations due to extended power outages, a third electrical feed from a separate PPL substation is needed.

Lehigh County Authority 2026 Budget Capital Budgets Overview

WWTP Facilities Improvements

The offices, meeting space, locker rooms, lab, and break room space at KIWWTP are in need of optimization and renovation. Improvements were evaluated and identified in the 2024 KIWWTP Master Plan, with design work starting in 2026.

OCU Building #24 Replacement

Replacement of the Odor Control Unit (OCU) #24 building is near term project in the 2024 KIWWTP Master Plan. The project includes construction of a new precast building, upgrades to the electrical system, and replacement of mechanical equipment. Design will commence in 2026.

WWTP Facility Electrical Upgrades

The project includes the replacement of electrical equipment throughout the facility that has reached the end of its service life. The focus of this upgrade scope is to replace the aging MCCs (Motor Control Centers).

Electrical Substation No. 1 Replacement Project

This is Phase 2 of a multi-year project to replace the aging electrical substations at KIWWTP. Substation No. 2 was replaced in 2019. This phase consists of the replacement of Substation No. 1 along with the primary switchgear. Replacement of Substation No. 1 will enable powering future projects to increase plant capacity during periods of severe wet weather. Design work commenced in 2022 and construction is anticipated to be completed in 2026.

Wet Weather Improvements Project – Phase 1

The purpose of this “100 MGD” project is to increase the wet weather capacity of the KIWWTP from approximately 87 MGD to 100 MGD and reduce the frequency of bypass operations. The project consists of three components as follows: improvements to the Main Pump Station (MPS) & Auxiliary Pump Station (APS) pumps/VFDs/piping/wet wells, improvements to the Intermediate Pump Station (IPS) Primary Effluent pumps/VFDs, and installation of a tertiary bypass to divert a portion of the biologically treated flow from the plastic media trickling filters, that would normally go through the Intermediate Settling Tanks (ISTs) and Rock Media Trickling Filters (RMTFs), directly to the Final Settling Tanks (FSTs) during peak wet weather flow events. Design has been underway since 2023 and construction is expected to begin in 2026.

Final Clarifier 1-4 Rehabilitation

This multi-year project consists of the mechanical and structural rehabilitation of Final Clarifier Nos. 1-4 and includes replacement of scraper mechanisms and drives on all four units. In addition, miscellaneous steel repairs, new coatings on all exposed steel, and concrete repairs will occur. Two tanks were rehabilitated in 2025, with the other two tanks slated for completion in 2026.

Plastic Media Trickling Filter Rehabilitation

This project involves a comprehensive condition assessment of the trickling filters and a multi-year rehabilitation effort. For 2026, a condition assessment and rehabilitation of one of the trickling filters is slated to occur. This will entail removal of all plastic media, cleaning of the tank interior, interior structural and piping rehabilitation, and replacement with new media.

Source Reduction Plan (SRP) – I&I Reduction Program

As part of the DEP mandated Act 537 planning effort, the City prepared a 10-year Source Reduction Plan (SRP) that commits the City to reducing I&I into the sewage collection system. This annual program consists of internal pipeline sealing, grouting, and lining, along with isolated dig-up repairs. This specific program is anticipated to continue for the next 10 years. Annual project costs more than \$650,000 will be

Lehigh County Authority
2026 Budget
Capital Budgets Overview

recaptured via the CCRC mechanism in the Lease. Construction of SRP Year 1 concluded in 2025 while the design phase for SRP Year 2 commenced in 2025, with construction finishing by late 2026.

WWTP Solids Process Improvements

Various KIWWTP projects are proposed to increase the plant's solids handling capabilities. Currently there are a few internal bottlenecks that limit the plant's ability to handle up to 70,000 pounds per day of biological oxygen demand (BOD). With the proposed changes upcoming at LCA's Pretreatment Plant, along with planned growth in the service area, KIWWTP must be ready to handle additional BOD and solids loading. The proposed solids handling projects may include the installation of CEPT (chemically enhanced primary treatment), construction of a sludge holding tank and associated pumps/piping, Digester mixing improvements, and dewatering capacity improvements.

Act 537 Alternatives Analyses

This project consists of on-going regional Act 537 sewer plan development efforts, per the DEP mandated Act 537 sewer planning for the Kline's Island Sanitary Sewer System. Extensive flow monitoring was completed in 2021 and used to build a hydraulic model for the entire regional system. The model was calibrated in 2022 and preliminary and final screening of alternatives followed in 2023. Final selection of alternatives was performed in 2024, and final plan elements were completed to meet the 2025 submission deadline to DEP. Efforts in 2026 include any final items related to the DEP review of the Act 537.

Miscellaneous Act 537 Planning, Financial, and Legal Reviews

This project is related to miscellaneous Act 537 planning items funded by the LCA Allentown Division. Miscellaneous engineering items not paid by the City's AO fund will be captured here.

LEHIGH COUNTY AUTHORITY
CAPITAL EXPENDITURES - SUBURBAN - WATER FUND
2026 BUDGET

Project	Primary Project Category	2025 Budget	Cap Plan Costs 2026-2030	Cap Plan 2026	2026 Budget
Annual Projects					
Annual Projects	AM - Varies	2,492,000	11,455,000	2,520,000	2,520,000
Multi-Year Projects					
Water Main Replacement Projects	AM - Varies	-	10,350,000	100,000	100,000
Water Quality Studies and Upgrades	Sys Imp	-	-	-	-
Cloud Based Meter Reading System	Sys Imp	-	-	-	-
North Whitehall Division Water System Supply Study & Improvements	Sys Imp	120,000	3,100,000	700,000	700,000
Water Systems Master Planning	Sys Imp	150,000	350,000	100,000	100,000
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	1,000,000	5,150,000	1,050,000	1,050,000
Central Lehigh System Supply Improvements	Sys Imp	180,000	165,000	165,000	165,000
Buss Acres Water Quality Upgrade	Sys Imp	270,000	2,800,000	600,000	600,000
Small Systems Generator Replacement	Sys Imp	-	900,000	50,000	50,000
Leak Detection Program	Efficiency	-	550,000	250,000	250,000
Lead Service Inventory Program	Regulatory	-	200,000	50,000	50,000
Applewood Pump Station Upgrade	Sys Imp	100,000	930,000	400,000	400,000
Total Suburban Division Water Capital Expenditures		4,362,000	38,000,000	6,035,000	6,035,000

LEHIGH COUNTY AUTHORITY
CAPITAL EXPENDITURES - SUBURBAN - WASTEWATER FUND
2026 BUDGET

Project	Primary Project Category	2025 Budget	Cap Plan Costs 2026-2030	Cap Plan 2026	2026 Budget
Annual Projects					
Annual Projects	AM - Varies	835,500	3,217,000	962,500	962,500
LCA Wastewater Treatment Plant					
Pretreatment Plant Improvements	AM - Varies	600,000	2,400,000	600,000	600,000
Pretreatment Plant Critical Upgrades	AM - Varies	4,000,000	2,500,000	2,500,000	2,500,000
Pretreatment Plant Upgrades and Replacement	AM - Varies	1,000,000	20,800,000	300,000	300,000
Subtotal		5,600,000	25,700,000	3,400,000	3,400,000
Western Lehigh Interceptor System:					
Central Lehigh County WW Capacity Planning & Expansion	New Cust	400,000	500,000	100,000	100,000
WLI Major Rehabilitation and Repairs	Regulatory	50,000	-	-	-
Spring Creek Pump Station Force Main Condition Assessment	AM-High	100,000	-	-	-
Spring Creek Pump Station Upgrades	AM-High	1,000,000	580,000	580,000	580,000
Spring Creek Pump Station Force Main Relocation	Regulatory	900,000	-	-	-
Signatory I & I Investigation & Remediation Program	Regulatory	500,000	1,250,000	750,000	750,000
Upper Western Lehigh Interceptor Pump Station & Force Main	Regulatory	1,300,000	-	-	-
WLI Parallel Alignment Study	Regulatory	-	-	-	-
Subtotal		4,250,000	2,330,000	1,430,000	1,430,000
Satellite Systems					
Wynnewood I & I Investigation & Remediation Program	AM - Varies	150,000	220,000	25,000	25,000
Wynnewood Wastewater Treatment Plant Expansion	New Cust	50,000	225,000	100,000	100,000
Arcadia West WWTP Mechanical Screen	Efficiency	220,000	180,000	170,000	170,000
North Whitehall Township Act 537 Sewage Facilities Planning	Regulatory	70,000	70,000	50,000	50,000
Heidelberg Heights I & I Investigation & Remediation Program	Regulatory	300,000	490,000	400,000	400,000
Heidelberg Heights WWTP Rehabilitation	AM - High	25,000	-	-	-
Sand Spring WWTP Improvements	Regulatory	100,000	120,000	30,000	30,000
Lynn Township WWTP Improvements	AM - High	900,000	950,000	100,000	100,000
Lynn Township I & I Investigation & Remediation Program	Regulatory	25,000	300,000	25,000	25,000
Small Systems Generator Replacement	Regulatory	-	350,000	50,000	50,000
Subtotal		1,840,000	2,905,000	950,000	950,000
Little Lehigh Relief Interceptor System:					
Park Pump Station Upgrade - Phase 2	AM - High	800,000	-	-	-
Total Suburban Wastewater Division Capital Expenditures:		13,325,500	34,152,000	6,742,500	6,742,500

LEHIGH COUNTY AUTHORITY
CAPITAL EXPENDITURES - CITY - WATER DIVISION FUND
2026 BUDGET

Project	Primary Project Category	2025 Budget	Cap Plan Costs 2026-2030	Cap Plan 2026	2026 Budget
Annual Projects					
Annual Projects	AM - Varies	2,555,000	12,355,000	2,685,000	2,685,000
Non-CCRC Projects					
Indenture Improvements	AM - High	200,000	500,000	100,000	100,000
Master Plan Studies	CA/OS	-	225,000	-	-
WFP Redundant Power Supply	Regulatory	835,000	-	-	-
Tank and Reservoir Rehabilitation	AM - High	200,000	1,000,000	200,000	200,000
Large Diameter Valve Replacement Project	AM - High	300,000	2,300,000	500,000	500,000
Schantz Spring Water Treatment Upgrades	Regulatory	-	225,000	75,000	75,000
Leak Detection Program	Regulatory	-	450,000	250,000	250,000
WFP Roof Replacement Project	AM - High	-	700,000	50,000	50,000
Subtotal		1,535,000	5,400,000	1,175,000	1,175,000
Large Projects & CCRC Projects (3)					
Annual Water Main Replacements	CA/OS	5,000,000	12,500,000	4,500,000	4,500,000
PFAS Compliance Planning and Upgrades	Regulatory	300,000	20,500,000	550,000	550,000
WFP Influent Channel Modifications	Master Plan	100,000	-	-	-
Redundant Raw Water Line	Efficiency	-	3,525,000	1,000,000	1,000,000
Water Meter Replacement Program	AM - High	2,000,000	1,250,000	500,000	500,000
Filter Upgrades	Master Plan	3,600,000	2,760,000	2,260,000	2,260,000
Big Lehigh Intake and Transmission Upgrades	Master Plan	100,000	2,825,000	1,000,000	1,000,000
WFP Electrical Upgrades	AM - High	-	3,700,000	100,000	100,000
WFP HVAC Upgrade Project	Efficiency	500,000	1,925,000	1,325,000	1,325,000
Little Lehigh Intake Modifications	System Imp	-	200,000	-	-
Lead Service Line Replacement Program	Regulatory	15,000,000	92,500,000	13,000,000	13,000,000
Subtotal		26,600,000	141,685,000	24,235,000	24,235,000
Total Allentown Division Water Capital Expenditures:		30,690,000	159,440,000	28,095,000	28,095,000

(1) Reference Glossary of Acronyms and Terms found after Table of Contents

(2) Project to be reviewed by the City for Major Capital Improvement/CCRC approval

(3) Includes projects that have not been reviewed by the City for MCI/CCRC approval

LEHIGH COUNTY AUTHORITY
CAPITAL EXPENDITURES - CITY - WASTEWATER DIVISION FUND
2026 BUDGET

Project	Primary Project Category	2025 Budget	Cap Plan Costs 2026-2030	Cap Plan 2026	2026 Budget
Annual Projects					
Annual Projects	AM - High	2,715,000	10,369,000	2,142,000	2,142,000
Non-CCRC Projects					
Indenture Report Improvements	AM - Varies	250,000	700,000	200,000	200,000
KIWWTP Master Plan	CA/OS	-	250,000	-	-
Manhole Inspection and Sealing Program	Regulatory	1,000,000	5,000,000	1,000,000	1,000,000
KIWWTP Redundant Power Supply	Efficiency	-	1,070,000	70,000	70,000
WWTP Facilities Improvements	Efficiency	100,000	1,050,000	200,000	200,000
OCU Building #24 Replacement	AM - High	-	800,000	100,000	100,000
WWTP Facility Electrical Upgrades	AM - High	-	650,000	130,000	130,000
WWTP Effluent Pump Station	Efficiency	-	725,000	-	-
Subtotal		1,350,000	10,245,000	1,700,000	1,700,000
Large Projects & CCRC Projects					
WWTP Electrical Substation Replacement Phase 2	AM - High	5,250,000	825,000	825,000	825,000
WWTP Wet Weather Capacity - Main & Auxiliary Pump Station Improvements	AM - Varies	-	21,200,000	6,250,000	6,250,000
WWTP Final Clarifier 1-4 Rehabilitation	AM - Varies	2,500,000	1,545,000	1,545,000	1,545,000
WWTP Primary Sludge Digester Feed Line Replacement	AM-Varies	2,700,000	-	-	-
WWTP Wet Weather Improvements	AM - Varies	750,000	-	-	-
WWTP Plastic Media Trickling Filter Rehab	AM - High	200,000	15,975,000	3,225,000	3,225,000
Source Reduction Plan - I/I Elimination Program	Regulatory	3,000,000	25,750,000	5,000,000	5,000,000
WWTP Solids Process Improvements	Regulatory	500,000	8,655,000	1,000,000	1,000,000
Subtotal		14,900,000	73,950,000	17,845,000	17,845,000
Regional Act 537 Projects					
Act 537 Alternatives Analyses	Regulatory	250,000	100,000	100,000	100,000
Miscellaneous Act 537 Planning, Financial and Legal Reviews	Regulatory	200,000	100,000	100,000	100,000
Subtotal		450,000	200,000	200,000	200,000
Total Allentown Division Wastewater Capital Expenditures		19,415,000	94,764,000	21,887,000	21,887,000

LEHIGH COUNTY AUTHORITY
CAPITAL EXPENDITURES - ADMINISTRATION
2026 BUDGET

Project	Primary Project Category	2025 Budget	Cap Plan Costs 2026-2030	Cap Plan 2026	2026 Budget
<u>LCA Funded Projects</u>					
Computer System Hardware & Software Upgrades	AM - High	50,000	530,000	130,000	130,000
GIS Upgrades & Application Development	Efficiency	50,000	160,000	50,000	50,000
Information Technology Master Plan Update	Planning	50,000	450,000	250,000	250,000
Document Management	Efficiency	25,000	310,000	100,000	100,000
Disaster Recovery/Security Upgrades	Efficiency	100,000	740,000	440,000	440,000
CMMS Upgrades	Efficiency	40,000	850,000	250,000	250,000
New Munis Implementation	Efficiency	385,000	-	-	-
Main Office Improvements	Efficiency	950,000	2,000,000	100,000	100,000
D&C Building Improvements	Efficiency	-	300,000	100,000	100,000
Total Administration Capital Funded by LCA		1,650,000	5,340,000	1,420,000	1,420,000

LEHIGH COUNTY AUTHORITY
 CAPEX SUMMARY
 2026 BUDGET

Fund	2025 Budget	Cap Plan Costs 2026-2030	Cap Plan 2026	2026 Budget
Suburban Water	4,362,000	38,000,000	6,035,000	6,035,000
Suburban Wastewater	13,325,500	34,152,000	6,742,500	6,742,500
City Water	30,690,000	159,440,000	28,095,000	28,095,000
City Wastewater	19,415,000	94,764,000	21,887,000	21,887,000
Administration	1,650,000	5,340,000	1,420,000	1,420,000
TOTAL	69,442,500	331,696,000	64,179,500	64,179,500
City Fund Total	50,105,000	254,204,000	49,982,000	49,982,000

LEHIGH COUNTY AUTHORITY
STATEMENTS OF ACTIVITIES - SUBURBAN - WATER FUND
2026 Budget (as of 09-18-25)

CAPITAL EXPENSE WATER FUNDS

Annual Projects

	Total			
	Budget 2026	Forecast 2025	Budget 2025	Actual 2024
10003 - UNC-W-DIST SYS IMPROVE 3RD PTY	50,000	100,000	100,000	-
10004 - UNC-W-EQUIPMENT-MOBILE	210,000	187,000	187,000	-
10005 - UNC-W-EQUIPMENT-OTHER	300,000	300,000	300,000	121,586
10010 - UNC-W-RESERVOIR REHAB CONTR	450,000	450,000	450,000	500,759
10011 - UNC-W-WTR CAPITAL MANGEMENT	50,000	50,000	50,000	13,964
11020 - UNC-W-W & WW BLD COND ASSMT	-	100,000	100,000	-
11023 - UNC-W-CW MISCELANEOUS EXPENSES	15,000	5,000	5,000	1,779
11038 - 2024 METER REPLACEMENTS	-	-	-	-
11040 - UNC-W-LCA PARKING LOT EXPANSION	-	-	-	-
11041 - UNC-W-AM KPI BI ROADMAP	-	-	-	-
11042 - UNC-W-SPECS AND STDS UPDATE	-	-	-	-
11043 - UNC-W-AM KPI BI ROADMAP	-	-	-	-
11044 - UNC-W-AM KPI BI ROADMAP	-	-	-	-
11047 - UNC-W-PROGRAM MNGMT ENVISION	-	-	-	-
distribution mains - development	200,000	-	-	-
distribution mains - upsizing	100,000	-	-	-
20000 - CLC-W-RES SVC CONN	40,000	220,000	220,000	396,020
20003 - CLC-W-EX CUST MTR/BF/MXU INST	-	-	-	-
20004 - CLC-W-NEW CUST MTR/BF/MXU INST	375,000	250,000	250,000	111
20074 - UCC-W-EX CUST MTR/BF/MXU INST	-	-	-	222
30019 - UNC-W-WTR SYS ACQ GENERAL	5,000	5,000	5,000	-
30030 - CLC-W-SCADA ON-GOING UPGRADE	400,000	400,000	400,000	1,320,779
30449 - CLC-W-PARKLAND CROSSING-UPSIZING	-	150,000	150,000	1,555
30452 - CLC-W-GEN SYSTEM IMPROVEMENTS	250,000	150,000	150,000	173,476
30789 - CLC-W-YOURWAY FACILITY EXPAN	75,000	-	-	-
30809 - CLC-W-FALLBROOKE-UPSIZING	-	-	-	1,040
30811 - CLC-W-LEHIGH HILLS-LOT5-PH2-UP	-	-	-	46,966
30814 - CLC-W-I-78 WATERLINE CROSSING	-	-	-	213,222
30836 - CLC-W-RESERVOIR 1 REPAIR	-	-	-	43,069
30868 - UNC-W-SUBURBAN LEAD INVENTORY	-	125,000	125,000	884
	2,520,000	2,492,000	2,492,000	2,835,433

Multi-Year Projects

10025 - UNC-W-ADTL WTR SUP-SM SAT DIV	-	-	-	-
10026 - UNC-W-BACKFLOW & METER REVIEW	-	-	-	-
10027 - UNC-W-2022 COMM MTR REPL	1,050,000	1,000,000	1,000,000	225,160
11026 - UNC-W-2019 WTR MTR READING EQUIP	-	-	-	9,516
11030 - UNC-W-FIXED BASE MTR RDG SYST	-	-	-	1,621
11035 - UNC-W-N WHITEHALL MTR REPL	-	-	-	617,942
30252 - CFC-W-WTR SYS IMPROVE	-	-	-	-
30255 - UCC-W-WATER SYS IMPROVE	-	-	-	756
30536 - CLC-W-WATER SYSTEM MASTER PLA	100,000	150,000	150,000	75,165
30676 - UCC-W-BUSS ACRES PS REPLACEMT	-	-	-	1,123
30701 - CLC-W-WATERSHED MONITORING	-	-	-	113
30717 - CLC-W-CLD LOWER SYS MODEL EVAL	-	-	-	107
30721 - CLC-W-CLD WELL IMPROVEMENTS	165,000	180,000	180,000	22,698
30748 - AWC-W-WATER TANK REPLACEMENT	-	-	-	223
30749 - NWC-W-NWD SYSTEM IMPROVEMENTS	700,000	120,000	120,000	351
30783 - CLC-W-SAUERKRAUT LN WAT EXTEN	-	-	-	14,869
30786 - CLC-W-UPPER SYSTEM PUMPING STATION	50,000	50,000	50,000	65,097
30804 - CLC-W-CYCLE 6-WTR MAIN REPLACEMENT	-	-	-	988,070
Water Main Replacement Projects - SD-W-10	100,000	-	-	-
Small Systems Generator Replacement - SD-W-18	50,000	-	-	-
Leak Detection Program - SD-W-19	250,000	-	-	-
Lead Service Inventory Program - SD-W-20	50,000	-	-	-
30825 - CLC-W-2022 SWT INTERCONNECT	-	-	-	285
30833 - CLC-W-UPPER SYS NEW RESERVOIR	-	-	-	4,955
30858 - CLC-W-MAIN REPLACEMENT CYC-7	-	-	-	110,285
30859 - CLC-W-MAIN REPLACEMENT CYC-8	-	-	-	3,596

LEHIGH COUNTY AUTHORITY
STATEMENTS OF ACTIVITIES - SUBURBAN - WATER FUND
2026 Budget (as of 09-18-25)

30866 - UCC-W-BUSS ACRES PFAS STUDY
 30869 - UCC-W-PFAS STUDY & UPGRADES
 30870 - CLC-W-PFAS STUDY & UPGRADES
 30877 - CLC-W-MEMORIAL RD WATER EXTENSION
 30878 - CLC-W-WATER MODEL REVIEW
 30886 - UCC-W-BUSS ACRES PFAS STUDY
 30897 - CLC-W-1470 BROOKSIDE ROAD
 30898 - CLC-W-APPLEWOOD PS/WELLS 5,6&9
 30900 - NWC-W-NBMA SECOND INTERCONN
 30905 - CLC-W-BORTZ INTERCONN IMPR

Administrative Projects

11001 UNC-W-COMPUTER SYS IMPROV
 11003 UNC-W-GIS CONV/UPDATES
 11008 UNC-W-DOCUMENT MANAGEMENT SYS
 11009 UNC-W-INFO TECH M-PLAN UPDATE
 11017 UNC-W-GIS WEB MAP UPDATE
 11018 UNC-W-CMMS UPGRADE & EXPAN
 11027 UNC-W-DISASTER RECOVERY/SECURITY
 11033 UNC-W-MUNIS ERP RE-IMPLEMENT
 11034 UNC-W-TWO STORY BUILDING EXPANSION
 D&C BUILDING IMPROVEMENTS - new
 11037 - UNC-W-PROCORE IMPLEMENTATION
 PLUG TO Tie to Ed's Cash Flow

Total Suburban Water Capex

Total			
Budget 2026	Forecast 2025	Budget 2025	Actual 2024
-	270,000	270,000	-
-	-	-	-
-	-	-	-
-	-	-	584
-	-	-	5,778
600,000	-	-	-
-	100,000	100,000	-
400,000	-	-	-
-	-	-	-
-	-	-	-
3,515,000	1,870,000	1,870,000	2,148,295
130,000	12,500	12,500	42,459
50,000	12,500	12,500	83,452
100,000	6,250	6,250	169,389
75,000	12,500	12,500	40,404
-	-	-	-
-	10,000	10,000	4,500
-	25,000	25,000	-
-	96,250	96,250	730,301
-	-	-	31,280
-	-	-	-
-	-	-	-
-	237,500	237,500	-
355,000	412,500	412,500	1,101,785
6,390,000	4,774,500	4,774,500	6,085,513

LEHIGH COUNTY AUTHORITY
STATEMENTS OF ACTIVITIES - SUBURBAN - WASTEWATER FUND
2026 Budget (as of 09-18-25)

	Total			
	Budget 2026	Forecast 2025	Budget 2025	Actual 2024
CAPITAL EXPENSE WASTEWATER				
Annual Projects				
12001 - WLC-S-EQUIPMENT-MOBILE	175,000	150,000	150,000	-
12002 - WLC-S-EQUIPMENT- OTHER	100,000	122,284	125,000	93,696
20079 - WLC-S-SYSTEM PLANING	5,000	5,000	5,000	-
20081 - L1C-S-SYSTEM PLANNING	5,000	5,000	5,000	-
20086 - UMC-S-RES SVC CONN	2,500	3,000	3,000	-
30305 - WLC-S-CAPITAL MANAGEMT	25,000	12,039	25,000	8,715
30666 - UNC-S-ASSET MGMT WW UPGRADE	100,000	25,000	-	-
12003 - UNC-S-SEWER CO ACQ - GENERAL	25,000	12,298	5,000	7,958
12008 - WWC-S-EQUIPMENT & CAPITAL IMPROVE	25,000	28,431	25,000	16,934
12009 - AWC-S-EQUIPMENT & CAPITAL IMPROVE	25,000	29,393	25,000	29,393
12011 - SSC-S-EQUIPMENT & CAPITAL IMPROVE	25,000	16,640	25,000	20,940
12006 - LTC-S-EQUIPMENT & CAPITAL IMPROVE	25,000	5,000	25,000	19,304
12007 - HHC-S-EQUIPMENT & CAPITAL IMPROVE	10,000	-	10,000	-
30853 - Plan Review & Inspection, Development & Svc Connections	10,000	-	-	680
30871 - AWC-S-SCADA BELTPRESS UPGRADES	80,000	80,000	80,000	-
30872 - LTC-S BELTPRESS UPGRADES	80,000	80,000	80,000	-
30873 - SSC-S BELTPRESS UPGRADES	80,000	80,000	80,000	-
30874 - WWC-S BELTPRESS UPGRADES	80,000	80,000	80,000	-
30875 - HHC-S BELTPRESS UPGRADES	80,000	80,000	80,000	-
30777 - NLC-S-GENERAL SEWER SYSTEM IMPROVE	5,000	-	-	-
20094 - WEC-S-RES SVC CONN	-	7,500	7,500	-
30881 - WLC-S-2024 WLSP LTC	-	13,914	-	29,608
	962,500	835,500	835,500	227,230
LCA Wastewater Treatment Plant				
30367 - TPC-S-WTP IMPROVEMENTS	600,000	1,067,672	600,000	1,009,751
30373 - TPC-S-WTP UPGRADE STUDY	2,500,000	4,326,198	4,000,000	-
30880 - TPC-S-WTP CRITICAL ASSET UPGRADE	300,000	206,130	1,000,000	24,045
	3,400,000	5,600,000	5,600,000	1,033,796
Western Lehigh Interceptor System:				
30438 - WLC-S-WLI-WW CAPACITY PRG DEV	100,000	57,773	400,000	104,044
30860 - WLC-S-WLI REHAB CYCLE 4	150,000	250,034	-	532,558
30531 - WLC-S-SPRING CREEK PS IMPROVE	580,000	49,182	1,000,000	-
30443 - WLC-S-SIGNATORY I&I PROGRAM	600,000	37,551	550,000	60,068
30301 - WLC-S-SPRING CREEK FM	-	200,000	100,000	-
30426 - WLC-S-WLI ACT 537 UPDATE	-	519	-	512
30630 - WLC-S-TEST & SEAL CYCLE-1	-	3,280	-	62,667
30767 - WLC-S-AECOM PTP PHASE 2	-	442,838	-	546,478
30806 - WLC-S-PTP MASTER PLAN	-	186,004	-	257,680
30815 - WLC-S-SPRING CRK FM RELOC-PTC	-	2,456	900,000	12,557
30816 - WLC-S-UPPER WL PS & FM	-	2,464,947	1,300,000	2,499,081
30838 - WLC-S-SPRING CK PS UPGR (2023)	-	33,032	-	308,248
30840 - WLC-S-2023 WLSP LTC	-	487,685	-	576,506
30850 - WLC-S-SPRING CK FM COND ASSES	-	4,720	-	152,419
30891 - WLC-S-LCA MS 1 AND 2 REHAB	-	29,979	-	67,893
	1,430,000	4,250,000	4,250,000	5,180,710
Satellite Systems				
30364 - WWC-S-WYNNEWOOD I AND I PROJECT	25,000	113,061	200,000	116,378
30607 - WWC-S-WWTP IMPROVEMENTS	100,000	49,902	-	59,838
30805 - AWC-S-WWTP MECH SCREEN	170,000	78,526	220,000	46,895
30777 - NLC-S-GENERAL SEWER SYSTEM IMPROVE	50,000	57,610	70,000	64,738
30347 - HHC-S-I&I REMOVAL PROJECT	400,000	20,630	-	36,885
30608 - SSC-S-WWTP IMPROVEMENTS	30,000	206,159	25,000	403,452
30629 - LTC-S-LYNN TWP WTP CAPACITY EX	100,000	122,975	900,000	-
30661 - LTC-S-LT I/I STUDY & REPAIR	25,000	56,979	-	70,086
30656 - HHC-S-HH-WWTP-UPGRADES	-	378,204	325,000	88,885
30782 - SSC-S-SAND SPRING WWTP TRE	-	108,231	100,000	46,503
30879 - LTC-S-LYNN TWP WWTP CLARIFIR	-	644,386	-	630,889
Plan Review & Inspection, Development & Svc Connections	50,000	3,336	-	45,897
	950,000	1,840,000	1,840,000	1,610,447
Little Lehigh Relief Interceptor System:				
30314 - Park Pump Station Rehabilitation/Improvements	-	280,750	800,000	994,219
30489 - L1C-S-PARK PS FORCE MAIN UPGRADE	-	-	-	-
30494 - L1C-S-PARK PS SCADA - GEN FUEL	-	-	-	-
30664 - L1C-S-PARK PS FORCE MAIN EXTN	-	7,217	-	5,119

LEHIGH COUNTY AUTHORITY
 STATEMENTS OF ACTIVITIES - SUBURBAN - WASTEWATER FUND
 2026 Budget (as of 09-18-25)

30885 - L1C-S-537 KRI PRE-DESIGN

Administrative Projects

11001 UNC-W-COMPUTER SYS IMPROV
 11003 UNC-W-GIS CONV/UPDATES
 11008 UNC-W-DOCUMENT MANAGEMENT SYS
 11009 UNC-W-INFO TECH M-PLAN UPDATE
 11018 UNC-W-CMMS UPGRADE & EXPAN
 11027 UNC-W-DISASTER RECOVERY/SECURITY
 11033 UNC-W-MUNIS ERP RE-IMPLEMENT
 ALLOCATION

Total Suburban Wastewater Capex

Total			
Budget 2026	Forecast 2025	Budget 2025	Actual 2024
-	512,034	-	642,696
-	800,001	800,000	1,642,033
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
355,000	412,500	412,500	-
355,000	412,500	412,500	-
7,097,500	13,738,000	13,738,000	9,694,215

LEHIGH COUNTY AUTHORITY
 STATEMENTS OF ACTIVITIES - CITY - DIVISION FUND
 2026 Budget (as of 09-18-25)

Total City Water Capex

Total			
Budget 2026	Forecast 2025	Budget 2025	Actual 2024
28,805,000	31,165,000	31,515,000	9,518,875

LEHIGH COUNTY AUTHORITY
STATEMENTS OF ACTIVITIES - CITY - DIVISION FUND
2026 Budget (as of 09-18-25)

Total				
Budget 2026	Forecast 2025	Budget 2025	Actual 2024	
50024 - CAC-S-SWR CAPITAL MANAGEMENT	25,000	25,000	25,000	6,596
50032 - CAC-S-EQUIPMENT - OTHER	300,000	400,000	400,000	-
50033 - CAC-S-WWTP-GENERAL IMPROVEMENT	900,000	900,000	900,000	873,730
50034 - CAC-S-SEWER MAIN REPLACEMENTS	150,000	150,000	150,000	500,795
50042 - CAC-S-WWTP-SCADA UPGRADES	150,000	100,000	100,000	97,714
50059 - CAC-S-EQUIPMENT-MOBILE	85,000	980,000	980,000	-
50142 - CAC-S-VARIOUS WW SYST STUDIES	250,000	150,000	150,000	-
Collection System - Development & Service Connection	15,000	10,000	10,000	32,982
50474 - CAC-S-WWTP DECHLOR SYSTEM	-	-	-	754
50510 - CAC-S-WWTP DIGESTER CLEANING	-	-	-	97,738
50593 - CAC-S-WWTP SEPTAGE RECEIVING	-	-	-	418,622
50607 - CAC-S-WWTP EQUIPMENT - OTHER	-	-	-	696,198
50608 - CAC-S-WWTP MOBILE EQUIPMENT	267,000			
50618 - CAC-S-KIWWTP CEPT	-	-	-	14,197
50621 - CAC-S-WWTP 2ND DIGESTER CLEAN	-	-	-	386,201
50623 - CAC-S-BOGERTS BRIDGE	-	-	-	1,117
50649 - CAC-S-CEPT PERFORM DEMO KIWWTP	-	-	-	3,171
	2,142,000	2,715,000	2,715,000	3,129,815
Non-CCRC Projects				
50383 - CAC-S-KIWWTP INDENTURE UPGRADE	200,000	250,000	250,000	241,358
50176 - CAC-S-KIWWTP MASTER PLAN	-	-	-	351,478
50541 - CAC-S-537 CITY MH INSPECTIONS	1,000,000	1,000,000	1,000,000	221,981
WWTP REDUNDANT POWER SUPPLY	70,000	-	-	-
50661 - CAC-S-KIWWTP BLDG IMPROVEMENTS	200,000	100,000	100,000	-
WWTP OCU BUILDING #24 REPLACEMENT	100,000	-	-	-
WWTP FACILITY ELECTRICAL UPGRADES	130,000	-	-	-
WWTP EFFLUENT PUMP STATION	-	-	-	-
	1,700,000	1,350,000	1,350,000	814,817
Major Capital Improvements				
50154 - CAC-S-WWTP-ELEC SUBSTATIONS	825,000	5,250,000	5,250,000	163,033
50169 - CAC-S-WWTP CLARIFIER MECH IMP	1,545,000	2,500,000	2,500,000	-
50462 - CAC-S-WWTP MAIN & AUX PS IMP	6,250,000	750,000	750,000	189,739
50660 - CAC-S-KIWWTP PMTF REHABILITATION	3,225,000	200,000	200,000	-
50286 - CAC-S-I&I SOURCE REDUCTION	5,000,000	3,000,000	3,000,000	12,389
50659 - CAC-S-KIWWTP SOLIDS PROC. IMPRV	1,000,000	500,000	500,000	-
50303 - CAC-S-WWTP BOILER REPLACE	-	-	-	1,291,101
50463 - CAC-S-WWTP ISP PS & 480V MCC	-	-	-	207
50523 - CAC-S-WWTP CAPACITY UPGRADES	-	-	-	1,152
50581 - CAC-S-WWTP PRIMARY SLUDGE LINES	-	2,700,000	2,700,000	186,118
50602 - CAC-S-WWTP FINAL SETTLING 1-4	-	-	-	381,132
50629 - CAC-S-KIWWTP 100MGD UPGRADES	-	-	-	471,686
	17,845,000	14,900,000	14,900,000	2,696,557
Regional Act 537 Projects				
50568 - CAC-S-KISS ACT 537 FAA	100,000	250,000	250,000	3,294
50551 - CAC-S-KISS ACT 537 SECTION 7	100,000	200,000	200,000	114,560
50425 - CAC-S-WET WEATHER BIOACTIFLO	-	-	-	1,751
50426 - CAC-S-WET WEATHER BLEND HYBRID	-	-	-	4,447
50516 - CAC-S-KIWWTP FINAL ACT 537	-	-	-	96,544
50525 - CAC-S-537 CAPACITY PROBLEM	-	-	-	1,885
50542 - CAC-S-537 CITY SRP PROJECTS	-	-	-	1,193,916
50543 - CAC-S-537 CITY INTERCEPTORS	-	-	-	409,955
50567 - CAC-S-537 CITY INTERCEPTORS	-	-	-	23,671
50571 - CAC-S-AECOM 537 PM ROLE	-	-	-	194,126
50615 - CAC-S-CITY MH REHAB	-	-	-	115,549
50617 - CAC-S-KISS ACT 537 SOS	-	-	-	118,380
50627 - CAC-S-KISS ACT 537 EJ	-	-	-	27,933
50628 - CAC-S-KISS ACT 537 SBM REVIEW	-	-	-	17,254
50634 - CAC-S-KISS ACT 537 SECT 7 LEGAL LCA	-	-	-	14,342
50635 - CAC-S-KISS ACT 537 SECT 7 LEGAL AO	-	-	-	33,960
50636 - CAC-S-KISS ACT 537 SECT 7 PH 3	-	-	-	203,907
	200,000	450,000	450,000	2,575,473
	21,887,000	19,415,000	19,415,000	9,216,663
	50,692,000	50,580,000	50,930,000	18,735,537
TOTAL CITY CAPEX				

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Internal Service

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**Lehigh County Authority
2025 Budget
Internal Service Budgets Overview**

Lehigh County Authority's Internal Service budget serves as a pass-through mechanism to move shared expenses appropriately to the enterprise funds they support.

The Internal Services budget captures expenses in two different categories:

1. **Enterprise Fund Specific** – Internal Service expenses that are specific to the Suburban or City Divisions are shared with those specific enterprise funds based on the services provided to each fund.
2. **Global (Organizational)** – Internal Service expenses that are not specific to one of the Authority's enterprise funds, but which support the organization, are captured separately in the Global Internal Service budget and allocated to the funds based on a pro-rata share of salaries.

These Internal Service budgets capture expenses related to the following functions: Executive, Human Resources, Risk Management, Planning, Finance, Information Technology, Customer Care and Billing, Capital Works, and General and Administration. The Internal Service expenses outlined in this section of the Authority's budget are also captured within the enterprise fund budgets detailed in previous sections of this publication, allocated to those funds based on the methodology described above.

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LEHIGH COUNTY AUTHORITY
INTERNAL SERVICE BREAKDOWN (WITH ALLOCATIONS)
2026 Budget (as of 09-18-25)

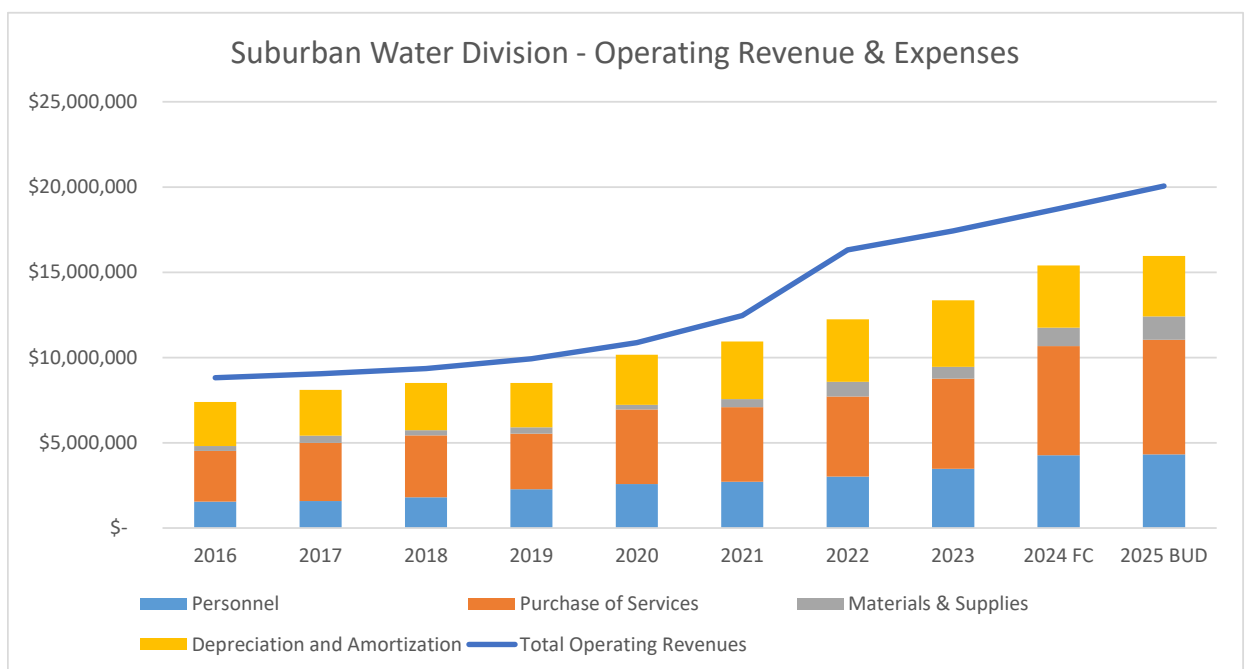
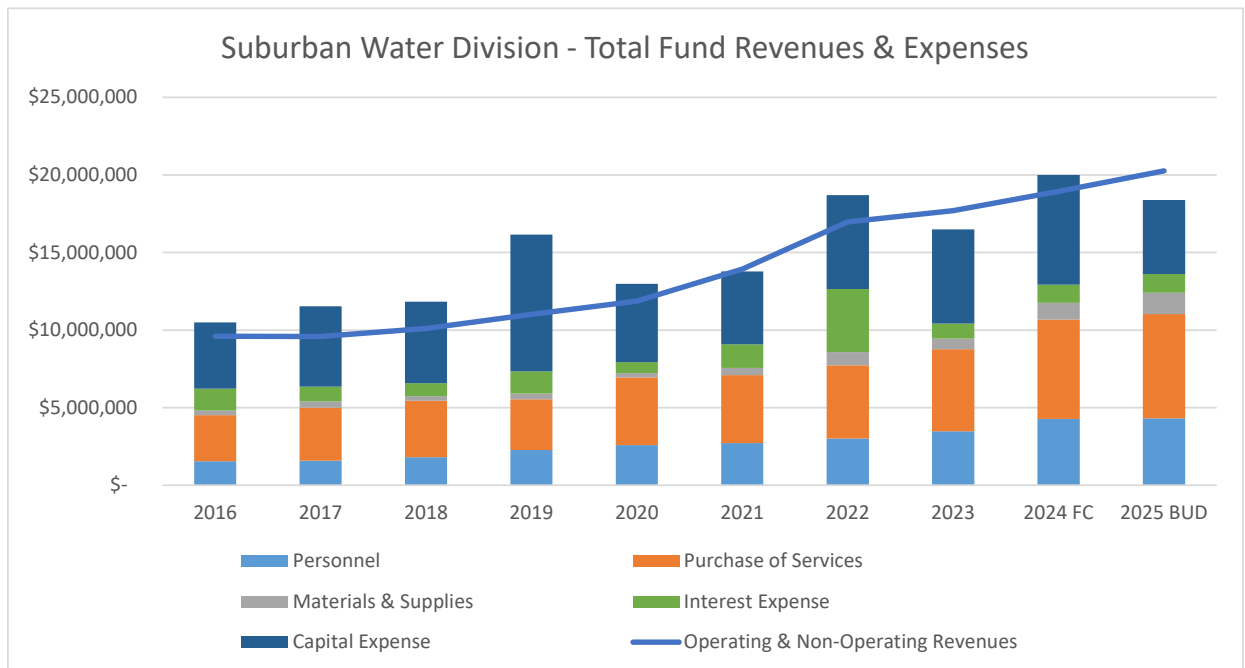
	Full Year			
	Budget 2026	Forecast 2025	Budget 2025	Actual 2024
Operating Expenses:				
Personnel				
Salaries and Wages	12,890,855	12,441,830	12,545,812	10,581,059
Overtime	1,377,379	1,592,116	1,535,184	1,650,005
Taxes	1,106,119	1,053,556	1,050,647	912,719
Fringe Benefits	6,588,911	5,402,391	5,366,635	3,805,689
Allocation to Systems	-	-	-	-
Total Personnel	21,963,265	20,489,893	20,498,278	16,949,471
Purchase of Services				
General & Administrative:				
Temporary Contract Service	31,820	21,183	36,262	45,859
Compliance	4,800	2,171	16,092	2,552
Office Related	619,939	414,526	359,598	303,739
Computer Software / Hardware	738,700	898,365	557,229	633,814
Audit	69,674	53,543	60,643	51,985
Bank and Credit Card Fees	463,900	429,940	340,553	396,050
Dues and Subscriptions	87,550	47,010	51,131	48,738
Travel and Entertainmnet	80,480	11,143	18,676	16,540
Education & Training	332,500	192,888	446,475	170,994
Insurance & Risk Management	1,363,666	1,232,643	1,262,303	1,033,469
Human Resources and Related	134,610	139,497	349,646	167,704
Professional Consulting & Legal	1,010,800	432,983	482,724	425,768
Public Relations	200,000	57,026	113,523	50,754
Contributions & Sponsorships	13,000	343	3,277	300
Employee Engagement	57,140	9,231	40,000	29,050
Allocation to Systems	-	-	-	-
Total General & Administrative:	5,208,579	3,942,493	4,138,132	3,377,317
Utilities				
Utilities	3,487,952	3,027,750	2,942,109	2,590,533
Allocation to Systems	-	-	-	-
Total Utilities:	3,487,952	3,027,750	2,942,109	2,590,533
Compliance	139,420	122,657	110,448	139,445
Contract Operating Svcs	6,991,996	6,983,594	7,019,064	6,586,685
Engineering	147,375	495,423	488,504	144,223
Exceptional Strength Analysis	-	-	-	-
Extraordinary Expenditures	400,000	134,685	134,685	508,830
Fleet Management Services	534,205	341,429	338,743	372,977
General Analyses	464,952	314,158	314,903	281,036
Planning Expenses	-	-	-	-
Industrial Meter Testing	6,565	3,400	3,400	506
Maintenance Services	2,668,305	2,189,158	2,152,649	1,632,483
Miscellaneous Services	504,555	497,516	524,339	618,245
Leased Equipment	-	-	-	-
Rental	-	-	-	-
Residuals	569,000	516,014	576,264	438,016
Water Purchases	4,610,000	4,500,201	3,785,184	4,046,025
System Planning / Capital Management	-	-	-	-
LCA WWTP Treatment/Removals	-	-	-	-
Treatment and Transportation	5,764,683	4,629,259	4,257,655	5,520,957
Total Purchase of Services	26,289,008	23,755,245	22,647,947	22,879,958
Materials & Supplies				
Purification Chemicals	1,692,995	2,175,154	2,200,136	1,678,575
Purification Supplies	115,050	82,048	75,827	62,509
Pump Supplies	167,300	193,165	177,380	156,074
Misc. Materials & Supplies	1,073,900	798,848	826,990	795,196
Fuel & Mileage	396,650	268,547	268,530	239,470
Fleet Management Supplies	106,000	78,353	69,254	52,542
Equipment	965,750	884,045	942,657	586,898
Distribution & Transmission Supplies	1,131,200	1,234,021	1,180,259	826,702
Collection System Supplies	239,200	-	-	-
Total Materials & Supplies	5,888,045	5,714,181	5,741,033	4,397,968
Depreciation and Amortization	18,626,592	17,188,742	17,165,980	18,135,705
Other Expenses				
Major Maintenance Expenses	4,100,000	4,098,331	4,100,000	5,736,126
Other Miscellaneous	224,136	226,231	244,136	2,924,836
Total Other Expenses	4,324,136	4,324,562	4,344,136	8,660,962
Total Operating Expenses	82,299,626	75,415,116	74,535,506	74,401,382

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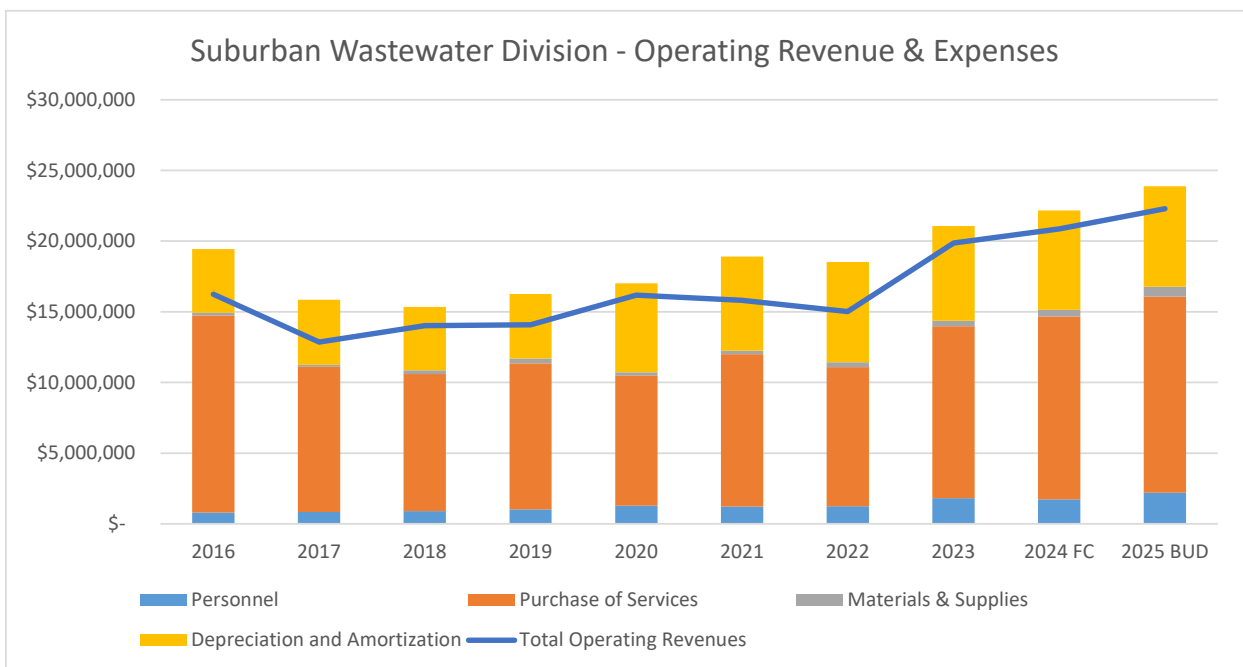
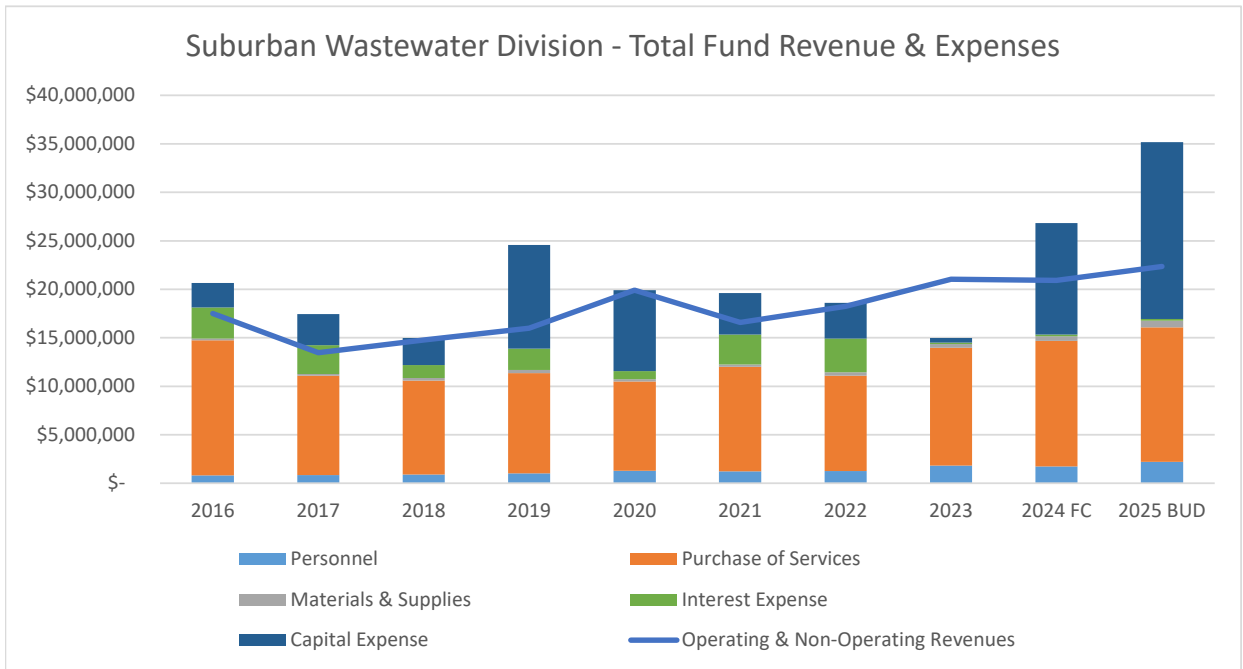
Supplemental Information

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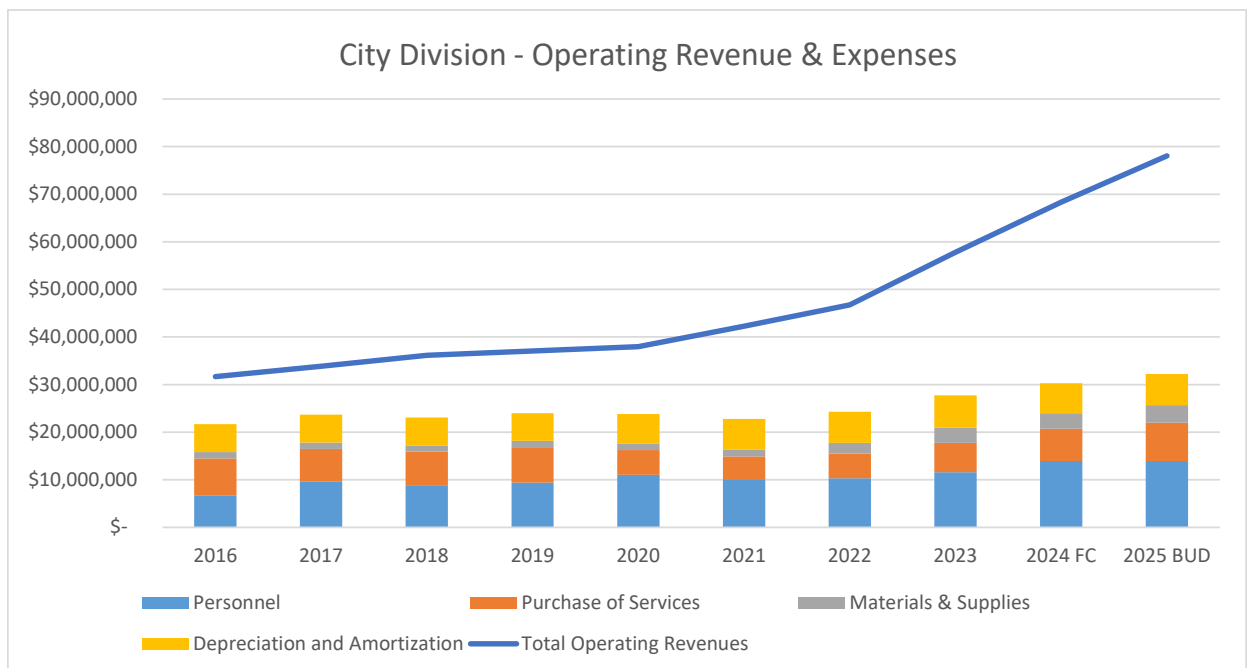
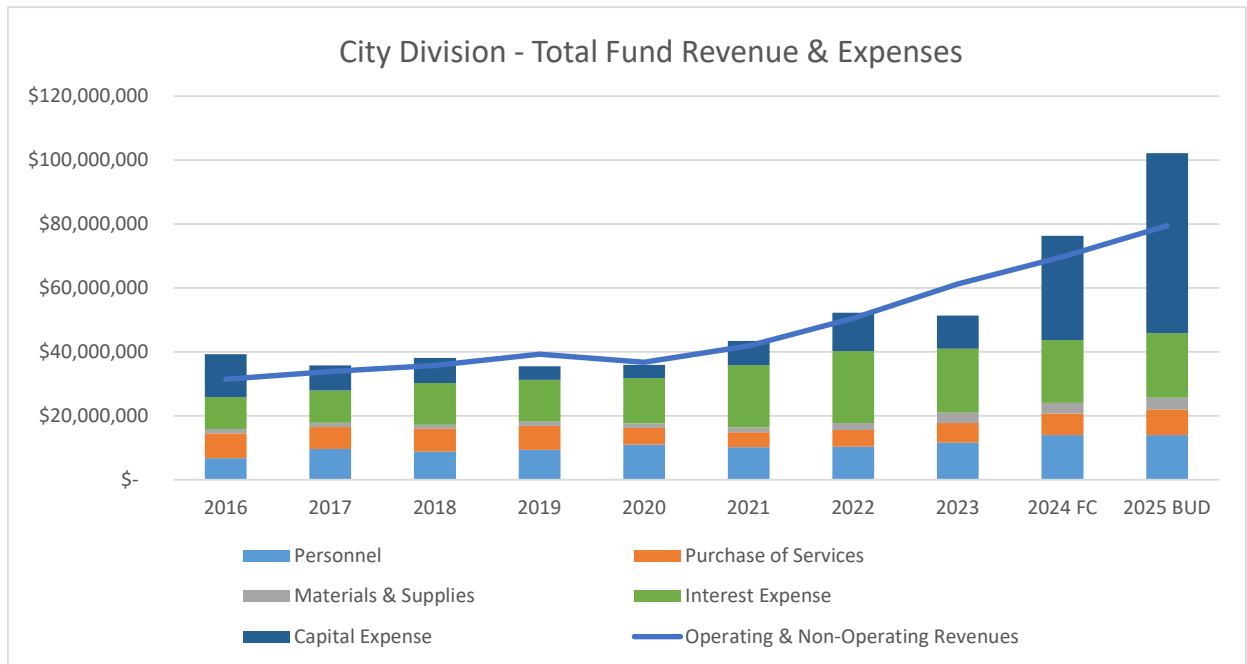
LEHIGH COUNTY AUTHORITY
Revenue And Expense Trend Analysis
2026 Budget



LEHIGH COUNTY AUTHORITY
Revenue And Expense Trend Analysis
2026 Budget



LEHIGH COUNTY AUTHORITY
Revenue And Expense Trend Analysis
2026 Budget



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Lehigh County Authority 2026 Budget Overview of Financial Metrics

Throughout the 2026 Budget, and subsequent monthly reporting of financial performance provided by Authority staff, key metrics are calculated to assess the overall financial health of the organization. The metrics described below are commonly used within the water utility and financial sectors to assess financial sustainability, appropriate capital spending levels, and ability to finance future investments.

Debt Service Coverage Ratio is a measure of LCA's ability to pay its annual obligations to bondholders and other loans received for prior capital investments. This ratio is calculated by comparing the current year's operating cash available to pay debt service. LCA's minimum target for Debt Service Coverage is 1.20, which means operating activities generate enough cash to pay all debt service expenses plus a cushion of at least 20 percent.

Days Cash on Hand illustrates the liquidity of LCA's cash and cash reserves that could be available to cover expenses in the event of an emergency. This metric is calculated by assessing how many days of operating expenses could be covered solely by the available cash on hand. Other reserves, investments and restricted reserves that are not accessible for use in paying operating expenses are excluded from this calculation. LCA's minimum target for Days Cash on Hand is 180 days.

Capital Coverage Ratio is a simple way to look at how much capital spending can be covered by current operations in a given time period. Long-term borrowing including the use of tax-exempt bonds has historically been accepted as an appropriate method of funding water and sewer infrastructure projects, to spread the cost of new assets over many years or decades to mirror the long life of those assets. However, shifting toward current-year funding of a portion of the utility's capital improvements is recommended due to the ongoing nature of many projects, such as annual main replacement programs and sewer rehab programs. LCA's minimum target for Capital Coverage is 0.50, which means current operations is able to support 50 percent of the current year's planned capital improvements.

Operating Ratio is another way of looking at LCA's financial capacity and adequacy of water and sewer rates to pay for operations and regular repair and replacement of capital assets. For this metric, depreciation is added to operating expenses as a placeholder for minimum capital investment required to replace system assets as they age. Then operating revenues are compared to operating expenses (including depreciation). LCA's minimum target for Operating Ratio is 1.00, which means current operating revenues fully cover all operating expenses plus depreciation, an indication that customer rates are adequate to cover all necessary expenses.

It is important to note that the minimum targets listed above are internal targets established by LCA to ensure strong financial performance of the organization. LCA may not meet each of these internal targets in all divisions or in all operating years. Decisions are made throughout the budget process and during the operating year regarding best use of Authority funds, as well as timing considerations for new borrowing, which may affect performance related to these metrics. In addition, in some cases where operating revenues are constrained by existing contracts or intermunicipal agreements, flexibility to increase revenues may not exist, resulting in lower performance compared to these internal targets. These metrics are discussed with the LCA Board of Directors with each monthly financial report provided to ensure high visibility and awareness about the organization's financial health.

In all cases, any financial performance requirements established by LCA bond / loan documents are met and reported to financing agencies as required.

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LEHIGH COUNTY AUTHORITY
KEY METRICS
2026 Budget (as of 09-18-25)

Condensed Cash Flows

Operating Revenues
Operating Expenses (ex. D&A)
Non-Operating Revenues (Expenses)
Net Available for Debt Service
Debt Service
Non-Cash Working Capital Changes
Net Available for Capex
Investing
Other Payments
Borrowing
Capex
Net Cash Flows

Debt Service Ratio (Indenture Based)

Total Operating Revenues
Total Operating Expenses (Cash Based)
Interest Income
Annual Lease Payment (City)
Total Non-Operating Revenues (Expenses)
Cash Available For Debt Service

Interest and Fees Paid
Principal Paid
Total Debt Service

Debt Service Ratio

Capital Coverage Ratio

Net Cash Available After Debt Service
Total Non-Operating Revenues
Net Cash Available For Capital

Net Capital Spending
Expensed Capex
Total Capital Spending

Capital Coverage Ratio

Suburban Water			
Budget 2026	Forecast 2025	Budget 2025	Actual 2024
20,815,891	20,069,701	20,058,560	18,598,312
(13,843,538)	(13,165,666)	(12,409,238)	(11,335,712)
911,982	911,982	200,044	542,528
7,884,335	7,816,017	7,849,367	7,805,128
(3,346,027)	(3,474,867)	(3,474,867)	(3,532,491)
-	(1)	-	(2,611,608)
4,538,308	4,341,149	4,374,500	1,661,029
-	-	-	9,000
-	-	-	-
-	-	-	5,241,371
(6,390,000)	(4,774,500)	(4,774,500)	(6,085,513)
(1,851,692)	(433,351)	(400,000)	825,887
19,690,755	18,944,564	18,824,442	17,500,727
(13,843,538)	(13,165,666)	(12,409,238)	(11,335,712)
911,982	911,982	200,044	542,528
-	-	-	-
1,125,136	1,125,136	1,234,118	1,097,586
7,884,335	7,816,017	7,849,367	7,805,128
1,361,592	1,197,656	1,197,656	1,091,073
1,984,435	2,277,211	2,277,211	2,441,418
3,346,027	3,474,867	3,474,867	3,532,491
2.36	2.25	2.26	2.21
3,413,172	3,216,012	3,140,382	563,443
1,125,136	1,125,136	1,234,118	1,097,586
4,538,308	4,341,149	4,374,500	1,661,029
6,390,000	4,774,500	4,774,500	6,085,513
-	-	-	-
6,390,000	4,774,500	4,774,500	6,085,513
0.71	0.91	0.92	0.27

LEHIGH COUNTY AUTHORITY
KEY METRICS
2026 Budget (as of 09-18-25)

Condensed Cash Flows

Operating Revenues
Operating Expenses (ex. D&A)
Non-Operating Revenues (Expenses)
 Net Available for Debt Service
Debt Service
Non-Cash Working Capital Changes
 Net Available for Capex
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Other Payments
Borrowing
Capex
 Net Cash Flows

Debt Service Ratio (Indenture Based)

Total Operating Revenues
Total Operating Expenses (Cash Based)
Interest Income
Annual Lease Payment (City)
Total Non-Operating Revenues (Expenses)
 Cash Available For Debt Service

Interest and Fees Paid
Principal Paid
 Total Debt Service

Debt Service Ratio

Capital Coverage Ratio

Net Cash Available After Debt Service
Total Non-Operating Revenues
Net Cash Available For Capital

Net Capital Spending
Expensed Capex
Total Capital Spending

Capital Coverage Ratio

Suburban Wastewater			
Budget 2026	Forecast 2025	Budget 2025	Actual 2024
22,659,636	21,445,840	21,457,327	21,160,465
(18,014,274)	(16,388,290)	(16,224,056)	(15,555,702)
59,260	324,470	59,260	696,777
4,704,622	5,382,020	5,292,531	6,301,540
(2,176,924)	(2,176,925)	(2,176,924)	(3,030,534)
-	(4)	-	1,656,148
2,527,698	3,205,091	3,115,607	4,927,154
-	-	-	489,000
-	-	-	-
-	11,000,000	14,850,000	-
(7,097,500)	(13,738,000)	(13,738,000)	(9,694,215)
(4,569,802)	467,092	4,227,607	(4,278,061)
20,962,747	19,691,504	19,760,438	19,809,163
(18,014,274)	(16,388,290)	(16,224,056)	(15,555,702)
59,260	324,470	59,260	696,777
-	-	-	-
1,696,889	1,754,337	1,696,889	1,351,303
4,704,622	5,382,020	5,292,531	6,301,540
176,093	290,602	176,093	136,537
2,000,831	1,886,323	2,000,831	2,893,997
2,176,924	2,176,925	2,176,924	3,030,534
2.16	2.47	2.43	2.08
830,809	1,450,754	1,418,718	3,575,852
1,696,889	1,754,337	1,696,889	1,351,303
2,527,698	3,205,091	3,115,607	4,927,154
7,097,500	13,738,000	13,738,000	9,694,215
-	-	-	-
7,097,500	13,738,000	13,738,000	9,694,215
0.36	0.23	0.23	0.51

LEHIGH COUNTY AUTHORITY
KEY METRICS
2026 Budget (as of 09-18-25)

Condensed Cash Flows

Operating Revenues
Operating Expenses (ex. D&A)
Non-Operating Revenues (Expenses)
Net Available for Debt Service
Debt Service
Non-Cash Working Capital Changes
Net Available for Capex
Investing
Other Payments
Borrowing
Capex
Net Cash Flows

Debt Service Ratio (Indenture Based)

Total Operating Revenues
Total Operating Expenses (Cash Based)
Interest Income
Annual Lease Payment (City)
Total Non-Operating Revenues (Expenses)
Cash Available For Debt Service

Interest and Fees Paid
Principal Paid
Total Debt Service

Debt Service Ratio

Capital Coverage Ratio

Net Cash Available After Debt Service
Total Non-Operating Revenues
Net Cash Available For Capital

Net Capital Spending
Expensed Capex
Total Capital Spending

Capital Coverage Ratio

City Division			
Budget 2026	Forecast 2025	Budget 2025	Actual 2024
67,388,445	63,208,292	63,046,210	64,867,510
(27,245,222)	(25,736,752)	(25,674,408)	(23,547,087)
8,042,632	20,610,016	16,432,632	5,742,204
48,185,855	58,081,555	53,804,434	47,062,627
(18,079,392)	(17,716,163)	(17,765,690)	(18,253,435)
-	(532,600)	350,000	(4,649,562)
30,106,463	39,832,792	36,388,744	24,159,630
-	-	-	-
(1,383,491)	(1,119,374)	(1,323,915)	(1,361,180)
5,660,930	-	-	55,000,000
(50,692,000)	(50,580,000)	(50,930,000)	(18,735,537)
(16,308,098)	(11,866,582)	(15,865,171)	59,062,913
65,371,290	59,540,813	59,533,021	58,132,011
(27,245,222)	(25,736,752)	(25,674,408)	(23,547,087)
814,513	4,163,280	64,513	1,756,761
(1,383,491)	(1,119,374)	(1,323,915)	(1,361,180)
2,017,155	3,667,479	3,513,189	6,735,500
39,574,245	40,515,445	36,112,400	41,716,005
21,236,805	20,864,751	20,178,848	22,621,589
(3,157,413)	(3,148,588)	(2,413,158)	(4,368,154)
18,079,392	17,716,163	17,765,690	18,253,435
2.19	2.29	2.03	2.29
28,089,308	36,165,314	32,875,555	17,424,131
2,017,155	3,667,479	3,513,189	6,735,500
30,106,463	39,832,792	36,388,744	24,159,630
50,692,000	50,580,000	50,930,000	18,735,537
-	-	-	-
50,692,000	50,580,000	50,930,000	18,735,537
0.57	0.77	0.69	1.22

LEHIGH COUNTY AUTHORITY
KEY METRICS
2026 Budget (as of 09-18-25)

Condensed Cash Flows

Operating Revenues
Operating Expenses (ex. D&A)
Non-Operating Revenues (Expenses)
 Net Available for Debt Service
Debt Service
Non-Cash Working Capital Changes
 Net Available for Capex
Investing
Other Payments
Borrowing
Capex
 Net Cash Flows

Debt Service Ratio (Indenture Based)

Total Operating Revenues
Total Operating Expenses (Cash Based)
Interest Income
Annual Lease Payment (City)
Total Non-Operating Revenues (Expenses)
 Cash Available For Debt Service

Interest and Fees Paid
Principal Paid
 Total Debt Service

Debt Service Ratio

Capital Coverage Ratio

Net Cash Available After Debt Service
Total Non-Operating Revenues
Net Cash Available For Capital

Net Capital Spending
Expensed Capex
Total Capital Spending

Capital Coverage Ratio

Total LCA			
Budget 2026	Forecast 2025	Budget 2025	Actual 2024
110,863,972	104,723,833	104,562,098	104,626,288
(59,103,034)	(55,290,709)	(54,307,702)	(50,438,502)
9,013,874	21,846,468	16,691,936	6,981,509
60,774,812	71,279,592	66,946,332	61,169,295
(23,602,343)	(23,367,955)	(23,417,481)	(24,816,460)
-	(532,605)	350,000	(5,605,022)
37,172,469	47,379,032	43,878,851	30,747,813
-	-	-	498,000
(1,383,491)	(1,119,374)	(1,323,915)	(1,361,180)
5,660,930	11,000,000	14,850,000	60,241,371
(64,179,500)	(69,092,500)	(69,442,500)	(34,515,266)
(22,729,592)	(11,832,842)	(12,037,564)	55,610,739
106,024,792	98,176,881	98,117,902	95,441,900
(59,103,034)	(55,290,709)	(54,307,702)	(50,438,502)
1,785,755	5,399,732	323,817	2,996,067
(1,383,491)	(1,119,374)	(1,323,915)	(1,361,180)
4,839,180	6,546,952	6,444,196	9,184,388
52,163,202	53,713,482	49,254,298	55,822,673
22,774,490	22,353,009	21,552,597	23,849,198
827,853	1,014,946	1,864,884	967,262
23,602,343	23,367,955	23,417,481	24,816,460
2.21	2.30	2.10	2.25
32,333,289	40,832,080	37,434,655	21,563,426
4,839,180	6,546,952	6,444,196	9,184,388
37,172,469	47,379,032	43,878,851	30,747,813
64,179,500	69,092,500	69,442,500	34,515,266
-	-	-	-
64,179,500	69,092,500	69,442,500	34,515,266
0.56	0.67	0.61	0.85

**Lehigh County Authority
2026 Budget
Definitions and Explanations of Accounts**

REVENUE CATEGORIES & ACCOUNTS

Operating Revenues:

Water Revenues

Large Industrial: Revenue from utility billing customers classified as Large Industrial.

Other Industrial/Commercial: Revenue from utility billing customers classified as Other Industrial and Commercial.

Residential: Revenue from utility billing customers classified as Residential, including apartments, mobile homes, single-family attached, and single-family detached dwellings.

Other Water Sales: Revenue from water sold to Municipal Signatories and bulk water drawn from hydrants.

Private Fire Service: Charges for private fire protection provided to industrial/commercial customers with sprinkler systems or private fire hydrants.

Public Fire Service: Charges for public fire hydrants billed to municipalities in the service area.

Sewer Revenues

Municipal: Revenue generated from the municipal service agreements in place with each of the 15 municipalities served by the Kline's Island Sewer System, including costs passed through to LCA's Western Lehigh Interceptor and Little Lehigh Relief Interceptor 1&2 municipal customers.

Residential & Commercial: Revenue from sewer services to residential and commercial customers in both the Suburban and City Divisions.

Hauler Fees: Revenue from haulers based on the strength and volume of waste delivered to wastewater treatment plants.

Industrial Charges: Surcharges for high-strength waste treated at the Suburban Division Pretreatment Plant.

Industrial Pretreatment: Charges for administering the EPA-approved Pretreatment Program (40 CFR 403).

Leachate Program: Charges for processing and treating hauled leachate at the Allentown Wastewater Treatment Plant.

Wastewater Analysis Reimbursement: Reimbursement for laboratory testing costs.

Fees & Other Income

Penalties: Late fees assessed on past-due accounts.

Other Income: Reimbursement of LCA expenses by external entities.

Miscellaneous: Revenue from other sources not classified elsewhere.

Provision for Doubtful Debts: Estimated uncollectible amounts from issued but unpaid accounts receivable.

Lehigh County Authority
2026 Budget
Definitions and Explanations of Accounts

Connection & System Charges:

Supply/Tapping Fees: Charges assessed to new customers based on connection size. These fees help offset the costs associated with constructing water supply and storage facilities.

Capital Cost Recovery: Reimbursement from customers for a portion of major capital project expenses incurred by the Authority.

Distribution Tapping Fees: Fees charged to new customers based on connection size, intended to recover costs related to the construction of transmission and distribution infrastructure. These charges typically do not apply to customers connecting through developer-installed systems.

Meter Sales: Charges to new customers for the purchase and installation of water meters and backflow prevention devices.

Inspection & Review Fees: Deposits submitted by developers to cover the Authority's costs for construction inspections and plan reviews.

Developer Reimbursement: Reimbursements from developers to the Authority for inspection and plan review services previously performed.

Non-Operating Revenues:

Other Non-Operating Income: Includes revenue from miscellaneous sources that are not directly related to the Authority's core operations and do not fall under any other defined revenue classifications.

EXPENSE CATEGORIES & ACCOUNTS

Operating Expenses:

Personnel

Salaries and Wages: Payments for full-time employees receiving fixed compensation (salaries) and payments for full-time or part-time employees paid at an hourly rate (wages).

Overtime: Compensation for hours worked beyond an hourly employee's regular schedule.

Taxes: Employer-paid contributions to FICA, Social Security, and Medicare.

Fringe Benefits: Medical insurance, defined benefit pension plans, long-term and short-term disability coverage, life insurance, flexible spending accounts, and unemployment insurance.

Purchase of Services

Shared Services – General & Administrative: Allocated overhead costs that are not directly tied to specific funds, based on proportional share of salaries and wages. Includes:

- Postage
- Computer Services
- Advertising
- Building & Equipment Maintenance
- Dues & Subscriptions

Lehigh County Authority
2026 Budget
Definitions and Explanations of Accounts

- Travel and Mileage
- Education and Training
- Workers' Compensation
- Property & Liability Insurance
- Legal/Litigation
- Miscellaneous
- Risk Management
- Public Relations
- Human Resources
- Special Studies

Utilities: Electric, gas, telephone, and waste hauling services.

Compliance: Permit fees and renewals for water and wastewater facilities.

Contract Operating Services: Includes root control, dump site management, system checks, and trenchless repairs, as well as operations and maintenance services provided by a third-party operator at the LCA Industrial Pretreatment Plant.

Engineering: Consultant support for various regulatory compliance reporting and facility-related engineering needs.

Exceptional Strength Analysis: Lab testing of high-strength wastewater samples.

Extraordinary Expenditures: Emergency repairs and replacements (e.g., pumps, piping, leak restoration).

Fleet Management Services: Maintenance of vehicles and mobile equipment.

General Analyses: Lab testing for biosolids and residuals disposal programs.

Industrial Meter Testing: Accuracy testing of large commercial water meters.

Maintenance Services: Site, building, transmission, and equipment maintenance; janitorial services.

Miscellaneous Services: Includes self-insurance, fleet leases, dispatching, PA One Call, software maintenance, radio repairs, and other operational services.

Residuals: Disposal costs for treatment residuals.

Water Purchases: Water sourced from external municipalities for specific service areas.

System Planning / Capital Management: Allocation of capital planning costs to operating budgets.

Treatment and Transportation: Costs assessed to an LCA system for wastewater services provided by another system. These charges appear primarily in the Suburban Wastewater fund, to represent costs assessed by the City Division fund for wastewater treatment services provided at the City's Kline's Island Wastewater Treatment Plant, along with associated City interceptor usage charges.

Materials & Supplies

Purification Chemicals: Includes LOX, chlorine, sodium hypochlorite, polymer, larvicide, potassium permanganate, and other treatment chemicals.

Purification Supplies: Reagents, injectors, analyzers, and related repair parts.

Lehigh County Authority
2026 Budget
Definitions and Explanations of Accounts

Pump Supplies: Supplies for pumps, wells, and reservoirs.

Miscellaneous Materials & Supplies: SCADA/TELOG components, uniforms, lab supplies, and general inventory.

Fuel & Mileage: Unleaded and diesel fuel for fleet operations.

Fleet Management Supplies: Lubricants and supplies for mobile equipment.

Equipment: Replacement and upgrade of operational tools and systems such as leak detectors, analyzers, pumps, mixers, and transmitters.

Leased Equipment: Costs for leasing mobile and specialized equipment.

Distribution & Transmission Supplies: Pipes, fittings, hydrants, brass/copper components, and paving materials.

Collection System Supplies: Materials for sewer maintenance including dyes, degreasers, manhole covers, pipe, and paving supplies.

Other Expenses

Major Maintenance Expenses: Capital expenditure charged directly to operating expenses.

Other Miscellaneous: Debt-related financing costs, trustee fees, cost of goods sold, and GIS capital allocations to wastewater operations.

Depreciation & Amortization:

Depreciation and Amortization: Calculated using the straight-line method over standard asset lifespans. Includes amortization of financing costs.

Non-Operating Income & Expenses:

Investment Earnings: Interest income from Authority-held investments and deposit accounts.

Interest Expense: Interest payments on bonds and other loans.

Capital Contributed: Infrastructure assets donated by developers.

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LEHIGH COUNTY AUTHORITY

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MEMORANDUM

Date: October 6, 2025

To: Board of Directors & Management Staff

From: Jennifer Montero, Contracts Administrator

Re: Proposed 2026 WLI, LLRI-Phase 1 and LLRI-Phase 2
Wastewater User Charges

Attached is a copy of the *2026 Report on Wastewater User Charges*. This is the annual report that explains the derivation of the various billing rates that are charged to the users of the Western Lehigh Interceptor, Little Lehigh Relief Interceptor Phase 1, and Little Lehigh Relief Interceptor Phase 2.

As you will read in the Executive Summary on page 3, **costs to a typical residential user associated with the WLI, LLRI-I and LLRI-2 assets are expected to increase overall by 6.2%.**

In addition to operating and maintenance cost inflation, revenue requirements to support the 2026 Capital Plan are also driving the increase.

We request that the Board give preliminary approval of the rates.

LEHIGH COUNTY AUTHORITY

2026 REPORT ON WASTEWATER USER CHARGES

OCTOBER 6, 2025



LEHIGH COUNTY AUTHORITY

2026 REPORT ON WASTEWATER USER CHARGES

Contents

EXECUTIVE SUMMARY	2
I. INTRODUCTION	5
Background – WLI	5
Figure 1:*LCA-Owned Wastewater Assets.....	6
Background – LLRI	6
Existing Billing Practices – WLI	7
Existing Billing Practices – LLRI	7
Existing Billing Practices - City of Allentown Concession Lease	7
II. BILLING BASIS DETERMINATION	8
Flow Determination	8
Strength Determination	8
Emmaus Billing Basis	9
III. CAPITAL RECOVERY FEES	9
Background	9
Use of Capital Recovery Fees	9
IV. WLI USER CHARGE DEVELOPMENT	10
City Cost Assumptions	10
City Debt Service	10
City Interceptor Use	11
City Operation and Maintenance	11
Table 1: City of Allentown Estimated Costs.....	12
LCA Debt Service - WLI	12
LCA Operation and Maintenance	12
Billing Basis	12
Table 2 - Western Lehigh Interceptor: Operating and Maintenance Costs.....	13
Table 2a – Breakdown of Capital Costs Included in WLI O&M Costs.....	14
Table 3 - Western Lehigh Interceptor: O&M Costs Shared by Signatories and Emmaus	15
Table 4 - Billing Basis O&M	16
Rate Design	17
User Rate Adequacy	17
Table 5 - Total System Costs: City of Allentown and LCA	18
Table 6 – Total System Cost Allocation Summary.....	19
Table 7 - Unit Cost Summary	20
V. RELIEF INTERCEPTOR USER CHARGE DEVELOPMENT	21
Debt Service - Phase 1	21
User Rate Adequacy	21
Table 8 – Little Lehigh Relief Interceptor- Phase 1 – Operating and Maintenance Costs ...	22
Table 9 - Little Lehigh Relief Interceptor – Phase 2: Operation and Maintenance Costs ...	23
Table 10- Billing Basis – Little Lehigh Relief Interceptor.....	24
Table 11 - LLRI-Phase1: Cost Allocation	25
Table 12 - LLRI-Phase 2: Cost Allocation.....	26
APPENDIX A: USER CHARGE SAMPLING AND ANALYSIS PROCEDURES.....	27
APPENDIX B: ESTIMATED QUARTERLY BILL PROCEDURES.....	32

EXECUTIVE SUMMARY

This summary provides an overview of the various assumptions included in the Lehigh County Authority (LCA) *2026 Report on Wastewater User Charges*. Further detailed information can be found in the report.

1. Waste Strength

The assumed wastewater concentration for all non-exceptional strength Western Lehigh Interceptor (WLI) users is 250 ppm for BOD, 275 ppm for TSS, and 35 ppm for TKN. Exceptional strength charges are applied to users with waste samples having concentrations greater than 300 ppm for BOD, 360 ppm for TSS, and 85 ppm for TKN. Many commercial WLI users have strengths above these limits. LCA assists its WLI Signatories in sampling these users to identify those that are subject to exceptional strength charges (see Appendix A). The WLI Signatories decide the surcharge fees they want to apply to these customers and recover the surcharge and sampling fees directly through them as a source of revenue to cover the organic loadings portion of their WLI bill from LCA.

By comparison, the concentration of LCA's Western Lehigh Interceptor (WLI) Signatory combined discharge to the City of Allentown's Kline's Island Wastewater Treatment Plant (City Plant) measured at Keck's Bridge is typically below the assumed wastewater concentrations. These lower strengths are attributed to the operation of the LCA-owned Wastewater Treatment Plant (PTP) which significantly reduces all upstream waste strength, including high strength waste discharged from brewing operations at Boston Beer.

With the major modifications to the existing pretreatment plant expected to be complete in 2027, the estimated concentration for LCA's Western Lehigh Interceptor (WLI) Signatory combined discharge to the City Plant will increase to the allowable loadings of 210 ppm BOD, 230 ppm TSS, and 40 ppm TKN stated in the existing city treatment agreement.

2. Payments to the LCA Wastewater Pretreatment Plant (PTP)

Currently, the PTP produces effluent that is near direct discharge quality. Because it does the work of the City Plant in this regard, the WLI Signatories (Signatories) pay their proportionate share of these treatment costs through excess removal credits (Credits). Credits will be paid to the PTP fund, at City unit rates, for pounds of BOD and TSS removed beyond or "in excess" of City Plant allowable loadings. These Credits are calculated according to the terms of an agreement between LCA, the LCA Signatories, and the County, which was the owner of the PTP at the time of the agreement's execution.

3. User Rates

The following rates are proposed for 2026 as shown in comparison to the approved 2025 rates. When applied to the typical residential usage of 80,300 GPY and non-exceptional strength loadings, the 2026 proposed rates are a 6.2% increase to the average residential user's bill. The increase is in line with revenue requirements needed for new wastewater capital expenses required to fulfill asset management and regulatory objectives, such as those proposed in the regional Act 537 plan.

2025 Approved 2026 Proposed

LCA SIGNATORIES

Western Lehigh Interceptor

FLOW (per 1,000 gals)	\$	1.55	\$	1.48
BOD (per pound)		0.34		0.40
TSS (per pound)		0.28		0.39
TKN (per pound)		0.42		0.53
ALLOCATION (per 1,000 gals per day)		0.31		0.36

Little Lehigh Relief Interceptor

PHASE 1 (per 1,000 gals)	0.33	0.16
PHASE 2 (per 1,000 gals)	0.018	0.025

EMMAUS

Western Lehigh Interceptor

FLOW (per 1,000 gals)	0.46	0.58
-----------------------	------	------

OTHER USERS – L. Macungie, Salisbury, &

S. Whitehall - Little Lehigh Relief Interceptor

– Phase 1

FLOW (per 1,000 gals)	\$0.31	\$0.19
-----------------------	--------	--------

3. User Rates (continued)

Western Lehigh Interceptor (WLI): Capital projects with an annual budget of \$1,000,000 or less are added to the Operating and Maintenance (O&M) costs and included in the cost basis for the WLI flow rate. A listing of these projects can be found at Table 2a on page 14. Capital projects over \$1,000,000 are charged to the WLI Signatories as debt service. The sum of all financed projects' annual debt service payments forms the cost basis for the treatment allocation rate. For 2026, the allocation rate increase reflects the pass through of additional City Plant Major Capital Improvement Substantially Complete Design approvals such as the Solids Process Improvements needed for WLI load shift due to planned changes at the PTP, and two projects that address end of useful life conditions - the Final Settling Tank and Plastic Media Trickling Filter rehabilitations.

Little Lehigh Relief Interceptor – PHASE 1: With the completion of the Phase 2 Park Pump Station upgrade generation installation, in 2025, there is a dramatic decrease in the pay-as-you-go capital costs. This causes a significant decrease in the rate for 2026.

Little Lehigh Relief Interceptor – PHASE 2: The rate for 2026 will increase from the 2025 rate of \$.018/1,000 gallons to \$.025/1,000 gallons and reflects an increase in the proposed 2026 operating and maintenance costs.

4. User Payments

Quarterly Estimated Payments: To improve the WLI operating fund cash flow, Signatories receive a quarterly bill based on estimated flows and loads. Estimating the quarterly bills provides consistent Signatory payments and results in having payments arriving prior to LCA's payment to its City Division Fund for treatment and transportation costs incurred on the Signatory's behalf. Submission of the actual Signatory flow and load data is still needed for the annual reconciliation of the rates, but the timing of the submission is no longer as critical. The estimated quarterly billing procedure is described and attached to this report, "Estimated Quarterly Bill Procedures" as Appendix B.

I. INTRODUCTION

This report is intended to show how the user rates for 2026 were developed. It also reports comparative historical data. The wastewater facilities owned by LCA - the Western Lehigh Interceptor (WLI) and the Little Lehigh Relief Interceptor, Phases 1 and 2 (LLRI-P1 and LLRI-P2) - are legally and financially independent of each other.

Background – WLI

In 1971, LCA constructed the WLI to serve four municipalities: Upper and Lower Macungie Townships and the Boroughs of Alburtis and Macungie. Since then, Upper Milford, Lowhill and Weisenberg Township service areas have been added. Collectively, the municipalities are referred to as the “Signatories” (or “Signatory”). LCA also provides transportation service through the WLI to a part of the Borough of Emmaus (“Emmaus”).

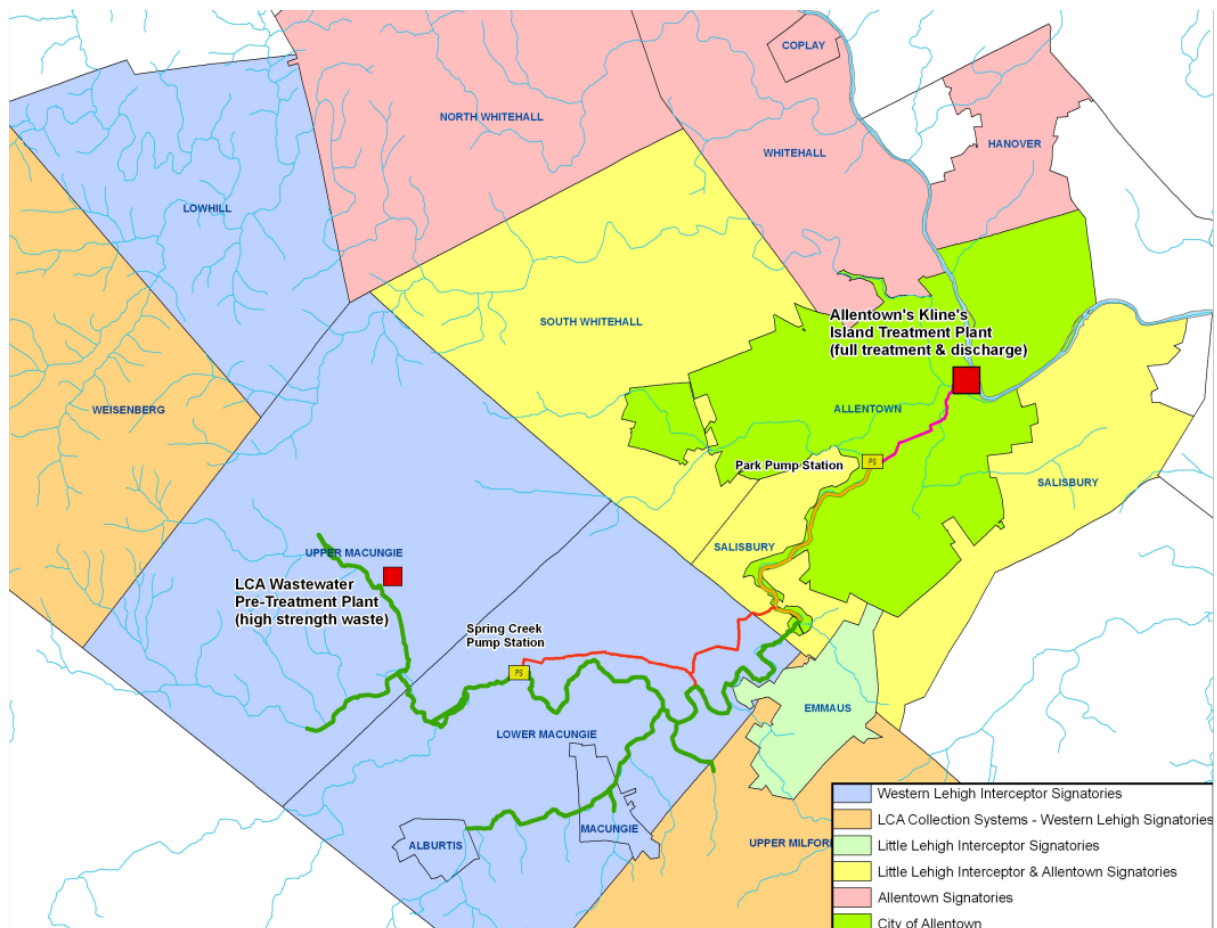
LCA, serving as agent for the Signatories, contracts with the City of Allentown (City) for the transportation, treatment, and disposal of wastewater from the Signatory area (see “Existing Billing Practices -City of Allentown Concession Lease” on page 7).

Currently, the WLI system consists of approximately 18 miles of gravity sewer interceptors ranging from 8 inches to 36 inches in diameter. It starts near the Pretreatment Plant (PTP) in Upper Macungie Township and follows the Little Lehigh Creek to an area known as “Keck’s Bridge”. This is where the WLI ends, and the City-owned Allentown/Emmaus Interceptor begins. It is also where meter station 5 is located and where LCA sewage discharges to the City undergo constant flow measurements and periodic sampling and analyses to determine discharge strength. These loadings provide the basis for the LCA City Division Fund’s billing (“City Costs”) to the Signatories. The 2026 estimation for the daily flow into the City is noted on page 10 under “City Cost Assumptions”.

In 1998, the Spring Creek Pump Station (SCPS) began operation. This relief pumping system includes 2,500 feet of 20-inch diameter force main and 11,900 feet of 24-inch diameter force main, allowing the bypass of approximately 24,000 linear feet of the WLI in Lower Macungie Township. In 2005, the SCPS force main was extended by approximately 10,000 feet to relieve further hydraulic bottlenecks in the downstream part of the WLI. SCPS temporarily mitigated WLI capacity issues, however, recent sanitary sewer overflows necessitate additional improvements in anticipation of increased flows through 2050. This is part of the focus of current regional Act 537 planning efforts.

In 2010, the 3-million-gallon Flow Equalization Basin (FEB) was constructed at the PTP. The FEB is used during times of wet weather and helps reduce the risk of sanitary sewer overflows within the WLI system. The Upper Western Lehigh Interceptor Pump Station and Force Main project is expected to be completed in 2025 and will also solve wet-weather issues. This project will pump 2.5 MGD of effluent flow from the LCA pretreatment plant to a location downstream in the UMT interceptor, relieving the Trexlertown area of the WLI that is subject to sanitary surcharging and overflows.

Figure 1:*LCA-Owned Wastewater Assets
 (*excluding City Treatment Plant)



Background – LLRI

Under municipal service agreement terms with the City, Municipal Signatories must construct relief facilities whenever jointly used City-owned sewer lines become overloaded. In 1973, the City notified four of its Municipal Signatories—LCA, Lower Macungie Township-Phase II and Brookside Diversion; a small part of Lower Macungie Township located east of the turnpike that bypasses the WLI (“LMT Phase II & Brookside”), Salisbury Township (Salisbury), and South Whitehall Township (South Whitehall)--that the City-owned Little Lehigh Interceptor required relief.

Under an agreement dated February 10, 1981, LCA was authorized to plan and construct the required facilities. The agreement contemplated two financially independent sets of facilities. The first, known as Phase 1, relieves the City’s Little Lehigh Interceptor and serves the Signatories, LMT Phase II & Brookside, Salisbury, and South Whitehall. It consists of the Park Pump Station and a large diameter force main, extending from the Park Pump Station to the Allentown Interceptor, just upstream of the City treatment plant. The second, known as Phase 2,

relieves the City's Emmaus Interceptor from Keck's Bridge to the Park Pump Station and serves the Signatories.

Existing Billing Practices – WLI

Costs attributable to the WLI and the use of the City facilities are distributed through user rates among the Signatories based on three criteria: (1) flow, (2) strength, and (3) treatment allocation. Costs attributable to the operation of the WLI and a portion of the City treatment plant and collections department operational costs are allocated based on flow. The balance of the City treatment plant operational and the LCA PTP excess removal credits are allocated to the three waste strength parameters of BOD, TSS and TKN. All City and LCA debt service costs are assigned to each Signatory based on its proportionate share of LCA's 10.79 MGD of purchased wastewater treatment capacity in the city treatment plant. Distribution of the City Costs to the Signatories are based on the City's user charge methodology, developed in 1979.

Emmaus, because it contracted directly with the City for its treatment and transportation needs and has made a capital contribution to LCA in lieu of paying future WLI debt service, pays user charges based only on WLI operating costs and a portion of the allocable internal services costs.

Billing practices used herein were established in the April 1, 1983 Service Agreement. Billable flows and strengths to each Signatory are based on a summation of the individual customer discharges within each Signatory service area. Inflow and infiltration (I/I) attributable to the WLI service area is shared proportionately by all Signatories.

Existing Billing Practices – LLRI

Costs attributable to LLRI-P1 are allocated among the Signatories, LMT Phase II & Brookside, Salisbury, and South Whitehall in proportion to metered wastewater flows tributary to the City's Little Lehigh Interceptor. South Whitehall flows are reduced by 500,000 gallons per day (gpd), based on a City commitment to transmit that wastewater on South Whitehall's behalf.

Costs attributable to LLRI-P2 are shared only with the Signatories based on WLI billable wastewater flow. Unlike the LLRI-P1, LMT Phase II & Brookside, Salisbury and South Whitehall do not share in these costs)

Existing Billing Practices - City of Allentown Concession Lease

In August 2013, through the Concession and Lease Agreement (Lease), LCA assumed responsibility for the operation of the City of Allentown water and wastewater systems (City System), now referred to as the LCA City Division. As part of this 50-year Lease, LCA handles the calculation of annual Municipal Signatory wastewater rates under existing Municipal Service Agreements. City Municipal Signatories include LCA as agent for its Signatories for their wastewater treatment usage, therefore City treatment and transportation costs are passed on to the LCA Signatories and included in the WLI rates. Other Municipal Signatories discharging to the City Plant include the townships of South Whitehall and Salisbury, Lower Macungie Phase II & Brookside, the Borough of Emmaus, and the Coplay Whitehall Sewer Authority, which provides sewer service to the townships of Whitehall, a portion of North Whitehall and the Borough of Coplay. City Municipal Signatories remain responsible for their share of the pre-lease debt service incurred by the City prior to LCA's operation. Since 2016, additional debt service is also being paid for ongoing capital improvements completed by LCA as operator of the City System. The City System is legally and financially independent of the LCA-owned systems, identified in the WLI and LLRI Background sections above.

II. BILLING BASIS DETERMINATION

The term “billing basis” refers to the discharge from each residential, commercial, or industrial user. It is estimated and summed within each Signatory service area.

Flow Determination

Flows are based on one of the following methods:

- Commercial and industrial customers
 - Where a sewer meter is available, periodic readings are used.
 - If a sewer meter is not available, periodic readings of the water meter are used.
- Residential customers
 - Those receiving water service as of 1 January: the first quarter’s metered water usage is used.
 - Those connecting after 1 January or for users not having a water meter: 220 gpd is used.

Strength Determination

Assumed Average Strength and Exceptional Strength Limits remain at their historical parameters for 2024:

Discharge Type	Parameter	
	Assumed Average Strength	Exceptional Strength
BOD	250 ppm	300 ppm
TSS	275 ppm	360 ppm
TKN	35 ppm	85 ppm

As in previous years, all industrial and certain commercial users with discharges greater than 25,000 gallons of sewage per billing period will be sampled and tested at least once per year to determine the strength of their wastewater. Any user with BOD, TSS or TKN discharge more than the Exceptional Strength Limit shown in the above chart will be billed based on those test results. All users with discharge below the Exceptional Strength Limit will be billed at the Average Strength level.

Sampling and testing frequency, duration and other related guidelines are described in the “User Charge Sampling & Analysis Procedures and Billing Computations,” attached to this report as Appendix A.

The LCA Pretreatment Plant (PTP) is required to treat Boston Beer industrial discharges to 210 ppm for BOD and 230 ppm for TSS, designated by the City Plant as its allowable loadings. Waste hauler discharges must be treated to 250 ppm for BOD and 275 ppm for TSS. Through the operation of the PTP, those industrial discharges, together with other customer discharges located upstream of the PTP, will be significantly reduced below those required levels. The terms of an agreement between the Signatories, LCA and the County (the prior PTP owner) specifies how billings, and credits for those additional removals, will be calculated. Those terms have been used in calculating total system billables and the credits for this report.

Emmaus Billing Basis

The Emmaus Service Agreement (7/1/86) provides that Emmaus will take part in WLI operating and maintenance costs, including a portion of administrative costs, but excluding debt service. Administrative costs are distributed based on the ratio of salaries applicable to WLI operation and maintenance to total WLI salaries. The minimum and maximum limits for allocation of administrative costs are 32% and 52% respectively. Only a portion of Emmaus' sewage is transported through the WLI and discharged to the Allentown-Emmaus Interceptor at Keck's Bridge. The rest of Emmaus' wastewater is discharged at the very beginning of the Allentown Emmaus Interceptor at the connection point with the Emmaus collection system.

III. CAPITAL RECOVERY FEES

Background

Since 1985, capital recovery fees (CRFs) have been charged to property owners for new sewer connections located in Signatory municipalities. CRFs include three separately calculated fees. The treatment allocation fee recovers the purchase cost of City Plant capacity (also known as wastewater allocation) and the WLI and LLRI fees recover the construction costs of major capital improvements to the WLI and LLRI-1&2.

A review of all fees is conducted annually with proposed changes made effective when finalized, typically in July. All fees are calculated in accordance with Pennsylvania law (Act 57 of 2003).

Use of Capital Recovery Fees

The WLI and LLRI fees collected for new user connections to the WLI and LLRI are currently held in a reserve account to retire additional WLI and LLRI debt, fund WLI and LLRI capital projects, and pay for unexpected expenses to those funds.

As the service area continues to undergo new development and the need for treatment capacity grows, the treatment fees collected are also placed in a reserve fund to either purchase additional capacity or to fund additional capacity options.

IV. WLI USER CHARGE DEVELOPMENT

This section describes the methods used to calculate WLI User Charges. Four general steps are followed:

1. Estimated 2026 operating and maintenance (O&M) costs are based on prior years' costs and annual inflation. For 2026, capital projects with an annual budget of \$1,000,000 or less are added to the Operating and Maintenance (O&M) costs and included in the cost basis for the WLI flow rate.
2. Costs have been distributed to five billing parameters – FLOW, BOD, TSS, TKN and ALLOCATION.
3. A billing basis (the sum of each Signatory's actual prior four quarters' flow, loadings, and share of purchased treatment allocation) has been estimated for each billing parameter.
4. Unit costs are calculated for each parameter by dividing the total costs by the billing basis.

Two types of costs are incurred – City and LCA. City charges include three types of costs – debt service, interceptor use, and operation and maintenance. City O&M costs include annual and Act 537 planning capital project costs. LCA charges include three types of costs – debt service, operation and maintenance, and treatment costs for PTP excess strength removals to below City Plant allowable loading limits.

City Cost Assumptions

For estimating City Costs, the following assumptions have been made for LCA total discharge to the City:

	2025	2026
LCA Total Allocation in City Plant	10.79 MGD	10.79 MGD
Average Daily Flow	9.7 MGD	8.6 MGD

City Debt Service

LCA is required to pay its proportionate share of pre-Lease debt service on the bonds that were purchased to finance improvements and upgrades when the City operated the Plant. LCA's share of these total debt service costs is \$100,030 for 2026. This pre-Lease debt will be completely paid off by the end of 2026. An additional debt service amount of \$582,661 is also being charged for projects which LCA has executed since it began operating the Plant in 2013. These projects include the replacement of the belt filter press, motor control center, substation #1 and #2 rehabilitation, boiler replacement, digester cover replacement, primary sludge and final settling tank improvements, and the rehabilitation of the plastic media trickling filter at the Plant and roof replacements at both the Plant and the Distribution and Collections Building. Also included in total City debt service is an annual payment of \$140,544 for financed Regional

Flow Management Strategy (formerly called Administrative Order) projects, bringing total City Debt Service for 2023 to \$823,235.00

City Interceptor Use

LCA pays a fixed rate of \$0.01 per 1,000 gallons for the use of the City interceptors. For 2025, the estimated cost is \$31,358.

City Operation and Maintenance

Part of the revenue that LCA collects from Signatory WLI billings is used to pay the City wastewater fund for O&M costs. The Signatories are responsible for City O&M costs in proportion to all flow and pounds of organic loadings they collectively discharge. The following City Division Municipal Signatory usage rates are shown below in comparison to the previous year's estimated rates:

City Rates

	2025 rates - 2026 rates - estimated estimated	
FLOW (per 1,000 gals)	0.250	0.309
BOD (per pound)	0.330	0.334
TSS (per pound)	0.293	0.312
TKN (per pound)	0.430	0.466

The components of the City Costs are summarized in Table1 - Allentown Estimated Costs, below. For 2026, we have estimated the City Division's Municipal Signatory unit O&M rates ("City Rates") using a 2025 estimate for total hydraulic and organic loadings based on actual Signatory flows and loads into the City Plant from the prior four quarters. The total cost basis used to calculate the City rates is about 11% higher than 2025 budgeted costs, therefore the 2026 estimated rates are higher than those estimated in 2025. This is primarily due to an increase in pay-as-you-go capital expenses at the City Plant for both regular and mobile equipment and building facility and electrical improvements.

Table 1: City of Allentown Estimated Costs

	2025 Est Budget	2026 Estimate
DEBT SERVICE:		
Summary	\$ 590,186	\$ 823,235
Other Interceptor	35,582	31,358
DEBT SERVICE SUBTOTAL	\$ 625,768	\$ 854,593
OPERATION AND MAINTENANCE:		
Flow	\$ 889,559	\$ 968,961
BOD	1,187,959	1,736,682
TSS	1,109,918	1,577,947
TKN	397,776	484,700
OPERATION AND MAINTENANCE SUBTOTAL	\$ 3,585,212	\$ 4,768,290
TOTAL ALLENTOWN COSTS	\$ 4,210,980	\$ 5,622,883

LCA Debt Service - WLI

2026 total debt service payments are estimated at \$704,297. This is comprised of the following 3 projects: the amount of \$398,555 covers the annual principal and interest payment for the Penn Vest loan approved to fund the FEB project mentioned in the Introduction, the debt service amount of \$227,680 represents the annual principal and interest payment for the financing of the \$3,500,000 2024 cost of the construction of the Upper Western Lehigh Interceptor and Pump Station Force Main required to address a bottleneck in the WLI in the Trexlertown area, and \$78,062 was applied for the 2025 improvements to the Spring Creek Pump Station.

LCA Operation and Maintenance

WLI O&M costs are shown in Table 2 – WLI Operation & Maintenance Costs, page 13. As mentioned previously, since Emmaus does not participate in all operation and maintenance costs, separate costs that Emmaus and the Signatories share in are shown in Table 3 - O&M Costs Shared by Signatories and Emmaus, page 15.

Billing Basis

To estimate the 2025 billable discharges, the prior four quarters' actual billed flows and loadings were reviewed. A summary of this information may be found in the Table 4- Billing Basis O&M, page 16.

Table 2 - Western Lehigh Interceptor: Operating and Maintenance Costs

OPERATION & MAINTENANCE COSTS

ITEM	2025 BUDGETED LCA COSTS	2026 ESTIMATED LCA COSTS
DEBT SERVICE:		
Financing and Bond Issues	\$ 704,297	\$ 704,297
OPERATING & MAINTENANCE CHARGES:		
Personnel		
Personnel Subtotal	\$ 420,939	\$ 482,658
Purchase of Services		
General Services	\$ 232,853	\$ 249,034
Employee Benefits	\$ 283,937	\$ 318,654
Utilities	\$ 88,984	\$ 145,627
Engineering	\$ 284,387	\$ -
Compliance		\$ 100
General Analyses (External)	\$ 88,524	\$ 72,723
Fleet Management Services	\$ 21,428	\$ 25,000
Maintenance	\$ 159,118	\$ 204,350
Misc. Purchase of Services	\$ 6,731	\$ 77,600
Rental Charges	\$ -	
Purchase of Services Subtotal	\$ 1,165,962	\$ 1,093,087
Materials and Supplies		
Fuel & Mileage	\$ 17,154	\$ 22,500
Fleet Management Supplies	\$ 9,819	\$ 13,000
Pump Supplies	\$ 269	\$ 1,500
Misc. Materials & Supplies	\$ 50,062	\$ 122,119
Equipment	\$ 223,673	\$ 1,500
Materials & Supplies Subtotal	\$ 300,977	\$ 160,619
Capital Funding (Sig. + Emmaus)		
*Pay-Go Capital Projects	\$ 1,505,000	\$ 1,535,000
TOTAL OPERATING & MAINTENANCE	\$ 3,392,878	\$ 3,271,364
Reserve Amount for Future Projects	\$ 350,000	\$ -
TOTAL LCA EXPENSES	\$ 3,742,878	\$ 3,271,364
Less: Miscellaneous Revenue	\$ -	\$ -
CHARGES (includes debt service)	\$ 4,447,175	\$ 3,975,661

Table 2a – Breakdown of Capital Costs Included in WLI O&M Costs

*Pay-Go Capex		
	2025	2026
<u>ANNUAL PROJECTS</u>		
*****-WLC-S-General Sewer System Imp.		
12001 - WLC-S-EQUIPMENT-MOBILE	\$ 50,000	\$ 175,000
12002 WLC-S-EQUIPMENT- OTHER	\$ 125,000	\$ 100,000
30666- Asset Management WW Upgrade	\$ -	\$ 100,000
30305 WLC-S-CAPITAL MANAGEMT	\$ 25,000	\$ 25,000
WLC-S-SYSTEM PLANING	\$ 5,000	\$ 5,000
Subtotal	\$ 205,000	\$ 405,000
<u>OPERATING FUND PROJECTS</u>		
30443 WLC-S-SIGNATORY I&I PROG	\$ 60,000	
Internal LCA Costs	\$ 40,000	\$ 10,000
WLI Manhole Rehab	\$ -	\$ 30,000
30860 - WLC-S-WLI REHAB CYCLE 4	\$ -	\$ 150,000
WLI Misc Items	\$ -	\$ 30,000
WLI Parallel planning	\$ -	\$ 200,000
MS4 Relocation planning	\$ -	\$ 30,000
Subtotal	\$ 100,000	\$ 450,000
30815 WLC-S-SPRING CRK FM RELO	\$ 700,000	
30665 WLC-S-SPRING CK FM ARV R		
30301 WLC-S-SPRING CREEK FM	\$ 100,000	
30850 WLC-S-SPRING CK FM COND ASSES		
30816 WLC-S-UPPER WL PS & FM	DEBT SERVICE	
30531 WLC-S-SPRING CREEK PS IMPROVEMENTS	DEBT SERVICE	
30838 - WLC-S_ SPRING CK PD UPGR		\$ 580,000
30438 WLC-S-WLI-WW CAPACITY PROGRAM	\$ 150,000	\$ 100,000
30630 - WLC-S-TEST & SEAL CYCLE-1	\$ -	
30891 - WLC-S-LCA MS 1 AND 2 REHAB	\$ 250,000	
Subtotal	\$ 1,200,000	\$ 680,000
TOTAL	\$ 1,505,000	\$ 1,535,000

Table 3 - Western Lehigh Interceptor: O&M Costs Shared by Signatories and Emmaus

ITEM	2026 ESTIMATED LCA COSTS	PERCENT ALLOCABLE TO EMMAUS	PORTION SHARED BY SIGNATORIES AND EMMAUS
DEBT SERVICE:			
Financing & Bond Issue	\$ 704,297	0.0%	\$ -
OPERATING & MAINTENANCE CHARGES:			
Personnel	482,658		
Personnel Subtotal	\$ 482,658	52.0%	\$ 250,982
Purchase of Services			
General Services	\$ 249,034	52.0%	\$ 129,498
Employee Benefits	318,654	52.0%	165,700
Utilities	145,627	100.0%	145,627
Engineering	-	100.0%	-
Compliance	100	100.0%	100
General Analyses (External)	72,723	0.0%	-
Fleet Management Services	25,000	100.0%	25,000
Maintenance	204,350	100.0%	204,350
Misc. Purchase of Services	77,600	100.0%	77,600
Rental Charges	-	52.0%	-
Purchase of Services Subtotal	\$ 1,093,087		\$ 747,875
Materials and Supplies			
Fuel	\$ 22,500	100.0%	\$ 22,500
Fleet Management Supplies	13,000	100.0%	13,000
Pump Supplies	\$ 1,500	100.0%	\$ 1,500
Misc. Materials & Supplies	\$ 122,119	100.0%	\$ 122,119
Equipment	\$ 1,500	100.0%	\$ 1,500
Equipment Subtotal	\$ 160,619		160,619
Capital Funding			
Capital Management	25,000	100.0%	\$ 25,000
WII Investigation and Remediation	450,000	100.0%	450,000
Other WLI capital projects	\$ 100,000	100.0%	\$ 100,000
Capital Funding Subtotal	\$ 575,000		\$ 575,000
TOTAL OPERATING & MAINTENANCE	\$ 2,312,864		1,734,476
Reserve Fund Allocation	\$ -	0.0%	0
TOTAL LCA EXPENSES	3,742,878		\$ 1,734,476
Less: Miscellaneous Revenue	\$ -		0
TOTAL LCA CHARGES	\$ 3,017,161		\$ 1,734,476

Table 4 - Billing Basis O&M

	Flow gpd	BOD lb/day	TSS lb/day	TKN lb/day
<u>Signatory Area</u>				
Alburtis	139,536	336	355	61
Macungie	176,721	401	417	55
Lower Macungie	1,543,579	3,536	3,660	499
Upper Macungie *	5,446,433	21,816	13,387	1,771
Weisenberg	24,378	66	58	8
Upper Milford	178,168	393	415	54
Lowhill	5,627	12	13	2
Pretreatment Plant & Haulers	<u>205,926</u>	<u>429</u>	<u>472</u>	<u>60</u>
LCA SYSTEM SUBTOTAL	7,720,368	26,989	18,777	2,510
Emmaus	<u>463,654</u>			
TOTAL	<u>8,184,022</u>	<u>26,989</u>	<u>18,777</u>	<u>2,510</u>

* Includes UMT and LCA direct customers Boston Beer & Hilton Homewood Suites

Rate Design

Although rate calculation options are almost limitless, several legal requirements eliminate many of the options. First, federal law and regulations provide that “each recipient of the wastewater treatment services within the applicant’s service area will pay its proportionate share of the cost of operation (including replacement) of all waste treatment service provided by the applicant.”

Second, Pennsylvania’s Municipality Authorities Act requires that rates be “uniform and reasonable.”

Finally, the Service Agreements require that a rate methodology substantially identical to that adopted by the City be used and that debt service costs attributable to the City facilities and to the WLI be allocated in proportion to each Signatory’s purchased City Plant treatment capacity.

Based on the aggregate of these restrictions, unit costs for FLOW, BOD, TSS, TKN, and ALLOCATION are calculated using the Billing Basis divided into the total cost for each parameter. City and LCA debt service and other costs are only allocated to the Signatories and not Emmaus. LCA operation and maintenance costs related to the WLI are allocated to both the Signatories and Emmaus.

User Rate Adequacy

Using the proposed unit rates shown on Table 7, multiplied by the various individual Signatory flows and loads (shown in Table 4), and purchased treatment plant allocation, a total expected revenue of \$12,873,588 is estimated. Comparing this revenue to the expense of \$12,873,588 shown on Table 5 - Total System Costs –City and LCA and Table 6 -Total System Cost Allocation Summary, indicates an overall coverage of 0%.

Table 5 - Total System Costs: City of Allentown and LCA

	2025 Budget	2026 Estimate
DEBT SERVICE:		
Allentown	\$ 625,768	\$ 854,593
LCA	704,297	704,297
DEBT SERVICE SUBTOTAL	\$ 1,330,065	\$ 1,558,890
 OPERATION AND MAINTENANCE:		
Allentown	\$ 3,585,212	\$ 4,768,290
LCA	3,742,878	3,271,364
OPERATION AND MAINTENANCE SUBTOTAL	\$ 7,328,090	\$ 8,039,654
 COUNTY CREDITS		
BOD	\$ 2,151,196	\$ 2,191,994
TSS	868,262	1,091,319
TOTAL COUNTY CREDITS SUBTOTAL	\$ 3,019,458	\$ 3,283,313
 TOTAL SYSTEM COST	\$ 11,677,613	\$ 12,881,857

Table 6 – Total System Cost Allocation Summary

	Total Cost	ALLOCATION PARAMETER				
		Flow	Allocation	BOD	TSS	TKN
O&M						
Allentown O&M	\$ 4,768,290	\$ 968,961	\$ -	\$ 1,736,682	\$ 1,577,947	\$ 484,700
LCA O&M	<u>3,271,364</u>	<u>3,271,364</u>		<u>-</u>	<u>-</u>	<u>-</u>
Total O&M	\$ 8,039,654	\$ 4,240,325	\$ -	\$ 1,736,682	\$ 1,577,947	\$ 484,700
<u>LCA WTP CREDITS *</u>	\$ 3,283,313	\$ -	\$ -	\$ 2,191,994	\$ 1,091,319	\$ -
DEBT SERVICE						
Allentown Interceptor	\$ 31,358	\$ 31,358	\$ -	\$ -	\$ -	\$ -
Summary of Allentown Debt	823,235	-	823,235	-	-	-
LCA	<u>704,297</u>	<u>-</u>	<u>704,297</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Debt Service	\$ 1,558,890	\$ 31,358	\$ 1,527,532	✓\$ -	✓\$ -	✓\$ -
TOTAL COSTS	<u>\$ 12,881,857</u>	<u>\$ 4,271,683</u>	<u>\$ 1,527,532</u>	<u>\$ 3,928,676</u>	<u>\$ 2,669,266</u>	<u>\$ 484,700</u>

* Credits to the LCA WTP are paid at City unit rates for non-required removals

Table 7 - Unit Cost Summary

Item	Annual Cost	Billing Basis (gpd or lb/day)	Unit Cost (\$/1000 gal or \$/lb)
FLOW - Allentown Costs	\$ 1,000,319	7,720,368	\$0.3550
- Interceptor Costs/ Signatories	\$ 1,536,888	7,720,368	\$0.5454
- Interceptor Costs/ Signatories & Emmaus	\$ 1,734,476	8,184,022	\$0.5806
			<hr/> \$1.4810
BOD (lb)	\$ 3,928,676	26,989	\$0.3988
TSS (lb)	\$ 2,669,266	18,777	\$0.3895
TKN (lb)	\$ 484,700	2,510	\$0.5291
ALLOCATION	\$ 1,527,532	11,635,909	\$0.3597

V. RELIEF INTERCEPTOR USER CHARGE DEVELOPMENT

This section describes the methods used to calculate user rates for the Little Lehigh Relief Interceptor System.

For both Phases, the total costs are divided by the billable flow. Phase 1 provides service to the Signatories, Salisbury, South Whitehall, and Lower Macungie Phase II & Brookside. Billable flows differ for Phase I between the Signatories and the other users per contract terms. Phase 2 provides service only to the WLI Signatories.

Costs for both Phases are shown in Table 8 - Phase 1-Operation & Maintenance Costs and Table 9 - Phase 2-Operation & Maintenance Costs.

Debt Service - Phase 1

In January 1993, the bonds issued for construction of Phase 1 were retired. No additional projects that required bond issues are ongoing and no debt service is included in the O&M cost tables for 2026. With the completion of the Park Pump Station Phase 2 generator project in 2025, the pay-as-you go capital costs included in the Phase 1-Operation & Maintenance Costs have been greatly reduced, bringing a significant decrease in the 2026 proposed rate

User Rate Adequacy

For Phase 1, using the rates proposed, multiplied by the flows estimated in Table 10--Billing Basis—Little Lehigh Relief Interceptor Phase 1, total revenue of \$544,024 is estimated. Comparing this revenue to the total expense of \$518,447 as shown on Table 8, indicates an overall coverage of 105%. The extra revenue collected from the rate that applies to the non-WLI signatories is being used to pay-off its capital cost contribution for the first phase of the park pump station rehabilitation. This charge does not apply to the LCA WLI Signatories because it's part of the project was paid for by funds available to them via reserves paid from WLI rates and capital recovery fees.

For Phase 2, using the rate proposed, multiplied by the billing basis derived in Table 12, total revenue of \$69,809 is estimated. Comparing this revenue to the total expense of \$69,809 as shown on Table 9, shows an overall coverage of 0%. The 2026 proposed O&M costs anticipate increased maintenance costs for cleaning due to 4 siphon chambers, a meter station, and other work on the system.

Table 8 – Little Lehigh Relief Interceptor- Phase 1 – Operating and Maintenance Costs

ITEM	2025 BUDGETED LCA COSTS	2026 ESTIMATED LCA COSTS
DEBT SERVICE & FINANCING EXPENSES:	-	
OPERATING AND MAINTENANCE CHARGES:		
Personnel	94,241	\$108,058
Personnel Subtotal	94,241	\$108,058
Purchase of Services		
General Services	52,790	\$23,703
Employee Benefits	43,919	\$51,821
Utilities	114,990	\$255,607
Maintenance Services	33,975	\$34,200
Miscellaneous Services	-	\$8,000
Engineering	-	\$3,255
Rental Charges	-	
Compliance - PA DEP Tank Registration	165	\$350
Purchases of Services Subtotal	245,840 -	\$376,936
Materials and Supplies		
Fuel	2,938	\$5,500
Misc. Materials & Supplies	2,838	\$19,953
Misc. Equipment	733	\$3,000
Materials and Supplies Subtotal	6,509	\$28,453
TOTAL OPERATING & MAINTENANCE COSTS	346,590 -	\$513,447
*Pay-as-you-go Capital Project Funding	800,000	\$5,000
Reserve Amount for Future Projects	-	
TOTAL LCA EXPENSES	1,146,590	\$518,447
Less: Miscellaneous Revenue	-	
TOTAL LCA CHARGES	1,146,590	\$518,447
* LLRI-1 Pay-as-you-go capex	2025	2026
ANNUAL PROJECTS	\$ -	
miscellaneous planning		\$5,000
OPERATING FUND PROJECTS		
30314 Park Pump Station Rehabilitation/Improvements	800,000	
Pre-design work for KISS Relief Interceptor - \$879,000	-	
TOTAL	\$ 800,000	\$5,000

Table 9 - Little Lehigh Relief Interceptor – Phase 2: Operation and Maintenance Costs

ITEM	2025 BUDGETED LCA COSTS	2026 ESTIMATED LCA COSTS
DEBT SERVICE & FINANCING EXPENSES:	-	
OPERATING AND MAINTENANCE CHARGES:		
Personnel	20,267	23,238
Personnel Subtotal	20,267	23,238
Purchase of Services		
General Services	11,674	616
Employee Benefits	9,129	10,815
Maintenance Services & Misc. Services	10,213	11,970
Utilities	378	-
Rental Charges	-	
Purchases of Services Subtotal	31,394	23,401
Materials and Supplies		
Fuel	442	2,000
Misc. Materials & Supplies	872	21,169
Equipment	165	
Materials and Supplies Subtotal	1,479	23,169
TOTAL OPERATING & MAINTENANCE COSTS	53,140	69,809
TOTAL LCA EXPENSES	53,140	69,809
Less: Miscellaneous Revenue	-	
TOTAL LCA CHARGES	53,140	69,809

Table 10- Billing Basis – Little Lehigh Relief Interceptor

<u>Municipality</u>	<u>Flow (gpd)</u>	<u>% Share</u>
Salisbury	437,932	4.32%
South Whitehall	833,055	8.22%
Lower Macungie-Phase II & Brookside	277,146	2.73%
LCA Signatories	8,591,225	84.73%
Total	10,139,358	100%

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**LCA SIGNATORY BREAKDOWN
BILLING BASIS
(For Phase 1 and Phase 2)**

<u>Signatory</u>	<u>Billable Flow (gpd)</u>	<u>% Share</u>
Alburtis	139,536	2%
Lower Macungie	1,543,579	20%
Macungie	176,721	2%
Upper Macungie	5,446,433	71%
Upper Milford	178,168	2%
Weisenberg	24,378	0%
Lowhill	5,627	0%
LCA PTP	205,926	3%
Subtotal	7,720,368	100%
Infiltration/Inflow	870,857	
Total	8,591,225	

Table 11 - LLRI-Phase1: Cost Allocation

Municipality	Flow % Share	Costs
Salisbury	4.3%	\$ 22,392
South Whitehall	8.2%	42,596
Lower Macungie - Phase II & Brookside	2.7%	14,171
LCA Signatories	84.7%	439,288
Total	100%	\$ 518,447
Annual Cost	Billing Basis (gpd)	Unit Costs \$/1000 gals.
518,447	10,139,358	\$0.1401

(See Table "Phase I- Operation and Maintenance Costs")

\$167,510	10,139,358	\$0.0453
(\$3.35M amortized over 20 years at 0% for Park Pump Station Rehabilitation)		
Total costs		Total Rate
\$685,957	10,139,358	\$0.1854

Note: To determine unit cost: Divide total annual cost by converted billing basis
(Converted billing basis = ((10,490,902/1000)*366)

AMONG LCA SIGNATORIES

Signatory	Flow % Share	Costs
Alburtis	1.81%	\$ 7,940
Lower Macungie	19.99%	87,829
Macungie	2.29%	10,055
Upper Macungie	70.55%	309,901
Upper Milford	2.31%	10,138
Weisenberg	0.32%	1,387
Lowhill	0.07%	320
LCA PTP	2.67%	11,717
Total	100%	\$ 439,288
Annual Cost	Billing Basis (gpd)	Unit Costs \$/1000 gals.
\$ 439,288	7,720,368	\$ 0.1559

WLSP pays 85% of LLRI-1 Cost;
proportionate to its total flow

Note: To determine unit cost divide annual cost by billing basis times number of days in year
divided by 1,000.

Table 12 - LLRI-Phase 2: Cost Allocation

<u>Signatory</u>	<u>Flow % Share</u>	<u>Costs</u>
Alburtis	1.81	\$ 1,262
Lower Macungie	19.99	13,957
Macungie	2.29	1,598
Upper Macungie	70.55	49,247
Upper Milford	2.31	1,611
Weisenberg	0.32	220
Lowhill	0.07	51
LCA PTP	2.67	1,862
Total	100.00	\$ 69,809

<u>Annual Cost</u>	<u>Billing Basis (gpd)</u>	<u>Unit Costs \$/1000 gals.</u>
\$ 69,809	7,720,368	\$ 0.02477

Note: To determine unit cost, divide annual cost by billing basis times number of days divided by 1,000.

APPENDIX A: USER CHARGE SAMPLING AND ANALYSIS PROCEDURES

The purpose of this document is to assist signatory municipalities using the Western Lehigh Interceptor (WLI) regarding sampling and analysis of non-residential users of their respective wastewater collection system. This document also describes the billing process and how test results are applied to the process.

LCA'S ROLE AS THE AGENT FOR THE MUNICIPALITIES

As the agent of the requesting municipality, Lehigh County Authority (LCA) will provide sampling and coordinate analysis of all designated users. Results reports with calculated averages used for billing ("Monitoring Data") and if applicable, additional sampling/analysis costs will be sent to the municipalities the month following sample collection. Difficulties encountered with an appropriate sampling site location, customer service or other inquiries will be directed to the municipality. LCA will be available to assist in addressing concerns.

MUNICIPALITIES' ROLE

Using Monitoring Data provided by LCA and flow data (provided by LCA or municipality), the municipality will prepare monthly and/or quarterly reports for billing purposes, depending on user flow and monitoring frequency. Prepared reports will be submitted to LCA by the end of the month following the previous quarter. Agreed upon summary figures will be used for final billing to the municipality.

WLI USERS—LIST OF CUSTOMER TYPES

1. Residential Users
2. Non-residential Users
 - a. Non-sampled Users
 - b. Sampled Users
 - i. Sampled-low flow
 - c. Restaurant
 - i. Restaurant-low flow

NON-RESIDENTIAL TYPES TABLE

Non-Residential Type	Abbreviation	Description
Non-Sampled User	N	Industrial/commercial user assumed to have residential (flow) strength, such as banks and office buildings.
Sampled User	S	Industrial/commercial user whose flow strength has the potential to surpass the Extra Strength Limit (ESL) (based on technical literature on type of operation at facility, spot tests, and experience of other wastewater utilities).
Sampled-Low Flow User	S-LF	Used when a typically sampled site has quarterly flow less than 25,000 per annual average.
Restaurant	R	Commercial user whose facility processes food--has direct service connection to the municipal sewer system. Does not include facilities where food is served but prepared elsewhere.
Restaurant-Low Flow	R-LF	Used when a typically sampled restaurant site has an annual average flow of less than 25,000 gallons per billing period.

Parameter	Average Strength Limit (ASL) (ppm)	Extra Strength Limit (ESL) (ppm)
BOD (Biochemical oxygen demand)	250	300
TSS (Total suspended solids)	275	360
TKN (Total Kjeldahl nitrogen)	35	85
FOG (Fats, oils & grease)	N/A	50

WASTEWATER STRENGTH TABLE BY PARAMETER

INITIAL DESIGNATION DETERMINATION

The initial sample type designation of a non-residential user is based on the probability of high strength discharge, as determined from technical literature, spot tests, experience of other utilities, or from the information provided by the user.

Types of businesses to sample:

Restaurants

Manufacturing

Brewing and distilling operations

Water Bottlers

Food processing

Soft drink/juice processing/bottling

Grocery stores that process meat or other food preparation

The municipality shall have a process in place where-by they identify new users and notify LCA of any new non-residential users and add them to the monthly/quarterly billing report in the appropriate section of the report—Sampled/Restaurants or Non-sampled (non-residential users). LCA may contact the municipality to discuss and arrange initial monitoring of facilities not listed on the billing report or listed as non-sampled when it appears as though they have the potential for producing extra strength waste.

During the municipal review process for a new Sampled User or new Restaurant, a sampling location will be required to be shown on the drawings and approved by the municipality. The municipality will also make the determination if a grease interceptor/grease trap is required. For existing buildings, LCA will review the proposed sampling location and determine if the installation of a sampling manhole and/or a grease interceptor is necessary.

The municipality shall furnish LCA with the following information for all Sampled and Restaurant Users and of the interceptor prior to the selection of the sample site:

1. User designation—Sampled User (S) or Restaurant (R)
2. Name of company
3. Property address
4. Municipal building identification code (if applicable) or account number
5. Business contact information—responsible person and phone number
6. Number of normal working days or days of operation
7. Description of business operations
8. Sampling location

This information will be used for scheduling and reporting. Please promptly provide updates to LCA to ensure proper scheduling and correct information for reports.

ANNUAL DESIGNATION

By December 15 of each year, the municipality shall furnish LCA with an annual average flow report for non-residential users. For this calculation, average the prior year QTR 4, the current year QTRs 1, 2, and 3 flows. This is an example of a basic report design:

SITE ID	BUSINESS NAME	2015 QTR 4	2016 QTR 1	2016 QTR 2	2016 QTR 3	ANNUAL AVG FLOW
4	Company X	200,000	200,000	200,000	200,000	200,000

Notes: Unless the site has flow >1,000,000 in a billing period, the annual average flow calculated in December of the prior monitoring year sets the monitoring frequency for the non-residential user for the next monitoring year. Do not change the monitoring frequency of sites based on the flow of one billing period or at any other time throughout the year.

Low Flow Sites: All industrial/commercial sites that were previously sampled but now have an annual average flow per billing period <25,000 gallons will be excluded from monitoring. These sites will be listed as either S-LF or R-LF indicating low flow. LF sites will be placed back on the schedule for monitoring if the annual average flow per billing period exceeds 25,000 gallons. Low flow sites should be moved to the non-sampled portion of your quarterly billing report with LF added to the site type and ID number to make them easier to track. Use Average Strength billing parameters for LF sites regardless of previously reported test results. Treat LF sites like any other non-sampled site while the flow remains low (less than 25,000 annual average).

SAMPLING FREQUENCY

SAMPLING FREQUENCY BASED ON ANNUAL AVERAGE FLOW

Annual Average Flow per Billing Cycle	Sample Frequency-Sampled User	Sample Frequency-Restaurant
<25,000 gals	Not sampled	Not sampled
25,000 to 99,999 gals	One day per year	3-days per year (Wed, Thurs, Fri or Thurs, Fri, Sat) plus FOG for 1 day
100,000 to 999,999 gals	Work week per year	
> 999,999 gals	Work week per billing period	3-days per billing period (Wed, Thurs, Fri or Thurs, Fri, Sat) plus FOG for 1 day
Notes: Any new Sampled User will initially be sampled for a work week. Scheduling will be required per billing period, if a site has a flow >1,000,000 gallons per billing period and has exceeded one of the extra strength limits.		

The discharge from each Sampled User will be analyzed at least once per year. Each sample will be analyzed for pH, BOD (biochemical oxygen demand), TSS (total suspended solids), and TKN (total Kjeldahl nitrogen). Fats-Oils-Grease (FOG)

concentration will be analyzed if food products are produced at the facility or at the request of the municipality.

LCA may sample the non-residential location at any time during the calendar year but will try to schedule sampling in the same quarter each year.

Initial sampling for any new Sampled User will be for a work week (providing flow is greater than 25,000 gallons per billing period). The Table for sampling frequency by annual flow does not apply for initial monitoring. This also does not apply to Restaurant Users, which are sampled for 3 consecutive days with quarterly flow >25,000 gallons.

The discharge from each Restaurant will be analyzed at least 3 consecutive days annually, either Wednesday-Thursday-Friday or Thursday-Friday-Saturday. Each daily sample will be analyzed, at a minimum, for pH, BOD, TSS, and TKN. FOG concentration will be analyzed at least one day during the sampling period.

REQUESTED ADDITIONAL SAMPLING AND ANALYSIS

A municipality may request additional sampling and analysis of any Sampled or Restaurant User. Sample collection and analysis costs will be noted on the results reports to the municipality. Billing for additional Monitoring Data will be addressed in the final bill of the year.

The Monitoring Data will be used for billing purposes for that billing period and all successive billing periods until new Monitoring Data become available after the completion of the next monitoring event.

NON-SAMPLED USER SAMPLING AND ANALYSIS

A municipality may request sampling and analysis of any non-residential user not included in the Sampled or Restaurant User definition. Test costs and sample collection costs will be billed to the municipality with the results reports.

While the municipality may use the results of the sampling and analysis for billing, LCA will not use the results for purposes of billing the municipality. However, results greater than the extra strength limits may indicate that the user should be added to the municipality's Sampled list.

BILLING COMPUTATION

With the exception of pH, results for each parameter will be averaged and used for billing purposes. The acceptable pH range is 6.5-10.5 pH units upstream of the LCA Wastewater Pretreatment Plant, or 5.0-12.0 pH units below the plant. The municipality will be notified if any result is out of range so that they can determine the cause and initiate corrective action.

To calculate pounds:

If all average results—other than pH—are less than the ESL (BOD-300ppm, TSS-360ppm, and TKN-85ppm), the ASL (BOD-250ppm, TSS-275ppm, and TKN-35ppm) will be used for billing calculations. If any average result is greater than the ESL, the result will be used for billing that parameter and ASL will be used for any parameter average result less than the ESL. The calculation for pounds is $\text{flow} \times 8.34 \times \text{ppm}$.

Example: Average results are BOD-400, TSS-300, and TKN-100. The BOD result is greater than the ESL of 300--calculate using 400. TSS is less than the ESL of 360--calculate using the ASL of 275. The TKN is greater than the ESL of 85--calculate using the result of 100.

SAMPLING AND ANALYSIS CHARGES

If a user in the Sampled User or Restaurant category is sampled and found to discharge flow with strength below the ESL, sampling and analysis charges will be waived.

If a user is found to discharge greater than the ESL (a result greater than any one of the billing parameters not including FOG), sampling and analysis charges will be billed to the municipality for annual sampling, or any repeated sampling found to exceed any extra strength limit.

The limit for FOG (fats-oils-grease) analysis is 50 ppm. If result is greater than this limit, the municipality will be billed for sample collection and analysis.

APPENDIX B: ESTIMATED QUARTERLY BILL PROCEDURES

Estimated Quarterly Bills

- The estimated quarterly bill amount for the upcoming year will be calculated and shared with LCA WLI Signatories prior to the presentation of the User Charge Report to the LCA Board of Directors. Any feedback received from the Signatories will be shared.
- The estimated quarterly bill will be based on the information contained in the User Charge Report.
- Quarterly estimated bills will be issued on or about the first of the following months: April, July, November, and January.
- Quarterly estimated bill payments will be due 30 days after the billing date.
- LCA will enforce a 5% penalty for overdue payment. The penalty shall be 5% of the payment due if not paid within 30 days from the billing date and an additional 5% of the payment due if not paid within 60 days, and thereafter an additional 1% per month or fraction thereof.
- Signatories must provide actual quarterly flow and load data in a timely manner.
- Actual quarterly flow, load, O&M and capital cost data will be tracked throughout the year and actual bills calculated no later than July. The timing can be adjusted due to the availability of audited costs and actual flows and loads.
- Adjustments (increase or decrease) for reconciliation of the prior year's quarterly estimated bills will be applied to the current year's second quarter estimated bill.



Lehigh County Authority

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MEMORANDUM

Date: October 13, 2025

To: LCA Board of Directors
Liesel Gross, C.E.O.

From: Jason Peters, Capital Works Linear Asset Project Manager

Subject: Allentown Division I&I Source Reduction Improvements – LCA
Program Year 2: Contract No. 1 CIPP Lining

MOTIONS /APPROVALS REQUESTED:

No.	Item	Amount
1	<u>Capital Project Authorization:</u> Construction Phase, Contract 1 CIPP Lining	\$2,624,001
2 **	<u>Professional Services Authorization:</u> <ul style="list-style-type: none">Construction Phase Professional Services Contract Nos. 1 - 3: <i>Kleinfelder</i>	\$654,418
3 **	<u>General Construction Contract:</u> <ul style="list-style-type: none">Construction Contract 1 CIPP Lining: <i>Insituform Technologies USA, LLC</i>	\$1,784,583

(**) Included in the Capital Project Authorization

BACKGROUND:

In 2023, LCA and the City of Allentown coordinated in the preparation of a 10-year inflow and infiltration (I&I) Source Reduction Plan (SRP). The first year of construction was completed in 2024. The City SRP, along with the I&I reduction plans developed by the other municipalities in the Kline's Island Sewer System (KISS), is required as part of the regional Act 537 Plan, which was recently approved by all signatory municipalities. The total construction cost for the City's 10-year SRP program is estimated to be approximately \$50 million. The goal of the work is the cost-effective reduction of I&I, to reduce both dry-day and wet-weather flows in the KISS. Under the terms of the Lease Agreement with the City, LCA is responsible for implementing the City's I&I SRP. This program is developed on a collaborative basis, with the City having final determination of the scope of annual projects to be performed.

PROJECT OVERVIEW:

This authorization request is for the construction phase of Contract No. 1 of the I&I Source Reduction Improvements Year 2 project. In accordance with the City's approval process, the Trout Creek sewer system basin will be addressed in this Year 2 project. This sewer basin was ranked highest following the year 1 project based on results of the 2021 Flow Characterization Study and the 2022 RDII analysis. High priority sewer basins are those which have a high rate of rainfall derived I&I, contributing significant baseline and peak flows to the system during wet weather events.

FINANCIAL:

Under the terms of the Lease Agreement as amended in 2020, LCA will provide funding for the SRP from its Allentown Division revenues or reserves. After the first \$650,000 is spent each year, additional project costs beyond that amount will be recaptured through LCA sewer rates through a Capital Cost Recovery Charge. Note that in 2023, the City was awarded an H2O PA grant through a collaborative grant application process with LCA, with proceeds to be used for this program in order to reduce the future rate impact to City customers.

PROJECT STATUS:

In May 2024 the Board approved the Design and Bid Phase Engineering services for Year 2 of this Program. Working closely with the City to obtain Major Capital Improvement approvals (as required by the Lease) and outside agencies, LCA has obtained all approvals for the SRP Year 2 Construction Phase Contracts 1 through 3.

THIS APPROVAL: CONSTRUCTION PHASE CONTRACT NO. 1

LCA has structured the SRP Year 2 project into three separate bid contracts, strategically staged for bid opening and authorization. This phased approach is designed to foster greater competition among bidders and secure more favorable contract pricing. This specific authorization pertains to Contract No. 1 under the SRP Year 2 Improvements Program.

Contract 1 focuses on trenchless rehabilitation through Cured-In-Place Pipe Lining (CIPP). The scope includes the rehabilitation of approximately 36,093 linear feet of sanitary sewer pipelines, ranging in diameter from 8-inch to 15-inch, all located within the Trout Creek Sewer Basin in the City of Allentown.

Key components of the work include:

- Cleaning and CCTV inspection of existing sanitary sewer pipelines and laterals.
- Disposal of materials resulting from cleaning operations.
- Full-length cured-in-place pipe (CIPP) lining for structural rehabilitation of the sewer mains.

BIDDING SUMMARY: CONSTRUCTION CONTRACT 1

The project was advertised for bid on August 18, 2025, and a mandatory pre-bid meeting was held virtually on August 28, 2025. Bids were opened on September 18, 2025, and four bids were received. The bidding results are as shown in Table 1:

Table 1	
General Construction	
Bidder	Amount
<i>Insituform Technologies USA, LLC</i>	<i>\$1,784,583</i>
Insight Pipe Contracting, LLC	\$1,877,217
SAK Construction, LLC	\$1,997,047
Mobile Dredging & Video Pipe, Inc	\$2,265,676

Insituform Technologies USA, LLC, (located in Chesterfield, MO) is the lowest bidder. Reference checks for Insituform Technologies USA, LLC (Insituform) have identified no issues, and the company has completed many projects of similar scope and size. In fact, Insituform completed the WLSP Year 1 lateral lining project (that was administered by LCA for Upper and Lower Macungie along with LCA's Upper Milford system) satisfactorily and in accordance with the contract. Insituform was agreeable to work with, followed up with any issues that required correction and completed the rehabilitation work as described in the plans and specifications. Based on reference checks and previous experience working with Insituform, LCA recommends contract 1 award to Insituform Technologies USA, LLC.

PROFESSIONAL SERVICES:

Construction Engineering, Management, & Field Inspection

Kleinfelder, the design engineer of record, will provide construction administration services for the construction phase of the project. The work will include the tasks below as outlined in the attached proposal dated September 26, 2025:

Task 1 – Contracts 1, 2 and 3 Construction Engineering

- Project Management
- Pre-Construction Meetings
- Monthly Progress Meetings
- Contract Coordination Meetings
- Site Visits
- Pay Requisitions
- Grant Reimbursement Support
- Progress Tracking and Oversight
- Document Control
- Conformed Drawing creation
- Submittal review
- Requests for information, Change Directives, and Change order Review and Management
- Project Closeout activities
- Preparation and Supply of As-Builts (GIS mapping and documents)

Task 2 – Contract 1 CIPP Field Representative

- Conduct Daily Onsite Observations
- Pre-Construction Meetings
- Report Daily to Kleinfelder and LCA team
- Daily Quality Assurance Meeting Specifications Requirements

- Provide Construction team as needed clarification and Interpretation of Contract Documents
- Furnish Reports
- Conduct Final Review
- Prepare Punch list

Task 3 – Contracts 2 and 3 Construction Management

- Conduct weekly Onsite Observations over 3rd Party Inspection Team
- Pre-Construction Meetings
- Act as Liaison between Kleinfelder, LCA, and 3rd Party Inspection Team
- Provide Quality Assurance verification that Contractor and 3rd Party Inspection Team are meeting Specifications Requirements
- Provide Construction team as needed clarification and Interpretation of Contract Documents
- Furnish Reports
- Conduct Final Review
- Prepare Punch list

PROJECT SCHEDULE:

Assuming Board approval at the October 13, 2025 meeting, Notice to Proceed will be issued by early November 2025 with an anticipated construction completion by late 2026.

FUTURE AUTHORIZATIONS:

LCA anticipates seeking LCA Board authorization for the Year 2 Source Reduction Program - Contract Nos. 2 and 3 at the first Board meeting in November 2025.



1053 SPRUCE RD * P.O. BOX 3348 * ALLENTOWN, PA 18106-0348
610-398-2503 * email: service@lehighcountyauthority.org
www.lehighcountyauthority.org

REQUEST FOR BOARD AUTHORIZATION

Board of Directors Meeting Date: 10/13/25
Staff Member Requesting Authorization: Jason Peters / Charles Volk
Department: Capital Works
Short Description / Title of Project / Purchase: I&I source reduction improvements – LCA Program, year 2
Contract 1 CIPP Lining
Project Number (if applicable): Munis 50567

Capital Expense: (check all that apply)

- ☒ Capital Project >\$250,000
☒ Construction / Other Contract(s)
☒ Professional Services Authorization
☐ Initial Authorization
☐ Amended Authorization
☐ Professional Services Authorization >\$100,000
☐ Equipment Purchase >\$250,000
☐ Upsizing / Extension >\$250,000
☐ Aggregate Change Order >10% of contract and >\$100,000
☐ Stand-Alone Change Order >\$50,000

Operations Expense:

- ☐ Construction / Other Contract >\$250,000
☐ Professional Services Authorization >\$100,000
☐ Equipment / Other Individual Item >\$250,000
☐ Emergency Authorization >\$50,000
☐ Aggregate Change Order >10% of contract and >\$100,000
☐ Stand-Alone Change Order >\$50,000

LCA Enterprise Fund: ☒ Allentown Division ☐ Suburban Water ☐ Suburban Wastewater ☐ Internal Service / Admin

Current Project Phase: ☐ N/A (skip to Description) ☐ Planning ☐ Conceptual Design ☐ Design / Bid ☒ Construction

Prior Authorization(s):

Date	Phase	Description	Amount Authorized
5/20/24	Design	Design, Permit and Bid Phase	\$461,771
			\$
			\$
Total Prior Authorizations:			\$461,771

Current Authorization Requested:

Construction Phase Contract 1 CIPP Lining	Amount Requested
Staff	\$35,000
Construction Engineering/Management/field liaison & inspector - Kleinfelder	\$654,418
General Construction Contract 1 CIPP Lining – Insituform Technologies USA, LLC	\$1,784,583
Contingency	\$150,000
	\$
	\$
	\$
Total Amount Requested (this authorization):	\$2,624,001

Future Authorizations:

Phase	Note / Description	Estimated Cost
Construction	Contract 2 Main Line Grouting	\$700,000
Construction	Contract 3 Lateral Line Grouting	\$840,000
Estimated Total Project Cost:		\$4,625,772

Short Description: (please attach supporting documentation, cost justification, trade-in values, proposals, memos, etc.)

The construction scope of Contract 1 of the I&I Source Reduction Program – Year 2 – CIPP Lining includes rehabilitation of approximately 36,093 linear feet of sanitary sewer pipelines varying from 8-inch, 10-inch, 12-inch and 15-inch diameter, located in Trout Creek Park Basin in the City of Allentown.

The scope of work includes, but is not limited to, cleaning and inspecting sanitary sewer pipelines and sewer laterals, disposal of material from cleaning, and full length cured-in-place pipe lining.

Contract 1 includes bypassing of flows and traffic control, as necessary, to complete the work.

Purchasing Procedure: ☒ Formal Bid ☐ Request for Proposal ☐ Cooperative Purchasing Group / CoStars ☐ N/A - Emergency

Motion: _____ **Second:** _____ **Approved?** _____ **Certified by:** _____



September 26, 2025

Jason Peters
Lehigh County Authority
P.O. Box 3348
1053 Spruce Street
Allentown, PA 18106

**SUBJECT: City of Allentown - Infiltration and Inflow Source Reduction Program
Construction Engineering Services Related to Sanitary Sewer System Rehabilitation
and Infiltration and Inflow Source Control – Year 2**

Dear Mr. Peters:

Thank you for the opportunity to continue supporting the Lehigh County Authority's (LCA's) Infiltration and Inflow (I&I) Source Reduction Program (SRP). This professional engineering services proposal outlines our approach to delivering I&I Source Reduction Program – Year 2 Construction Engineering Services aligned with LCA priorities and goals to efficiently complete the project with desired outcomes of reliability and long-term value. The following scope has been prepared based upon our recent collaboration with LCA to proceed with three (3) stand-alone construction contracts as well as our recent discussions as to the extent of our field representative and administration services during construction.

SCOPE OF SERVICES

This Scope of Services consists of Construction Engineering, Construction Management and Field Representative services during construction of the I&I Source Reduction Program – Year 2 Project contracts:

- Construction Contract 1 (C1) CIPP Lining (LCA Project # AD-S-25-1)
- Construction Contract 2 (C2) Mainline and Tap Grouting (LCA Project # AD-S-25-2)
- Construction Contract 3 (C3) Lateral Grouting (LCA Project # AD-S-25-3)

The durations included in this scope of work are based on our estimated construction schedule provided in the contract documents, as follows:

Task 1 – Contracts 1, 2 and 3 Construction Engineering

- LCA issues Notice to Proceed – November 21, 2025
- Substantial Completion – August 31, 2026 (202 workdays)
- Final Completion – September 30, 2026

Task 2 – Contract 1 Field Representative

- LCA issues Notice to Proceed – November 21, 2025
- Substantial Completion – July 3, 2026 (160 workdays)
- Final Completion – September 30, 2026

Task 3 – Contract 2 and 3 Construction Management

- LCA issues Notice to Proceed – December 22, 2025
- Active Construction begins – December 23, 2025 (180 workdays)
- Substantial Completion – August 31, 2026
- Final Completion – September 30, 2026

A full project schedule, including additional time for Closeout Services, has been attached to this proposal.

Kleinfelder shall furnish the following professional construction engineering and field representative services:

TASK 1 – CONTRACTS 1, 2 AND 3 CONSTRUCTION ENGINEERING

Kleinfelder assumes twelve (12) months from construction contract award to construction completion and closeout.

1. Administration:

- a. **Project Management:** Develop a project workplan with a schedule, staffing plan, and quality assurance/quality control plan include site specific health and safety plan. Provide quality reviews in accordance with the workplan and company policies. Reviews will include, but not be limited to, submittal responses, request for information responses, construction change directives, change orders, field orders, correspondence, and other deliverables. Prepare monthly invoices, develop budget and schedule updates, and provide project coordination.
- b. **Procore Training:** With guidance from LCA, set the agenda and lead a one-day Procore training session designed to equip key project staff with practical knowledge of the platform's core tools, including project setup, document control, field reporting, and communication workflows. The training will be hands on and role specific, ensuring participants can immediately apply what they learn to improve project efficiency and collaboration. By the end of the day, staff will be confident navigating LCA's Procore Portal and using it to support daily project operations.
- c. **Pre-Construction Meetings:** Prepare for and conduct one (1) pre-construction meeting with the Authority and each Contractor prior to the start of construction, for a total of three (3) pre-construction meetings.
- d. **Monthly Progress Meetings:** For each construction contract, prepare and lead a monthly review with LCA, the Contractor, and applicable stakeholders during the construction phase to include discussion of project status and key milestones and address any emerging issues or risks.
- e. **Contract Coordination Meetings:** Conduct weekly meetings to bring together LCA, Kleinfelder and Arcadis contract leads to align on project progress, resolve interface issues,

and determine if contractual obligations are being met. These meetings will serve as a structured forum for reviewing deliverables, clarifying responsibilities, and proactively addressing risks or conflicts. Regular participation will help maintain transparency and momentum across all parties involved.

- f. **Site Visits:** Conduct bi-weekly site visits for the first three months, to cover startup for each contract, then once-per-month site visits thereafter to observe ongoing work, assess progress against schedule, and identify any challenges or concerns requiring construction engineer attention. These visits will provide an opportunity for direct engagement with field conditions, facilitate timely issue resolution, and support quality assurance.
- g. **Pay Requisitions:** Based on onsite observations from all three (3) contracts, determine the amounts owed to the Contractor(s) and recommend in writing to the Authority payments to Contractor(s) in such amounts. Kleinfelder will coordinate with Field Representatives to resolve any pay item discrepancies.
- h. **Grant Reimbursement:** Support LCA throughout the reimbursement cycle, from initial cost tracking to final reporting, ensuring compliance with funding requirements and minimizing delays.
- i. **Progress Tracking and Oversight:** Review CCTV and consolidate inspection reports from the three active contracts into a single master progress tracking workbook. The scope includes standardizing data formats, aligning reporting metrics, and developing a clear, consolidated view of progress across all contracts. The deliverable will be an updated workbook suitable for ongoing project monitoring and reporting for grant reimbursement.
- j. **Document Control:** Manage project documents in LCA's Procore Portal for the three active construction contracts. The scope includes organizing, uploading, and maintaining contract documents; ensuring version control; and aligning folder structures across all projects. The deliverable will be a consistent, well-structured Procore document set to support efficient project communication and oversight. This is separate from the Quality Control activities related to inspection reports in LCA's Procore Portal covered in Tasks 2 and 3 below.

Administration Assumptions:

- 600 hours of Kleinfelder staff time to review the cleaning and post rehabilitation CCTV footage (~150 LF/hr), under the supervision of a NASSCO-trained staffer, have also been included for all three (3) contracts.
- 116 hours of Kleinfelder staff time to review and consolidate inspection reports into a single Master Progress Tracking Workbook.
- 64 hours for document control activities in LCA's Procore Portal.
- LCA will provide a single Procore site and access for project personnel for the entire I&I Source Reduction Program – Year 2 project.
- Arcadis Field Representatives for C2 and C3 will be available to coordinate on resolving any pay item discrepancies.

Administration Deliverables:

- Assist LCA with facilitating one day of Procore training for key project staff.

- Three (3) pre-construction meetings including agenda and minutes.
- 10 monthly progress meetings and nine pay applications for Contract 1.
- Nine monthly progress meetings and nine pay applications for Contract 2.
- Nine monthly progress meetings and nine pay applications for Contract 3.
- Monthly progress meeting agenda and meeting minutes.
- 24 contract coordination meetings – 1 hour per week for four months following NTP of Contracts 2 and 3, bi-weekly for the remaining four months of active construction.
- 15 site visits – bi-weekly for first three months, one per month thereafter
- Single Master Progress Tracking Workbook for the entire I&I Source Reduction Program – Year 2 project.

2. **Conformed Drawings:** Consolidate all bid phase addenda into a single, comprehensive set of project documents for each contract.

Conformed Drawings Assumptions:

- Each set of conformed documents will be submitted electronically.

Conformed Drawings Deliverables:

- Three sets of conformed documents, one for each contract.

3. **Submittals:** Review and take appropriate action in respect to shop drawings and samples, results of tests and inspections, and other data which Contractor is required to submit; determine the acceptability of substitute materials and equipment proposed by Contractor(s); and receive and review schedules, guarantees, bonds and certificates of inspection which are to be assembled by Contractor(s) in accordance with the Contract Documents.

Submittals Assumptions:

- No additional assumptions.

Submittals Deliverables:

- Approximately 32 total submittals; 24 initial submittals and eight re-submittals for Contract 1.
- Approximately 32 total submittals; 24 initial submittals and eight re-submittals for Contract 2.
- Approximately 32 total submittals; 24 initial submittals and eight re-submittals for Contract 3.

4. **Requests for Information, Construction Change Directives, and Change Orders:** Receive RFIs from the Contractor through LCA's Procore Portal, review for completeness, assign and route to the appropriate reviewer within the platform, coordinate with the Client as needed, track status in LCA's Procore Portal, and issue the formal response to the Contractor through the system. Prepare construction change directives (CCDs) to revise the requirements of the design as may be necessary during construction.

Issue instructions from LCA to the Contractor; issue necessary interpretations and clarifications of the Contract Documents; have authority, as Client's Consultant, to require special inspection or testing of the work; and act as initial interpreter of the requirements of the Contract Documents and judge of the acceptability of the work thereunder and make decisions on all claims of LCA and the Contractor relating to the acceptability of the work or in the interpretation of the requirements of the Contract Documents pertaining to the execution and progress of the work. Kleinfelder shall not be liable for the result of any such interpretations or decisions rendered in good faith.

The RFIs may consist of regular coordination, guidance, and explanation of contract requirements to the Contractor in the form of phone calls and emails by Kleinfelder. Each CCD may consist of adjustments to sewer rehabilitation details for several locations and each Change Order may comprise several proposed change orders or CCDs from the Contractor.

RFI, CCD and CO Assumptions:

- No additional assumptions.

RFI, CCD and CO Deliverables:

- 10 RFIs, two CCDs, and two Change Orders for Contract 1.
- 15 RFIs, four CCDs, and four Change Orders for Contract 2.
- 10 RFIs, two CCDs, and two Change Orders s for Contract 3.

5. **Project Closeout:** Once Substantial Completion is requested by the Contractor, determine whether the work has been completed in substantial conformance with the Contract Documents, with input from Field Representatives. Kleinfelder will provide its recommendation in writing and, if accepted by LCA, provide notification to the Contractor so that the project can proceed to Final Completion.

Project Closeout Assumptions:

- Deliverables will be submitted electronically.

Project Closeout Deliverables:

- Three (3) Final Payment Recommendations, one for each contract.

6. **Digital As-Builts (GIS):** Develop digital record plans using ArcGIS Pro, delivering a geodatabase file and an accompanying Excel data dictionary. The submittal will include hyperlinks to pre- and post-rehabilitation CCTV videos and reports, with additional schema fields capturing repair year, notes, rehab type, and inspection dates.

Digital As-Builts (GIS) Assumptions:

- LCA will define domain codes and folder structures for video file referencing.
- Deliverables will be submitted electronically.

Digital As-Builts (GIS) Deliverables:

- Digital as-builts for all of I&I Source Reduction Program – Year 2

TASK 2 – CONTRACT 1 CIPP FIELD REPRESENTATIVE

Kleinfelder will provide a full-time field representative for the anticipated continuous 30-week time period (up to 1,350 hours) during which the Contractor will be conducting field activities in accordance with the design documents, whose duties, responsibilities and limitations of authority are outlined below.

1. **General:** Field Representative (FR) is Kleinfelder’s Agent and shall act under the supervision of Kleinfelder’s Project Manager. They will serve as a direct line of communication between the field, office, and LCA.
2. **Review of Work, Rejection of Defective Work, Inspections and Tests:**
 - a. Conduct daily onsite construction review of the work in progress, or as otherwise necessary, evaluate (1) if work is proceeding in general accordance with the Contract Documents and (2) that completed work is in substantial conformance with the Contract Documents.
 - b. Report to Kleinfelder’s Project Manager who, in turn, will notify the Authority whenever any work is, to the best of their knowledge and belief, unsatisfactory, faulty or defective, or is not in substantial conformance with the Contract Documents.
 - c. Verify that tests, equipment and systems startup and operating and maintenance instructions are conducted as required by the Contract Documents and in the presence of the required personnel, and that the Contractor maintains adequate records thereof; observe, record and report to Kleinfelder’s Project Manager appropriate details relating to the test procedures and startups.
3. **Interpretation of Contract Documents:** Transmit to Contractor clarification and interpretation of the Contract Documents as issued by Kleinfelder’s Project Manager.
4. **Modifications:** Consider and document Contractor’s suggestions for modifications in drawings and specifications and report them with recommendations to Kleinfelder's Construction Engineering Team for evaluation.
5. **Records:**
 - a. Conduct daily field reporting directly within LCA’s Procore Portal, recording hours on the job site; weather conditions; data related to questions of extras or deductions; list of principal visitors and representatives of fabricators, manufacturers, suppliers and distributors; daily activities; decisions; observations in general; and specific observations in more detail as in the case of observing test procedures. Field reporting is anticipated to be conducted within LCA’s Procore Portal, which will allow for visibility of reporting on the same day the work is conducted.

- b. Includes Construction Manager quality review of daily inspection reports within LCA's Procore Portal.
6. **Reports:** Furnish periodic reports, as required, of progress of the work and of the Contractor's compliance with the progress schedule and schedule of shop drawing submissions.

7. Completion:

- a. Before Kleinfelder issues a Certificate of Substantial Completion, assist Kleinfelder's Project Manager in developing a list of observed items requiring correction or completion.
- b. Conduct final review in the company of Kleinfelder's Project Manager, the Authority, and Contractor and assist in preparation of a final list of items to be corrected.
- c. Confirm that all items on the final list have been completed or corrected and make recommendations to Kleinfelder's Project Manager concerning acceptance.

Task 2 Assumptions:

- Kleinfelder's time-and-materials billing is inclusive of driving time from portal to portal.
- No overtime is assumed for the duration of this project.
- LCA will provide a single Procore site and access for project personnel for the entire I&I Source Reduction Program – Year 2 project. This proposal assumes that Kleinfelder's FR will not need to enter areas designated as confined spaces.
- This proposal assumes that Kleinfelder's FR will complete their daily inspection logs within LCA's Procore Portal.
- This proposal assumes approximately 2.5 hours per week for the management of LCA's Procore Portal for the scope listed within Task 2.
- LCA's Procore Portal will be accessible through a standard iPad.

Task 2 Deliverables:

- Assumed 150 field days at 9 hours each day.
- 150 daily field reports completed within LCA's Procore Portal.
- Review of Kleinfelder's FR Inspection reports which are anticipated to be conducted within LCA's Procore Portal.
- Maintenance of an organized library of Project Documents within Procore – 2.5 hours a week for 30 weeks.

TASK 3 – CONTRACT 2 AND 3 CONSTRUCTION MANAGEMENT

Kleinfelder will provide a part-time resident construction manager to conduct construction oversight of the Arcadis field inspectors for Contracts 2 and 3. This service is inclusive of:

- 1. Approximately one day per week of observations in the field (not exceeding 10 hours), over the course of 11 months (approximately 480 hours).

2. Daily review of Arcadis representative's Field Inspection Reports within LCA's Procore Portal, for the purpose of quality control, over the course of 11 months (approximately 2.5 hours per week).

Kleinfelder's scope of services includes the following:

1. **General:** Construction Management Representative (CM) is Kleinfelder's Agent and shall act under the supervision of Kleinfelder's Project Manager. They will serve as a direct line of communication between the field, office, and LCA.
2. **Review of Work, Inspections, and Testing:**
 - a. Conduct weekly onsite construction review of the work in progress, or as otherwise necessary, to determine to the best of their knowledge (1) if work is proceeding in general accordance with the Contract Documents and (2) that completed work is in substantial conformance with the Contract Documents.
 - b. Act as a liaison between Arcadis Inspectors and Kleinfelder's Project Manager who, in turn, will notify the Engineer whenever work is considered unsatisfactory, faulty or defective, or is not in substantial conformance with the Contract Documents. Advise Kleinfelder's Project Manager when Arcadis recommends that the work be corrected or rejected or should be uncovered for observation or requires special testing, inspection or approval.
 - c. Verify with Arcadis that the Contractor is performing the required tests and equipment and systems startup and operating and maintenance instructions for the grouting operation as required by the Contract Documents and in the presence of the required personnel, and that the Contractor maintains adequate records thereof; observe, record and report to Kleinfelder's Project Manager appropriate details relating to the test procedures and startups.
3. **Interpretation of Contract Documents:** Transmit to Arcadis and Contractor clarification and interpretation of the Contract Documents as issued by Kleinfelder's Project Manager.
4. **Modifications:** Consider and document Arcadis and Contractor's suggestions for modifications in drawings and specifications and report them with recommendations to Kleinfelder's Engineering Staff for evaluation.
5. **Records:** Includes Construction Manager quality review of Arcadis daily inspections within LCA's Procore Portal.
6. **Reports:** Facilitate weekly CM report (following weekly onsite visit) outlining Arcadis and Contractor progress of the work and of the Contractor's compliance with the progress schedule and schedule of shop drawing submissions.
7. **Completion:**
 - a. Before Kleinfelder issues a Certificate of Substantial Completion, work with Arcadis and the contractor to assist Kleinfelder's Project Manager in developing a list of observed items requiring correction or completion.
 - b. Conduct final review in the company of Arcadis, Kleinfelder's Project Manager, the Authority, and Contractor and assist in preparation of a final list of items to be corrected.

- c. Confirm that all items on the final list have been completed or corrected and make recommendations to Kleinfelder's Project Manager concerning acceptance.

Task 3 Assumptions:

- LCA will lead the development of any project-specific inspection forms, with input from Kleinfelder and Arcadis, within LCA's Procore Portal, that will be accepted as documentation for the project.
- Kleinfelder's time-and-materials billing is inclusive of driving time from portal to portal.
- No overtime is assumed for the duration of this project.
- Kleinfelder personnel will not need to enter areas designated as confined spaces.
- LCA will provide Kleinfelder's CM with access to LCA's Procore Portal for this project.
- LCA will work with Arcadis and Kleinfelder to create reporting forms within LCA's Procore Portal that will be accepted as documentation for the project.
- Arcadis will complete their daily inspection logs directly within LCA's Procore Portal.
- This proposal assumes approximately 2.5 hours per week for the management of LCA's Procore Portal for the scope listed within Task 3.

Task 3 Deliverables:

- Review of Arcadis inspection reports which are anticipated to be conducted within LCA's Procore Portal.
- Maintenance of an organized library of Project Documents within Procore – 2.5 hours/week – 120 hours total.
- 48 CM field oversight days.
- 48 CM field oversight reports.

COST PROPOSAL

Kleinfelder proposes to perform the scope of work described above in accordance with the terms and conditions of our annual agreement with the Authority. Services will be provided on a reimbursable (time-and-materials basis) for labor hours and expenses actually incurred throughout the project and for the rates that are in effect at the time the services are rendered. For budgetary purposes, we propose to perform our work for a not-to-exceed fee of \$654,418. A task level summary of project costs is provided below, and a supporting detailed breakdown table has been attached to this letter. The total time-and-material fee will not be exceeded without a change in scope and LCA's prior approval. Cost proposal includes annual increases in direct labor rates, effective August 1st of each calendar year. Expenses include mileage for site visits in accordance with applicable rates, as well as a daily rate for inspection vehicles required to support field activities.

Task	Hours	Labor	Expenses	Total Cost
Task 1 – Contracts 1, 2 and 3 Construction Engineering	2360	\$377,633	\$2,016	\$379,649
Task 2 – Contract 1 Field Representative	1500	\$169,218	\$9,000	\$178,218
Task 3 – Contract 2 and 3 Construction Management	632	\$93,670	\$2,880	\$96,550
Grand Total	4492	\$640,522	\$13,896	\$654,418

Please contact Kara Pho at (914)562-7526 if you have any questions or comments regarding this proposal. We appreciate the opportunity to be of continued service to you.

Sincerely,

KLEINFELDER



Kara Pho, PE, ENV SP
Project Manager
914.562.7526/KPho@kleinfelder.com



Timothy Bradley, PE
Vice President
609.924.8821/TBradley@kleinfelder.com

Enclosures

Project Schedule Gantt Chart
Cost Proposal with Hourly Rates and Task Breakdown of Proposal Costs

cc:

T. Bradley/Kleinfelder
J. Wieboldt/Kleinfelder
N. Wohlleb/Kleinfelder

ID	Task Mode	Task Name	Duration	Start	Finish	N D Half 1, 2026 J F M A M J Half 2, 2026 J A S O N D													
1	★	Professional Services Authorization Received	0 days	Thu 6/20/24	Thu 6/20/24														
2	★	Project Kick-off Meeting	0 days	Tue 7/2/24	Tue 7/2/24														
3	★	Project Rescoping Call	1 day	Wed 6/4/25	Wed 6/4/25														
4	👉	Task 1.0 - Preliminary Design	1 day	Fri 6/28/24	Fri 6/28/24														
6	👉	Task 2.0 - Revised SRP Year 2 Design	56 days	Mon 6/9/25	Mon 8/25/25														
12	👉	Task 3.0 - Bid Phase Services	60 days?	Mon 8/18/25	Mon 11/10/25														
23	👉	Construction Phase	222 days	Fri 11/21/25	Wed 9/30/26														
24	👉	Contract 1 - CIPP	222 days	Fri 11/21/25	Wed 9/30/26														
25	👉	NTP	0 days	Fri 11/21/25	Fri 11/21/25														
26	👉	Contract Milestones	160 days	Mon 11/24/25	Fri 7/3/26														
27	👉	25% Milestone	40 days	Mon 11/24/25	Fri 1/16/26														
28	👉	50% Milestone	40 days	Mon 1/19/26	Fri 3/13/26														
29	👉	75% Milestone	40 days	Mon 3/16/26	Fri 5/8/26														
30	👉	Substantial Complete	40 days	Mon 5/11/26	Fri 7/3/26														
31	★	Final Completion	0 days	Wed 9/30/26	Wed 9/30/26														
32	👉	Contract 2 - Mainline T&S, MH Laterals	202 days	Mon 12/22/25	Wed 9/30/26														
33	👉	NTP	1 day	Mon 12/22/25	Mon 12/22/25														
34	👉	Contract Milestones	180 days	Tue 12/23/25	Mon 8/31/26														
35	👉	30% Milestone	60 days	Tue 12/23/25	Mon 3/16/26														
36	👉	60% Milestone	60 days	Tue 3/17/26	Mon 6/8/26														
37	👉	Substantial Complete	60 days	Tue 6/9/26	Mon 8/31/26														
38	★	Final Completion	0 days	Wed 9/30/26	Wed 9/30/26														
39	👉	Contract 3 - Laterals from Contract 1	202 days	Mon 12/22/25	Wed 9/30/26														
40	👉	NTP	1 day	Mon 12/22/25	Mon 12/22/25														
41	👉	Contract Milestones	180 days	Tue 12/23/25	Mon 8/31/26														
42	👉	30% Milestone	54 days	Tue 12/23/25	Fri 3/6/26														
43	👉	60% Milestone	54 days	Mon 3/9/26	Thu 5/21/26														
44	👉	Substantial Complete	72 days	Fri 5/22/26	Mon 8/31/26														
45	★	Final Completion	0 days	Wed 9/30/26	Wed 9/30/26														
46	👉																		
47	👉	Kleinfelder Construction Services	257 days	Mon 11/24/25	Tue 11/17/26														
48	👉	Task 1 – Contracts 1, 2 and 3 Construction Engineering	257 days	Mon 11/24/25	Tue 11/17/26														
49	👉	Construction Contract Duration	223 days	Mon 11/24/25	Wed 9/30/26														
50	👉	Closeout	35 days	Wed 9/30/26	Tue 11/17/26														
51	👉	Task 2 – Contract 1 Field Representative	212 days	Mon 1/5/26	Tue 10/27/26														
52	👉	Construction Contract Duration	193 days	Mon 1/5/26	Wed 9/30/26														
53	👉	Closeout	20 days	Wed 9/30/26	Tue 10/27/26														
54	👉	Task 3 – Contract 2 and 3 Construction Management	191 days	Tue 2/3/26	Tue 10/27/26														

Project: 25006573.024A-W-LCA
Date: Fri 9/26/25

Task

Split

Milestone

Summary

Project Summary

Inactive Task

◆

Inactive Milestone

Inactive Summary

Manual Task

Duration-only

◆

Manual Summary Rollup

Manual Summary

Start-only

Finish-only

External Tasks

External Milestone

Deadline

Progress

Manual Progress

↓

ID	Task Mode	Task Name	Duration	Start	Finish	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div> <div>Half 1, 2026</div> <div>Half 2, 2026</div>													
55		Construction Contract Duration	172 days	Tue 2/3/26	Wed 9/30/26	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>													
56		Closeout	20 days	Wed 9/30/26	Tue 10/27/26	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div>													

Project: 25006573.024A-W-LCA
Date: Fri 9/26/25

Task

Split

Milestone

Summary

Project Summary

Inactive Task

Inactive Milestone

Inactive Summary

Manual Task

Duration-only

Manual Summary Rollup

Manual Summary

Start-only

Finish-only

External Tasks

External Milestone

Deadline

Progress

Manual Progress

FEE SUMMARY

LCA SRP Year 2 - Construction Services

LABOR CATEGORY	Timothy D. Bradley, P.E.	Kara Pho, P.E.	Michael Whalen				Sean Denny	Gus O'Leary	Nathan Shapiro (Main-Task 3)	Gilbert A (Main-Task 2)	Anthony G (Backup-Task 2)	Brian or Jon (Backup-Task 2)	Ghazwan Qasim, P.E. (Backup-Task 3)	TOTAL HOURS LABOR FEE		UNIT AND EXPENSE FEE LAB FEE		SUB-CONSULTANT FEE		TOTAL FEE
	Senior Principal Professional	Senior Project Manager	Principal Professional	Project Professional	Senior Staff Professional	Staff Professional	Principal Professional	Construction Manager	Inspector	Inspector	Inspector	Construction Manager								
	Year 1 Billing rate (\$/hr)	\$307.00	\$261.00	\$203.00	\$174.00	\$144.00	\$110.00	\$250.00	\$145.00	\$110.00	\$105.00	\$105.00	\$185.00							
	Year 2 Billing rate (\$/hr)	\$319.28	\$271.44	\$211.12	\$180.96	\$149.76	\$114.40	\$260.00	\$150.80	\$114.40	\$109.20	\$109.20	\$192.40							
TASK 1 - Eng Svc During Const	2	239	527	33	633	807	43	64	12	0	0	0	0	2360	\$377,633	\$2,016	\$0	\$0	\$379,649	
TASK 2 - Contract 1 Resident Project Representative	0	0	0	0	0	0	0	150	1000	200	150	0	1500	\$169,218	\$9,000	\$0	\$0	\$178,218		
TASK 3 - Contract 2 and 3 Engineer's Field Representative	0	0	0	0	0	0	0	592	0	0	0	40	632	\$93,670	\$2,880	\$0	\$0	\$96,550		
LABOR HOURS	2	239	527	33	633	807	43	806	1012	200	150	40	4492							
FEE	\$614	\$62,546	\$107,111	\$5,798	\$91,198	\$89,016	\$10,750	\$117,334	\$111,778	\$21,101	\$15,817	\$7,459		\$640,522	\$13,896	\$0	\$0	\$654,418		

MEMORANDUM

October 13, 2025

Date:

To: Lehigh County Authority Board of Directors
From: Anton Siekmann, Project Manager
Subject: Allentown Division – Kline’s Island Wastewater Treatment Plant – Building Upgrades – Design & Bid Phase

MOTIONS / APPROVALS REQUESTED:

No.	Item	Amount
1	Capital Project Authorization – KIWWTP Building Upgrades – Design & Bid Phase	\$187,600
2*	Professional Services Authorization – CHA Consulting – Design & Bid Phase	\$157,600

- *Included in Capital Project Authorization*

PROJECT BACKGROUND

LCA has been planning and budgeting for improvements to administrative, restroom, and locker space at the Kline’s Island Wastewater Treatment Plant (KIWWTP). As identified in the 2026-2030 Capital Plan, the list of upgrades has been established for the Main Pump Station (MPS) building and Dewatering building. These include updates to better reflect the current and future uses of those spaces. The spaces will be optimized for better utilization and efficiency, along with repairs to damaged areas. Across both spaces there will be new drywall, new flooring, new ceiling tiles, new windows where required, new paint, LED lighting, HVAC upgrades, and ethernet jacks.

Repairs to the floors in the belt press area of the Dewatering building were completed in 2025. Those repairs will prevent further damage to the area beneath them, but the existing damage in these areas were not yet addressed. The Dewatering building will have its existing locker room demolished and moved, a leaking sludge pipe will be replaced, ceiling penetrations sealed, new lighting and drop ceiling throughout, and upgrades to the control and break room. These are high priority improvements that address health and safety hazards for LCA employees.

The MPS Building will have its office spaces reconfigured to suit current use and its bathroom drains repaired and made to meet ADA standards. The operator’s control room will have unused phone equipment removed with storage in its place, the room will be reoriented to place all plant monitoring screens on the west wall, additional SCADA and security monitors added, and kitchenette moved to the break room. Wall and floor repairs will be needed after these modifications are completed. The vestibule and entrance area will be repaired and made to provide ADA access. A new secure walk-up window will be added for visitors to check in as well.

See attached CHA proposal dated June 16, 2025 for complete details by area.

PROJECT SCOPE

This project consists of addressing building deficiencies at the MPS building and Dewatering building at KIWWTP. Work includes interior general construction, electrical, plumbing, and HVAC work. It also includes some exterior work to MPS building entrance, and minor roof repair at Dewatering.

FINANCIAL

This project will be funded by the LCA Allentown Division.

PROJECT STATUS

In June 2025 CHA Solutions prepared a proposal for conceptual design, final design, and bid phase services.

THIS APPROVAL – DESIGN PHASE

Assuming authorization of Design Phase at the 10/13/2025 Board meeting, design is anticipated to be complete by March 2026.

PROFESSIONAL SERVICES

CHA Consulting has prepared a proposal for Design and Bid services. Their work will include:

Professional Services ⁽¹⁾	
1.	Concept Design
2.	60% Design
3.	90% Design
4.	Bid Ready Design
5.	Bid Phase Services

(1) See CHA's proposal dated June 16, 2025, for additional information

PROJECT SCHEDULE

Assuming Construction Phase Authorization following the October 13, 2025 Board meeting, design is anticipated to be completed in March 2026, bidding to be completed with a Notice to Proceed in June 2026, with substantial completion in Q2 2027.

FUTURE AUTHORIZATIONS:

Future authorizations will include LCA staff time, construction phase authorization, and construction management services.



1053 SPRUCE RD * P.O. BOX 3348 * ALLENTOWN, PA 18106-0348
610-398-2503 * email: service@lehighcountyauthority.org
www.lehighcountyauthority.org

REQUEST FOR BOARD AUTHORIZATION

Board of Directors Meeting Date: 10/13/2025
Staff Member Requesting Authorization: Anton Siekmann
Department: Capital Works
Short Description / Title of Project / Purchase: KIWWTP Building Upgrades
Project Number (if applicable): AD-S-14 / 50661

Capital Expense: (check all that apply)

- ☒ Capital Project >\$250,000
☐ Construction / Other Contract(s)
☒ Professional Services Authorization
☐ Initial Authorization
☐ Amended Authorization
☐ Professional Services Authorization >\$100,000
☐ Equipment Purchase >\$250,000
☐ Upsizing / Extension >\$250,000
☐ Aggregate Change Order >10% of contract and >\$100,000
☐ Stand-Alone Change Order >\$50,000

Operations Expense:

- ☐ Construction / Other Contract >\$250,000
☐ Professional Services Authorization >\$100,000
☐ Equipment / Other Individual Item >\$250,000
☐ Emergency Authorization >\$50,000
☐ Aggregate Change Order >10% of contract and >\$100,000
☐ Stand-Alone Change Order >\$50,000

LCA Enterprise Fund: ☒ Allentown Division ☐ Suburban Water ☐ Suburban Wastewater ☐ Internal Service / Admin

Current Project Phase: ☐ N/A (skip to Description) ☐ Planning ☒ Conceptual Design ☒ Design / Bid ☐ Construction

Prior Authorization(s):

Date	Phase	Description	Amount Authorized
			\$
			\$
			\$
Total Prior Authorizations:			\$0

Current Authorization Requested:

Description	Amount Requested
Design and Bid Services – CHA Consulting	\$157,600
Contingency	\$20,000
Staff Time	\$10,000
	\$
	\$
	\$
	\$
Total Amount Requested (this authorization):	\$187,600

Future Authorizations:

Phase	Note / Description	Estimated Cost
	TBD	\$
		\$
Estimated Total Project Cost:		\$TBD

Short Description: (please attach supporting documentation, cost justification, trade-in values, proposals, memos, etc.)

LCA has been planning and budgeting for improvements to administrative, restroom, and locker space at the Kline's Island Wastewater Treatment Plant. As identified in the 2026-2030 Capital Plan, the list of upgrades has been established for the Main Pump Station building and Dewatering building. These include updates to better reflect the current and future uses of those spaces. The spaces will be optimized for better utilization and efficiency, along with repairs to damaged areas.

Purchasing Procedure: ☐ Formal Bid ☒ Request for Proposal ☐ Cooperative Purchasing Group / CoStars ☐ N/A - Emergency

Motion: _____ **Second:** _____ **Approved?** _____ **Certified by:** _____

Lehigh County Authority – Monthly Report to Board of Directors

Upcoming Board Agenda Items & Project Updates – October 2025

Published: October 6, 2025

PART 1 – Upcoming Agenda Items – Action & Discussion Items

FINANCE & ADMINISTRATION

Project Title: 2026-2030 Capital Plan

Division / Funding: All Divisions

Status or Action Desired: Approval

Board Action Date: 10/27/2025

Project Phase: n/a

Project Notes: The preliminary 2026-2030 Allentown Division Capital Plan was presented to the Board for review and comment at the August 11, 2025 meeting, and the preliminary 2026-2030 Suburban Division and Administration Capital Plans was presented at the August 25, 2025 meeting. Following these Board presentations, the Capital Plans were distributed with a public comment period until late September, and Board approval will be requested at the 10/27/2025 LCA Board meeting. Staff Responsibility: Chuck Volk & Ed Klein

Project Title: 2026 Budget: Final Review & Approval

Division / Funding: All Divisions

10/27/2025

Status or Action Desired: Discussion

Board Action Date: 10/13/2025 &

Project Phase: n/a

Project Notes: Staff presented the budget timeline, key assumptions, strategic initiatives, and economic factors impacting the 2026 Budget in September. Additional details, including customer rate impacts, will be presented and discussed in October, with Board adoption expected by the end of October 2025. Staff Responsibility: Liesel Gross & Ed Klein

Project Title: Western Lehigh Interceptor (WLI) User Charge Report

Division / Funding: Suburban Division

Status or Action Desired: Approval

Board Action Date: 10/13/2025

Project Phase: n/a

Project Notes: The Western Lehigh Interceptor (WLI) User Rates will be presented to the Board for review and preliminary approval. The rates will be presented to the municipal signatories for comment, and final rates incorporated into the 2026 Budget. Staff Responsibility: Jen Montero

Project Title: Monthly Financial Review

Division / Funding: n/a

Status or Action Desired: Information

Board Action Date: 10/27/2025

Project Phase: n/a

Project Notes: The September 2025 monthly financial reports will be presented. Staff Responsibility: Ed Klein

SYSTEM OPERATIONS

Project Title: Monthly Operations Report

Division / Funding: n/a

Status or Action Desired: Information

Board Action Date: 10/27/2025

Project Phase: n/a

Project Notes: The September 2025 monthly operations report will be presented. Staff Responsibility: Andrew Moore & Chris Moughan

WATER PROJECTS – ALLENTOWN DIVISION

Project Title: Water Filtration Plant: PFAS Treatment

Division / Funding: Allentown Division

Status or Action Desired: Approval

Board Action Date: 10/27/2025

Project Phase: Design Phase

Project Notes: The U.S. Environmental Protection Agency recently published new national drinking water standards for six per- and polyfluoroalkyl substances (PFAS). A study was performed by Hazen & Sawyer which recommended treatment of Crystal Spring, due to its exceedence of the newly imposed maximum contaminant level (MCL) for PFAS. A request for proposal was distributed on 9/26/2024 with proposals being received on 11/1/2024. This project is to prepare detailed design and bidding documents as well as provide funding application assistance for PFAS treatment of Crystal Spring. Design phase approval was granted at the 12/9/2024 LCA Board meeting. Design phase is anticipated to be completed in early 2026. An amendment request for out of scope design services will be presented to the Board for authorization at the 10/27/2025 meeting. Staff Responsibility: Amy Rohrbach

WASTEWATER PROJECTS – ALLENTOWN DIVISION

Project Title: Sanitary Sewer Collection System: I&I Source Reduction Program (LCA Year 2)

Division / Funding: Allentown Division

Status or Action Desired: Approval

Board Action Date: 10/13/2025

Project Phase: Construction Phase

Project Notes: In 2023, LCA and the City of Allentown collaborated to prepare a 10 Year inflow & infiltration (I&I) source reduction plan, and the first year of construction was authorized in 2024. The plan, along with the I&I reduction plans developed by the other municipalities in the Kline's Island Sewer System, is required for the regional Act 537 Plan. The LCA Board authorized the year 2 design and bid phases at the May 20, 2024 meeting. LCA paused the design efforts late in 2024 until a more robust sanitary sewer evaluation study (SSES) program was developed and deployed in the City. Based on the SSES findings, LCA has prepared and placed out for bid the SRP year 2 project with three seperate construction contracts in hopes of garnering more interest by area contractors and more competitive pricing. Bids for contract # 1 were opened on 9/18/2025. LCA will be seeking Board approval of contract # 1 at the 10/13/2025 meeting with anticipation of seeking approval of contract #s 2 & 3 in November 2025. Staff Responsibility: Jason Peters

Project Title: Kline's Island WWTP - Building RenovationsDivision / Funding: Allentown DivisionBoard Action Date: 10/13/2025Status or Action Desired: ApprovalProject Phase: Design Phase

Project Notes: Since the 2016 upgrades to the Main Pump Station locker room, LCA has been evaluating and budgeting for additional improvements to administrative, restroom and locker room spaces at the Kline's Island WWTP. Based on multiple site visits this year, and the recent completion of the KIWWTP master plan, a detailed list of improvements has been generated for the Main Pump Station and the Dewatering building. These improvements will be focused on addressing high-priority employee health and safety concerns, and modernizing interior spaces, locker rooms, bathrooms, hallways and offices to ensure proper HVAC, plumbing, electrical, lighting and other systems are in place. LCA will be seeking approval at the 10/13/2025 Board meeting for design and bidding phase. The project schedule indicates final design approval and bidding in March of 2026 and substantial completion in February 2027.

Staff Responsibility: Anton Siekmann

PART 2 – Project Updates – Information Items

Project Title: Kline's Island Sewer System - Act 537 Plan

Division / Funding: City of Allentown (AO)

Status or Action Desired: Updated

Board Action Date: n/a

Project Phase: Planning Phase

Project Notes: Following a hydraulic overload at the Kline's Island Wastewater Treatment Plant in 2018 and 2019, a Chapter 94 violation was triggered, requiring corrective action to address the overload condition and resolve other operational challenges associated with excessive inflow and infiltration into the system. All 15 municipalities flowing into the Kline's Island Sewer System (KISS) approved an Interim Act 537 Plan ("Interim Plan") in September 2020. This Interim Plan outlined steps to be taken from 2021 to 2025 to prepare a long-term Regional Act 537 Plan. The Interim Plan also provided regulatory oversight and control of new connections to the system during the five-year planning period as part of the corrective action plan. Since 2021, the LCA Board has authorized numerous studies, engineering evaluations, and financial analyses to develop the Regional Act 537 Plan. Planning costs have been paid by the City of Allentown using the Administrative Order fund and reimbursed through ongoing billing to signatories and City customers. In April 2025, the Regional Act 537 Plan was finalized, and the formal public review process started, including planning commission review and a formal public comment period. The 15 KISS municipalities all have reviewed and adopted the final plan by Resolution. At the September 8, 2025 meeting, a Resolution was adopted by the Board for the Regional Act 537 Plan. The Act 537 Plan will be submitted to PA DEP in October. Staff Responsibility: Phil DePoe

Project Title: Heidelberg Heights Sanitary Sewer Consent Order & Agreement

Division / Funding: Suburban Division

Status or Action Desired: Updated

Board Action Date: n/a

Project Phase: Planning Phase

Project Notes: In accordance with the Consent Order and Agreement (CO&A) executed by LCA and DEP in 2020, LCA is required to complete annual sanitary sewer system replacement projects to eliminate hydraulic overloads and bypasses at the Heidelberg Heights wastewater treatment plant. The Corrective Action Plan, which is incorporated into the CO&A, includes an implementation schedule that requires all original VCP sewer main and public laterals to be replaced by the end of 2024, followed by the investigation of private-side sewer components and removal/disconnection of all prohibited connections (basement drains, sump pumps, roof leaders, etc.). To date all original VCP sewer main and public laterals have been replaced. LCA notified all sewer system customers in early 2022 of private side sewer inspections, and secured services from Keystone Engineering to perform third-party inspections to identify prohibited connections. Data from this planning/inspection effort was used to document illegal/prohibited connections in order to comply with the Heidelberg Township Sewer System Rules and Regulations Ordinance (#2019-1). As of the end of 2022, approximately 27% of residences granted permission to perform a private-side sewer inspection. A comprehensive private side sewer rehabilitation project is to commence in 2025, to be funded in part by a state grant. The project will consist of the internal lining of private sewer laterals from the sewer main in the street to the pipe entrance at the building foundation. Following additional CCTV investigations of lateral connections in 2024, LCA retained Arcadis to provide final design and bid phase services for the rehabilitation of 50 private laterals in an area of the development with documented private side leakages. Solicitor input will be required for right of entry agreements on to private property, along with customer outreach and notifications. The project will be advertised for bid in October with construction to commence in early 2026. Staff Responsibility: Chuck Volk

PART 3 – Open Project List – No Updates

Project Category	Project Title	Division / Funding	Project Phase	Staff Responsibility
Finance & Administration	LCA Munis ERP System Planning & Re-Implementation	All Divisions	Planning Phase	Chris Moughan & Brooke Neve
Finance & Administration	Project Management / Construction Management Software Installation & Setup	All Divisions	Planning Phase	Jason Peters
Finance & Administration	Capital Program Management Services	All Divisions	Planning Phase	Chuck Volk
Finance & Administration	LCA Building Optimization Study & Master Plan	All Divisions	Planning Phase	Stephen Boone
Finance & Administration	LCA Strategic Plan - Progress Reporting	All Divisions	n/a	Liesel Gross
Finance & Administration	Allentown Water & Sewer Lease Bonds: Bondholder Consent	Allentown Division	n/a	Ed Klein
System Operations	Suburban Water & Wastewater Facilities - SCADA System Upgrade	Suburban Division	Construction Phase	Chris Moughan
System Operations	Watershed Monitoring Program	Suburban Division	Planning Phase	Andrew Moore
Water - Suburban	2025 Water Meter Replacements	Suburban Division	Construction Phase	Amy Kunkel
Water - Suburban	North Whitehall Division - Second Water System Interconnection	Suburban Division	Design Phase	Amy Kunkel
Water - Suburban	Suburban Division Lead Service Line Inventory Program & Compliance Planning	Suburban Division	Planning Phase	Albert Capuzzi
Water - Suburban	Central Lehigh and North Whitehall Systems – Water Supply Study	Suburban Division	Planning Phase	Phil DePoe
Water - Suburban	Upper System Pump Station and Main Extension	Suburban Division	On Hold	Amy Kunkel
Water - Suburban	Water Main Replacement Program Cycle 8	Suburban Division	Design Phase	Jason Peters
Water - Suburban	Buss Acres Water System Interconnection & PFAS Remediation	Suburban Division	Design Phase	Amy Kunkel

Project Category	Project Title	Division / Funding	Project Phase	Staff Responsibility
Water - Allentown	Water Filtration Plant: Redundant Raw Water Line	Allentown Division	Design Phase	Amy Rohrbach
Water - Allentown	30" & 36" East Side Transmission Main Repair Project	Allentown Division	Construction Phase	Jason Peters
Water - Allentown	Lehigh River Pump Station Upgrades	Allentown Division	Design Phase	Amy Rohrbach
Water - Allentown	Allentown Division Lead Service Line Inventory Program & Compliance Planning	Allentown Division	Planning Phase	Reni Keane-Dengel
Water - Allentown	Badger Meter Replacements	Allentown Division	Construction Phase	Amy Kunkel
Water - Allentown	Lead Service Line Replacement Project Cycle 2	Allentown Division	Design Phase	Reni Keane-Dengel
Water - Allentown	Water Filtration Plant: Fluoride System Upgrades	Allentown Division	Design Phase	Amy Rohrbach
Water - Allentown	Water Filtration Plant: Emergency Power Design	Allentown Division	Design Phase	Amy Rohrbach
Water - Allentown	Water Main Replacement Program Cycles 9 - 11	Allentown Division	Design Phase	Jason Peters
Water - Allentown	Water Filtration Plant: Filter Upgrade Project	Allentown Division	Construction Phase	Amy Rohrbach
Water - Allentown	Lead Service Line Replacement Project Cycle 1	Allentown Division	Construction Phase	Reni Keane-Dengel
Water - Allentown	Large Diameter Valve Rehabilitation & Replacement Program	Allentown Division	Construction Phase	Chuck Volk
Sewer - Act 537	Sanitary Sewer Collection System: City of Allentown Manhole Rehabilitation	Allentown Division	Construction Phase	Jason Peters
Sewer - Act 537	Sanitary Sewer Collection System: City of Allentown Manhole Inspections	Allentown Division	Planning Phase	Phil DePoe
Sewer - Act 537	KISS System Modeling - Sewage Billing Meter QA/QC Data Analytics and 2021 Flow Metering Preparation	City of Allentown (AO)	Planning Phase	Phil DePoe
Sewer - Act 537	KISS Act 537 Planning - Financial & Institutional Evaluation, Phase 3	City of Allentown (AO)	Planning Phase	Liesel Gross

Project Category	Project Title	Division / Funding	Project Phase	Staff Responsibility
Sewer - Act 537	Legal Services: Development of New Intermunicipal Agreement(s)	City of Allentown (AO)	Planning Phase	Liesel Gross
Sewer - Act 537	KISS Relief Interceptor Pre-Design Study	Suburban Division	Planning Phase	Phil DePoe
Sewer - Act 537	Regional Sewer Capacity & Wet-Weather Planning: Engineering & Program Support	Suburban Division	Planning Phase	Phil DePoe
Sewer - Act 537	Western Lehigh Interceptor Municipalities Test & Seal Lateral Grouting Project, Year 2 (2025)	Suburban Division	Construction Phase	Jason Peters
Sewer - Act 537	Western Lehigh Service Area - Engineering & Program Support	Suburban Division	Planning Phase	Phil DePoe
Sewer - Act 537	Upper Western Lehigh Pump Station & Force Main	Suburban Division	Construction Phase	Amy Kunkel
Sewer - Act 537	Western Lehigh Interceptor Municipalities Test & Seal Lateral Grouting Project	Suburban Division	Construction Phase	Jason Peters
Sewer - Suburban	Industrial Pretreatment Plant Master Plan	Suburban Division	Planning Phase	Liesel Gross & Albert Capuzzi
Sewer - Suburban	Pretreatment Plant - Critical Upgrades	Suburban Division	Construction Phase	Chuck Volk
Sewer - Suburban	Park Pump Station Phase 2 Upgrade	Suburban Division	Project Closeout	Amy Kunkel
Sewer - Suburban	North Whitehall Township Act 537 Plan	Suburban Division	Planning Phase	Phil DePoe
Sewer - Suburban	Arcadia WWTP Screening System Project	Suburban Division	Construction Phase	Anton Siekmann
Sewer - Suburban	LCA Meter Stations 1 and 2 Upgrades	Suburban Division	Construction Phase	Chuck Volk
Sewer - Suburban	Wynnewood Terrace WWTP Expansion - Developer Cost-Sharing Agreement	Suburban Division	Design Phase	Chuck Volk
Sewer - Suburban	Lynn Township WWTP Final Clarifier Project	Suburban Division	Project Closeout	Chuck Volk
Sewer - Suburban	Spring Creek Pump Station Upgrades	Suburban Division	Project Closeout	Amy Kunkel

Project Category	Project Title	Division / Funding	Project Phase	Staff Responsibility
Sewer - Suburban	Pretreatment Plant (PTP) Electrical Study	Suburban Division	Planning Phase	Chuck Volk
Sewer - Suburban	Lynn Township Corrective Action Plan	Suburban Division	Planning Phase	Jason Peters
Sewer - Allentown	Kline's Island WWTP - Plastic Media Trickling Filter Rehabilitation	Allentown Division	Construction Phase	Amy Rohrbach
Sewer - Allentown	Kline's Island WWTP: Substation No. 1 and Switchgear Replacement	Allentown Division	Construction Phase	Amy Rohrbach
Sewer - Allentown	Kline's Island WWTP - Wet Weather Improvements - Phase 1	Allentown Division	Design Phase	Amy Rohrbach
Sewer - Allentown	Kline's Island WWTP: Chemically Enhanced Primary Treatment Study	Allentown Division	Planning Phase	Stephen Boone
Sewer - Allentown	Allentown Division I&I Program – Programmatic Support, Trout Creek & Eastside Basins	Allentown Division	Planning Phase	Stephen Boone
Sewer - Allentown	Kline's Island WWTP: 2025 Architectural and Structural Upgrades	Allentown Division	Construction Phase	Anton Siekmann
Sewer - Allentown	Kline's Island WWTP - Final Settling Tanks 1-4 Upgrades	Allentown Division	Construction Phase	Amy Rohrbach
Sewer - Allentown	Sanitary Sewer Collection System: I&I Source Reduction Program (LCA Year 1)	Allentown Division	Construction Phase	Jason Peters