

A high-speed photograph of water splashing from a chrome faucet, creating a dynamic, energetic scene with many water droplets in the air. The background is a gradient of light blue.

ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2024



Lehigh County Authority

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEARS ENDED**  
**DECEMBER 31, 2024 AND 2023**  
**LEHIGH COUNTY AUTHORITY**  
**ALLENTOWN, PENNSYLVANIA**

**PREPARED BY:**

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**CHIEF FINANCIAL OFFICER**

**TODD A. MARION**  
**CONTROLLER**

**LINDA M. EBERHARDT**  
**ACCOUNTING SUPERVISOR**

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
For the Years Ended December 31, 2024 and 2023**

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**LEHIGH COUNTY AUTHORITY  
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**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

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# **INTRODUCTORY SECTION**



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610-398-2503 \* email: [service@lehighcountyauthority.org](mailto:service@lehighcountyauthority.org)  
[www.lehighcountyauthority.org](http://www.lehighcountyauthority.org)

June 30, 2025

Lehigh County Authority Customers  
Chairman and Members  
Lehigh County Authority  
Allentown, PA 18106

It is our pleasure to present the 2024 Lehigh County Authority (“LCA” or “Authority”) Annual Comprehensive Financial Report which includes the results of 2024 operations and activities.

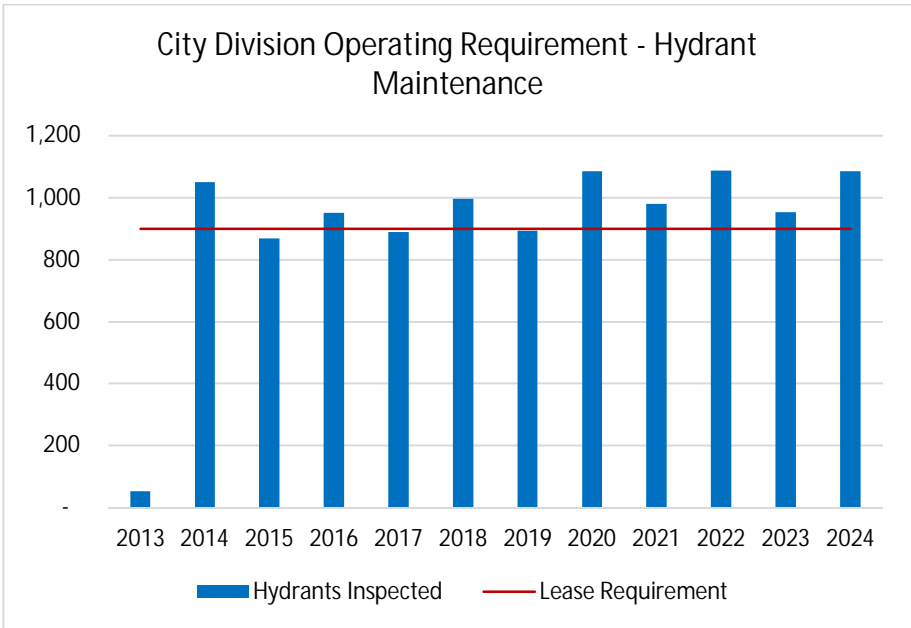
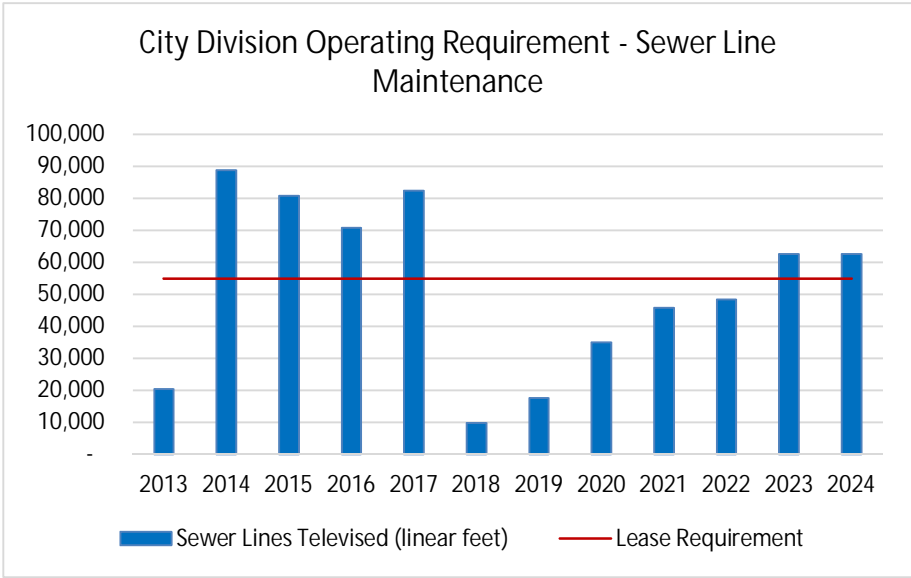
Results from 2024 reflect the eleventh full year of operation of the City of Allentown water and wastewater systems (City Systems) under a 50-year Concession Lease (Concession) which commenced on August 8, 2013. Concession activities for the year include a number of significant items:

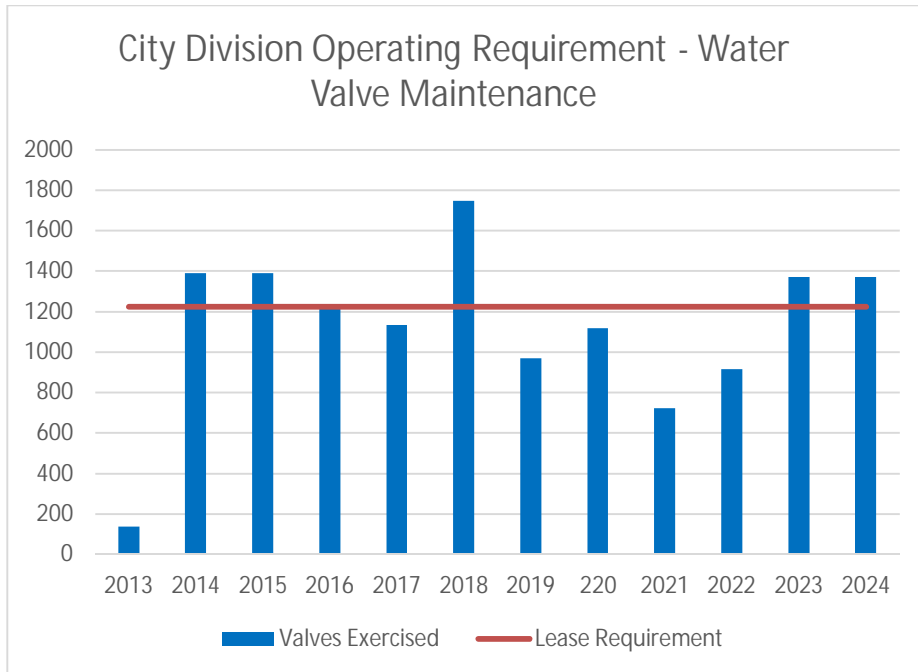
- The 2024 bond coverage was 243%, exceeding the 120% requirement under the 2013 Concession Bond Financing.<sup>1</sup>
- LCA made capital improvements of \$18,735,538 to the City System. Water system improvements amounted to \$9,518,875 and Wastewater projects totaled \$9,216,663.
- The Authority's performance on selected operating standards is displayed in the graphs below.

(Note that the performance levels shown on these graphs indicate actual tasks completed within the calendar year. Full compliance with the Concession operating standards has been met through a combination of both current-year and prior-year activity totals, which accumulate to achieve compliance.)

---

<sup>1</sup> While the statement of Revenues, Expenses and Changes in Net Position indicates Interest Expense of \$22,621,589, non-cash transactions to interest expense worth \$9,155,667 and amortized bond discount/premium of \$6,069 were both excluded from the calculation of 2024 interest expense for bond coverage calculation purposes. The 2024 interest expense used for bond coverage calculation was \$13,459,853.





In the Suburban Division, capital improvements totaled \$17,437,200 with \$8,367,585 expended on the water system and \$9,069,615 on the wastewater system.

In late 2021, the Authority's Board of Directors adopted a new Strategic Plan for the time period of 2022 through 2027. As a result of this planning effort, strategic focus areas were established, and the following critical items achieved in 2024:

Regional Act 537 Plan – A first-of-its-kind regional sewage facilities plan (Act 537 Plan) has been under development since 2019 for the Kline's Island Sewer System (KISS). In 2024, the technical components of the plan were finalized, focusing on ensuring sewer capacity is available for future generations. Notably, the 15 KISS municipalities increased their level of collaboration and engagement in 2024 to develop a framework for future intermunicipal agreements and cost-sharing methods. A public engagement strategy and stakeholder outreach effort was also completed to ensure broader awareness and understanding of the KISS plan, which is scheduled for approval and submission to the Pa. Department of Environmental Protection in 2025.

Asset Management – After completing a strategic asset management plan in 2023, the next phase of this program focuses on developing data structures and procedures to properly document asset risk across LCA's service areas. In 2024, an internal staff team underwent training on asset management principles and standard methods to evaluate risk, and began evaluating LCA's most critical facilities for likelihood of failure and consequence of failure. By standardizing LCA's asset management approach, capital investments can be prioritized more accurately and drive the organization's data-driven decision-making approach forward.

Regulatory Compliance – Like many utilities across the nation, LCA has been working diligently to develop plans to address new regulatory requirements for lead in drinking water

as well as perfluoroalkyl and polyfluoroalkyl substances (PFAS). New federal regulations require significant investments in treatment systems for PFAS and lead pipe replacement programs. Throughout 2024, LCA advanced its plans to meet these new requirements, and active projects have been developed to ensure the public's health is protected and all regulatory deadlines are met.

Workforce Initiatives – A new internship program was designed in 2024 to provide college students with an interactive, fun, and informative experience while gaining insight into the many career possibilities in the field of water. In addition, LCA's employee health and safety program has grown with the addition of new staff in this area along with increasing attention being paid to safety metrics, incident reporting, and root cause analysis.

These highlights are provided to illustrate the Authority's continued focus on developing long-term strategies to serve the region's needs and develop a strong mission-focused organization. For more on 2024 results, additional information is included in Management's Discussion and Analysis on pages 16-29 of the Report.

Responsibility for the accuracy, completeness and fairness of the report, including all disclosures, rests with the Authority. We believe that this report, which was prepared by the administrative staff, is accurate in all material aspects, is presented in a manner designed to fairly present the financial position and results of operation as measured by the Authority's financial activity, and includes all disclosures necessary to enable the reader to gain an understanding of the Authority's financial activity.

Overview of Annual Financial Report: Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the basic audited financial statements and supplementary information. The MD&A represents management's examination and analysis of the Authority's financial condition and performance during the last three years. Summary financial statement data, key financial and operational indicators included in the Authority's Strategic Plan, benchmark program, budget, bond documents and other management tools were used for the analysis.

Accounting System and Internal Control: The Authority's accounting system is maintained on an accrual basis of accounting in accordance with United States generally accepted accounting principles. In developing the Authority's accounting system, consideration was given to the adequacy of internal accounting controls. These controls are designed to provide reasonable, but not absolute, assurance regarding: (1) safeguarding assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be delivered; and, (2) the evaluation of costs and benefits require estimates and judgments by management. We believe the Authority's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Independent Audit: The Pennsylvania Municipality Authorities Act requires an annual audit of the books of account, financial records and transactions of the Authority by an independent certified public accountant selected by the Authority. In addition, various financing documents require such an audit. The auditors' opinion for the 2024 audit has been included in this report.

## GOVERNMENT PROFILE

LCA was incorporated in 1966 by the Lehigh County Commissioners and thereafter was directed to plan and construct a water system and a wastewater interceptor system in Western Lehigh County. The systems were needed to serve proposed industrial and commercial developments and serve new residences driven by the growing population of the area. Thereafter, acquiring existing systems and developer extensions were the prime vehicles for LCA's expansion in Western Lehigh County. LCA also expanded into other areas of Lehigh and Northampton counties by acquiring satellite water and wastewater systems and wherever possible integrating them with other LCA systems.

As mentioned previously, in 2013, a major step towards regionalization of Lehigh County water and wastewater systems was accomplished through the Concession for the City Systems, which created a regional service approach for many communities in Lehigh County.

LCA currently provides two types of services to communities in the City Division. Through the Water Plant and Distribution System (the City Water System) LCA serves 48,414 residential and business units in the City of Allentown and supplies water under Municipal Services Agreements to Lehigh County Municipalities of South Whitehall, Hanover, Salisbury, Whitehall, and to the LCA service area adjacent to the City of Allentown (the Suburban Division) under various water supply agreements. Through the Sewer Utility System (the City Sewer System) LCA provides sewage collection, treatment and disposal services to 48,373 residential and business units in the City of Allentown and to the Lehigh County Municipalities of Emmaus, Hanover, Salisbury, Lower Macungie and South Whitehall, the Coplay-Whitehall Sewer Authority, and to the LCA Suburban Division under several inter-municipal agreements.

LCA currently provides four types of service to communities in the Suburban Division. Through the Western Lehigh Interceptor System, LCA provides sewage transportation service to the Townships of Lower Macungie, Upper Macungie, Upper Milford, Weisenberg and the Boroughs of Alburtis, Emmaus and Macungie. LCA also owns and operates wastewater collection systems in the Upper Milford, Heidelberg, Lowhill, Lynn, North Whitehall, Weisenberg and Washington Townships serving a total of 3,146 customers. The Authority provides sewage transportation service to Salisbury and South Whitehall Townships along with the other users of the Western Lehigh Interceptor System. As of December 31, 2024, the Suburban Water System serves 24,710 residential and business units in the Lehigh County Townships of Upper Macungie, Lower Macungie, North Whitehall, Washington, Weisenberg, South Whitehall, Heidelberg, Lower Milford, Lowhill, Lynn, Salisbury and Upper Milford, and Moore Township in Northampton County.

In aggregate, LCA serves a population of more than 200,000 with water, wastewater, or both services throughout its service areas.

Budgetary Control: LCA annually adopts operating and capital budgets based on an assumed level of water and wastewater system operation. Monthly reports are prepared to monitor each budget.

The Chief Executive Officer is authorized to transfer budgeted amounts between line items within any budget; however, any revisions that alter the total expenses or revenue of any budget must be approved by the Authority Board. The level of control (level at which expenses may not exceed budget) is the individual budget within each fund. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles.

## ECONOMIC CONDITIONS

The Lehigh Valley saw favorable economic conditions in 2024, with the unemployment rate increasing from 3.2% as of year-end 2023 to 3.4% as of year-end 2024 in Lehigh County. The 2024 year-end unemployment rate of 3.4% is lower than the State rate of 3.6% and is lower than the National rate of 4.1%. Over the years, the Lehigh Valley has built a diversified residential and industrial base, which has mitigated the economic volatility experienced in other larger east coast cities. The City of Allentown has experienced significant redevelopment over the past 10 years with projects like the PPL Arena, the NIZ Development Zone, Waterfront Development and other construction.

This increased usage of both water and wastewater services by the Suburban Division's industrial customer base has allowed rates to remain among the lowest in the Commonwealth, although a water rate increase of approximately 3.9% was implemented in 2024 to address near-term capital improvement needs in the system, and additional increases are expected in the years ahead to ensure revenues are sufficient to keep pace with increased capital improvement and regulatory requirements. Under the Concession, rates to City residents and businesses rose in 2024 reflecting the change in the Consumer Price Index in 2024 plus Capital Cost Recovery Charges to recover the cost of Major Capital Improvements (>\$1,000,000) completed in 2023 or initiated in 2024. The total increase in water and sewer charges to the average residential customer in the Authority's Allentown Division in 2024 was 11.6%.

## AWARDS AND ACKNOWLEDGEMENTS

- LCA was recognized by the Government Finance Officers Association of The United States and Canada with a Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report for the year ended December 31, 2023. The Certificate of Achievement is a prestigious national award, recognizing conformance with highest standards for preparation of state and local government financial reports.
- The City Water Filtration Plant was awarded the Area Wide Optimization Award and Directors Award from the Association of State Drinking Water Administrators and the American Water Works Association, respectively, (for the seventeenth consecutive year). This award recognizes the staff's outstanding efforts towards optimizing filter plant performance.

Acknowledgements: We recognize and thank LCA employees and the Board for their focus and dedication which underlie our 2024 accomplishments. We also thank the Board for its continued encouragement and support in planning, operating and managing the Authority's affairs in a forward looking and business-like manner.

Respectfully Submitted,

A handwritten signature in black ink that reads "Liesel M. Gross". The signature is written in a cursive, flowing style.

Liesel M. Gross  
Chief Executive Officer

A handwritten signature in black ink that reads "Edward C. Klein". The signature is written in a cursive, flowing style.

Edward C. Klein  
Chief Financial Officer



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in Financial  
Reporting

Presented to

**Lehigh County Authority  
Pennsylvania**

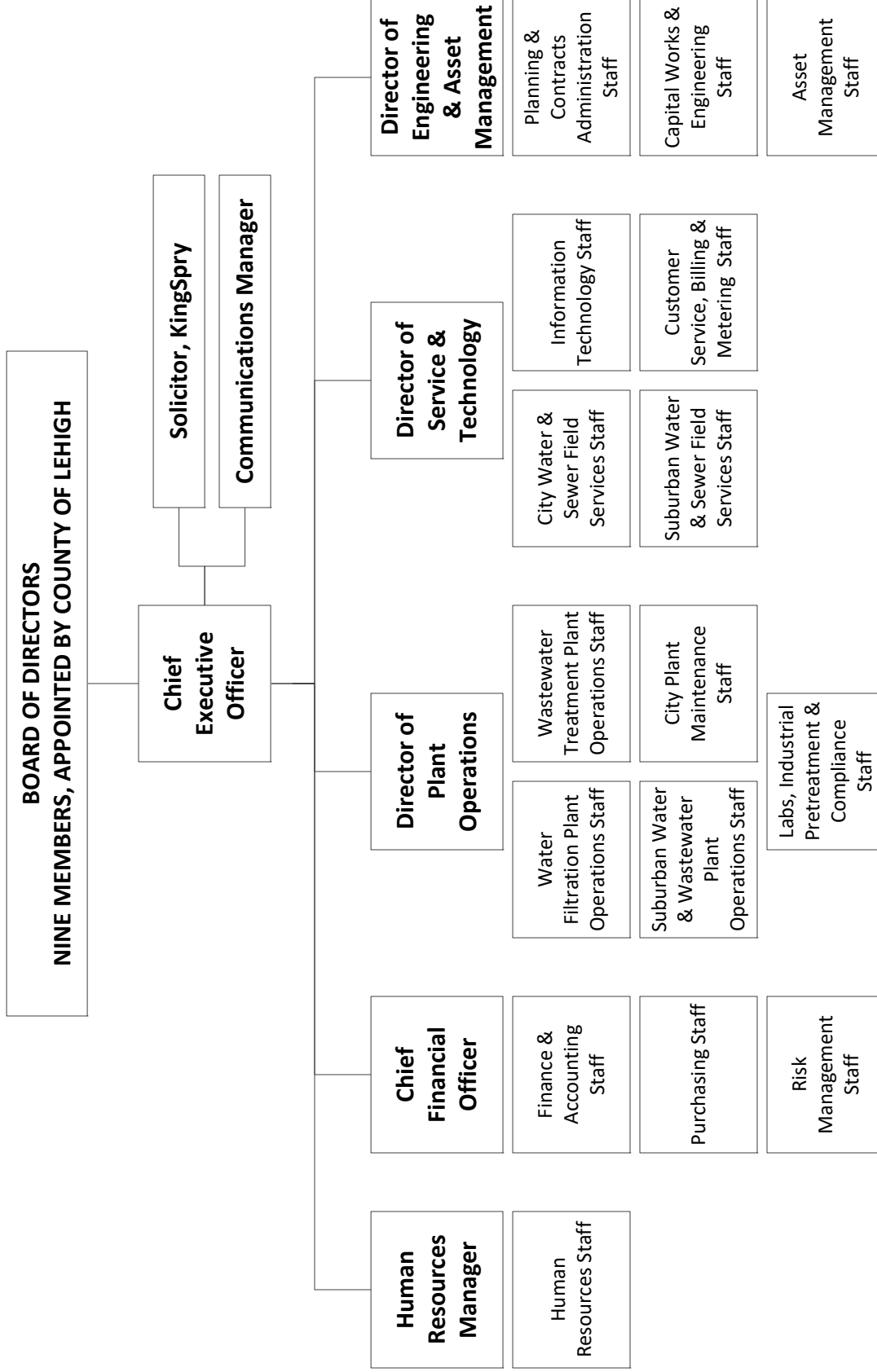
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2023

*Christopher P. Morill*

Executive Director/CEO

**Lehigh County Authority  
Organizational Chart – December 31, 2024**



**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
LIST OF PRINCIPAL OFFICIALS  
December 31, 2024**

**AUTHORITY BOARD**

Brian C. Nagle  
Chairman

Amir Famili  
Vice Chairman

Ted Lyons  
Treasurer

Kevin Baker  
Asst. Treasurer

Linda Rosenfeld  
Secretary

Norma A. Cusick  
Assistant Secretary

Jeff Morgan  
Member

Sean Ziller  
Member

Marc Grammes  
Member

**AUTHORITY STAFF**

Liesel M. Gross  
Chief Executive  
Officer

Edward C. Klein  
Chief Financial  
Officer

Christopher W. Moughan  
Director of Service &  
Technology

Andrew D. Moore  
Director of Plant  
Operations

Mark Mason  
Human Resources  
Manager

Albert J. Capuzzi  
Director of  
Engineering & Asset  
Management

Susan L. Sampson  
Communications  
Manager

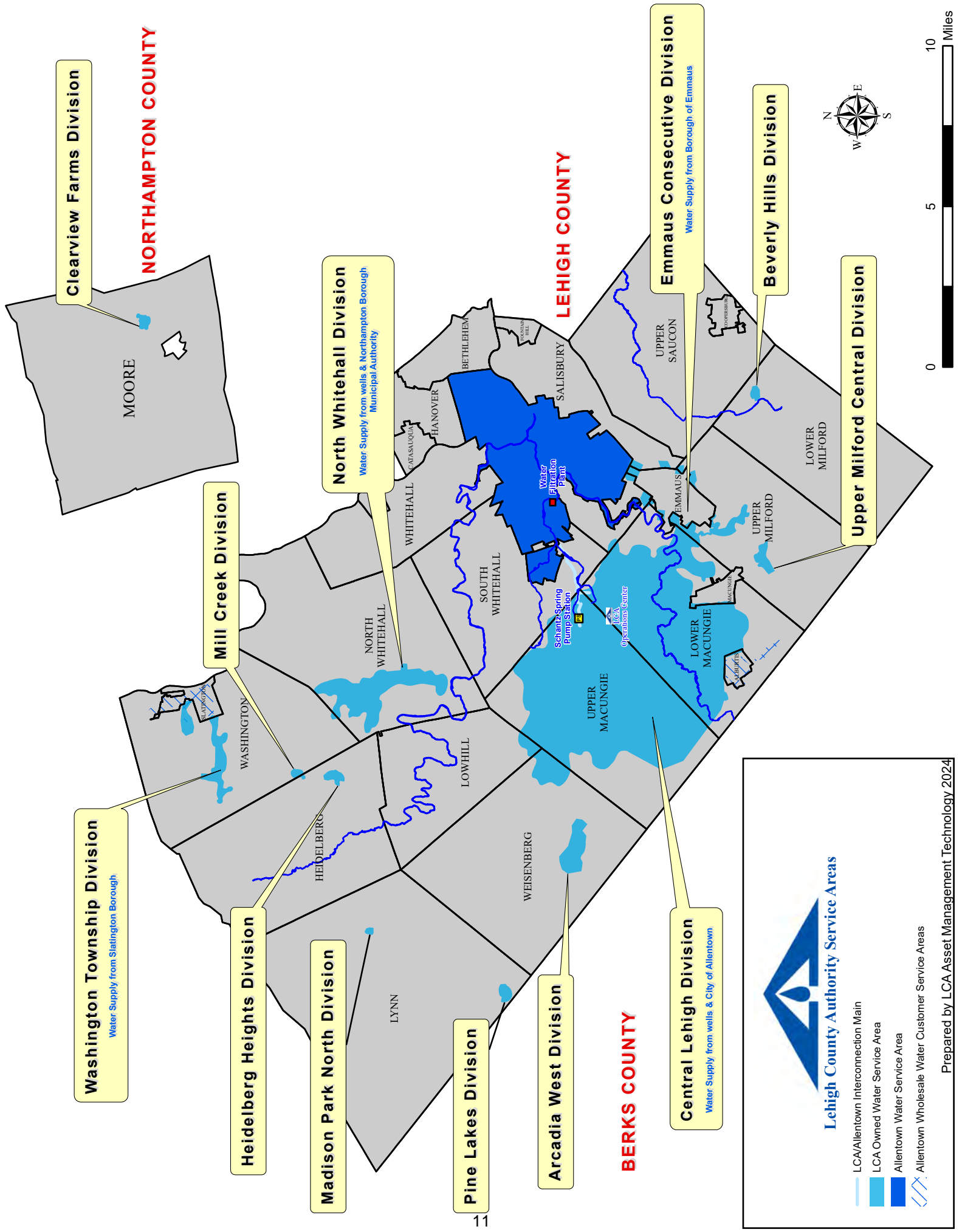
**PROFESSIONAL SERVICES**

Trustees  
Bank of New York Mellon  
M & T Bank Corporation

Auditor  
Zelenkofske Axelrod LLC

Water Consultant  
ARRO Consulting, Inc.

Wastewater Consultant  
Arcadis, U.S.



**Clearview Farms Division**

**NORTHAMPTON COUNTY**

MOORE

**Mill Creek Division**

**North Whitehall Division**  
Water Supply from wells & Northampton Borough Municipal Authority

**Arcadia West Division**

**BERKS COUNTY**

**Central Lehigh Division**  
Water Supply from wells & City of Allentown

**Emmaus Consecutive Division**  
Water Supply from Borough of Emmaus

**Beverly Hills Division**

**Upper Milford Central Division**

**Washington Township Division**  
Water Supply from Slatington Borough

**Heidelberg Heights Division**

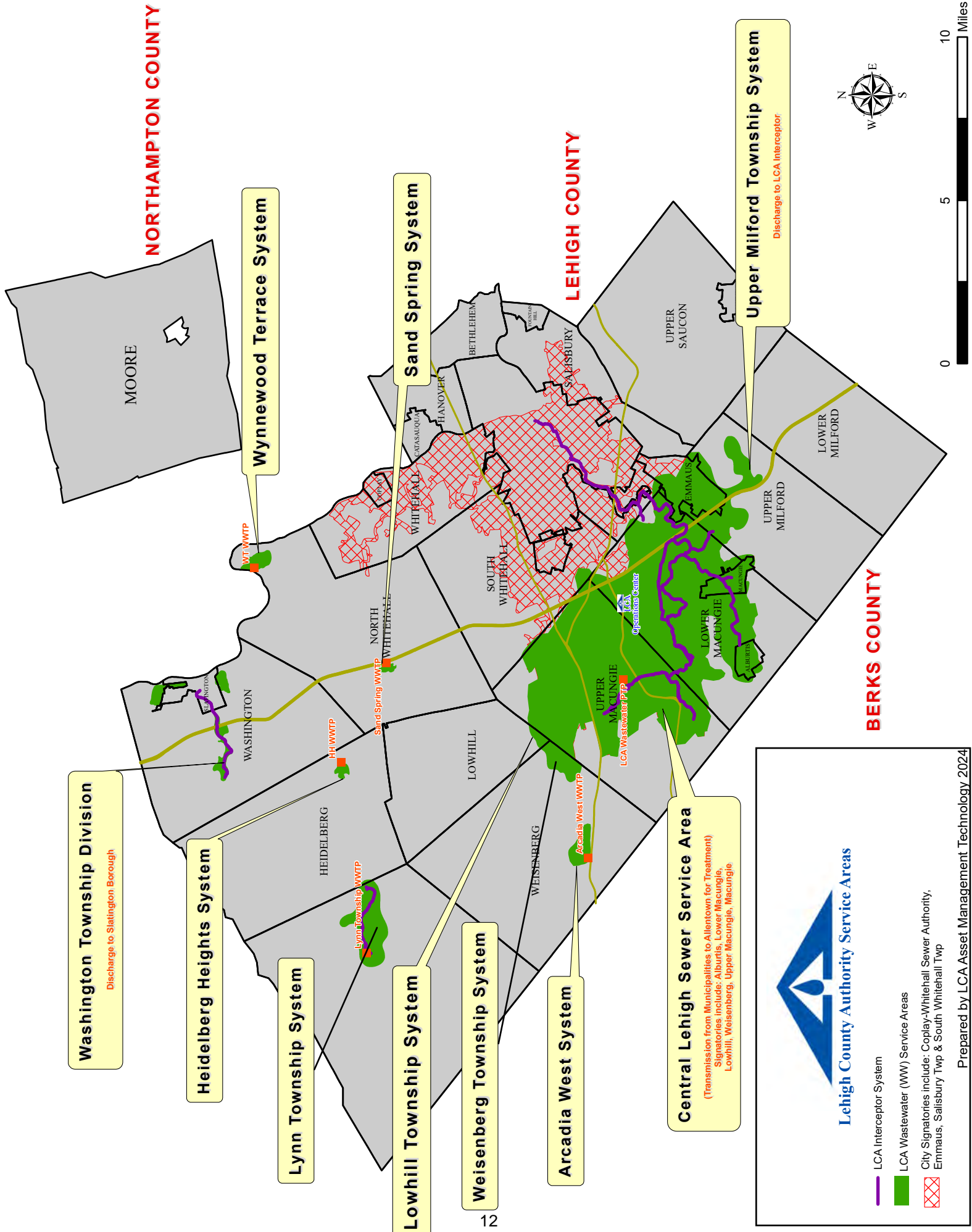
**Madison Park North Division**

**Pine Lakes Division**

**Lehigh County Authority Service Areas**

- LCA/Allentown Interconnection Main
- LCA Owned Water Service Area
- Allentown Water Service Area
- Allentown Wholesale Water Customer Service Areas







**Lehigh County Authority Service Areas**

- LCA Interceptor System
- LCA Wastewater (WW) Service Areas
- ▨ City Signatories include: Coplay-Whitehall Sewer Authority, Emmaus, Salisbury Twp & South Whitehall Twp

Prepared by LCA Asset Management Technology 2024

## **FINANCIAL SECTION**

**This section is composed of the following four parts:**

**INDEPENDENT AUDITORS' REPORT**

**MANAGEMENTS DISCUSSION AND ANALYSIS**

**FINANCIAL STATEMENTS**

**SUPPLEMENTAL SCHEDULES**

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# *Zelenkofske Axelrod LLC*

**CERTIFIED PUBLIC ACCOUNTANTS**

EXPERIENCE | EXPERTISE | ACCOUNTABILITY

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Lehigh County Authority  
Allentown, Pennsylvania

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of Lehigh County Authority, Pennsylvania, as of and for the year ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise Lehigh County Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of Lehigh County Authority, as of December 31, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lehigh Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Lehigh County Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lehigh County Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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# *Zelenkofske Axlerod LLC*

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## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Lehigh County Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lehigh County Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 16 through 29 and the schedule of changes in the net pension liability and related ratios, schedule of contributions for the pension plan, schedule of changes in net OPEB liability and related ratios – Suburban Employees, schedule of contributions – Suburban Employees OPEB Plan, schedule of investment returns – Suburban Employees OPEB Plan, and schedule of changes in total OPEB liability and related ratios – City Division, on pages 83 through 88 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



# *Zelenkofske Axlerod LLC*

**CERTIFIED PUBLIC ACCOUNTANTS**

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## ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lehigh County Authority's basic financial statements. The Other Supplementary Information and the Supplemental Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Other Supplementary Information and the Supplemental Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information and the Supplemental Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## ***Other Information Included in the Annual Comprehensive Financial Report***

Management is responsible for the other information in the annual comprehensive financial report. The other information comprises the introductory and statistical sections, but does not include the basic financial statements and our auditor's report thereon. Our opinions on basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Zelenkofske Axlerod LLC*

ZELENKOFKSKE AXELROD LLC

Harrisburg, Pennsylvania  
April 30, 2025

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## INTRODUCTION

Lehigh County Authority is pleased to present its Annual Financial Report for the year ended December 31, 2024. The Authority is a water and wastewater agency created by the County of Lehigh, Pennsylvania in 1966 under the Pennsylvania Municipality Authorities Act. Management's Discussion and Analysis (MDA) is intended to serve as an introduction to the Authority's basic financial statements.

Certain prior year amounts have been reclassified to conform with current year presentation.

Information in this MDA is presented under the following headings:

- Authority Activities and Highlights
- Overview of the Financial Statements
- Financial Analysis
- Capital Contributions
- Capital Assets & Service Concession Arrangement
- Debt Administration
- Economic Factors and Rates
- Contacting the Authority's Financial Management

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Hard Work Pays Off – Solutions Take Shape

Like most utilities across the nation, Lehigh County Authority faces significant challenges associated with aging infrastructure, increasing regulatory requirements, rapid escalation of capital investment needs, and other concerns related to workforce sustainability and rate affordability. Since 2021, with the development of the 2022-2027 Strategic Plan, the Authority has been systematically developing plans to address these needs at both a strategic and tactical level.

Notably, in 2024, several multi-year initiatives advanced from conceptual phases into robust plans that will set the course for the Authority's programs for many years to come. These achievements would not have been possible without the dedication, enthusiasm, and commitment of the Authority's staff and Board of Directors.

**Regional Act 537 Plan** – A first-of-its-kind regional sewage facilities plan (Act 537 Plan) has been under development since 2019. The Kline's Island Sewer System, which collects and treats 32 million gallons of wastewater per day from 15 municipalities in Lehigh County, needs major improvements to address system leakage and sewer overflows. Developing a plan that can be approved by 15 diverse municipalities has been a daunting challenge, one which will draw to a conclusion in 2025. Next Up – Plan approvals and projects kick off!

**Financial Software System Implementation** – Due to the changing requirements for financial reporting, and the need for increased flexibility and data access for employees and customers, a re-envisioning of the Authority's financial software system was required. In 2024, Authority staff laid the framework for a full re-implementation of the Tyler EERP system. Next Up – Go live on the new system in July 2025!

**Lead Program** – While the Authority grapples with a complex new regulatory requirement to remove all lead pipes from the water system over the next 13 years, an internal team has made great strides in defining the path forward. A pilot project was designed to help the Authority fully build out standard project details, and many new customer-facing procedures were developed in 2024 to make the program run smoothly for staff and customers alike. Next Up – Pilot project to be completed in 2025, with expanded phases planned for the future.

Workforce Initiatives – None of the Authority’s achievements in 2024 could have been possible without a strong and well-supported workforce. During the past year, several new initiatives were rolled out to develop a strong, safe and supportive workplace culture. One example is a new internship program designed to provide college students with an interactive, fun, and informative experience while gaining insight into the many career possibilities in the field of water. Next Up – Expanded safety programs and employee engagement approaches.

These are just a few examples of the Authority’s achievements in 2024, which illustrate the types of plans that are taking shape throughout the organization to address key challenges the utility will face in the future. Being prepared with well-thought-out programs will be the key to success in these endeavors.

More information about the Authority’s 2022-2027 Strategic Plan is available on the Authority’s website, or by contacting CEO Liesel Gross at [lieselgross@lehighcountyauthority.org](mailto:lieselgross@lehighcountyauthority.org). Looking ahead, the groundwork laid in 2024 will go a long way toward supporting the Authority’s mission: To protect public health and the environment by providing high-quality, safe, and reliable water and wastewater services.

### Authority Activities and Highlights

The Authority’s City Division was created on August 7, 2013, when the Authority bought the rights to lease and operate the City of Allentown’s Water and Wastewater Systems for a term of 50 years. This transaction, which was memorialized by the Allentown Water and Sewer Utility System Concession and Lease Agreement, was financed through the issuance of \$307,683,599 of bonds. In 2020, the Authority’s Concession agreement with the City was amended to achieve mutual goals related to revenue capacity and operational sustainability of the system, and \$155,915,000 of the bonds were refinanced to support the process, the positive impacts of which are described in the financial statements included in this report.

At the close of 2024, the Authority’s total assets and deferred outflows exceeded its liabilities and deferred inflows by \$186,345,836 (net position). The part of net position that can be used to meet the Authority’s on-going obligations to customers and creditors, unrestricted net position, is (\$3,806,272).

The Authority’s net position increased in 2024 by \$13,991,911, with an increase of \$2,825,046 and \$11,588,644 in the Suburban Water and City Division funds, respectively, partially offset by a decrease in the Suburban Wastewater fund of \$421,779.

Operating revenues increased from \$86,129,844 in 2023 to \$94,899,578 in 2024 due to increased Suburban Water Revenues of \$1,007,196, increased Suburban Wastewater revenues of \$1,495,155 and an increase in City Division Revenues of \$6,267,383. Operating expenses increased from \$62,170,856 in 2023 to \$65,649,378 in 2024 due to inflationary effects on employee cost, higher purchased services, and higher depreciation and amortization.

### Overview of the Financial Statements

Lehigh County Authority’s basic financial statements include statements of net position, statements of revenues, expenses and changes in net position, statements of cash flows and notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements themselves.

The Authority’s financial statements are prepared on an accrual basis following generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB).

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the Authority’s finances in a manner like private sector business.

Statement of net position: The statement of net position presents the financial position of the Authority. It presents information on the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

Statement of revenues, expenses, and changes in net position: The statement of revenues, expenses, and changes in net position presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Revenues are recognized when earned, not when they are received. Expenses are recognized when incurred, not when they are paid. Additionally, some revenues and expenses are reported in this statement for items that will result in cash flows in future fiscal periods (e.g., accrued wages).

Statement of cash flows: The statement of cash flows presents information on the effects of the changes in assets, liabilities and operations have on cash during the fiscal year.

Statement of fiduciary net position: This statement presents the financial position of the Authority's OPEB Trust Fund. It presents information on the funds, assets, and liabilities, with the difference reported as net position held in trust for employees' post-retirement benefits.

Statement of changes in fiduciary net position: The statement presents information on the contributions, changes in the fair value of investments and expenses of the Authority's Other Post Employment Benefit (OPEB) Trust Fund.

Notes to the financial statements: The notes supply additional information that is essential to a full understanding of the data provided in the Authority-wide financial statements.

Proprietary funds: The Authority maintains proprietary funds. Enterprise funds are used to report functions presented as business-type activities, accounting for its suburban water, suburban wastewater, and city division operations.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Authority's obligation to supply pension benefits and OPEB for its employees.

Financial Analysis  
 Net Position (City Division):

A summary of the Authority's City Division Statements of Net Position on December 31 is presented as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Current Assets, Unrestricted	\$ 38,443,588	\$ 30,780,618	\$ 28,009,615
Non-current Assets:			
Restricted	126,527,734	70,658,305	61,306,220
Capital Assets, Net	3,199,743	2,734,094	1,987,204
Other Assets, Net	<u>258,436,566</u>	<u>251,868,154</u>	<u>255,809,350</u>
Total Assets	426,607,631	356,041,171	347,112,389
Deferred Outflows of Resources	<u>30,200,067</u>	<u>28,649,107</u>	<u>28,003,303</u>
Total Assets & Deferred Outflows	\$ 456,807,698	\$ 384,690,278	\$ 375,115,692
Current Liabilities	\$ 10,891,056	\$ 7,982,927	\$ 8,045,281
Non-current Liabilities	<u>478,847,541</u>	<u>420,944,770</u>	<u>415,749,905</u>
Total Liabilities	489,738,597	428,927,697	423,795,186
Deferred Inflows of Resources	<u>1,197,622</u>	<u>1,479,746</u>	<u>4,812,034</u>
Total Liabilities & Deferred Inflows	\$ 490,936,219	\$ 430,407,443	\$ 428,607,220
Net Position:			
Net Investment in Capital Assets	\$ 2,631,816	\$ 1,921,159	\$ 1,367,914
Restricted	-	-	3,288,666
Unrestricted	<u>(36,760,337)</u>	<u>(47,638,324)</u>	<u>(58,148,108)</u>
Total Net Position	<u>\$ (34,128,521)</u>	<u>\$ (45,717,165)</u>	<u>\$ (53,491,528)</u>

As expected for a water/sewer authority, the largest part of the City Division's assets are Capital Assets and Other Assets (71.5%). These categories reflect the Authority's total investment in the leased Concession assets and the purchased rolling stock and other fleet of vehicles, less any depreciation and amortization.

- Current and noncurrent assets other than capital assets and other assets in 2024 increased \$7,662,970, or 24.9%. This increase was primarily due to an increase in unrestricted cash, restricted cash, and receivables.
- Capital assets, net and other assets, net in 2024 increased by \$7,034,061. The increase was a result of capital replacement along with an increase in the intangible service concession receivable and an increase in other assets.
- Current liabilities in 2024 increased by \$2,908,129 from 2023. This increase is primarily due to an increase in trade payables and an increase in payables related to capital projects.
- Noncurrent liabilities in 2023 increased by \$57,902,771 from 2022. The increase was primarily a result of the additional borrowing during the year.
- Current and noncurrent assets other than capital assets and other assets in 2023 increased \$12,123,088, or 13.6%. This increase was primarily due to an increase in unrestricted cash, restricted cash, and trade receivables.
- Capital assets, net and other assets, net in 2023 decreased by \$3,194,306. The decrease was a result of the previous net pension asset becoming a net pension liability in 2023.
- Current liabilities in 2023 decreased by \$62,354 from 2022. This decrease was primarily due to a reduction in trade payables partially offset by an increase the current portion of revenue bonds and notes payable.
- Noncurrent liabilities in 2023 increased by \$5,194,865 from 2022. The increase was primarily a result of the previous net pension asset becoming a net pension liability in 2023 along with additional note borrowings.

Net Position (Suburban Water Fund):

A three-year condensed summary of the Authority's Suburban Water Fund Statements of Net Position as of December 31 of each year is presented as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Current Assets, Unrestricted	\$ 17,556,434	\$ 17,102,380	\$ 13,417,932
Non-current Asset:			
Restricted	1,919,020	2,126,600	1,875,456
Capital Assets, Net	143,583,451	138,375,589	131,525,866
Other Assets, Net	<u>2,251,398</u>	<u>1,822,066</u>	<u>2,282,894</u>
Total Assets	165,310,303	159,426,635	149,102,148
Deferred Outflows	<u>759,065</u>	<u>1,215,330</u>	<u>969,294</u>
Total Assets & Deferred Outflows	<u>\$ 166,069,368</u>	<u>\$ 160,641,965</u>	<u>\$ 150,071,442</u>
Current Liabilities	\$ 4,136,358	\$ 3,953,091	\$ 5,894,716
Non-current Liabilities	<u>39,790,228</u>	<u>37,598,729</u>	<u>32,251,632</u>
Total Liabilities	43,926,586	41,551,820	38,146,348
Deferred Inflows	<u>227,591</u>	-	<u>1,101,898</u>
Total Liabilities & Deferred Inflows	<u>\$ 44,154,177</u>	<u>\$ 41,551,820</u>	<u>\$ 39,248,246</u>
Net Position:			
Net Investment in Capital Assets	\$ 101,983,700	\$ 99,479,344	\$ 97,314,000
Restricted	3,823,717	3,359,476	3,629,406
Unrestricted	<u>16,107,774</u>	<u>16,251,325</u>	<u>9,879,790</u>
Total Net Position	<u>\$ 121,915,191</u>	<u>\$ 119,090,145</u>	<u>\$ 110,823,196</u>

Again, as expected for a water/sewer authority, the largest part of the Suburban Water Fund's total assets & deferred outflows are Capital Assets and Other Assets (87.8%). These categories reflect the Authority's total investment in the capital and other assets (e.g., infrastructure, buildings, machinery, and equipment), less any depreciation and amortization.

- Current and noncurrent assets other than capital assets and other assets in 2024 increased by \$454,054, or 2.7%. This increase was primarily due to an increase in unrestricted cash balances and an increase in trade receivables.
- Capital assets, net and other assets, net in 2024 increased \$5,637,194 or 4.0%. This was primarily due to capital spending on projects.
- Current liabilities in 2024 increased \$183,267 or 4.6% from 2023. This increase was primarily due to a increase in trade payables.
- Noncurrent liabilities in 2024 increased \$2,191,499 or 5.8% from 2023, due to the Authority issuing a note to fund capital projects.
- Current and noncurrent assets other than capital assets and other assets in 2023 increased by \$3,684,448, or 27.5%. This increase was primarily due to an increase in unrestricted cash balances and an increase in trade receivables.
- Capital assets, net and other assets, net in 2023 increased \$6,388,895 or 4.8%. This was primarily due to capital spending on projects.
- Current liabilities in 2023 decreased \$1,941,625 or 32.9% from 2022. This decrease was primarily due to a decrease in trade payables.
- Noncurrent liabilities in 2023 increased \$5,347,097 or 6.3% from 2022, as a result of the Authority issuing a note to fund capital projects.

Net Position (Suburban Wastewater Fund):

A three-year condensed summary of the Authority's Suburban Wastewater Fund Statements of Net Position as of December 31 of each year is presented as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Current Assets, Unrestricted	\$ 18,208,508	\$ 21,028,699	\$ 18,904,361
Non-current Asset:			
Restricted	356,002	398,063	338,677
Capital Assets, Net	86,621,983	81,730,215	82,277,489
Other Assets, Net	<u>1,742,126</u>	<u>4,021,307</u>	<u>6,200,367</u>
Total Assets	106,928,619	107,178,284	107,720,894
Deferred Outflows	<u>382,108</u>	<u>521,755</u>	<u>269,644</u>
Total Assets & Deferred Outflows	<u>\$ 107,310,727</u>	<u>\$ 107,700,039</u>	<u>\$ 107,990,538</u>
Current Liabilities	\$ 4,359,349	\$ 3,592,298	\$ 2,495,932
Non-current Liabilities	<u>4,392,212</u>	<u>5,126,796</u>	<u>5,420,433</u>
Total Liabilities	8,751,561	8,719,094	7,916,365
Deferred Inflows	-	-	537,212
Total Liabilities & Deferred Inflows	<u>\$ 8,751,561</u>	<u>\$ 8,719,094</u>	<u>\$ 8,453,577</u>
Net Position:			
Net Investment in Capital Assets	\$ 81,712,875	\$ 76,243,924	\$ 76,055,630
Restricted	-	-	445,851
Unrestricted	<u>16,846,291</u>	<u>22,737,021</u>	<u>23,035,480</u>
Total Net Position	<u>\$ 98,559,166</u>	<u>\$ 98,980,945</u>	<u>\$ 99,536,961</u>

Again, as expected for a water/sewer authority, the largest part of the Suburban Division's total assets & deferred outflows are Capital Assets and Other Assets (82.3%). These categories reflect the Authority's total investment in the capital and other assets (e.g., infrastructure, buildings, machinery, and equipment), less any depreciation and amortization.

- Current and noncurrent assets other than capital assets and other assets in 2024 decreased \$2,820,191, or 13.4%. This decrease was primarily due to a decrease in unrestricted cash balances.
- Capital assets, net and other assets, net in 2024 increased \$2,612,587 or 3.1%. This was due to capital spending on projects.
- Current liabilities in 2024 increased \$767,051 or 21.4% from 2023. This increase was primarily due to increased trade payables and an increase in payables related to capital projects.
- Noncurrent liabilities in 2024 decreased \$734,584 or 14.3% from 2023, due to a reduction in the net pension liability.
- Current and noncurrent assets other than capital assets and other assets in 2023 increased \$2,183,724, or 11.3%. This increase was primarily due to an increase in unrestricted cash balances and trade receivables, partially offset by a decrease in unrestricted investments.
- Capital assets, net and other assets, net in 2023 decreased \$2,726,334 or 3.1%. This was due to capital spending on projects being outpaced by higher depreciation as well as a decrease in the net pension asset and facilities planning costs.
- Current liabilities in 2023 increased \$1,096,366 or 43.9% from 2022. This increase was primarily due to increased trade payables.
- Noncurrent liabilities in 2023 decreased \$293,637 or 5.4% from 2022, due to a reduction in debt balances from principal payments and an increase in the net pension liability.

Changes in Net Position (City Division):

A summary of the Authority's City Division Statement of Revenue, Expenses and Changes in Net Position for the years ended December 31 is presented as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating Revenues:			
User Charges	\$ 57,626,711	\$ 51,449,526	\$ 46,293,205
Other Income & Rent	505,304	415,106	464,040
Total Operating Revenues	<u>58,132,015</u>	<u>51,864,632</u>	<u>46,757,245</u>
Operating Expenses:			
Salaries, Benefits & Administrative	13,389,650	13,616,627	11,922,755
Utilities, Supplies & Services	7,456,497	7,378,345	5,837,862
Treatment & Transportation	11,933	11,307	11,594
Depreciation & Amortization	7,116,269	6,755,624	6,492,067
Total Operating Expenses	<u>27,974,349</u>	<u>27,761,903</u>	<u>24,264,278</u>
Operating Income	<u>30,157,666</u>	<u>24,102,729</u>	<u>22,492,967</u>
Non-Operating Revenues (Expenses):			
Tapping & Capital Recovery Fees	2,437,471	3,027,960	2,491,962
Meter Sales	58,466	54,211	36,231
Inspection, Plan Reviews & Project Reimbursements	3,984,943	2,405,574	5,806,628
Interest Earnings	5,742,204	3,458,984	914,681
Other Income	254,620	480,370	214,812
Interest Expense	(22,621,589)	(19,973,362)	(19,703,642)
Other Expense	(8,425,137)	(5,782,103)	(5,708,208)
Total Net Non-Operating Revenues (Expenses)	<u>(18,569,022)</u>	<u>(16,328,366)</u>	<u>(15,947,536)</u>
Increase (Decrease) in Net Position	<u>11,588,644</u>	<u>7,774,363</u>	<u>6,545,431</u>
Beginning Net Position	<u>(45,717,165)</u>	<u>(53,491,528)</u>	<u>(60,036,959)</u>
Ending Net Position	<u>\$ (34,128,521)</u>	<u>\$ (45,717,165)</u>	<u>\$ (53,491,528)</u>

Year over year changes are as follows:

- Operating Revenue for 2024 for the City Division was \$58,132,015, compared to \$51,864,632 in 2023 with most of the increase attributable to a rate increase and higher Signatory Revenues.
- Operating Expenses, net of depreciation and amortization were \$20,858,080 in 2024 compared to \$21,006,279 in 2023, a decrease of \$148,199. The decrease is due lower costs for employees and lower discretionary spending.
- Operating Income, net of depreciation and amortization was \$37,273,935 in 2024 compared to \$30,858,353 in 2023, an increase of \$6,515,582 driven mostly by the increased operating revenues aided by a slight reduction in operating expenses, net of depreciation & amortization.
- Operating Revenue for 2023 for the City Division was \$51,864,632, compared to \$46,757,245 in 2022 with most of the increase attributable to a rate increase and higher Signatory Revenues.
- Operating Expenses, net of depreciation and amortization were \$21,006,279 in 2023 compared to \$17,772,211 in 2022, an increase of \$3,234,068. The increase is due to higher employee costs, higher costs for materials and supplies, and higher costs for services.
- Operating Income, net of depreciation and amortization was \$30,858,353 in 2023 compared to \$28,985,034 in 2022, an increase of \$1,873,319 driven mostly by the increased operating revenues with a partial offset from higher operating expenses.

It should be noted that interest expense of \$22,621,589 in 2024 is comprised of actual interest paid (\$13,459,853), accretion (\$4,177,461), amortization of the SCA Payable (\$3,310,133), change in accrued interest payable (\$534,354), amortization of bond discount (\$91,415), amortization of bond premium \$85,346, interest on leases (\$31,306), and deferred refunding loss of (\$1,102,413).

The City Division's Annual Debt Service Coverage Ratio exceeded the indenture requirement of 1.20. The ratio for all years of operation has exceeded 1.20.

Changes in Net Position (Suburban Water Fund):

A condensed summary of the Authority's Suburban Water Fund Statements of Revenues, Expenses and Changes in Net Position for the years ended December 31 is presented below:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Operating Revenues:			
User Charges	\$ 17,417,244	\$ 16,418,379	\$ 15,642,798
Other Income & Rent	83,333	75,002	675,134
Total Operating Revenues	<u>17,500,577</u>	<u>16,493,381</u>	<u>16,317,932</u>
Operating Expenses:			
Salaries, Benefits & Administrative	4,901,498	4,220,175	3,574,441
Utilities, Supplies & Services	6,431,048	5,236,816	5,006,631
Treatment & Transportation	-	-	-
Depreciation & Amortization	4,060,163	3,898,085	3,665,828
Total Operating Expenses	<u>15,392,709</u>	<u>13,355,076</u>	<u>12,246,900</u>
Operating Income/(Loss)	<u>2,107,868</u>	<u>3,138,305</u>	<u>4,071,032</u>
Non-Operating Revenues/(Expenses):			
Tapping & Capital Recovery Fees	385,212	316,943	279,250
Meter Sales	161,031	126,852	140,444
Inspection, Plan Reviews & Project Reimbursements	234,948	286,607	233,338
Interest Earnings	714,190	374,909	64,387
Other Income	307,045	207,290	173,318
Interest Expense	(1,091,073)	(954,076)	(847,133)
Other Expense	(170,414)	(119,528)	(229,725)
Total Net Non-Operating Revenues/(Expenses)	<u>540,939</u>	<u>238,997</u>	<u>(186,121)</u>
Increase/(Decrease) in Net Position Before Capital Contributions	<u>2,648,807</u>	<u>3,377,302</u>	<u>3,884,911</u>
Capital Contributions			
Grants	-	-	-
Capital Assets Provided by Developers & Other	176,239	4,889,647	253,602
Total Capital Contributions	<u>176,239</u>	<u>4,889,647</u>	<u>253,602</u>
Increase/(Decrease) in Net Position	<u>2,825,046</u>	<u>8,266,949</u>	<u>4,138,513</u>
Beginning Net Position	119,090,145	110,823,196	106,684,683
Ending Net Position	<u>\$ 121,915,191</u>	<u>\$ 119,090,145</u>	<u>\$ 110,823,196</u>

Changes in the Statements of Revenues, Expenses and Changes in Net Position were as follows:

- Operating Revenue in 2024 for the Suburban Water Fund was \$17,500,577 compared to \$16,493,381 in 2023. The primary driver for the increase in Water Fund revenue was higher volumes along with increased rates.
- Operating expenses, net of depreciation & amortization was \$11,332,546 in 2024 compared to \$9,456,991 in 2023, an increase of \$1,875,555 over 2023. This increase was driven by higher employee costs, and higher services costs.
- Operating Revenue in 2023 for the Suburban Water Fund was \$16,493,381 compared to \$16,317,932 in 2022. The primary driver for the increase in Water Fund revenue was higher volumes along with increased rates, offset by a reduction in other income & rent.

- Operating expenses, net of depreciation & amortization was \$9,456,991 in 2023 compared to \$8,581,072 in 2022, an increase of \$875,919 over 2021. This increase was driven by higher employee costs, and higher services costs.

#### Changes in Net Position (Suburban Wastewater Fund):

A condensed summary of the Authority's Suburban Wastewater Fund Statements of Revenues, Expenses and Changes in Net Position for the years ended December 31 is presented below:

Operating Revenues:	<u>2024</u>	<u>2023</u>	<u>2022</u>
User Charges	\$ 18,284,579	\$ 17,465,394	\$ 14,684,737
Other Income & Rent	982,407	306,437	336,915
Total Operating Revenues	<u>19,266,986</u>	<u>17,771,831</u>	<u>15,021,652</u>
Operating Expenses:			
Salaries, Benefits & Administrative	1,988,242	2,149,349	1,470,168
Utilities, Supplies & Services	7,830,862	8,295,840	7,114,123
Treatment & Transportation	5,509,023	3,903,664	2,846,176
Depreciation & Amortization	6,954,193	6,705,024	7,090,828
Total Operating Expenses	<u>22,282,320</u>	<u>21,053,877</u>	<u>18,521,295</u>
Operating Income/(Loss)	<u>(3,015,334)</u>	<u>(3,282,046)</u>	<u>(3,499,643)</u>
Non-Operating Revenues/(Expenses):			
Tapping & Capital Recovery Fees	1,347,166	1,326,278	3,236,640
Meter Sales	-	359	-
Inspection, Plan Reviews & Project Reimbursements	3,732	44,556	82,529
Interest Earnings	696,777	576,327	(3,778)
Other Income	542,581	495,094	1,585
Interest Expense	(136,537)	(168,364)	(185,935)
Other Expense	(227,575)	(133,968)	(86,525)
Total Net Non-Operating Revenues/(Expenses)	<u>2,226,144</u>	<u>2,140,282</u>	<u>3,044,516</u>
Increase/(Decrease) in Net Position Before Capital Contributions	<u>(789,190)</u>	<u>(1,141,764)</u>	<u>(455,127)</u>
Capital Contributions			
Grants	275,000	-	-
Capital Assets Provided by Developers & Other	92,411	585,748	-
Total Capital Contributions	<u>367,411</u>	<u>585,748</u>	<u>-</u>
Increase/(Decrease) in Net Position	<u>(421,779)</u>	<u>(556,016)</u>	<u>(455,127)</u>
Beginning Net Position	<u>98,980,945</u>	<u>99,536,961</u>	<u>99,992,088</u>
Ending Net Position	<u>\$ 98,559,166</u>	<u>\$ 98,980,945</u>	<u>\$ 99,536,961</u>

Changes in the Statements of Revenues, Expenses and Changes in Net Position were as follows:

- Operating Revenue in 2024 for the Suburban Wastewater Fund was \$19,266,986 compared to \$17,771,831 in 2023. The increase can be attributed to higher municipal user charges.
- Operating expenses, net of depreciation & amortization was \$15,238,127 in 2024, an increase of \$2979,274 compared to 2023 of \$14,348,853. The increase was caused by higher employee cost, higher materials and supplies, higher service cost, and higher treatment and transportation cost.
- Operating Revenue in 2023 for the Suburban Wastewater Fund was \$17,771,831 compared to \$15,021,652 in 2022. The increase can be attributed to higher municipal user charges.

- Operating expenses, net of depreciation & amortization was \$14,348,853 in 2023, an increase of \$2,918,386 compared to 2022 of \$11,430,467. The increase was caused by higher employee cost, higher materials and supplies, higher service cost, and higher treatment and transportation cost.
- As a sign of the new growth in the Suburban Division territory, the following table illustrates the three-year trend of Water System connections and Wastewater capacity sales to new and expanding users.

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Water System # of Units Connected:			
Single Family Detached	177	156	175
Single Family Attached (Townhouses)	133	61	95
Apartments and Mobile Homes	0	3	274
Commercial	<u>6</u>	<u>17</u>	<u>9</u>
Total Water System Connections	<u>316</u>	<u>237</u>	<u>553</u>
Wastewater Capacity Sales in Gallons:			
Residential	88,025	25,868	71,806
Commercial	<u>1,650</u>	<u>73,359</u>	<u>182,559</u>
Total Sales	<u>89,675</u>	<u>99,227</u>	<u>254,365</u>

The table reflects an increase in new Water System connections for both detached and attached single family homes while we had a decrease in connections for Apartments, mobile homes, and commercial. Wastewater capacity sales were lower in 2023 to previous year due to lower commercial activity.

- The Suburban Water System bought 6.88 million gallons per day (mgd) from the interconnection with its City Division in 2023. We expect to buy similar volume in 2025.
- The Suburban Division's Annual Water System Operating Coverage, which is figured out by dividing net operating revenues by annual debt service, was above the 110% required by the Suburban Water Bond Indenture.

Changes in Net Position (Suburban Division Summary):

A summary of the Authority's Statement of Changes in Net Position Suburban Division (Suburban Water and Wastewater) is presented as follows:

Statement of Changes in Net Position Year Ended December 31, 2024

	<u>Beginning Balance</u>	<u>Increased / (Decreased)</u>	<u>Ending Balance</u>
Net Investment in Capital Assets	\$ 175,723,268	\$ 7,973,307	\$ 183,696,575
Restricted Net Position	3,359,476	464,241	3,823,717
Unrestricted Net Position	<u>38,988,346</u>	<u>(6,034,281)</u>	<u>32,954,065</u>
 Total Net Position	 <u>\$ 218,071,090</u>	 <u>\$ 2,403,267</u>	 <u>\$ 220,474,357</u>

Other Selected Information:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Equivalent Fulltime Employees at Year-End	171	164	165
Units Served:			
<u>City Division:</u>			
Water:			
Water – Residential	42,518	42,417	42,249
Water – Industrial & Commercial	<u>5,896</u>	<u>5,795</u>	<u>5,462</u>
Total Water Billable Units	48,414	48,212	47,711
Wastewater:			
Wastewater – Residential	42,488	42,387	42,219
Wastewater – Commercial	<u>5,885</u>	<u>5,784</u>	<u>5,452</u>
Total Wastewater Billable Units	48,373	48,171	47,671
 <u>Suburban Division:</u>			
Water – Residential	23,917	23,605	23,383
Water – Industrial & Commercial	<u>793</u>	<u>797</u>	<u>782</u>
Total Water Billable Units	24,710	24,402	24,165
Wastewater Collection – Residential	3,013	2,995	2,957
Wastewater Collection – Commercial	<u>133</u>	<u>134</u>	<u>133</u>
Total Wastewater Billable Units	3,146	3,129	3,090
 Customers:	 <u>2024</u>	 <u>2023</u>	 <u>2022</u>
<u>City Division:</u>			
Water – Residential	30,539	30,467	30,456
Water – Industrial & Commercial	<u>3,064</u>	<u>3,057</u>	<u>3,046</u>
Total Water Customers	33,603	33,524	33,502
Wastewater Collection – Residential	30,517	30,445	30,434
Wastewater Collection – Commercial	<u>3,053</u>	<u>3,046</u>	<u>3,036</u>
Total Wastewater Customers	33,570	33,491	33,470

Customers:	<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>Suburban Division:</u>			
Water – Residential	20,944	20,636	20,417
Water – Industrial & Commercial	<u>787</u>	<u>791</u>	<u>776</u>
Total Water Customers	21,731	21,427	21,193
Wastewater Collection – Residential	2,651	2,635	2,597
Wastewater Collection – Commercial	<u>128</u>	<u>128</u>	<u>127</u>
Total Wastewater Customers	2,779	2,763	2,724
Ratios:	<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>City Division:</u>			
Ratio of Operating Revenue to:			
Operating Expenses, Net of Depreciation & Amortization	2.79	2.47	2.63
Total Assets (Annualized)	0.14	0.15	0.13
Total Net Position	N/A	N/A	N/A
Debt Related Ratios:			
Net Position to Long-Term Debt	N/A	N/A	N/A
Current Ratio (Current Assets/Current Liabilities)	3.53	3.86	3.51
<u>Suburban Water:</u>			
Ratio of Operating Revenue to:			
Operating Expenses, Net of Depreciation & Amortization	1.54	1.74	1.90
Total Assets	0.11	0.10	0.11
Total Net Position	0.14	0.14	0.15
Debt Related Ratios:			
Net Position to Long-Term Debt	3.11	3.27	3.47
Current Ratio (Current Assets/Current Liabilities)	4.24	4.33	2.28
<u>Suburban Wastewater:</u>			
Ratio of Operating Revenue to:			
Operating Expenses, Net of Depreciation & Amortization	1.26	1.24	1.31
Total Assets (Annualized)	0.18	0.17	0.14
Total Net Position	0.20	0.18	0.15
Debt Related Ratios:			
Net Position to Long-Term Debt	23.66	21.55	19.28
Current Ratio (Current Assets/Current Liabilities)	4.18	5.85	7.57

## Capital Contributions

The Authority received \$275,000 in grants related to construction in 2024 and had none in 2023. Another major source of capital contributions was derived from developer installed systems donated to the Authority. In 2024, \$268,650 was received compared to \$5,475,395 in 2023.

## Capital Assets & Service Concession Arrangement:

The largest investment in the Authority's history occurred on August 7, 2013, with the financing of the acquisition of the City of Allentown's Water and Sewer System through a 50-year lease concession. The Authority's Net Capital Investment in intangible and other assets increased from \$245,998,066 in 2023 to \$247,593,462 in 2024, and the City Divisions net capital assets increased from \$2,734,094 in 2023 to \$3,199,743 in 2024. More detail on the Service Concession Arrangement can be found in Note 6 to the financial statements.

Net Capital Assets increased by \$5,207,862 and \$4,891,768 in the Suburban Water, and Suburban Wastewater funds, respectively. The changes from year to year are due to the relative changes in capital spending against depreciation & amortization. More detail on the Authority's Capital Assets can be found in Note 5 to the financial statements.

## Debt Administration:

In 2013 the Authority issued \$307,683,599 million in three series of bonds to fund the upfront payment to the City of Allentown, capital improvements, create various reserves necessary under the Indenture and to fund financing and other transaction costs related to the Concession. Increases to debt in 2018 consisted of issuance of the Series 2018 Bond and accreted interest on the 2013 Series B Capital Appreciation Revenue Bonds. The Series C Bonds were refinanced in 2018 and a part of the Series A bonds were refinanced in 2020.

In 2020 the Authority issued City Division Water and Sewer Revenue Bond Series 2020 and Series A of 2020 in the amounts of \$161,035,000 and \$18,150,000, respectively. The Series 2020 Bonds were issued to advance refund a part of the City Divisions Series 2013 A Bonds, fund a debt service reserve, and pay the costs and expenses of issuing the Bonds. The Series A 2020 Bonds were issued to currently refund the City Divisions Series 2018 Bonds, fund a debt service reserve, and pay the costs and expenses of issuing the Bonds.

In 2021, the Authority refinanced \$21,679,902 of existing debt in the Suburban Water fund.

In 2022, there was \$12.2M of additional project financing activity in the Suburban Water Fund.

In 2023, there was no additional financing activity in any of the funds.

In 2024, the Authority currently refunded the remaining Series A 2013 bonds through issuance of the Series 2024 bonds.

See note 8 of the Notes to the Financial Statements for further detail on outstanding debt.

## Economic Factors and Rates:

### City Division:

City Division rates increased by 10.1% in January 2024 per the Concession Agreement to support the mutual goals of the Authority and the City of Allentown related to revenue capacity and operational sustainability of the system.

Suburban Division:

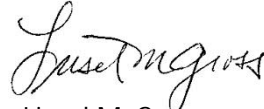
From the Suburban Division perspective, the Authority chose to increase water rates in 2023 to cover the funding of certain capital projects. The Suburban Division's rates continue to be among the lowest in the Lehigh Valley region.

With higher treatment and transportation costs from the former City of Allentown water and wastewater departments and significant maintenance needed on the Authority's Interceptor System, annual Wastewater rate increases have been enacted since 2007. For the Authority's smaller satellite systems and wastewater collection systems, the most recent rate increase was on January 1, 2013, a 5% increase.

Contacting the Authority's Financial Management:

This financial report is designed to provide our customers, creditors, and funding agencies with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have any questions about this report or need more information, contact Edward C. Klein, the Lehigh County Authority's Chief Financial Officer, P.O. Box 3348, Allentown, PA 18106.

Submitted by,



Liesel M. Gross  
Chief Executive Officer



Edward C. Klein  
Chief Financial Officer

LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
STATEMENTS OF NET POSITION  
December 31, 2024 AND 2023

- ASSETS AND DEFERRED OUTFLOWS OF RESOURCES -

	Suburban Water Fund		Suburban Wastewater Fund		City Division Fund		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Current Assets:</b>								
Cash and Cash Equivalents (Note 2)	\$ 9,636,928	\$ 8,603,461	\$ 6,361,610	\$ 10,597,608	\$ 19,561,787	\$ 16,368,303	\$ 35,560,325	\$ 35,569,372
Certificates of Deposit (Note 2)	2,846,053	3,023,130	7,278,350	6,965,466	-	-	10,124,403	9,988,596
Accounts Receivable:								
Customers	3,109,653	3,094,686	4,628,992	4,109,832	9,823,040	9,014,152	17,561,685	16,218,670
Financing Contracts (Note 4)	-	-	221,005	207,224	-	-	221,005	207,224
Others	345,738	331,090	591,264	614,088	7,957,807	4,645,547	8,894,809	5,490,725
Due from (to) Other Funds (Note 9)	1,089,025	1,624,525	(1,089,025)	(1,624,525)	-	-	-	-
Inventory	267,168	235,869	-	-	-	-	267,168	235,869
Accrued Interest Receivable	14,887	14,832	44,546	31,623	483,013	340,774	542,446	387,229
Prepaid Expenses	246,982	174,787	171,766	127,383	617,941	511,842	1,036,689	814,012
Total Current Assets	17,556,434	17,102,380	18,208,508	21,028,699	38,443,588	30,780,618	74,208,530	68,911,687
<b>Noncurrent Assets:</b>								
<b>Restricted:</b>								
Cash and Cash Equivalents (Note 2)	1,919,020	2,126,600	356,002	398,063	126,527,734	70,658,305	128,802,756	73,182,968
Total Restricted Assets	1,919,020	2,126,600	356,002	398,063	126,527,734	70,658,305	128,802,756	73,182,968
<b>Capital Assets: (Notes 1 and 5)</b>								
Land	3,734,965	3,734,165	2,000,794	1,896,050	-	-	5,735,759	5,630,215
Construction in progress	6,878,181	2,726,619	5,302,056	316,208	-	-	12,180,237	3,044,827
Wells & Reservoirs	14,058,131	13,439,605	3,494,643	3,494,643	-	-	17,552,774	16,934,248
Transmission & Distribution Mains	94,785,760	94,381,777	-	-	-	-	94,785,760	94,381,777
Services & Hydrants	20,462,771	20,407,091	-	-	-	-	20,462,771	20,407,091
Interceptor & Collector Systems	-	-	42,256,754	41,704,381	-	-	42,256,754	41,704,381
Building Structure & Appurtenances	31,155,409	30,709,483	74,869,466	73,177,085	-	-	106,024,865	103,886,568
Metering System	15,185,882	14,644,182	429,778	429,778	-	-	15,615,660	15,073,960
Equipment and Furnishings	15,326,757	12,589,429	25,848,623	24,659,220	4,989,126	3,909,755	46,164,506	41,158,404
Leased Equipment	5,951	5,951	5,951	5,951	49,165	49,165	61,067	61,067
Leased Vehicles	642,881	622,491	1,063,200	1,063,200	1,200,612	1,402,036	2,906,693	3,087,727
Capacity	1,207,901	1,207,901	248,561	248,561	-	-	1,456,462	1,456,462
Less accumulated depreciation & amortization	(59,861,138)	(56,095,105)	(68,897,833)	(65,264,862)	(3,039,160)	(2,626,862)	(131,798,131)	(123,986,829)
Total Capital Assets	143,583,451	138,375,589	86,621,983	81,730,215	3,199,743	2,734,094	233,405,177	222,839,898
<b>Other Assets:</b>								
Long-Term Portion of Receivables - Financing Contracts (Note 4)	-	-	303,554	533,320	-	-	303,554	533,320
Intangible Service Concession Arrangement (Note 6)	-	-	-	-	247,593,462	245,998,066	247,593,462	245,998,066
Net Pension Asset	-	-	-	-	-	-	-	-
Net OPEB Asset (Note 12)	2,251,398	1,780,508	-	-	10,843,104	5,870,088	2,251,398	1,780,508
Other Assets	-	-	-	-	-	-	10,843,104	5,870,088
Facilities Planning Costs (Net of Accumulated Amortization) (Note 7)	-	41,558	1,438,572	3,487,987	-	-	1,438,572	3,529,545
Total Other Assets	2,251,398	1,822,066	1,742,126	4,021,307	258,436,566	251,868,154	262,430,090	257,711,527
Total Noncurrent Assets	147,753,869	142,324,255	88,720,111	86,149,585	388,164,043	325,260,553	624,638,023	553,734,393
<b>Total Assets</b>	165,310,303	159,426,635	106,928,619	107,178,284	426,607,631	356,041,171	698,846,553	622,646,090
<b>Deferred Outflows of Resources</b>								
Pensions	759,065	1,036,484	382,108	521,755	2,818,477	3,848,551	3,959,650	5,406,790
OPEB	-	178,846	-	-	213,671	407,567	213,671	586,413
Refunding Loss on Bonds	-	-	-	-	27,167,919	24,392,989	27,167,919	24,392,989
<b>Total Deferred Outflows</b>	759,065	1,215,330	382,108	521,755	30,200,067	28,649,107	31,341,240	30,386,192
<b>Total Assets and Deferred Outflows of Resources</b>	\$ 166,069,368	\$ 160,641,965	\$ 107,310,727	\$ 107,700,039	\$ 456,807,698	\$ 384,690,278	\$ 730,187,793	\$ 653,032,282

This statement is continued on the next page

The accompanying notes are an integral part of the financial statements.

LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA

STATEMENTS OF NET POSITION (CONTINUED)  
December 31, 2024 AND 2023

- LIABILITIES AND NET POSITION -

	Suburban Water Fund		Suburban Wastewater Fund		City Division Fund		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Current Liabilities:</b>								
Accounts Payable - Trade	\$ 1,068,525	\$ 733,425	\$ 3,149,359	\$ 2,676,456	\$ 3,043,263	\$ 1,871,682	\$ 7,261,147	\$ 5,281,563
Accounts Payable - Capital	96,694	157,611	413,291	69,251	735,978	272,215	1,245,963	499,077
Accrued Interest Payable	160,234	174,202	-	-	1,521,156	986,802	1,681,390	1,161,004
Lease Payable	107,590	110,414	81,307	72,095	190,809	238,074	379,706	420,583
Notes Payable (Note 8)	77,856	76,690	611,348	463,248	63,182	62,553	752,386	602,491
Revenue Bonds Payable (Note 8)	2,090,000	2,005,000	-	225,680	4,641,701	4,084,460	6,731,701	6,315,140
Developer Deposits and Other (Note 10)	299,574	502,974	2,950	2,950	64,375	86,953	366,899	592,877
OPEB Liability					56,821	60,000	56,821	60,000
Accrued Payroll & Other	235,885	192,775	101,094	82,618	573,771	320,188	910,750	595,581
Total Current Liabilities	4,136,358	3,953,091	4,358,349	3,592,298	10,891,056	7,982,927	19,386,763	15,528,316
<b>Noncurrent Liabilities:</b>								
Developer Deposits and Other (Note 10)	171,379	151,547	27,489	27,489	65,000	20,000	263,868	199,036
SCA Payable (Note 6)	-	-	-	-	71,551,874	69,626,135	71,551,874	69,626,135
Lease Payable	175,380	282,970	51,484	132,791	377,118	574,861	603,982	990,622
Notes Payable (Note 8)	12,812,408	7,648,893	4,164,969	3,807,332	1,214,338	1,277,521	18,191,715	12,733,746
OPEB Liability	-	-	-	-	2,528,694	2,380,477	2,528,694	2,380,477
Net Pension Liability	294,544	743,041	148,270	374,039	1,093,669	2,758,978	1,536,483	3,876,058
Revenue Bonds Payable					402,016,848	344,306,798	428,353,365	373,864,221
(Net of Premium/Discount) (Note 8)	26,336,517	28,772,278	-	785,145	478,847,541	420,944,770	523,029,981	463,670,295
Total Noncurrent Liabilities	39,790,228	37,598,729	4,392,212	5,126,796	489,738,597	428,927,697	542,416,744	479,198,611
<b>Total Liabilities</b>	43,926,586	41,551,820	8,751,561	8,719,094	15,382,612	8,111,924	24,809,507	22,726,927
<b>Deferred Inflows of Resources</b>								
Pensions	-	-	-	-	-	-	-	-
OPEB	227,591	-	-	-	1,197,622	1,479,746	1,425,213	1,479,746
<b>Total Deferred Inflows</b>	227,591	-	-	-	1,197,622	1,479,746	1,425,213	1,479,746
<b>Net Position: (Notes 1 and 13)</b>								
Net Investment in Capital Assets	101,983,700	99,479,344	81,712,875	76,243,924	2,631,816	1,921,159	186,328,391	177,644,427
Restricted for Debt Service	1,572,319	1,578,968	-	-	-	-	1,572,319	1,578,968
Restricted for Net Pension Asset	-	-	-	-	-	-	-	-
Restricted for Net OPEB Asset	2,251,398	1,780,508	-	-	-	-	2,251,398	1,780,508
Unrestricted	16,107,774	16,251,325	16,846,291	22,737,021	(36,760,337)	(47,638,324)	(3,806,272)	(8,649,978)
Total Net Position	121,915,191	119,090,145	98,559,166	98,980,945	(34,128,521)	(45,717,165)	186,345,836	172,353,925
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	\$ 166,069,368	\$ 160,641,965	\$ 107,310,727	\$ 107,700,039	\$ 456,807,698	\$ 384,690,278	\$ 730,187,793	\$ 653,032,282

The accompanying notes are an integral part of the financial statements.

LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
For the Years Ended December 31, 2024 and 2023

	Suburban		Suburban		City Division		Total	
	Water Fund		Wastewater Fund		Fund			
	2024	2023	2024	2023	2024	2023	2024	2023
<b>OPERATING REVENUES:</b>								
Charges for Services	\$ 17,417,244	\$ 16,418,379	\$ 18,284,579	\$ 17,465,394	\$ 57,626,711	\$ 51,449,526	\$ 93,328,534	\$ 85,333,299
Rent	-	-	-	-	-	-	-	-
Other Income	83,333	75,002	982,407	306,437	505,304	415,106	1,571,044	796,545
Total Operating Revenues	17,500,577	16,493,381	19,266,986	17,771,831	58,132,015	51,864,632	94,899,578	86,129,844
<b>OPERATING EXPENSES</b>								
Salaries and Wages	2,793,263	2,421,077	1,126,180	1,120,004	8,311,622	7,842,029	12,231,065	11,383,110
Employee Benefits	1,238,855	1,054,517	528,620	691,985	2,950,932	3,734,375	4,718,407	5,480,777
General and Administrative	869,380	744,581	333,442	337,460	2,127,096	2,040,223	3,329,918	3,122,264
Utilities	492,836	489,998	263,759	238,267	1,833,942	1,898,485	2,590,537	2,626,750
Materials and Supplies	860,147	669,500	409,228	390,732	3,084,945	3,218,802	4,354,320	4,279,034
Miscellaneous Services	5,078,065	4,077,318	7,157,875	7,666,841	2,537,610	2,261,058	14,773,550	14,005,217
Treatment and Transportation	-	-	5,509,023	3,903,664	11,933	11,307	5,520,956	3,914,971
Depreciation and Amortization	4,060,163	3,898,085	6,954,193	6,705,024	7,116,269	6,755,624	18,130,625	17,358,733
Total Operating Expenses	15,392,709	13,355,076	22,282,320	21,053,877	27,974,349	27,761,903	65,649,378	62,170,856
<b>OPERATING INCOME (LOSS)</b>	2,107,868	3,138,305	(3,015,334)	(3,282,046)	30,157,666	24,102,729	29,250,200	23,958,988
<b>NONOPERATING REVENUES (EXPENSES):</b>								
Tapping and Capital Recovery Fees	385,212	316,943	1,347,166	1,326,278	2,437,471	3,027,960	4,169,849	4,671,181
Meter Sales	161,031	126,852	-	359	58,466	54,211	219,497	181,422
Inspection, Plan Reviews, and Project Reimbursements	234,948	286,607	3,732	44,556	3,984,943	2,405,574	4,223,623	2,736,737
Investment Earnings	714,190	374,909	696,777	576,327	5,742,204	3,458,984	7,153,171	4,410,220
Interest Expense	(1,091,073)	(954,076)	(136,537)	(168,364)	(22,621,589)	(19,973,362)	(23,849,199)	(21,095,802)
Other Expense	(170,414)	(119,528)	(227,575)	(133,968)	(8,425,137)	(5,782,103)	(8,823,126)	(6,035,599)
Other Income	307,045	207,290	542,581	495,094	254,620	480,370	1,104,246	1,182,754
Total Nonoperating Revenues/(Expenses)	540,939	238,997	2,226,144	2,140,282	(18,569,022)	(16,328,366)	(15,801,939)	(13,949,087)
Increase (Decrease) in net position before capital contributions	2,648,807	3,377,302	(789,190)	(1,141,764)	11,588,644	7,774,363	13,448,261	10,009,901
<b>Capital Contributions:</b>								
Capital Grant	-	-	275,000	-	-	-	275,000	-
Capital Assets Provided by Developers and Others	176,239	4,889,647	92,411	585,748	-	-	268,650	5,475,395
Total Capital Contributions	176,239	4,889,647	367,411	585,748	-	-	543,650	5,475,395
<b>Increase (Decrease) in Net Position</b>	2,825,046	8,266,949	(421,779)	(556,016)	11,588,644	7,774,363	13,991,911	15,485,296
<b>Net Position at Beginning of Year</b>	119,090,145	110,823,196	98,980,945	98,536,961	(45,717,165)	(53,491,528)	172,353,925	156,868,629
<b>Net Position at End of Year</b>	\$ 121,915,191	\$ 119,090,145	\$ 98,559,166	\$ 98,980,945	\$ (34,128,521)	\$ (45,717,165)	\$ 186,345,836	\$ 172,353,925

The accompanying notes are an integral part of the financial statements.

LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2024 AND 2023

	Suburban Water Fund		Suburban Wastewater Fund		City Division Fund		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Cash Received From Customers	\$ 17,387,629	\$ 16,119,645	\$ 18,004,228	\$ 16,480,479	\$ 53,405,563	\$ 53,309,889	\$ 88,797,420	\$ 85,910,013
Cash Payments To Suppliers For Goods And Services	(6,199,442)	(7,607,732)	(12,911,365)	(11,056,517)	(6,402,948)	(8,290,734)	(25,513,755)	(26,956,983)
Cash Payments To Employees For Services	(5,093,919)	(4,570,824)	(2,055,888)	(2,125,318)	(13,714,492)	(13,379,913)	(20,864,299)	(20,076,055)
Other Operating Cash Receipts	83,333	75,002	982,407	306,437	505,304	415,106	1,571,044	796,545
<b>Net Cash Provided By Operating Activities</b>	6,177,601	4,016,091	4,019,382	3,603,081	33,793,427	32,054,348	43,990,410	39,673,520
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>								
Interest Paid on Revenue Bonds and Notes	-	-	-	-	(13,491,159)	(11,505,128)	(13,491,159)	(11,505,128)
Revenue Bond and Note Issuance Proceeds	-	-	-	-	162,046,418	1,371,117	162,046,418	1,371,117
Principal Paid on Revenue Bonds	-	-	-	-	(111,840,000)	(3,655,000)	(111,840,000)	(3,655,000)
Principal Paid on Revenue Notes	-	-	-	-	(62,554)	(31,043)	(62,554)	(31,043)
Facility Improvement Payments	-	-	-	-	(12,992,970)	(5,807,843)	(12,992,970)	(5,807,843)
Payments to the City of Allentown	-	-	-	-	(1,384,394)	(1,361,180)	(1,384,394)	(1,361,180)
Transfers From Other Funds	535,500	(47,008)	(535,500)	47,008	-	-	535,500	47,008
Transfers To Other Funds	-	-	-	-	-	-	(535,500)	(47,008)
<b>Net Cash Provided By (Used in) Noncapital Financing Activities</b>	535,500	(47,008)	(535,500)	47,008	22,275,341	(20,989,177)	22,275,341	(20,989,177)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Receipts of Developer Deposits	-	280,221	-	3,100	22,422	25,271	22,422	308,592
Payments of Developer Deposits	(183,568)	-	(1,271,807)	(1,772,107)	-	-	(183,568)	-
Payments of Facilities Planning Costs	-	(13,963)	(1,271,807)	(1,772,107)	-	-	(1,271,807)	(1,786,070)
Acquisition and Construction of Property and Equipment	(9,111,145)	(5,532,540)	(8,432,328)	(2,310,410)	(1,157,360)	(798,308)	(18,700,833)	(8,641,258)
Capital Contributions	-	-	275,000	-	-	-	275,000	-
Proceeds From Capacity Sales	-	-	-	-	-	-	-	-
Cash Received From Tapping and Capital Recovery Fees	385,212	316,943	1,347,166	1,326,278	2,437,471	3,027,960	4,169,849	4,671,181
Cash Received from Meter Sales	161,031	126,852	-	359	58,466	54,211	219,497	181,422
Cash Received from Inspection, Plan Reviews, and Project Reimbursement	234,948	286,607	3,732	44,556	3,984,943	2,405,574	4,223,623	2,736,737
Other Capital Cash Receipts	307,045	207,290	659,046	462,537	254,620	480,370	1,150,197	1,150,197
Other Capital Cash Payments	(170,414)	(83,115)	-	-	(7,961,374)	(5,489,876)	(8,131,788)	(5,572,981)
Revenue Bond and Note Issuance Proceeds	5,241,371	6,950,000	968,984	-	-	-	6,210,355	6,950,000
Payments to Escrow Agents	-	-	-	-	-	-	-	-
Principal Paid On Leases	(110,414)	(124,411)	(72,095)	(209,598)	(245,008)	(317,458)	(427,517)	(651,467)
Principal Paid On Revenue Bonds	(2,005,000)	(1,935,000)	(1,010,825)	(1,22,966)	(1,010,825)	-	(3,015,825)	(2,057,966)
Principal Paid On Revenue Notes	(76,690)	(75,540)	(463,247)	(453,376)	-	-	(539,937)	(528,916)
Interest Paid On Revenue Bonds and Notes	(1,450,802)	(1,312,153)	(1,36,537)	(168,364)	-	-	(1,587,339)	(1,480,517)
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	(6,778,426)	(908,809)	(8,132,911)	(3,199,991)	(2,605,820)	(612,256)	(17,517,157)	(4,721,056)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Maturities of Certificates Of Deposit	984,000	988,000	3,143,000	6,084,000	-	-	4,127,000	7,072,000
Purchase of Certificates Of Deposit	(735,000)	(979,000)	(3,640,000)	(4,092,000)	-	-	(4,375,000)	(5,071,000)
Purchase of U.S. Treasury Obligations	-	-	-	-	-	-	-	-
Maturities of U.S. Treasury Obligations	-	-	-	-	-	-	-	-
Interest Received On Investments	642,212	279,782	867,970	461,718	5,599,965	3,330,066	7,110,147	4,071,566
<b>Net Cash Provided by (Used in) Investing Activities</b>	891,212	288,782	370,970	2,453,718	5,599,965	3,330,066	6,862,147	6,072,566
<b>Net Increase (Decrease) in Cash</b>	825,887	3,949,056	(4,278,059)	2,903,816	59,062,913	13,782,981	55,610,741	20,035,853
<b>Cash:</b>								
Beginning	10,730,061	7,381,005	10,995,671	8,091,855	87,026,608	73,243,627	108,752,340	88,716,487
Ending	\$ 11,555,948	\$ 10,730,061	\$ 6,717,612	\$ 10,995,671	\$ 146,089,521	\$ 87,026,608	\$ 164,363,081	\$ 108,752,340
<b>Cash Consisted of the Following:</b>								
Cash and Cash Equivalents	\$ 9,636,928	\$ 8,603,461	\$ 6,361,610	\$ 10,597,608	\$ 19,561,787	\$ 16,368,303	\$ 35,560,325	\$ 35,569,372
Restricted Cash and Cash Equivalents	1,919,020	2,126,600	356,002	398,063	126,527,734	70,658,305	128,802,756	73,182,968
Total Cash and Cash Equivalents	\$ 11,555,948	\$ 10,730,061	\$ 6,717,612	\$ 10,995,671	\$ 146,089,521	\$ 87,026,608	\$ 164,363,081	\$ 108,752,340

This statement is continued on the next page  
The accompanying notes are an integral part of the financial statements.

LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA

STATEMENTS OF CASH FLOWS (CONTINUED)  
Years Ended December 31, 2024 AND 2023

	Suburban Water Fund		Suburban Wastewater Fund		City Division Fund		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Reconciliation Of Operating Income (Loss) To Net Cash Provided By Operating Activities</b>								
Operating Income (Loss)	\$2,107,868	\$3,138,305	\$ (3,015,334)	\$ (3,282,046)	\$ 30,157,666	\$ 24,102,729	\$29,250,200	\$ 23,958,988
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by/(Used In) Operating Activities:								
Depreciation and Amortization	4,060,163	3,898,085	6,954,193	6,705,024	7,116,269	6,755,624	18,130,625	17,358,733
Change in Assets and Liabilities:								
(Increase)/Decrease in Financing	(14,967)	(291,316)	(519,160)	(1,242,505)	(808,888)	(1,079,123)	(1,343,015)	(2,612,944)
Contract Receivable	-	-	215,985	219,379	-	-	215,985	219,379
(Increase)/Decrease in Other Operating Receivable	(14,648)	(7,418)	22,824	38,211	(3,412,260)	2,939,486	(3,404,084)	2,970,279
(Increase)/Decrease in Inventory	(31,299)	(143,325)	-	-	-	-	(31,299)	(143,325)
(Increase)/Decrease in Prepaid Expense	(72,195)	(11,342)	(44,383)	(3,674)	(106,099)	(71,552)	(222,677)	(86,568)
Increase in OPEB Liability	-	-	-	-	88,217	(758,846)	88,217	(758,846)
Decrease in OPEB Asset	(470,890)	(616,199)	-	-	-	-	(470,890)	(616,199)
(Increase)/(Decrease) in Accounts Payable - Trade	335,100	(2,216,249)	472,903	1,144,661	1,171,581	(829,530)	1,979,584	(1,901,118)
Increase in Net Pension Liability	(448,497)	1,628,735	(225,769)	819,890	(1,665,309)	6,047,644	(2,339,575)	8,496,269
(Increase) in Pension Deferred Outflows	277,419	(500,826)	139,647	(252,111)	1,030,074	(1,859,616)	1,447,140	(2,612,553)
(Increase) in OPEB Deferred Outflows	178,846	254,790	-	-	193,896	193,896	372,742	448,686
Increase in OPEB Deferred Inflows	227,591	(34,710)	-	-	(225,303)	630,279	2,288	595,569
Increase in Pension Deferred Inflows	-	(1,067,188)	-	(537,212)	-	(3,962,567)	-	(5,566,967)
(Increase)/(Decrease) in Accrued Wages and Other	43,110	(15,251)	18,476	(6,536)	253,583	(54,076)	315,169	(75,863)
<b>Net Cash Provided By Operating Activities</b>	<b>\$6,177,601</b>	<b>\$4,016,091</b>	<b>\$ 4,019,382</b>	<b>\$ 3,603,081</b>	<b>\$ 33,793,427</b>	<b>\$ 32,054,348</b>	<b>\$43,990,410</b>	<b>\$ 39,673,520</b>

**Noncash Investing, Capital, and Financing Activities**

Noncash Capital Activities, Contribution of Capital Assets From Developers and Others	\$ 176,239	\$4,889,647	\$ 92,411	\$ 585,748	\$ -	\$ -	\$ 288,650	\$ 5,475,395
Noncash Noncapital Activities, Accretion on Bonds Payable	-	-	-	-	4,177,461	4,053,452	4,177,461	4,053,452
Noncash Noncapital Activities, Change in Present Value of SCA Asset	-	-	-	-	-	-	-	-
Noncash Noncapital Activities, Change in Present Value of SCA Payable	(71,923)	(87,061)	184,116	(91,197)	3,310,133	3,216,234	3,310,133	3,216,234
Change in Fair Value of Investments	-	-	-	-	-	-	112,193	(178,258)

The accompanying notes are an integral part of the financial statements.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**STATEMENTS OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
DECEMBER 31, 2024 and 2023**

	<b>Component Unit Suburban Post Employment Health Fund</b>	
	<b>2024</b>	<b>2023</b>
Assets		
Investments:		
Cash Equivalents	\$ 90,963	\$ 211,822
Mutual Funds - Equity	1,787,829	1,909,326
Stocks	2,257,381	1,503,603
Corporate Bonds	158,418	156,528
Total Assets	\$ 4,294,591	\$ 3,781,279
Liabilities		
Accounts Payable	\$ -	\$ -
Total Liabilities	\$ -	\$ -
Net Position Restricted for Post Retirement Health Benefits	\$ 4,294,591	\$ 3,781,279

The accompanying notes are an integral part of the financial statements.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
FOR THE YEARS ENDED DECEMBER 31, 2024 and 2023**

	<b>Component Unit Suburban Post Employment Health Fund</b>	
	<b>2024</b>	<b>2023</b>
Additions:		
Contributions:		
Employer	\$ -	\$ 47,039
Total Contributions	-	47,039
Investment Income:		
Net Increase/(Decrease) in Fair Value of Investments	670,286	490,066
Net Investment Income/(Loss)	670,286	490,066
Total Additions	670,286	537,105
Deductions:		
Administrative Expense	21,046	20,354
Reimbursement of Benefits Expense	135,928	93,100
Total Deductions	156,974	113,454
Net Increase/(Decrease) in Net Position	513,312	423,651
Net Position Restricted for Post Retirement Health Benefits:		
Beginning of Year	3,781,279	3,357,628
End of Year	\$ 4,294,591	\$ 3,781,279

The accompanying notes are an integral part of the financial statements.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Lehigh County Authority (the Authority) incorporated under the Pennsylvania Municipal Authorities Act, by the Lehigh County Commissioners in 1966, "... for the purpose of accumulating, conserving and distributing fresh water ..." Under the Act, an authority is an independent municipal corporation and a separate governmental agency of the state. In 1969, the County Commissioners advanced the Authority from a paper organization to an operating unit to plan and construct a water supply system and a wastewater interceptor system to serve residential, commercial, and industrial users in the western part of Lehigh County. In 2013, the Authority started serving other areas of Lehigh County when it bought the rights to lease and operate the City of Allentown's Water and Sewer Systems under a 50-year Concession and Lease Agreement (the Concession). As a result of this Agreement, the Authority created both City and Suburban Divisions, in recognition of the various agreements and financings, related to each entity.

The Authority currently provides two types of services to communities in the City Division. Through the Water Plant and Distribution System (the City Water System) the Authority serves 48,414 residential and business units in the City of Allentown and supplies water under Municipal Services Agreements to Lehigh County Municipalities of South Whitehall, Hanover, Salisbury, Whitehall, Bethlehem and to the Suburban Division under a previously executed water supply agreement. Through the Sewer Utility System (the City Sewer System) the Authority provides sewage collection, treatment and disposal services to 48,373 residential and business units in the City of Allentown and to the Lehigh County Municipalities of Coplay-Whitehall, Emmaus, Hanover, Salisbury, Lower Macungie, South Whitehall and to the Suburban Division, under a previously executed sewer services agreement.

The Authority currently provides four types of service to communities in the Suburban Division. Through the Western Lehigh Interceptor System, the Authority provides sewage transportation service to the Townships of Lower Macungie, Lowhill, Upper Macungie, Upper Milford, and Weisenberg and the Boroughs of Alburtis, Emmaus, and Macungie. The Authority owns and operates wastewater collection systems in the Townships of Upper Milford, Heidelberg, Lynn, North Whitehall and Weisenberg serving a total of 3,146 customers as of December 31, 2024. Through the Little Lehigh Relief Interceptor System, the Authority provides sewage transportation service to Salisbury and South Whitehall Townships along with the other users of the Western Lehigh Interceptor System excluding Emmaus. As of December 31, 2024, the Water System serves 24,710 residential and business units in the Lehigh County Municipalities of Upper and Lower Macungie, North Whitehall, Washington, Weisenberg, South Whitehall, Heidelberg, Lower Milford, Lowhill, Lynn, Salisbury, and Upper Milford Townships and in Moore Township of Northampton County.

The accompanying financial statements include all funds which are "controlled by or are dependent on" the Authority. The funds included are the Suburban Water Fund, both operating and capital, the Suburban Wastewater Fund, both operating and capital for the Western Lehigh Interceptor System, Little Lehigh Relief Interceptor System, Wastewater Collector Systems in Upper Milford, Weisenberg, Washington, Lynn, Heidelberg and North Whitehall Townships, a Wastewater Treatment Plant and planning activity for providing wastewater service, and the City Division Fund, both operating and capital.

Accordingly, the accompanying financial statements do not include the financial activities of the County of Lehigh (the County), nor are the Authority's financial activities included in the County's financial statements, since each is considered a separate entity under the Governmental Accounting Standards Board (GASB) criteria.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

For purposes of financial reporting, the Authority is a related organization to the County. The criteria used in deciding the scope of the reporting entity are outlined below.

The Authority Board members are appointed to five-year terms by the County Executive, with concurrence by the County Commissioners, in an authoritative, official capacity. After confirmation, only the Court of Common Pleas can remove a member for cause. While there is continuing communication with the County, there is little linkage to the elected County officials thereafter.

The management and employees of the Authority responsible for the operations of the Authority are appointed by and held accountable to the Authority. The County does not have powers of appointment over any Authority employee.

The Authority reviews and approves all budgets, sets rates, and exercises control over facilities, property and policies relating to the services provided by the Authority. The County is under no obligation to finance operating deficits and does not have claim to any surpluses. The Authority has the power to issue bonds and other financing, with the County having no legal responsibility for debt issued by the Authority.

The accounting policies of the Lehigh County Authority conform to generally accepted accounting principles as established by the Governmental Accounting Standards Board. The following is a summary of the significant policies:

**B. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position and disclosures at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Grants and related items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Operating revenues and expenses are distinguished from non-operating items in the statement of revenues, expenses, and changes in net position. Operating revenues and expenses result from providing services in connection with the Authority's principal ongoing operations. Principal operating revenues of the Authority are charges to customers for water use and wastewater collection, transmission, and treatment. When calculating user fees charged to customers, the Authority includes a part for the repayment of principal on the Authority's outstanding debt. Operating expenses include the cost of supplying water and wastewater services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The principal non-operating revenues of the Authority are capital recovery fees, plan review and inspection fees and investment income. The principal non-operating expenses of the Authority include interest expense and cost of goods sold.

Capital grant funding represents amounts received from capital project grants, which are restricted to capital acquisition or construction. The Authority recognizes capital grant funding when the grants are earned which is generally when the related capital expenditure is made.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The funds and component unit of the Authority are grouped in the financial statements in this report as follows:

1. Proprietary Funds:

Enterprise Funds - are used to account for business-like activities provided to the public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement like the private sector. The reporting entity includes the following enterprise funds, which are reported as major funds:

Suburban Water Fund - Used to account for the operations of the suburban water supply and distribution system. The suburban water system is a public utility service, which is intended to be maintained on a self-supporting basis.

Suburban Wastewater Fund - Used to account for the operations of the suburban wastewater interceptor, collector systems, and treatment facilities. The suburban wastewater system is a public utility service, which intends to be maintained on a self-supporting basis.

City Division Fund – Used to account for the operations of the City Concessed 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 Service Concession Arrangement discussed in Note 6.

2. Fiduciary Component Unit:

The Suburban Post-Employment Health Trust Plan (the “Plan”) was created in 2010 to accumulate assets to be used for payment of health benefits to qualified retirees. The Plan is included in the financial reporting entity as a fiduciary component unit because the Plan is (1) considered to be a separate legal entity, (2) the Authority appoints a voting majority of the governing board, and (3) the plan imposes a financial burden on the Authority as it has assumed an obligation to make contributions to the Plan.

**C. Budgets and Budgetary Accounting**

The Lehigh County Authority follows these procedures in establishing the annual budgets:

1. Starting in the summer months department heads develop a preliminary budget, including personnel needs, for all capital and operating programs and for all line items for the coming calendar year. Supporting detail provides justification for each budget component, including calculations, quotations, project timetables, and outlines.
2. The budget is given to the Authority Board in September or October for review. A formal presentation is made the second week of October with final adoption at the Authority’s final October meeting. The final copy of the budget includes an individual budget for City and Suburban Divisions, including Water and Wastewater Operating, and Water and Wastewater Capital sections. The officially adopted budget is the financial plan for the ensuing year.
3. Each month, a Budget vs. Actual Report is prepared. The report cites monthly and year-to-date activity as well as unused budgeted monies. All department heads are responsible for evaluating their areas for compliance with the budget and taking proper remedial action.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

4. The Accounting Supervisor may transfer budgeted amounts between line items within any budget; however, any revisions that alter the total expenses or revenues of any fund must be approved by the Authority Board. For the year ended December 31, 2023, there were no budget amendments that needed Board approval.
5. The level of control (level at which expenses may not exceed budget) is the individual budgets within each fund. Budgets lapse at year-end.
6. Budgets for the Enterprise Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The budgets of the Authority are maintained and are prepared using the accrual basis of accounting. Budgeted amounts are as originally adopted, as amended by the Accounting Supervisor, or as amended by the Authority Board.

**D. Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Authority considers all highly liquid investments, including investments in external investment pools and money market mutual funds as discussed in Note 2, with a maturity of three months or less when purchased to be cash equivalents.

Restricted Cash and Certificates of Deposit include escrow accounts established in the Authority's name for maintenance security by developers, funds held by the trustee in debt service accounts, and other special purpose trustee accounts which include unspent bond proceeds.

**E. Trade Receivables**

All trade receivables are shown net of an allowance for uncollectables, as applicable, trade receivables are evaluated for collectability and an allowance is established, as deemed necessary based on the best information available and in an amount that management believes is adequate. Trade receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded when received.

**F. Inventory**

Inventory of the Suburban Water Fund consists of meters and related components and is stated at cost (first-in, first-out). It is the policy of the Authority to expense all other materials and supplies on a current basis for all funds.

**G. Investments, External Investment Pools, Certificates of Deposit**

The Authority invests its idle funds in various instruments, including external investment pools which invest in government secured instruments and certificates of deposit with federally insured financial institutions. The Authority's investment in external investment pools, as discussed in Note 2, and government secured money market instruments are valued at fair value, or amortized cost, which approximates cost and is classified as cash and cash equivalents in the balance sheet. The Authority invests in both negotiable and non-negotiable certificates of deposit (CD) in federally insured financial institutions. Negotiable CDs are valued at fair value while non-negotiable CDs are valued at cost because they are considered non-participating contracts for which redemption terms do not consider market rates.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. Capital Assets & Depreciation, and Service Concession Arrangement & Amortization**

The Authority uses a capitalization threshold of \$5,000 to record capital assets purchased and constructed. The expenses are recorded at cost including any liability for contract retainage and construction costs payable. In addition, the Authority included any water rights associated with a project as part of the cost of that project and depreciated them accordingly. Intangible assets acquired in the Service Concession Arrangement are amortized over 50 years. Intangible assets with an indefinite life are not subject to amortization. The construction accounts have also been charged with applicable administrative expenses.

Contributed assets are carried at estimated acquisition value at the time of contribution. Depreciation is determined using the straight-line method based upon the following estimated useful lives:

	<u>Years</u>
Wells	45
Transmission and Distribution Mains	100
Services	60
Fire Hydrants	65
Reservoirs	55
Pumping Station – Structures	45
Pumping Station - Electrical and Pumping Appurtenances	35
Pumping Station – Purification	33.5
Metering System	20
Transportation and Computer Equipment	5
Communication and Miscellaneous Equipment	5 - 20
Wastewater Collector System	100
Western Lehigh Interceptor System	50
Relief Interceptor Systems	100
Office Equipment and Furnishings	10
Office Building and Site Improvements	20 - 40
Water Capacity	40

Normal maintenance and repairs are charged to operations as incurred. Renewals and betterments are capitalized and depreciated based upon the expected life of such improvements.

Non-exchange transactions, such as donated system assets and assets acquired by contributions, are recognized as capital contributions in accordance with GASB Statement No. 33.

**I. Facilities Planning Costs**

The Authority has adopted a policy of amortizing planning costs related to all Water and Wastewater activity. With the exception of the development of a Water System hydraulic model, a Financial Information System Selection, an Integrated Computer System study, a Methane Gas Energy Study and the costs of negotiating a lease agreement with the County of Lehigh for oversight of a wastewater treatment plant, all of which are being amortized over 7 years, and a future water supply drilling program and a wastewater hydraulic model, which are being amortized over 10 years, all other planning costs are amortized over a 3-year period.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The period over which the costs are amortized and the amortization expense for 2024 and 2023 are as follows:

	<u>Amortization Period (Years)</u>	<u>2024 Amortization</u>	<u>2023 Amortization</u>
<b>Suburban Water Fund:</b>			
Facilities Planning Costs	3-10	\$ 41,558	\$ 205,296
<b>Suburban Wastewater Fund:</b>			
Facilities Planning Costs	3-7	<u>3,321,220</u>	<u>3,289,598</u>
Total Amortization		<u>\$ 3,362,778</u>	<u>\$ 3,494,894</u>

**J. Compensated Absences**

The Authority has an incentive excused absence policy, which annually compensates employees who are absent from work less than a specific number of days during the year. Excused absences include employee and dependent illness, medical or dental appointments, or any other valid reason approved by the employee's immediate supervisor. There is no carryover of the excused absence allowance.

With approval up to 25 days of unused vacation can accumulate for 18 months beyond the year in which it is earned.

The following table summarizes unused vacation liability:

	<u>2024</u>	<u>2023</u>
Balance at Beginning of Year	\$ 219,191	\$ 296,276
Additions	286,371	219,191
Retirements	<u>(219,191)</u>	<u>(296,276)</u>
Balance at End of Year	<u>\$ 286,371</u>	<u>\$ 219,191</u>

Unused vacation days are used within 12 months and are reported in current liabilities as a part of Accrued Payroll and Other.

**K. Deferred Outflows of Resources**

The statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority has three items that qualify for reporting in this category: deferred outflows related to pensions, OPEB and refunding losses on bonds.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**L. Deferred Inflows of Resources**

The statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has two items that qualify for reporting in this category: deferred inflows related to pensions and OPEB.

**M. Adoption of Governmental Accounting Standards Board Statements**

The Authority adopted the required provisions of GASB Statement No. 99, “*Omnibus 2022*”, GASB Statement No. 100, “*Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*” and GASB Statement No. 101, “*Compensated Absences*”. The adoption of these GASB’s had no effect on previously reported amounts.

**N. Pending Changes in Accounting Principles**

In December 2023, the GASB issued Statement No. 102, “*Certain Risk Disclosures*”. The Authority is required to adopt the provisions of Statement No. 102 for its fiscal year 2025 financial statements.

In April 2024, the GASB issued Statement No. 103, “*Financial Reporting Model Improvements*”. The Authority is required to adopt Statement No. 103 for its calendar year 2026 financial statements.

In September 2024, the GASB issued Statement No. 104, “*Disclosure of Certain Capital Assets*”. The Authority is required to adopt Statement No. 104 for its calendar year 2026 financial statements.

The Authority has not yet completed the various analysis required to estimate the financial statement impact of these new pronouncements.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 2 – DEPOSITS AND INVESTMENTS**

The carrying amounts of the cash and investments on December 31 consist of the following:

	<u>2024</u>	<u>2023</u>
Demand deposit, money market, and savings accounts	\$ 151,381,881	\$ 99,933,476
Certificates of deposit, nonnegotiable	1,122,001	1,066,824
Overnight repurchase	9,167,316	5,189,819
Certificates of deposit, negotiable	9,002,402	8,921,772
Pennsylvania School District Liquid Asset Fund	3,814,884	3,629,045
OPEB Investments:		
Cash Equivalents	90,963	211,823
Mutual Funds - Equity	1,787,829	1,909,326
Mutual Funds – Fixed Income	-	-
Stocks	2,257,381	1,503,603
U.S. Treasury Obligations	-	-
U.S. Agencies	-	-
Corporate Bonds	<u>158,419</u>	<u>156,528</u>
	<u>\$ 178,783,076</u>	<u>\$ 122,522,216</u>
Classification per statements of net position:		
Unrestricted current assets		
Cash and cash equivalents	\$ 35,560,325	\$ 35,569,372
Certificates of deposit	10,124,403	9,988,596
Restricted non-current assets		
Cash and cash equivalents	128,802,756	73,182,968
Certificates of deposit	-	-
Investment U.S. treasury obligations	-	-
OPEB Investments:		
Cash Equivalents	90,963	211,823
Mutual Funds - Equity	1,787,829	1,909,326
Mutual Funds – Fixed Income	-	-
Stocks	2,257,381	1,503,603
U.S. Treasury Obligations	-	-
U.S. Agencies	-	-
Corporate Bonds	<u>158,419</u>	<u>156,528</u>
	<u>\$ 178,783,076</u>	<u>\$ 122,522,216</u>

**Deposits:**

The Authority has a policy that requires all deposits and investments, other than U.S. government obligations, to be covered by Federal insurance or to be fully collateralized by the financial institution issuing the investment or acquiring the deposit. Deposits that are not insured by the Federal Deposit Insurance Corporation are collateralized using the pooled asset method to 100% of value as required by Pennsylvania Law.

The securities pledged as collateral are held by the trust department of a financial institution or by its agent in the financial institution's name. When certificates of deposit are purchased, the Authority or its agent either holds the actual certificate of deposit or receives a safekeeping certificate as its proof of ownership.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)**

The Authority has custodial credit risk on cash and investment deposits. This is the risk that, in case of a financial institution failure, the Authority's deposits may not be returned. On December 31, 2024, and 2023, the carrying amounts of the Authority's bank deposits were \$29,775,322 and \$21,767,267 respectively, and the bank balance of \$32,033,183 and \$22,955,819, respectively. As of December 31, 2024, and 2023, \$30,161,182 and \$21,138,995 of deposits were exposed to custodial risk because they were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Authority's name. On December 31, 2024, and 2023 none of the Authority's investments were subject to custodial credit risk.

**Investments:**

Pennsylvania Law limits investment and deposit types that the Authority may purchase as follows:

- (a) U.S. Treasury bills
- (b) Short-term obligations of the U.S. government or its agencies
- (c) Demand, savings and time deposits with institutions insured by the FDIC or the National Credit Union Share Funds or collateralized with securities as provided by law.
- (d) Obligations of the United States or any of its agencies, the Commonwealth of Pennsylvania or any of its agencies or any political subdivisions of the Commonwealth of Pennsylvania or any of its agencies providing the obligations are backed by the full faith and credit of the political subdivisions.

Pennsylvania School District Liquid Asset Fund

The Authority has funds invested with the Pennsylvania School District Liquid Asset Fund (PSDLAF); an investment pool managed by RBC Capital Markets. In 2001, PSDLAF amended its bylaws to allow Pennsylvania municipal entities besides school districts to take part in the fund. The purpose of the pool is to enhance investment potential through cash pooling while providing security and liquidity. Pool participants are allocated a pro-rata share of each investment purchased by the pool.

Purchased securities, placed in the name of PSDLAF, serve as collateral and are held in safekeeping at PNC Bank. A liquid fund and MAX fund require no advance notice for withdrawals; however, since the MAX fund does not provide check writing services, a higher rate of return is earned.

In addition, each member can purchase certificates of deposit and other investments through the pool. Security for collateralized certificate of deposit purchases is held at the Bank of New York or the Federal Reserve Bank of Boston. The PSDLAF fund is regulated by the Municipal Securities Rulemaking Board. Investment policy is guided by Pennsylvania statute. The Authority's fair value of its position in the pool is measured at amortized cost and is the same as the value of the pool shares.

Money Market Funds

The Authority invest in various money market mutual funds. The money market accounts are secured only by the investments within the fund, which are generally U.S. Government obligations.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)**

Investment Maturities

As of December 31, 2024, and 2023, the Authority had the following investments and maturities:

<u>Investment Type</u>	<u>Cost</u>	<u>Fair Value</u>	<u>% of Total</u>	<u>Investment Maturities (In Years)</u>			
				<u>Less than One Year</u>	<u>One-to-Five Years</u>	<u>Six-to-Ten Years</u>	<u>More than 10 Years</u>
<b>2024</b>							
Certificates of Deposit, negotiable	\$8,956,000	\$9,002,402	70.24%	\$4,597,036	\$4,405,366	-	-
U.S. Treasury Obligations	-	-	-	-	-	-	-
Pennsylvania School District Liquid Asset Fund	<u>3,814,885</u>	<u>3,814,885</u>	<u>29.76%</u>	<u>3,814,885</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>\$12,770,885</u></b>	<b><u>\$12,817,287</u></b>	<b><u>100.00%</u></b>	<b><u>\$7,909,736</u></b>	<b><u>\$4,405,366</u></b>	<b><u>\$-</u></b>	<b><u>\$-</u></b>
<b>Fiduciary Fund</b>							
U.S Government Agencies	-	-	-	-	-	-	-
U.S. Government Treasury Obligations	-	-	-	-	-	-	-
Corporate Bonds	158,164	158,419	100.00%	31,894	126,525	-	-
Fixed Income Mutual Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>\$158,164</u></b>	<b><u>\$158,419</u></b>	<b><u>100.00%</u></b>	<b><u>\$31,894</u></b>	<b><u>\$126,525</u></b>	<b><u>\$-</u></b>	<b><u>\$-</u></b>
<b>2023</b>							
<b>Investment Maturities (In Years)</b>							
<u>Investment Type</u>	<u>Cost</u>	<u>Fair Value</u>	<u>% of Total</u>	<u>Less than One Year</u>	<u>One-to-Five Years</u>	<u>Six-to-Ten Years</u>	<u>More than 10 Years</u>
Certificates of Deposit, negotiable	\$8,908,000	\$8,921,772	71.09%	\$4,094,851	\$4,826,921	-	-
U.S. Treasury Obligations	-	-	-	-	-	-	-
Pennsylvania School District Liquid Asset Fund	<u>3,629,045</u>	<u>3,629,045</u>	<u>28.91%</u>	<u>3,629,045</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>\$12,537,045</u></b>	<b><u>\$12,550,817</u></b>	<b><u>100.00%</u></b>	<b><u>\$7,723,896</u></b>	<b><u>\$4,826,921</u></b>	<b><u>\$-</u></b>	<b><u>\$-</u></b>

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)**

<u>Investment Type</u>	<u>Cost</u>	<u>Fair Value</u>	<u>% of Total</u>	<u>Investment Maturities (In Years)</u>			
				<u>Less than One Year</u>	<u>One-to-Five Years</u>	<u>Six-to-Ten Years</u>	<u>More than 10 Years</u>
<u>2023</u>							
<u>Fiduciary Fund</u>							
U.S Government Agencies	-	-	-	-	-	-	-
U.S. Government Treasury Obligations	-	-	-	-	-	-	-
Corporate Bonds	160,236	156,528	100.00%	-	156,236	-	-
Fixed Income Mutual Bonds	-	-	-	-	-	-	-
<b>Total</b>	<b><u>\$160,236</u></b>	<b><u>\$156,528</u></b>	<b><u>100.00%</u></b>	<b><u>\$ -</u></b>	<b><u>\$156,236</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

**Interest Rate Risk:**

As a means of managing its exposure to fair value losses arising from increasing interest rates, the Authority's investment policy limits the value of investments with maturities to no greater than five years.

**Credit Risk:**

The Authority limits the type of investments permitted as defined in the Municipality Authorities Act and the related trust indentures. Allowed investments are defined above. The Authority's investment policy is consistent with these limitations.

As of December 31, 2024, the Authority's investments were rated by Standard and Poor's as follows:

<u>Investment Type</u>	<u>Credit Quality Rating</u>	<u>Percent of Investment Type</u>
Corporate Bonds	AA-	5.59%
Corporate Bonds	A+	14.88%
Corporate Bonds	A	4.20%
Corporate Bonds	A-	26.90%
Corporate Bonds	BBB	25.79%
Corporate Bonds	BBB+	11.37%
Corporate Bonds	NR	11.27%
Pennsylvania School District		
Liquid Asset Fund	AAAm	100%
Certificates of Deposit Negotiable	NR	100%

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)**

**Fair Value:**

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Authority's investments in negotiable certificates of deposit, stocks, fixed income mutual funds, and equity mutual funds are valued using quoted market prices (Level 1 inputs).

The Authority's investments in U.S. Treasury Obligations, U.S. Government Agencies, and Corporate Bonds are valued using a matrix pricing model (Level 2 inputs).

	<u>12/31/2024</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b>Investments by fair value level</b>				
Debt securities				
Corporate Bonds	\$ 158,419	\$ -	\$ 158,419	\$ -
Total debt securities	<u>158,419</u>	<u>-</u>	<u>158,419</u>	<u>-</u>
Equity securities				
Negotiable Certificates of Deposit	9,002,402	9,002,402	-	-
Stocks	2,257,381	2,257,381	-	-
Equity Mutual Funds	<u>1,787,829</u>	<u>1,787,829</u>	<u>-</u>	<u>-</u>
Total equity securities	<u>13,047,612</u>	<u>13,047,612</u>	<u>-</u>	<u>-</u>
Total investments by fair value	<u>\$ 13,206,031</u>	<u>\$ 13,047,612</u>	<u>\$ 158,419</u>	<u>\$ -</u>

**NOTE 3 – DEVELOPER ESCROW DEPOSIT**

The Authority requires developers to supply improvement security for system extensions. To meet this requirement, developers supply such security in cash or a letter of credit. An offsetting liability for all developer deposits is shown as a current and non-current liability on the Statement of Net Position.

**NOTE 4 – RECEIVABLES – DEVELOPER CONTRACTS**

As of December 31, 2024, the Authority has two agreements with customers, which allow for the financing of wastewater capital recovery fees over a multi-year period. The purpose of these arrangements is to make it more affordable for high-volume wastewater users to locate in the Authority service area. The total amounts of unpaid fees have been recorded as current (\$221,005) and long-term receivables (\$303,554). At year-end 2023, there were two agreements, and the unpaid fees were recorded as current (\$207,224) and long-term receivables (\$533,320). The Authority is recording interest income on the receivables in the year of receipt, which is not materially different than the accrual method.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 5 – CAPITAL ASSETS**

Capital assets of the Authority for 2024 and 2023 consist of the following:

	<b>Balance at <u>12/31/23</u></b>	<b><u>Additions</u></b>	<b><u>Retirements</u></b>	<b>Balance at <u>12/31/24</u></b>
<b>Suburban Water Fund</b>				
Non-depreciable Assets:				
Land	\$ 3,734,165	\$ 800	\$ -	\$ 3,734,965
Construction in progress	<u>2,728,619</u>	<u>4,496,663</u>	<u>(347,101)</u>	<u>6,878,181</u>
Total Capital Assets Not Being Depreciated	<u>6,462,784</u>	<u>4,497,463</u>	<u>(347,101)</u>	<u>10,613,146</u>
Depreciable Assets:				
Wells & Reservoirs	13,439,605	618,526	-	14,058,131
Transmission & Distribution Mains	94,381,777	403,983	-	94,785,760
Service & Hydrants	20,407,091	55,680	-	20,462,771
Building Structure & Appurtenances	30,709,483	445,926	-	31,155,409
Metering System	14,644,182	541,700	-	15,185,882
Equipment	12,589,429	2,989,900	(252,572)	15,326,757
Right-To-Use Leased Equipment	5,951	-	-	5,951
Right-To-Use Leased Vehicles	622,491	20,390	-	642,881
Capacity	<u>1,207,901</u>	<u>-</u>	<u>-</u>	<u>1,207,901</u>
Total Capital Assets Being Depreciated	<u>188,007,910</u>	<u>5,076,105</u>	<u>(252,572)</u>	<u>192,831,443</u>
Less Accumulated Depreciation for:				
Wells & Reservoirs	(4,165,882)	(252,725)	-	(4,418,607)
Transmission & Distribution Mains	(17,208,856)	(945,801)	-	(18,154,657)
Service & Hydrants	(5,780,665)	(333,054)	-	(6,113,719)
Building Structure & Appurtenances	(12,315,968)	(818,543)	-	(13,134,511)
Metering System	(7,555,313)	(614,982)	-	(8,170,295)
Equipment	(8,036,442)	(915,092)	252,572	(8,698,962)
Right-To-Use Leased Equipment	(339)	(1,203)	-	(1,542)
Right-To-Use Leased Vehicles	(153,261)	(105,371)	-	(258,632)
Capacity	<u>(878,379)</u>	<u>(31,834)</u>	<u>-</u>	<u>(910,213)</u>
Total Accumulated Depreciation	<u>(56,095,105)</u>	<u>(4,018,605)</u>	<u>252,572</u>	<u>(59,861,138)</u>
Total Net Capital Assets Being Depreciated	<u>131,912,805</u>	<u>1,057,500</u>	<u>-</u>	<u>132,970,305</u>
Total Capital Assets, Net	<u>\$ 138,375,589</u>	<u>\$ 5,554,963</u>	<u>\$ (347,101)</u>	<u>\$ 143,583,451</u>

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 5 – CAPITAL ASSETS (Continued)**

	<b>Balance at <u>12/31/23</u></b>	<b><u>Additions</u></b>	<b><u>Retirements</u></b>	<b>Balance at <u>12/31/24</u></b>
<b>Suburban Wastewater Fund</b>				
Non-depreciable Assets:				
Land	\$ 1,896,050	\$ 104,744	\$ -	\$ 2,000,794
Capacity	248,561	-	-	248,561
Construction in progress	316,208	9,694,215	(4,708,367)	5,302,056
Total Capital Assets Not Being Depreciated	<u>2,460,819</u>	<u>9,798,959</u>	<u>(4,708,367)</u>	<u>7,551,411</u>
Depreciable Assets:				
Interceptor & Collector Systems	41,704,381	552,373	-	42,256,754
Wells & Reservoirs	3,494,643	-	-	3,494,643
Building Structure & Appurtenances	73,177,085	1,692,371	-	74,869,456
Metering System	429,778	-	-	429,778
Right-To-Use Leased Equipment	5,951	-	-	5,951
Right-To-Use Leased Vehicles	1,063,200	-	-	1,063,200
Equipment	24,659,220	1,189,403	-	25,848,623
Total Capital Assets Being Depreciated	<u>144,534,258</u>	<u>3,434,147</u>	<u>-</u>	<u>147,968,405</u>
Less Accumulated Depreciation for:				
Interceptor & Collector Systems	(12,716,539)	(368,949)	-	(13,085,488)
Wells & Reservoirs	(857,376)	(63,539)	-	(920,915)
Building Structure & Appurtenances	(28,648,473)	(2,368,399)	-	(31,016,872)
Metering System	(307,984)	(10,303)	-	(318,287)
Right-To-Use Leased Equipment	(339)	(1,203)	-	(1,542)
Right-To-Use Leased Vehicles	(854,160)	(76,830)	-	(930,990)
Equipment	(21,879,991)	(743,748)	-	(22,623,739)
Total Accumulated Depreciation	<u>(65,264,862)</u>	<u>(3,632,971)</u>	<u>-</u>	<u>(68,897,833)</u>
Total Net Capital Assets Being Depreciated	<u>79,269,396</u>	<u>(198,824)</u>	<u>-</u>	<u>79,070,572</u>
Total Capital Assets, Net	<u>\$ 81,730,215</u>	<u>\$ 9,600,135</u>	<u>\$ (4,708,367)</u>	<u>\$ 86,621,983</u>
	<b>Balance at <u>12/31/23</u></b>	<b><u>Additions</u></b>	<b><u>Retirements</u></b>	<b>Balance at <u>12/31/24</u></b>
<b>City Division Fund</b>				
Depreciable Assets:				
Transportation Equipment	\$ 3,637,658	\$ 1,157,360	\$ (77,989)	\$ 4,717,029
Miscellaneous Equipment & Computers	248,981	-	-	248,981
Right-To-Use Leased Equipment	49,165	-	-	49,165
Right-To-Use Leased Vehicles	1,402,036	-	(201,424)	1,200,612
Office Furniture & Equipment	23,116	-	-	23,116
Total Capital Assets Being Depreciated	<u>5,360,956</u>	<u>1,157,360</u>	<u>(279,413)</u>	<u>6,238,903</u>
Less Accumulated Depreciation for:				
Transportation Equipment	(1,940,082)	(442,888)	77,989	(2,304,981)
Miscellaneous Equipment & Computers	(248,981)	-	-	(248,981)
Right-To-Use Leased Equipment	(3,007)	(9,891)	-	(12,898)
Right-To-Use Leased Vehicles	(411,676)	(232,491)	194,983	(449,184)
Office Furniture & Equipment	(23,116)	-	-	(23,116)
Total Accumulated Depreciation	<u>(2,626,862)</u>	<u>(685,270)</u>	<u>272,972</u>	<u>(3,039,160)</u>
Total Net Capital Assets Being Depreciated	<u>2,734,094</u>	<u>472,090</u>	<u>(6,441)</u>	<u>3,199,743</u>
Total Capital Assets, Net	<u>\$ 2,734,094</u>	<u>\$ 472,090</u>	<u>\$ (6,441)</u>	<u>\$ 3,199,743</u>

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 5 – CAPITAL ASSETS (Continued)**

	<u>Balance at</u> <u>12/31/23</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at</u> <u>12/31/24</u>
<b>Total Funds</b>				
Total Capital Assets Not Being				
Depreciated	\$ 8,923,603	\$ 14,296,422	\$ (5,055,468)	\$ 18,164,557
Total Capital Assets Being				
Depreciated	337,903,124	9,491,728	(531,986)	346,862,866
Total Accumulated Depreciation	<u>(123,986,829)</u>	<u>(8,336,845)</u>	<u>525,545</u>	<u>(131,798,129)</u>
Total Net Capital Assets Being				
Depreciated	213,916,295	1,154,883	(6,441)	215,064,737
Total Capital Assets, Net	<u>\$ 222,839,898</u>	<u>\$ 15,451,305</u>	<u>\$ (5,061,909)</u>	<u>\$ 233,229,294</u>
	<u>Balance at</u> <u>12/31/22</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at</u> <u>12/31/23</u>
<b>Suburban Water Fund</b>				
Non-depreciable Assets:				
Land	\$ 3,334,473	\$ 399,692	\$ -	\$ 3,734,165
Construction in progress	<u>4,714,305</u>	<u>5,645,820</u>	<u>(7,631,506)</u>	<u>2,728,619</u>
Total Capital Assets Not Being				
Depreciated	<u>8,048,778</u>	<u>6,045,512</u>	<u>(7,631,506)</u>	<u>6,462,784</u>
Depreciable Assets:				
Wells & Reservoirs	11,702,311	1,737,294	-	13,439,605
Transmission & Distribution Mains	88,676,537	5,705,240	-	94,381,777
Service & Hydrants	18,511,665	1,895,426	-	20,407,091
Building Structure & Appurtenances	30,639,526	69,957	-	30,709,483
Metering System	14,109,805	534,377	-	14,644,182
Equipment	10,619,945	2,001,583	(32,099)	12,589,429
Right-To-Use Leased Equipment	8,829	5,951	(8,829)	5,951
Right-To-Use Leased Vehicles	407,400	215,091	-	622,491
Capacity	<u>1,207,901</u>	<u>-</u>	<u>-</u>	<u>1,207,901</u>
Total Capital Assets Being				
Depreciated	<u>175,883,919</u>	<u>12,164,919</u>	<u>(40,928)</u>	<u>188,007,910</u>
Less Accumulated Depreciation for:				
Wells & Reservoirs	(3,949,796)	(216,086)	-	(4,165,882)
Transmission & Distribution Mains	(16,292,404)	(916,452)	-	(17,208,856)
Service & Hydrants	(5,463,253)	(317,412)	-	(5,780,665)
Building Structure & Appurtenances	(11,506,614)	(809,354)	-	(12,315,968)
Metering System	(6,947,290)	(608,023)	-	(7,555,313)
Equipment	(7,343,202)	(725,339)	32,099	(8,036,442)
Right-To-Use Leased Equipment	(7,692)	(1,476)	8,829	(339)
Right-To-Use Leased Vehicles	(50,035)	(103,226)	-	(153,261)
Capacity	<u>(846,545)</u>	<u>(31,834)</u>	<u>-</u>	<u>(878,379)</u>
Total Accumulated Depreciation	<u>(52,406,831)</u>	<u>(3,729,202)</u>	<u>40,928</u>	<u>(56,095,105)</u>
Total Net Capital Assets Being				
Depreciated	<u>123,477,088</u>	<u>8,435,717</u>	<u>-</u>	<u>131,912,805</u>
Total Capital Assets, Net	<u>\$ 131,525,866</u>	<u>\$ 14,481,229</u>	<u>\$ (7,631,506)</u>	<u>\$ 138,375,589</u>

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 5 – CAPITAL ASSETS (Continued)**

	<u>Balance at 12/31/22</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at 12/31/23</u>
<b>Suburban Wastewater Fund</b>				
Non-depreciable Assets:				
Land	\$ 1,896,050	\$-	\$-	\$ 1,896,050
Capacity	248,561	-	-	248,561
Construction in progress	1,421,586	4,463,282	(5,568,660)	316,208
Total Capital Assets Not Being Depreciated	<u>3,566,197</u>	<u>4,463,282</u>	<u>(5,568,660)</u>	<u>2,460,819</u>
Depreciable Assets:				
Interceptor & Collector Systems	39,577,398	2,126,983	-	41,704,381
Wells & Reservoirs	3,494,643	-	-	3,494,643
Building Structure & Appurtenances	71,847,880	1,329,205	-	73,177,085
Metering System	429,778	-	-	429,778
Right-To-Use Leased Equipment	8,829	5,951	(8,829)	5,951
Right-To-Use Leased Vehicles	1,100,894	44,421	(82,115)	1,063,200
Equipment	24,113,872	545,348	-	24,659,220
Total Capital Assets Being Depreciated	<u>140,573,294</u>	<u>4,051,908</u>	<u>(90,944)</u>	<u>144,534,258</u>
Less Accumulated Depreciation for:				
Interceptor & Collector Systems	(12,389,291)	(327,248)	-	(12,716,539)
Wells & Reservoirs	(793,837)	(63,539)	-	(857,376)
Building Structure & Appurtenances	(26,380,940)	(2,267,533)	-	(28,648,473)
Metering System	(297,374)	(10,610)	-	(307,984)
Right-To-Use Leased Equipment	(7,692)	(1,476)	8,829	(339)
Right-To-Use Leased Vehicles	(735,894)	(122,003)	3,737	(854,160)
Equipment	(21,256,974)	(623,017)	-	(21,879,991)
Total Accumulated Depreciation	<u>(61,862,002)</u>	<u>(3,415,426)</u>	<u>12,566</u>	<u>(65,264,862)</u>
Total Net Capital Assets Being Depreciated	<u>78,711,292</u>	<u>636,482</u>	<u>(78,378)</u>	<u>79,269,396</u>
Total Capital Assets, Net	<u>\$ 82,277,489</u>	<u>\$ 5,099,764</u>	<u>\$ (5,647,038)</u>	<u>\$ 81,730,215</u>
	<u>Balance at 12/31/22</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at 12/31/23</u>
<b>City Division Fund</b>				
Depreciable Assets:				
Transportation Equipment	\$3,512,245	\$798,308	(\$672,895)	\$3,637,658
Miscellaneous Equipment & Computers	248,981	-	-	248,981
Right-To-Use Leased Equipment	54,217	49,165	(54,217)	49,165
Right-To-Use Leased Vehicles	940,098	461,938	-	1,402,036
Office Furniture & Equipment	23,116	-	-	23,116
Total Capital Assets Being Depreciated	<u>4,778,657</u>	<u>1,309,411</u>	<u>(727,112)</u>	<u>5,360,956</u>
Less Accumulated Depreciation for:				
Transportation Equipment	(2,271,469)	(306,811)	638,198	(1,940,082)
Miscellaneous Equipment & Computers	(248,981)	-	-	(248,981)
Right-To-Use Leased Equipment	(47,393)	(9,831)	54,217	(3,007)
Right-To-Use Leased Vehicles	(200,494)	(211,182)	-	(411,676)
Office Furniture & Equipment	(23,116)	-	-	(23,116)
Total Accumulated Depreciation	<u>(2,791,453)</u>	<u>(527,824)</u>	<u>692,415</u>	<u>(2,626,862)</u>
Total Net Capital Assets Being Depreciated	<u>1,987,204</u>	<u>781,587</u>	<u>(34,697)</u>	<u>2,734,094</u>
Total Capital Assets, Net	<u>\$ 1,987,204</u>	<u>\$ 781,587</u>	<u>\$ (34,697)</u>	<u>\$ 2,734,094</u>

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 5 – CAPITAL ASSETS (Continued)**

	<u>Balance at 12/31/22</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at 12/31/23</u>
<b>Total Funds</b>				
Total Capital Assets Not Being Depreciated	\$ 11,614,975	\$ 10,508,794	\$ (13,200,166)	\$ 8,923,603
Total Capital Assets Being Depreciated	321,235,870	17,526,238	(858,984)	337,903,124
Total Accumulated Depreciation	<u>(117,060,286)</u>	<u>(7,672,452)</u>	<u>745,909</u>	<u>(123,986,829)</u>
Total Net Capital Assets Being Depreciated	<u>204,175,584</u>	<u>9,853,786</u>	<u>(113,075)</u>	<u>213,916,295</u>
Total Capital Assets, Net	<u>\$ 215,790,559</u>	<u>\$ 20,362,580</u>	<u>\$ (13,313,241)</u>	<u>\$ 222,839,898</u>

Under an agreement dated December 29, 1981, the Authority acquired 1,400,000 gallons per day of sewage treatment capacity ("grandfathered capacity") from the City of Allentown in addition to the amortized costs. This capacity was available to municipalities in Western Lehigh County for developments connected to the wastewater system. When a municipality required capacity to serve a business or residence, a fee was paid and recorded as a sale of capacity on the Authority's books. In addition, on an as-needed basis, the Authority purchases sewage treatment capacity from the City for non-grandfathered users ("General Pool Capacity"). This capacity is recorded on the books at the date of purchase and is reduced as such capacity is sold to the various municipalities and is included as a capital asset in the above table. At year-end 2024 and 2023 the total value of this capacity was \$248,561 and \$248,561, respectively.

**NOTE 6 – SERVICE CONCESSION ARRANGEMENT**

On August 7, 2013, the Lehigh County Authority ("LCA") entered into the Allentown Water and Sewer Utility System Concession and Lease Agreement (the "Service Concession Arrangement") with the City of Allentown, under which the LCA leased the Water and Sewer Utility Systems and retained the right and related obligation to operate those systems as the Concessionaire for 50 years. The LCA must operate and maintain the systems in accordance with the Service Concession Arrangement. The LCA entered the Service Concession Arrangement to aid further regionalization of water and sewer services in the Lehigh Valley and to benefit the ratepayers with the overall organizational efficiencies. The LCA paid the City an upfront payment of \$211,332,218. The LCA also agreed to make required annual payments of \$500,000 starting in 2016, and every year thereafter, adjusted for inflation using the consumer price index. In addition to the required annual payments, the LCA must establish a Capex Fund (held in trust) no later than January 1, 2033. The LCA must make annual deposits into the Capex Fund in the amounts of \$1,000,000 for years 2033 to 2042, \$2,000,000 for years 2043 to 2052, and \$3,000,000 for years 2053 to 2062, adjusted for inflation using the consumer price index. These funds can be withdrawn by the LCA to pay costs incurred with respect to major capital improvements meeting certain requirements of the concession agreement. On the reversion date of the Water and Sewer Utility System, any moneys or securities held in the Capex Fund shall be applied first to pay any unpaid termination compensation, AA-Compensation and Concession Compensation and any amount remaining shall be remitted to the City. In conjunction with the execution of the service concession arrangement capital assets with an approximate fair value of \$1,485,804 were conveyed to LCA from the City.

This transaction meets the criteria for reporting under Governmental Accounting Standards Board (GASB) Statement No. 60 "Accounting and Financial Reporting for Service Concession Arrangements".

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 6 – SERVICE CONCESSION ARRANGEMENT (Continued)**

As a result, an intangible asset (Service Concession Arrangement) of \$246,205,824, representing: I) the upfront payment, less the fair value of conveyed capital assets, II) the discounted future annual payments, and III) the discounted future Capex Fund funding requirements was recorded by LCA on the execution date. The intangible asset will be amortized on the straight-line method over the life of the agreement (50 years). Cost of improvements to the facility during the term of the Service Concession Arrangement that increase capacity or efficiency of the facility are recorded as increases to the intangible asset and amortized systematically over the term of the arrangement. Costs of \$8,026,395 and \$4,926,651 were recorded as increases to the intangible asset in 2024, and 2023, respectively. Amortization expense in the amount of \$6,430,999 and \$6,227,799 was recognized in 2024, and 2023, respectively related to the intangible asset. The net book value of the asset was \$247,593,462 and \$245,998,066 at December 31, 2024, and 2023, respectively.

In addition to the intangible asset, LCA recorded an initial liability (“SCA Payable”) of \$36,359,411 representing: I) the present value of future annual payments, and II) the present value of future Capex Fund deposit requirements on the execution date. This liability is adjusted annually to reflect the present value of the future payments. Interest expense of \$3,310,133 and \$3,216,234 was recognized in 2024 and 2023, respectively. The liability was \$71,551,874 and \$69,626,135 on December 31, 2024, and 2023, respectively.

As part of the Service Concession Agreement the LCA was required to offer employment to substantially all existing employees of the Water and Sewer System. The LCA was required to provide existing levels of certain benefits to these employees, including OPEB and Pension. This resulted in the adoption of a new OPEB plan in 2013 (Note 12) and the addition of new employees into the LCA Pension. The impact of the addition of these new employees into the plan resulted in an unfunded actuarial accrued liability of \$220,059 on August 8, 2013.

In 2020 the Authority and the City of Allentown entered into an agreement which modified certain terms of original Service Concession Arrangement. The modified terms included future payments to be made by the Authority to the City, as well as changes to the terms in which the Authority may increase rates to customers of the system. This agreement resulted in the Authority recording additions of \$14,733,768 to the intangible asset and SCA Payable liability in 2020.

**NOTE 7 – FACILITIES PLANNING COSTS**

Facilities Planning Costs for 2024 and 2023 consist of the following:

	<u>As of</u> <u>12/31/23</u>	<u>Additions</u>	<u>Retirements</u>	<u>As of</u> <u>12/31/24</u>
<b>Suburban Water Fund</b>				
Facilities Planning Costs	\$ 592,678	\$ -	\$ (505,176)	\$ 87,502
Less Accumulated Amortization	<u>(551,120)</u>	<u>(41,558)</u>	<u>505,176</u>	<u>(87,502)</u>
Total Suburban Water Facilities Costs - Net	<u>41,558</u>	<u>(41,558)</u>	<u>-</u>	<u>-</u>
<b>Suburban Wastewater Fund</b>				
Facilities Planning Costs	13,899,925	1,271,804	(1,176,938)	13,994,791
Less Accumulated Amortization	<u>(10,411,938)</u>	<u>(3,321,220)</u>	<u>1,176,938</u>	<u>(12,556,220)</u>
Total Suburban Wastewater Facilities Planning Costs - Net	<u>3,487,987</u>	<u>(2,049,416)</u>	<u>-</u>	<u>1,438,571</u>
Total Facilities Planning Costs - Net	<u>\$3,529,545</u>	<u>\$ (2,090,974)</u>	<u>\$ -</u>	<u>\$1,438,571</u>

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 7 – FACILITIES PLANNING COSTS (Continued)**

	<u>As of 12/31/22</u>	<u>Additions</u>	<u>Retirements</u>	<u>As of 12/31/23</u>
<b>Suburban Water Fund</b>				
Facilities Planning Costs	\$ 680,076	\$ 13,963	\$ (101,361)	\$ 592,678
Less Accumulated Amortization	<u>(447,185)</u>	<u>(205,296)</u>	<u>101,361</u>	<u>(551,120)</u>
Total Suburban Water Facilities Planning Costs - Net	<u>232,891</u>	<u>(191,333)</u>	<u>-</u>	<u>41,558</u>
<b>Suburban Wastewater Fund</b>				
Facilities & Planning Costs	14,822,695	1,772,107	(2,694,877)	13,899,925
Less Accumulated Amortization	<u>(9,817,217)</u>	<u>(3,289,598)</u>	<u>2,694,877</u>	<u>(10,411,938)</u>
Total Suburban Wastewater Planning Facilities Costs - Net	<u>5,005,478</u>	<u>(1,517,491)</u>	<u>-</u>	<u>3,487,987</u>
Total Planning Facilities Costs - Net	<u>\$ 5,238,369</u>	<u>\$ (1,708,824)</u>	<u>\$ -</u>	<u>\$ 3,529,545</u>

**NOTE 8 – LONG-TERM DEBT**

Long-term debt for 2024 and 2023 consists of the following:

	<u>Balance Outstanding As of 12/31/23</u>	<u>Additions / Accretions</u>	<u>Retirements</u>	<u>Balance Outstanding As of 12/31/24</u>	<u>Principal Due Within One Year</u>
<b>Suburban Water Fund</b>					
<b>Bonds</b>					
Water Revenue Bonds					
Series of 2017	\$ 13,560,000	\$ -	\$ (360,000)	\$ 13,200,000	\$ 380,000
Water Revenue Bonds					
Series of 2021	14,415,000	-	(1,645,000)	12,770,000	1,710,000
Subtotal	<u>\$ 27,975,000</u>	<u>\$ -</u>	<u>\$ (2,005,000)</u>	<u>\$ 25,970,000</u>	<u>\$ 2,090,000</u>
Add Bond Premium	2,802,278	-	(345,761)	2,456,517	
Total Suburban Water Fund Bonds	<u>\$ 30,777,278</u>	<u>\$ -</u>	<u>\$ (2,350,761)</u>	<u>\$ 28,426,517</u>	
Less Current Maturities				<u>(2,090,000)</u>	
Net Suburban Water Fund Long-Term Bonds				<u>\$ 26,336,517</u>	
<b>Notes from Direct Borrowings</b>					
2011 Pennsylvania Infrastructure Investment Authority Note	\$ 711,954	\$ -	\$ (76,690)	\$ 635,264	\$ 77,856
Water Revenue Bonds					
Series of 2022	7,013,629	5,241,371	-	12,255,000	-
Total Suburban Water Fund Direct Borrowings	<u>\$ 7,725,583</u>	<u>\$ 5,241,371</u>	<u>\$ (76,690)</u>	<u>\$ 12,890,264</u>	<u>\$ 77,856</u>
Less Current Maturities				<u>(77,856)</u>	
Net Suburban Water Fund Long-Term Direct Borrowings				<u>\$ 12,812,408</u>	
Total Net Suburban Water Fund Long-Term				<u>\$ 39,148,925</u>	

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 8 – LONG-TERM DEBT (Continued)**

	<u>Balance Outstanding As of 12/31/23</u>	<u>Additions / Accretions</u>	<u>Retirements</u>	<u>Balance Outstanding As of 12/31/24</u>	<u>Principal Due Within One Year</u>
<b>Suburban Wastewater Fund</b>					
<b>Bonds</b>					
2011 Sewer Revenue Bonds Series A	\$ 1,010,825	\$ -	\$ (1,010,825)	\$ -	\$ -
Net Suburban Wastewater Fund Long-Term Bonds				\$ -	
<b>Notes from Direct Borrowings</b>					
2009 Pennsylvania Infrastructure Investment Authority Note	\$ 2,150,458	\$ -	\$ (280,616)	\$ 1,869,842	\$ 287,849
2013 Pennsylvania Infrastructure Investment Authority Note	1,602,609	-	(144,400)	1,458,209	146,596
2015 Pennsylvania Infrastructure Investment Authority Note	517,513	-	(38,231)	479,282	38,903
Sewer Revenue Note, Series of 2024	-	968,984	-	968,984	138,000
Total Suburban Wastewater Fund Direct Borrowings	\$ 4,270,580	\$ 968,984	\$ (463,247)	\$ 4,776,317	\$ 611,348
Less Current Maturities				(611,348)	
Net Suburban Wastewater Fund Long-Term Direct Borrowings				\$ 4,164,969	
Total Net Suburban Wastewater Fund Long Term				<u>\$ 4,164,969</u>	
<b>City Division Fund</b>					
<b>Bonds</b>					
2013 Water and Sewer Revenue Bonds, Series A	\$ 107,615,000	\$ -	\$ (107,615,000)	\$ -	\$ -
2013 Water and Sewer Capital Appreciation Revenue Bonds, Series B	70,315,015	4,177,462	(2,945,000)	71,547,477	3,321,701
2020 Water and Sewer Revenue Bonds	161,035,000	-	-	161,035,000	-
2024 Water and Sewer Revenue Bonds	-	158,580,000	-	158,580,000	-
Subtotal	\$ 338,965,015	\$ 162,757,462	\$ (110,560,000)	\$ 391,162,477	\$ 3,321,701
Plus Bond Premium	-	3,466,418	(85,346)	3,381,072	
Less Bond Discount	(3,968,757)	-	3,968,757	-	
Total City Division Fund Bonds	\$ 334,996,258	\$ 166,223,880	\$ (106,676,589)	394,543,549	
Less Current Maturities				(3,321,701)	
Net City Division Fund Long-Term Bonds				<u>\$ 391,221,848</u>	
<b>Direct Borrowings</b>					
2020 Series A Refunding Bonds	\$ 13,395,000	\$ -	\$ (1,280,000)	\$ 12,115,000	\$ 1,320,000
2023 Pennsylvania Infrastructure Investment Authority Note	1,340,074	-	(62,554)	1,277,520	63,182
Total City Fund Direct Borrowings	\$ 14,735,074	\$ -	\$ (1,342,554)	\$ 13,392,520	\$ 1,383,182
Less Current Maturities				(1,383,182)	
Net City Division Fund Long-Term Direct Borrowings				<u>\$ 12,009,338</u>	
Total Net City Division Fund Long Term				<u>\$ 403,231,186</u>	
Total Net Long-Term Debt				<u>\$ 446,545,080</u>	

	<u>Balance Outstanding As of 12/31/22</u>	<u>Additions / Accretions</u>	<u>Retirements</u>	<u>Balance Outstanding As of 12/31/23</u>	<u>Principal Due Within One Year</u>
<b>Suburban Water Fund</b>					
<b>Bonds</b>					
Water Revenue Bonds Series of 2017	\$ 13,910,000	\$ -	\$ (350,000)	\$ 13,560,000	\$ 360,000
Water Revenue Bonds Series of 2021	16,000,000	-	(1,585,000)	14,415,000	1,645,000
Subtotal	\$ 29,910,000	\$ -	\$ (1,935,000)	\$ 27,975,000	\$ 2,005,000
Add Bond Premium	3,148,039	-	(345,761)	2,802,278	
Total Suburban Water Fund Bonds	\$ 33,058,039	\$ -	\$ (2,280,761)	\$ 30,777,278	
Less Current Maturities				(2,005,000)	
Net Suburban Water Fund Long-Term Bonds				<u>\$ 28,772,278</u>	

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 8 – LONG-TERM DEBT (Continued)**

	Balance Outstanding As of 12/31/22	Additions / Accretions	Retirements	Balance Outstanding As of 12/31/23	Principal Due Within One Year
<b>Suburban Water Fund</b>					
<b>Notes from Direct Borrowings</b>					
2011 Pennsylvania Infrastructure Investment Authority Note	787,494	-	(75,540)	711,954	76,690
Water Revenue Bonds Series of 2022	63,629	6,950,000	-	7,013,629	-
Total Suburban Water Fund Direct Borrowings	\$ 851,123	\$ 6,950,000	\$ (75,540)	\$ 7,725,583	\$ 76,690
Less Current Maturities				(76,690)	
Net Suburban Water Fund Long-Term Direct Borrowings				\$ 7,648,893	
Total Net Suburban Water Fund Long-Term				\$ 36,421,171	
<b>Suburban Wastewater Fund</b>					
<b>Sewer Revenue Bonds</b>					
2011 Sewer Revenue Bonds Series A	\$ 1,133,791	\$ -	\$ (122,966)	\$ 1,010,825	\$ 225,680
Less Current Maturities				(225,680)	
Net Suburban Wastewater Fund Long-Term Bonds				\$ 785,145	
<b>Direct Borrowings</b>					
2009 Pennsylvania Infrastructure Investment Authority Note	\$ 2,424,027	\$ -	\$ (273,569)	\$ 2,150,458	\$ 280,617
2013 Pennsylvania Infrastructure Investment Authority Note	1,744,846	-	(142,237)	1,602,609	144,400
2015 Pennsylvania Infrastructure Investment Authority Note	555,083	-	(37,570)	517,513	38,231
Total Suburban Wastewater Fund Direct Borrowings	\$ 4,723,956	\$ -	\$ (453,376)	\$ 4,270,580	\$ 463,248
Less Current Maturities				(463,248)	
Net Suburban Wastewater Fund Long-Term Direct Borrowings				\$ 3,807,332	
Net Suburban Wastewater Fund Long Term				\$ 4,592,477	
<b>City Division Fund</b>					
<b>Bonds</b>					
2013 Water and Sewer Revenue Bonds, Series A	\$ 107,615,000	\$ -	\$ -	\$ 107,615,000	\$ -
2013 Water and Sewer Capital Appreciation Revenue Bonds, Series B	68,671,563	4,053,452	(2,410,000)	70,315,015	2,804,460
2020 Water and Sewer Revenue Bonds	161,035,000	-	-	161,035,000	-
Subtotal	\$ 337,321,563	\$ 4,053,452	\$ (2,410,000)	\$ 338,965,015	\$ 2,804,460
Less Bond Discount	(4,134,698)	-	165,941	(3,968,757)	
Total City Division Fund Debt	\$ 333,186,865	\$ 4,053,452	\$ (2,244,059)	334,996,258	
Less Current Maturities				(2,804,460)	
Net City Division Fund Long-Term Debt				\$ 332,191,798	
<b>Direct Borrowings</b>					
2020 Series A Refunding Bonds	\$ 14,640,000	\$ -	\$ (1,245,000)	\$ 13,395,000	\$ 1,280,000
2023 Pennsylvania Infrastructure Investment Authority Note	-	1,371,117	(31,043)	1,340,074	62,553
	\$ 14,640,000	\$ 1,371,117	\$ (1,276,043)	\$ 14,735,074	\$ 1,342,553
Less Current Maturities				(1,342,553)	
Net City Division Fund Direct Borrowings				\$ 13,392,521	
Total Net City Division Fund Long Term				\$ 345,584,319	
Total Net Long Term Debt				\$ 386,597,967	

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 8 – LONG-TERM DEBT (Continued)**

The Authority’s direct borrowings hold provisions that in the event of certain defaults the notes or bonds become immediately due and payable at the discretion of the lenders.

A summary of the long-term payable is provided in the ensuing paragraphs.

**A. Suburban Division Water Fund**

On December 21, 2011, the Authority issued \$1,185,400 of 2011 Water Bonds to refinance the balance of the 2001 Pennvest loan and to cover financing costs. The maturity date for the new bonds remained on July 1, 2022, and carries a fixed interest rate of 2.75%. The loan is secured by a pledge of the gross receipts and revenues of the water system and resulted in a 2% present value savings of refunded principal.

On June 29, 2011, Pennvest approved a \$1,660,303 loan to the Authority for a Water Meter Replacement program. Terms of the loan provide that the Authority will be reimbursed up to the limit of the loan amount. Interest payments began on November 1, 2011. Principal payments began on October 1, 2012. The loan carries a 1% interest rate for the first five years and a 1.51% annual interest rate for the remainder of the 20-year term. The debt is secured by the project collateral.

On June 20, 2017, the Authority issued Water Revenue Bond Series 2017 in the amount of \$14,900,000. The bond was issued to fund capital projects under the Authority’s Capital Improvements Program, fund a deposit to the Debt Service Reserve Fund, and pay the costs related to the issuance of the Bonds. Interest payments began on November 1, 2017, and are payable every May and November. Principal payments began on November 1, 2020, and end on November 1, 2047. The bonds carry fixed annual interest rates ranging from 3% to 5%.

In June 2021, the Authority issued Water Revenue Bond, Series of 2021 in the amount of \$17,740,000. The bonds were issued at a premium of \$3,326,942. Proceeds of the bond together with other funds of the Authority were used to currently refund the Authority’s 2007 Pennworks loan, currently refund the Authority’s Water Revenue Bonds, Series A of 2010, currently refund the Authority’s Water Revenue Bonds, 2015 A Series, fund a debt service reserve, and pay the costs and expenses of issuing the Bond. The bond carries a fixed interest rate of 4.00% per annum, payable commencing on November 1, 2021, and semi-annually thereafter on the interest payment date. The bond matures on November 1, 2031, and is secured by a pledge of system revenues. The refunding decreased the Authority’s total debt service payments by \$3,037,117 and resulted in an economic gain of \$2,676,038.

In August 2022, the Authority issued Water Revenue Bond, Series 2022 in the amount of \$12,255,000. The bond was issued to fund capital projects of the Suburban Water Fund and pay the cost related to issuance of the bond. Interest payments began on May 1, 2023, and are payable every May and November. Principal payments begin on November 1, 2028, and end on November 1, 2042. The bonds carry fixed annual interest of 4.04% through November 1, 2032, and thereafter variable interest of 80% of the Prime Rate with an interest rate cap of 5.75%. The Authority draws funds as needed. As of December 31, 2024, the Authority has drawn \$12,255,000 on the bond.

The schedule of principal maturity and annual debt service for the suburban water fund is as follows:

<u>Year</u>	<u>Bonds</u>		<u>Notes from Direct Borrowings</u>	
	<u>Principal Amount</u>	<u>Total Interest</u>	<u>Principal Amount</u>	<u>Total Interest</u>
2025	\$ 2,090,000	\$ 961,414	\$ 77,856	\$ 504,157
2026	1,890,000	874,014	79,039	502,973
2027	2,200,000	794,414	80,241	501,772
2028	2,275,000	702,214	122,461	500,551
2029	2,365,000	615,614	121,700	497,657
2030-2034	6,520,000	1,918,382	4,103,967	2,565,531
2035-2039	2,885,000	1,262,683	4,750,000	1,871,280
2040-2044	3,410,000	747,224	3,555,000	416,357
2045-2049	<u>2,335,000</u>	<u>159,468</u>	-	-
	<u>\$ 25,970,000</u>	<u>\$ 8,035,427</u>	<u>\$ 12,890,264</u>	<u>\$ 7,360,278</u>

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 8 – LONG-TERM DEBT (Continued)**

**B. Suburban Wastewater Fund**

On December 21, 2011, the balance of the 2000 Pennvest loan was refinanced by the 2011 Sewer Series A bonds. The new bonds (\$2,166,100) also provided additional funds to pay for a portion of the Vera Cruz sewer project and to cover bond issue financing costs. The maturity date for the new bonds is November 1, 2031. The revenues of the common rate collector systems are serving as loan collateral. The loan carries an interest rate of 2.25% for the first 5 years and a variable rate thereafter, which equates to 70% of the 10-year average prime rate with 3% minimum and 5.5% maximum rate caps.

On November 16, 2009, the Pennsylvania Infrastructure Investment Authority (Pennvest) approved a loan of \$5,878,847 to the Authority to fund the design and construction of a 3-million-gallon flow equalization basin and pump station. The purpose of the project is to shave off and hold wet weather flows to address system capacity deficiencies during precipitation events. The loan carries an annual interest rate of 1.274% for the first five years and 2.547% for the remainder of the loan.

The loan is secured by a pledge of gross receipts and revenues obtained from users of the Western Lehigh Interceptor System. The Authority may not prepay at any time all or any portion of the unpaid principal without the prior written consent of Pennvest. As of December 31, 2012, the Authority received all (\$5,389,323) of the reimbursements for project expenditures. The Authority began paying both interest and principal on February 1, 2011.

On June 19, 2013, the Pennsylvania Infrastructure Investment Authority (Pennvest) approved a loan of \$2,931,170 to the Authority to fund the design and construction of a 40,000 gpd wastewater treatment plant to be built at Arcadia West to replace the existing plant. As of December 31, 2015, the Authority received all (\$2,931,170) of the reimbursement for project expenditures. The loan carries an interest rate of 1% for the first 5 years and 1.51% thereafter, for a period of 15 years.

On February 25, 2015, the Pennsylvania Infrastructure Investment Authority (Pennvest) approved a loan of \$1,000,000 to the Authority to fund the Wynnewood Terrace pump station and force main replacement. The loan carries an interest rate of 1% for the first 5 years and 1.743% thereafter, for a period of 15 years.

On February 25, 2015, the Pennsylvania Infrastructure Investment Authority (Pennvest) approved a loan of \$1,000,000 to the Authority to fund the Wynnewood Terrace pump station and force main replacement. The loan carries an interest rate of 1% for the first 5 years and 1.743% thereafter, for a period of 15 years.

On November 20, 2024, the Authority issued Sewer Revenue Note, Series of 2024 through S&T Bank for \$12,450,000. The note was issued to fund capital projects of the Suburban Wastewater Fund and payoff the remaining balance of the 2011 Sewer Revenue Bonds Series A. Interest payments begin on June 1, 2025, and are payable every June and December. Principal payments begin on December 1, 2025, and end on December 1, 2044. The note carries a fixed annual interest of 4.29% through December 1, 2031, and thereafter a fixed interest of 6.00%. The Authority draws funds as needed. As of December 31, 2024, the Authority has drawn \$968,984 on the note.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 8 – LONG-TERM DEBT (Continued)**

The schedule of principal maturity and debt service for the suburban wastewater fund is as follows:

<u>Year</u>	<u>Notes from Direct Borrowings</u>	
	<u>Principal Amount</u>	<u>Total Interest</u>
2025	\$ 611,348	\$ 111,941
2026	626,677	95,584
2027	899,243	73,261
2028	788,037	47,694
2029	516,112	30,566
2030-2034	1,276,890	43,900
2035-2039	<u>58,010</u>	<u>676</u>
	<u>\$ 4,776,317</u>	<u>\$ 403,622</u>

**C. CITY DIVISION FUND**

On July 31, 2013, the Authority issued, in aggregate \$307,683,599 of Water and Sewer Revenue Bonds comprised of \$245,590,000 of Series 2013A Revenue Bonds, \$43,358,599 of Series 2013B Capital Appreciation Revenue Bonds and \$18,735,000 of Series 2013C Federally Taxable Revenue Bonds. The bonds were issued at a discount of \$10,923,458.

The 2013 bonds were issued to provide funding for 1) a single, up-front concession and lease payment to the City of Allentown pursuant to the Allentown Water and Sewer utility system Concession and Lease Agreement, 2) projected capital improvements to the Concessioned System, 3) deposits to certain reserve and other funds, and 4) transaction costs and expenses incurred in connection with the acquisition of the Concessioned System and the issuance of the 2013 Bonds.

The 2013 Bonds were issued under and secured by a Trust Indenture between the Authority and Manufacturers and Traders Trust Company, the concession trustee. The 2013 Bonds are payable from and secured by a pledge and an assignment by the authority of all the concessionaire interest, including revenues derived from operating the Concessioned System certain service charges imposed by the Authority for use of the Concessioned System and certain payments received from the municipal customers of the Concessioned System.

The 2013 Bonds are also secured by a Debt Service Reserve Fund initially funded at \$28,090,273 and held by the Concession Trustee and other funds including an Operations and Maintenance Reserve Fund and a Major Maintenance Reserve Fund in the amounts of \$9,199,515 and \$7,500,000, respectively. These funds are available to pay shortfalls in the scheduled debt service on the 2013 Bonds.

The Series 2013A bonds bear interest of 5% - 5.125% with final maturity on December 1, 2047. The Series 2013 Appreciation bonds bear interest of 3.21% - 6.21% with final maturity on December 1, 2038.

In October 2018, the Authority issued Water and Sewer Revenue Bond, Series 2018 (Federally Taxable) in the amount of \$18,735,000. Proceeds of the bond together with other funds of the Authority were used to currently refund the 2013 Series C bonds, fund a debt service reserve, and pay the costs and expenses of issuing the Bond. The bond carries a fixed interest rate of 4.75% per annum, payable commencing on June 1, 2019, and semi-annually thereafter on the interest payment date until June 1, 2029, at which time the fixed rate shall be reset to a floating or variable interest rate. At no time and in no instance shall the variable interest rate exceed 6.5% during the variable rate period. The bond matures on December 1, 2033, and is secured by the Authority's interest in the Concessioned System. The refunding increased the Authority's total debt service payments by \$7,817,099 and resulted in an economic loss of \$2,503,652.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 8 – LONG TERM DEBT (Continued)**

In September 2020, the Authority issued Water and Sewer Revenue Bonds, Series 2020 (Federally Taxable) in the amount of \$161,035,000. Proceeds of the bonds together with other funds of the Authority were used to (1) advance refund a portion of the Authority’s Water and Sewer Revenue Bond (City of Allentown Concession), Series 2013A; (2) fund a debt service reserve fund with respect to the 2020 Bonds; and (3) pay transaction costs and expenses in connection with the issuance of the bonds. Interest rates on the bonds range from 3.232% to 3.632% per annum, payable commencing on December 1, 2020, and semi-annually thereafter on the interest payment date until maturity. The bonds are payable from and secured by a pledge and assignment by the Authority of all the Concessionaire Interest in and to the Concessioned System created by the Concession Agreement. The refunding resulted in a deferred refunding loss of \$27,792,709, an increase in the Authority’s total debt service payments of \$55,617,288 and resulted in an economic gain of \$9,929,809.

In October 2020, the Authority issued Water and Sewer Revenue Bond, Series A of 2020 (Federally Taxable) in the amount of \$18,150,000. Proceeds of the bond together with other funds of the Authority were used to currently refund the 2018 Series bonds, fund a debt service reserve, and pay the costs and expenses of issuing the Bond. The bond carries a fixed interest rate of 2.90% per annum, payable commencing on December 1, 2020, and semi-annually thereafter on the interest payment date until June 1, 2026, at which time the fixed rate shall be reset to 5.00%. The bond matures on December 1, 2033, and is secured by the Authority’s interest in the Concessioned System. The refunding decreased the Authority’s total debt service payments by \$1,928,034 and resulted in an economic gain of \$1,419,618.

In May 2023, the Pennsylvania Infrastructure Investment Authority (Pennvest) approved a loan of \$1,469,273 to the Authority to fund the High Service Pump Variable Frequency Drive Replacement Project. The loan carries an interest rate of 1% and matures in 2043.

In February 2025, the Authority issued Water and Sewer Revenue Bonds, Series 2024 in the amount of \$158,580,000. Proceeds of the bonds together with other funds of the Authority were used to (1) currently refund the outstanding Series 2013A Bonds; (2) provide for future improvements to the Concessioned System; (3) fund debt service reserve, and (4) pay transaction costs and expenses in connection with the issuance of the bonds. Interest rates on the bonds range from 4.0% to 6.0% per annum, payable commencing on June 1, 2024, and semi-annually thereafter on the interest payment date until maturity. The bonds are payable from and secured by a pledge and assignment by the Authority of all the Concessionaire Interest in and to the Concessioned System created by the Concession Agreement. The refunding resulted in a deferred refunding loss of \$3,877,343, a decrease in the Authority’s total debt service payments of \$17,341,150 and resulted in an economic gain of \$15,146,793.

The schedule of principal maturity and debt service for the City division is as follows:

<u>Year</u>	<u>Bonds</u>		<u>Notes &amp; Bonds from Direct Borrowings</u>	
	<u>Principal Amount</u>	<u>Total Interest</u>	<u>Principal Amount</u>	<u>Total Interest</u>
2025	\$ 3,321,701	\$ 12,610,786	\$ 1,383,182	\$ 363,822
2026	3,658,339	12,844,148	1,193,817	551,601
2027	3,956,902	13,135,584	1,249,458	494,460
2028	4,966,387	13,486,100	1,310,106	434,563
2029	5,238,743	13,848,744	1,375,760	371,659
2030-2034	29,721,438	76,628,844	6,263,840	798,501
2035-2039	41,328,967	90,067,718	356,207	22,135
2040-2044	55,210,000	52,221,534	260,150	4,687
2045-2049	67,215,000	40,220,042	-	-
2050-2054	80,305,000	27,137,474	-	-
2055-2059	96,240,000	11,206,441	-	-
	<u>\$ 391,162,477</u>	<u>\$ 363,407,415</u>	<u>\$ 13,392,520</u>	<u>\$ 3,041,428</u>

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 9 – INTERFUND BALANCES**

During its operations, the Authority has transactions between funds to finance operations and provide services. The Suburban Water fund has financed the construction and expansion of the Authority's Operation Center and Information Technology Upgrades and is being reimbursed over time by the Suburban Wastewater fund for its share of the costs. Certain cost incurred by the City Division fund, were initially paid by the Suburban Water fund, and will be reimbursed to the Suburban Water fund from the City Division fund. For reporting purposes, the transactions of the Internal Service are included with the Suburban Water and Suburban Wastewater and City Division funds on a proportional basis. The interfund receivables and payables are as follows:

<b>Fund</b>	<b>2024</b>		<b>2023</b>	
	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Enterprise Funds:				
City Division	\$ -	\$ -	\$ -	\$ -
Suburban Water	1,089,025	-	1,624,525	-
Suburban Wastewater	<u>-</u>	<u>1,089,025</u>	<u>-</u>	<u>1,624,525</u>
Total	<u>\$ 1,089,025</u>	<u>\$ 1,089,025</u>	<u>\$ 1,624,525</u>	<u>\$ 1,624,525</u>

**NOTE 10 – DEVELOPER DEPOSITS**

Developer Deposits represent funds received by the Authority from developers to cover the costs of plan reviews and project inspections and to ensure that infrastructure improvements are constructed in accordance with approved plans. Deposits for developments to be completed within one year are recorded as current liabilities in the amount of \$366,899 and \$592,877 as of December 31, 2024, and 2023, respectively. Deposits for developments not expected to be completed by the end of one year are recorded as long-term liabilities in the amount of \$263,868 and \$199,036 as of December 31, 2024, and 2023, respectively.

**NOTE 11 – COMMITMENTS & CONTINGENCIES**

In addition to the commitments disclosed in Note 6 related to the Service Concession Arrangement, the Authority as of December 31, 2024, through contractual agreements, had construction commitments of \$22,067,386 for various capital projects as compared to \$5,712,581 at year-end 2023. The large increase from the previous year relates to several large water and wastewater projects planned for 2025. Operating and Capital reserves, construction note proceeds and grants will fund these expenditures.

**LEHIGH COUNTY AUTHORITY  
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**Notes to Financial Statements**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS**

**A. Health & Welfare Plan For Suburban Employees (Suburban Plan)**

Suburban Plan:

*Plan Description:* The Authority through the Pennsylvania Municipal Health Insurance Cooperative offers a single employer defined benefit plan to eligible retirees for health insurance benefits. The Suburban Plan is reported as the Post Employment Health Trust Fund in the accompanying financial statements and does not issue stand-alone statements.

Management of the Suburban Plan is vested in the Authority’s nine members Board of Directors, who are appointed by the Lehigh County Executive and approved by the Lehigh County Commissioners.

*Suburban Plan Membership:* On January 1, 2023, Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	22
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	9
Total	31

The Suburban Plan is closed to new entrants (employees) hired on or after January 1, 2005.

*Benefits Provided:* Any employee hired prior to January 1, 2005, and retiring with at least 10 years of service is eligible to receive medical and prescription drug coverage at age 65 (as a supplement to Medicare). This coverage will include the spouse of the retiree if the retiree is living. The authority to establish and amend the benefit terms of the Suburban Plan resides with the nine-member Board of Directors.

*Contributions:* The authority to establish and amend the contribution requirements of the Authority and plan members also resides with the nine-member Board of Directors. The Board establishes rates based on an actuarially determined rate. Based on the funded status of the Suburban Plan and the latest actuarial valuations neither the plan members or the Authority were required to make contributions for the years ended December 31, 2024, and 2023.

*Investments:* The Suburban Plan’s policy regarding the allocation of invested assets is established and may be amended by the nine-member Board of Directors. It is the policy of the Board of Directors to pursue an investment strategy that reduces risk through diversification of the portfolio by investing in a variety of equities and fixed income securities. The following is the Suburban Plan’s target asset allocation as of December 31, 2024, and 2023:

<b>2024</b>			
<b>Asset Class</b>	<b>Target Allocation</b>	<b>Asset Class</b>	<b>Target Allocation</b>
Domestic Equity		International Equity	6.0%
Large Cap	56.1%	Non-US Debt	2.5%
Small/Mid Cap	14.0%	Cash	4.4%
Bonds	17.0%		

<b>2023</b>			
<b>Asset Class</b>	<b>Target Allocation</b>	<b>Asset Class</b>	<b>Target Allocation</b>
Domestic Equity		International Equity	0.0%
Large Cap	52.6%	Non-US Debt	15.1%
Small/Mid Cap	2.6%	Cash	5.6%
Bonds	24.1%		

**LEHIGH COUNTY AUTHORITY  
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**Notes to Financial Statements**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (Continued)**

The annual money-weighted rate of return on investments, net of investment expense, was 17.7% and 14.6%, for the years ended December 31, 2024, and 2023, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

See Note 2 to the financial statements for additional details on the plan's investments.

*Net OPEB Liability of the Suburban Plan:* The components of the net OPEB liability of the Suburban Plan on December 31, 2024, and 2023, were as follows:

	2024	2023
Total Plan OPEB Liability	\$ 2,043,193	\$ 2,000,771
Plan Fiduciary Net Position	4,294,591	3,781,279
Plan's Net OPEB Liability/(Asset)	\$(2,251,398)	\$(1,780,508)
 Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)	210.2%	189.0%

*Actuarial Assumptions:* The Suburban Plan's net OPEB liability was measured as of December 31, 2024, and 2023, and the plan's total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2023. The actuary utilized update procedures to roll forward the Suburban Plan's total OPEB liability in the January 1, 2023, actuarial valuation to the December 31, 2024, and 2023 measurement dates.

The Suburban Plan's total OPEB liability in the January 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.44%
Salary Increases	5.0%, average, including inflation.
Investment Rate of Return	6.27%, net of OPEB plan investment expense, including inflation.
Healthcare Cost Trend Rates	6.25% during 2024 to an ultimate rate of 4.00% in 2061.
Cost Sharing with Inactive Plan Members	Eligible retirees who retired prior to January 1, 2005 contribute 50% of premiums, retirees who retire after January 1, 2005, contribute 21% of the premiums.

Mortality rates were based on the 2010 Public General Amount Weighted Mortality Tables using Scale MP-2021.

**LEHIGH COUNTY AUTHORITY  
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**Notes to Financial Statements**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (Continued)**

It is assumed that 100% of eligible retirees and spouses will participate in the plan.

The actuarial assumptions used in the January 1, 2023, valuation was based on historical results, as a recent experience study was not completed.

The long-term expected rate of return on the Suburban Plan’s OPEB investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of December 31, 2024, and 2023 are summarized in the following tables:

2024			
Asset Class	Long-Term Expected Real Rate of Return	Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity		International Equity	6.64%
Large Cap	5.81%	Non-US Debt	1.56%
Small/Mid Cap	9.50%	Cash	1.00%
Bonds	2.60%		

2023			
Asset Class	Long-Term Expected Real Rate of Return	Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity		International Equity	6.91%
Large Cap	6.20%	Non-US Debt	1.34%
Small/Mid Cap	9.72%	Blend	0.76%
Bonds	2.46%		

*Discount Rate:* The discount rate used to measure the Suburban Plan’s total OPEB liability was 6.27%. The projection of cash flows used to determine the discount rate assumed that the Authority’s contributions to the plan will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Suburban Plan’s fiduciary net position was projected to available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Suburban Plan’s investments was applied to all periods of projected benefit payments to determine the Suburban Plan’s total OPEB liability.

**LEHIGH COUNTY AUTHORITY  
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**Notes to Financial Statements**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Changes in the net OPEB liability for the Suburban plan for the year ended December 31, 2024, were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(asset)
	(a)	(b)	(a) - (b)
Balances as of 12/31/23	\$ 2,000,771	\$ 3,781,279	\$ (1,780,508)
Service cost	9,363	-	9,363
Interest cost	123,250	-	123,250
Differences between expected and actual experience	-	-	-
Changes in Assumptions	-	-	-
Contributions - employer	-	-	-
Contributions - members	-	-	-
Net investment income	-	670,286	(670,286)
Benefit payments	(90,191)	(135,928)	45,737
Plan administrative expenses	-	(21,046)	21,046
Other changes	-	-	-
Net Changes	42,422	513,312	(470,890)
Balances as of 12/31/24	<u>\$ 2,043,193</u>	<u>\$ 4,294,591</u>	<u>\$ (2,251,398)</u>

Changes in the net OPEB liability for the Suburban plan for the year ended December 31, 2023, were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(asset)
	(a)	(b)	(a) - (b)
Balances as of 12/31/22	\$ 2,193,319	\$ 3,357,628	\$ (1,164,309)
Service cost	7,962	-	7,962
Interest cost	130,870	-	130,870
Differences between expected and actual experience	-	-	-
Changes in Assumptions	(228,105)	-	(228,105)
Contributions - employer	(10,175)	47,039	(57,214)
Contributions - members	-	-	-
Net investment income	-	490,066	(490,066)
Benefit payments	(93,100)	(93,100)	-
Plan administrative expenses	-	(20,354)	20,354
Other changes	-	-	-
Net Changes	(192,548)	423,651	(616,199)
Balances as of 12/31/23	<u>\$ 2,000,771</u>	<u>\$ 3,781,279</u>	<u>\$ (1,780,508)</u>

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (Continued)**

*Sensitivity of the Suburban Plan Net OPEB Liability to Changes in the Discount Rate:* The following presents the December 31, 2024 net OPEB liability of the Suburban Plan, as well as what the Suburban Plan's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.27%) or 1-percentage-point higher (7.27%) than the current discount rate:

	1 % Decrease (5.27%)	Discount Rate (6.27%)	1% Increase (7.27%)
Net OPEB Liability (Asset) 12/31/24	\$ (2,085,697)	\$ (2,251,398)	\$ (2,473,376)

*Sensitivity of the Suburban Plan Net OPEB Liability to Changes in the Discount Rate:* The following presents the December 31, 2023 net OPEB liability of the Suburban Plan, as well as what the Suburban Plan's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.27%) or 1-percentage-point higher (7.27%) than the current discount rate:

	1 % Decrease (5.27%)	Discount Rate (6.27%)	1% Increase (7.27%)
Net OPEB Liability (Asset) 12/31/23	\$ (1,572,385)	\$ (1,780,508)	\$ (1,960,064)

*Sensitivity of the Suburban Plan Net OPEB Liability to Changes in the Healthcare Cost Trend Rates:* The following presents the December 31, 2024 net OPEB liability of the Suburban Plan, as well as what the Suburban Plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.25% decreasing to 3%) or 1-percentage-point higher (7.25% decreasing to 5%) than the current healthcare cost trend rates:

	1 % Decrease (5.25% decreasing to 3%)	Discount Rate (6.25% decreasing to 4%)	1% Increase (7.25% decreasing to 5%)
Net OPEB Liability (Asset) 12/31/24	\$ (2,493,703)	\$ (2,251,398)	\$ (2,061,920)

*Sensitivity of the Suburban Plan Net OPEB Liability to Changes in the Healthcare Cost Trend Rates:* The following presents the December 31, 2023 net OPEB liability of the Suburban Plan, as well as what the Suburban Plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.25% decreasing to 3%) or 1-percentage-point higher (7.25% decreasing to 5%) than the current healthcare cost trend rates:

	1 % Decrease (5.25% decreasing to 3%)	Discount Rate (6.25% decreasing to 4%)	1% Increase (7.25% decreasing to 5%)
Net OPEB Liability (Asset) 12/31/23	\$ (1,980,391)	\$ (1,780,508)	\$ (1,548,608)

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (Continued)**

*OPEB Expense and Deferred Outflows and Inflows of Resources:* For the year ended December 31, 2024, and 2023, the Authority recognized OPEB expense of (\$110,190), and (\$349,080), respectively for the plan. On December 31, 2024, and 2023, the Authority reported deferred outflows and inflows of resources related to the OPEB plan from the following sources:

	12/31/2024		12/31/2023	
	Outflow	(Inflow)	Outflow	(Inflow)
Differences between expected and actual experience	\$ -	\$ -	\$ -	\$ -
Net difference between projected and actual earnings on OPEB plan investments	-	(227,591)	178,846	-
Changes of assumptions	-	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$(227,591)</b>	<b>\$ 178,846</b>	<b>\$ -</b>

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended December 31:</u>	
2025	\$ (27,382)
2026	27,906
2027	(140,490)
2028	(87,625)
<b>Total</b>	<b>\$(227,591)</b>

**B. Health & Welfare Plan For City Division Employees (City Plan)**

City Plan

*City Plan Description:* The Authority through a single employer defined benefit plan offers to eligible City Division retirees health insurance and prescription drug benefits in accordance with a memorandum of agreement with the Service Employees International Union Local 32BJ. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

The authority to establish and amend the benefit terms and financing requirements to the Authority resides with the Authority's nine-member Board of Directors, who are appointed by the Lehigh County Executive and approved by the Lehigh County Commissioners.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (Continued)**

*City Plan Membership:* On January 1, 2023, Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	1
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	72
Total	73

*Benefits Provided:* The benefits provided to Other Key Employees hired, were the same as those provided to Union Employees, except for union employees hired after January 1, 2017, receive coverage for three years or until Medicare eligible, whichever occurs first. Any employee retiring with a minimum age of 55 and 20 years of service or retiring at the age of 60 with 15 years is eligible to receive medical and prescription drug coverage until they reach the age of 65, with the exception previously noted for union employees hired after January 1, 2017. This coverage will include the spouse of the retiree until the retiree or spouse attains the age of 65 and dependent child coverage that ends when the dependent child reaches the age of 26 or the retiree reaches the age of 65. The authority to establish and amend the benefit terms of the City Plan resides with the nine-member Board of Directors.

*Actuarial Assumptions & Total OPEB Liability:* The City Plan’s total OPEB liability was measured as of December 31, 2024, and 2023, and were determined by an actuarial valuation as of January 1, 2023. The actuary utilized update procedures to roll forward the total OPEB liability for the City Plan in the January 1, 2023, actuarial valuation to the December 31, 2024, and 2023 measurement dates.

The City Plan’s total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.44%
Salary Increases	5.0%, average, including inflation.
Discount Rate	4.00% for 2023 and 4.28% for 2024
Healthcare Cost Trend Rates	7.25% during 2024 to an ultimate rate of 4.00%
Cost Sharing with Inactive Plan Members	Eligible retirees with a minimum of 15 years pay 25% of premiums, retirees with more than 10 years but less than 15 pay 50% of premiums.

The discount rate was based on the S&P 20-year AA municipal bond rate.

Mortality rates were based on the 2010 Public General Amount Weighted Mortality Tables projected to 2026 using Scale MP-2021.

It is assumed that 100% of eligible retirees and 80% of spouses will participate in the plan.

The actuarial assumptions used in the January 1, 2023, valuation was based on historical results as a recent experience study was not completed.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (Continued)**

Changes in the total OPEB liability for the City Plan for the year ended December 31, 2024, were as follows:

	Increase (Decrease)
	Total OPEB
	Liability
	(a)
	\$
Balances as of 12/31/23	2,440,477
Service cost	162,300
Interest cost	102,986
Change in Benefit Terms	-
Differences between expected and actual experience	-
Change in Assumptions *	(63,427)
Benefit payments	(56,821)
Other changes	-
Net Changes	145,038
Balances as of 12/31/24	\$ 2,585,515

\*- The December 31, 2024, measurement date reflects a change in assumptions related to the discount rate.

Changes in the total OPEB liability for the City Plan for the year ended December 31, 2023, were as follows:

	Increase (Decrease)
	Total OPEB
	Liability
	(a)
	\$
Balances as of 12/31/22	3,199,323
Service cost	159,146
Interest cost	108,467
Change in Benefit Terms	-
Differences between expected and actual experience	(812,854)
Change in Assumptions *	(155,048)
Benefit payments	(58,557)
Other changes	-
Net Changes	(758,846)
Balances as of 12/31/23	\$ 2,440,477

\*- The December 31, 2023, measurement date reflects a change in assumptions related to the Healthcare Cost Trend Rate, a change in the discount rate, and updated mortality rates.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (Continued)**

*Sensitivity of the City Plan Total OPEB Liability to Changes in the Discount Rate:* The following presents the December 31, 2024 total OPEB liability of the City Plan, as well as what the City Plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.28%) or 1-percentage-point higher (5.28%) than the current discount rate:

	1 % Decrease (3.28%)	Discount Rate (4.28%)	1% Increase (5.28%)
Total OPEB Liability 12/31/24	\$ 2,816,936	\$ 2,585,515	\$ 2,368,643

*Sensitivity of the City Plan Total OPEB Liability to Changes in the Discount Rate:* The following presents the December 31, 2023 total OPEB liability of the City Plan, as well as what the City Plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.00%) or 1-percentage-point higher (5.00%) than the current discount rate:

	1 % Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Total OPEB Liability 12/31/23	\$ 2,663,811	\$ 2,440,477	\$ 2,230,864

*Sensitivity of the City Plan Total OPEB Liability to Changes in the Healthcare Cost Trend Rates:* The following presents the December 31, 2024 total OPEB liability of the City Plan, as well as what the City Plan's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.25% decreasing to 3%) or 1-percentage-point higher (8.25% decreasing to 5%) than the current healthcare cost trend rates:

	1 % Decrease (6.25% decreasing to 3%)	Discount Rate (7.25% decreasing to 4%)	1% Increase (8.25% decreasing to 5%)
Total OPEB Liability 12/31/24	\$ 2,225,820	\$ 2,585,515	\$ 3,016,394

*Sensitivity of the City Plan Total OPEB Liability to Changes in the Healthcare Cost Trend Rates:* The following presents the December 31, 2023 total OPEB liability of the City Plan, as well as what the City Plan's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.25% decreasing to 3%) or 1-percentage-point higher (8.25% decreasing to 5%) than the current healthcare cost trend rates:

	1 % Decrease (6.25% decreasing to 3%)	Discount Rate (7.25% decreasing to 4%)	1% Increase (8.25% decreasing to 5%)
Total OPEB Liability 12/31/23	\$ 2,106,290	\$ 2,440,477	\$ 2,840,484

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (Continued)**

*OPEB Expense and Deferred Outflows of Resources:* For the year ended December 31, 2024, and 2023, the Authority recognized OPEB expense of \$115,331 and \$126,469, respectively for the plan. The plan is funded on a “pay as you go” basis. On December 31, 2024, and December 31, 2023, the Authority reported deferred outflows of resources related to the OPEB plan from the following sources:

	12/31/2024		12/31/2023	
	Outflow	(Inflow)	Outflow	(Inflow)
Differences between expected and actual experience	\$ 37,469	\$ (649,711)	\$ 95,167	\$ (781,236)
Changes of assumptions	176,202	(547,911)	312,400	(698,510)
Total	<u>\$ 213,671</u>	<u>\$ (1,197,622)</u>	<u>\$ 407,567</u>	<u>\$ (1,479,746)</u>

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	
2025	\$ (188,868)
2026	(228,712)
2027	(171,694)
2028	(128,916)
2029	(128,916)
Thereafter	(136,845)
Total	<u>\$ (983,951)</u>

**NOTE 13 – NET POSITION**

The basic financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net investment in capital assets is intended to reflect the portion of net position that are associated with non-liquid, capital assets, less outstanding capital asset related debt. Restricted assets are liquid assets generated from revenues that have third-party (statutory, bond covenant or water user) limitation on their use. Unrestricted net position are amounts that do not meet the definitions of “invested in capital assets” or “restricted assets” and are available for Authority operations.

It is the Authority’s policy to first use restricted assets prior to the use of unrestricted net position when an expenditure is incurred for purposes for which both restricted and unrestricted assets are available.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 14 – DEFINED BENEFIT PENSION PLAN**

**A. General Information about the Pension Plan**

*Plan Description.* The Authority, through a January 2014 agreement, provides employee pension benefits through participation in the Pennsylvania Municipal Retirement System (PMRS). The PMRS was created by the Pennsylvania General Assembly in 1974 with the passage of the Pennsylvania Municipal Retirement Law 1974, P.L. 34, No. 15. PMRS administers pension plans on a contracted basis for any municipality or institution supported and maintained by a Pennsylvania municipality. This agent multiple-employer public employee retirement system maintains each municipality's account separately with that municipality's contributions and related employee contributions, and earnings segregated into separate accounts. PMRS issues a separate Annual Comprehensive Financial Report, which can be obtained by contacting the PMRS accounting office at P.O. Box 1165, Harrisburg, PA 17108-1165.

*Benefits Provided.* Benefit terms were established under the 2014 agreement between PMRS and the Authority, changes to benefit terms can only occur by modification of this agreement. Major provisions of the 2014 agreement include the following:

All full-time and permanent part-time Authority employees are required to participate in the System. Benefits vest after eight years of service. Employees can retire with an annual retirement benefit after 20 years of service provided age 55 has been attained, or at age 60.

The normal form of payment of retirement benefits is a monthly annuity available for the life of the retired employee. One and two-thirds percent of the employee's average salary for the three consecutive years of greatest compensation multiplied by the number of years of service, and any fraction thereof, is used to calculate the normal retirement benefit funded solely by the Authority's contributions. Supplemental benefits are derived from employee contributions and interest earnings of the fund. A retiree may elect to receive a reduced amount of benefit and provide a death benefit in the form of annuity or lump sum to the designated beneficiary. The plan also provides death and disability benefits for an active employee.

Depending upon the annual investment return, the plan may award excess interest earnings to participating municipalities. The municipalities have the option of either retaining such excess earnings or sharing the additional earnings with active employees and retirees. In all years when excess interest earnings have been awarded, the Authority has elected to pro-ratably share excess earnings resulting in a postretirement increase to retirees. Sharing of excess earnings is the only method available for increasing postretirement benefits.

The plan does not allow for any cost-of-living adjustments to an employee's retirement allowance subsequent to the employee's retirement date.

*Employees Covered by Benefit Terms.* On December 31, 2022, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	64
Inactive plan members entitled to but not yet receiving benefits	10
Active plan members	<u>152</u>
Total	226

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 14 – DEFINED BENEFIT PENSION PLAN (Continued)**

**B. Net Pension Liability (Continued)**

*Contributions.* Required contributions to the plan are governed by the 2014 agreement. The PMRS Board will actuarially determine the normal cost of the benefits provided under the contract (2014 agreement) and any liability associated with the actuarial experience of such benefits which shall be contributed annually by the Authority. The PMRS Board shall determine, and the Authority shall be charged an additional amount to be contributed annually toward a reserve account for any disability benefit which may be payable under the contract (2014 agreement). The amounts so determined shall be computed in accordance with the Municipal Pension Plan Funding Standard and Recovery Act, 53 P.S. §895.101 et seq., and the PMRL. Members shall contribute one percent of their compensation to fund the annuity. Members may optionally contribute up to, but no more than an additional ten percent of their compensation. For the years ended December 31, 2024, and 2023, the average active employee contribution rate was 1.0% of annual pay, and the Authority’s average contribution rate was 15.2% and 14.3%, respectively, of covered annual payroll.

**B. Net Pension Liability**

The Authority’s net pension liability was measured as of December 31, 2023, and 2022, and the total pension liability used to calculate the net pension liabilities were determined by an actuarial valuation as of December 31, 2022. The actuary utilized update procedures to roll forward the total pension liability in the December 31, 2022 actuarial valuation to the respective measurement dates.

*Actuarial assumptions.* The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions:

	December 31, 2022 Valuation
Investment rate of return	5.25%, net of pension plan investment expense, including inflation
Projected salary increases	Age/Merit Scale including inflation ranging from 2.79% to 6.22%
Inflation	2.2%

Mortality rates Pre-Retirement for the December 31, 2022, valuation was based on the PUB-2010 General Employees male and female tables. Mortality rates Post-Retirement for the December 31, 2022, valuation was based on the RP-2006 annuitant male and female tables.

The actuarial assumptions used in the December 31, 2022, valuation was based on the PMRS Experience Study for the period covering January 1, 2014, through December 31, 2018, issued by the actuary in September 2020 as well as subsequent Board approved assumption changes.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 14 – DEFINED BENEFIT PENSION PLAN (Continued)**

**B. Net Pension Liability (Continued)**

The PMRS System’s long-term expected real rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future nominal rates of return (net of investment expenses) are developed for each asset class. These returns are combed to produce the System’s Long-Term Expected Real Rate of Return by calculating the weighted average return for each asset class using each respective target asset allocation percentage and multiplying by the expected future nominal rate of return, while also factoring in covariance across asset classes, then deducting expected inflation (2.5%). Best estimates of geometric real rates of return for each utilized asset class are included in the pension plan’s target asset allocation as of December 31, 2023, and summarized in the table below labeled “System Nominal and Real Rates of Return by Asset Class.”

System Nominal and Real Rates of Return by Asset Class  
12/31/2023

Asset Class	Target Allocation	Nominal Rate of Return	Long-Term Expected Real Rate of Return
Domestic Equities (large capitalized firms)	24.5%	7.39%	4.89%
Domestic Equities (small capitalized firms)	8.0%	8.30%	5.80%
International Equities (international developed markets)	14.5%	7.68%	5.18%
International Equities (emerging markets)	3.0%	8.39%	5.89%
Global Equities	5.0%	6.61%	4.11%
Real Estate	10.0%	6.38%	3.88%
Timber	5.0%	5.75%	3.25%
Fixed Income (Core Investment Grade)	24.0%	5.01%	2.51%
Fixed Income (Opportunistic Credit)	5.0%	6.95%	4.45%
Cash	1.0%	3.39%	0.89%

Based on the three-part analysis, the PMRS Board established the System’s Long-Term Expected Rate of Return at 7.31%.

In addition to determining the System’s Long-Term Expected Rate of Return, the PMRS Board, under the laws of the Commonwealth of Pennsylvania (Act 15 of 1974), is obligated to develop and apply the Regular Interest Rate to each of the individual participating municipalities’ actuarial asset accounts held by PMRS. The rationale for the difference between the System’s Long-Term Expected Rate of Return and the individual participating municipalities’ Regular Interest Rate is described in the following section “Discount Rate.” This rate was 5.25% for the December 31, 2022, valuation.

The System’s policy regarding the investment income allocation on invested assets is established and may be amended by the PMRS Board. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, to satisfy the short-term and long-term funding needs of PMRS.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 14 – DEFINED BENEFIT PENSION PLAN (Continued)**

**B. Net Pension Liability (Continued)**

*Discount rate.* While it is often common practice to establish an actuarial Discount Rate that is equal to the Long-Term Expected Rate of Return, PMRS is required by law (Act 15 of 1974) to establish a Discount Rate equal to the Regular Interest Rate (Regular Interest Rate / Discount Rate). The PMRS Board establishes the Regular Interest Rate / Discount Rate on the basis of expected stable and consistent earnings on investments to be applied to the accounts of the individual participating municipalities and includes the accounts of plan participants, municipalities, and plan retirees each year. As a starting point, the Board considers the following five quantitative factors in reviewing the Regular Interest Rate / Discount Rate:

- 1.) Retiree Plan liability as a percentage of total Plan liability,
- 2.) Active Plan participant liability as a percentage of total Plan liability,
- 3.) Smoothed Pension Benefit Guarantee Corporation (PBGC) annuity rates as a proxy for annuity purchase rates,
- 4.) PMRS System Long-Term Expected Rate of Return and,
- 5.) PMRS administrative expenses.

The PMRS Board then adjust the Regular Interest Rate / Discount Rate by a variety of qualitative factors such as the desire to minimize Regular Interest Rate / Discount Rate volatility, varying levels of asset allocation and liquidity, trending of PBGC annuity rates, total PMRS actuarial and fair value funding ratios, feedback from existing PMRS municipalities, and recommendations from the System's investment and actuarial consultants. The Regular Interest Rate / Discount Rates adopted by the Board and used to measure the individual participating municipalities' total pension liability was 5.25% for the December 31, 2022, actuarial valuation.

The Regular Interest Rate / Discount Rate will likely be less than the System Long-Term Expected Rate of Return. Should the System experience a prolonged period of investment returns in excess of the Regular Interest Rate, the PMRS Board is authorized to allocate any applicable portion of such excess in accordance with PMRS Board policies in the form of Excess Interest as provided for in the law.

The projection of cash flows for each underlying municipal plan, used to determine if any adjustment to the Discount Rate was required (depletion testing"), used the following assumptions: 1.) member contributions will be made at the current contribution rate 2.) participating plan sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate, and 3.) the System's Long-Term Expected Rate of Return will be used in the depletion testing of projected cash flows. Based on those assumptions, the PMRS pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 14 – DEFINED BENEFIT PENSION PLAN (Continued)**

**C. Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/2023(based on 12/31/2022 measurement date)	\$ 41,936,750	\$ 38,060,693	\$ 3,876,057
Changes for the year:			
Service cost	2,071,741	-	2,071,741
Interest	2,259,121	-	2,259,121
Changes of benefits	-	-	-
Changes of assumptions	-	-	-
Differences between expected and actual experience	-	-	-
Contributions - employer	-	1,807,990	(1,807,990)
Contributions - member	-	649,189	(649,189)
Net investment income/(loss)	-	4,335,116	(4,335,116)
Benefit payments, including refunds of employee contributions	(1,442,116)	(1,442,116)	-
Administrative expense	-	(121,859)	121,859
Net changes	<u>2,888,746</u>	<u>5,228,320</u>	<u>(2,339,574)</u>
Balances at 12/31/24 (based on a 12/31/23 measurement date)	<u>\$ 44,825,496</u>	<u>\$ 43,289,013</u>	<u>\$ 1,536,483</u>

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 14 – DEFINED BENEFIT PENSION PLAN (Continued)**

**C. Changes in the Net Pension Liability (Continued)**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/2022(based on 12/31/2021 measurement date)	\$ 37,833,620	\$ 42,453,831	\$(4,620,211)
Changes for the year:			
Service cost	1,997,070	-	1,997,070
Interest	2,038,498	-	2,038,498
Changes of benefits	-	-	-
Changes of assumptions	-	-	-
Differences between expected and actual experience	1,541,493	-	1,541,493
Contributions - employer	-	1,606,131	(1,606,131)
Contributions - member	-	659,596	(659,596)
Net investment income/(loss)	-	(5,079,954)	5,079,954
Benefit payments, including refunds of employee contributions	(1,473,931)	(1,473,931)	-
Administrative expense	-	(104,980)	104,980
Net changes	<u>4,103,130</u>	<u>(4,393,138)</u>	<u>8,496,268</u>
Balances at 12/31/23 (based on a 12/31/22 measurement date)	<u>\$ 41,936,750</u>	<u>\$ 38,060,693</u>	<u>\$ 3,876,057</u>

*Sensitivity of the pension liability to changes in the discount rate.* The following tables present the net pension liability of the Authority, calculated using the discount rates of 5.25%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.25%) or 1-percentage-point higher (6.25%) than the discount rate utilized for the December 31, 2022 actuarial valuation:

	1% Decrease (4.25%)	Discount Rate (5.25%)	1% Increase (6.25%)
Authority's net pension liability 12/31/23	\$6,698,511	\$1,536,483	\$(2,763,974)
Authority's net pension liability 12/31/22	\$8,705,422	\$3,876,057	\$(147,260)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issues PMRS financial report.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 14 – DEFINED BENEFIT PENSION PLAN (Continued)**

**D. Pension Expense, Deferred Outflows, and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2024, the Authority recognized pension expense of \$202,000, \$101,685, and \$750,044 in the Suburban Water Fund, Suburban Wastewater Fund, and City Fund, respectively.

For the year ended December 31, 2023, the Authority recognized pension expense of \$408,156, \$205,462, and \$1,515,520 in the Suburban Water Fund, Suburban Wastewater Fund, and City Fund, respectively.

On December 31, 2024, and 2023 the Authority reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	12/31/2024		12/31/2023	
	Outflow	(Inflow)	Outflow	(Inflow)
Difference between expected and actual experience	\$1,318,037	\$ -	\$1,687,014	\$ -
Changes in assumptions	200,007	-	300,011	-
Net difference between projected and actual earnings on pension plan investments	495,444	-	1,607,375	-
Contributions subsequent to the measurement date	1,946,162	-	1,812,390	-
<b>Total</b>	<b>\$3,959,650</b>	<b>\$ -</b>	<b>\$5,406,790</b>	<b>\$ -</b>

The \$1,946,162 reported as deferred outflows of resources related to pensions resulting from the Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year financial statements. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2025	\$ 126,004
2026	729,583
2027	1,166,932
2028	(229,246)
2029	220,215
Thereafter	-

**NOTE 15 – DEFERRED COMPENSATION PLAN**

In 1990, the Authority entered into an agreement with the International City Management Association (ICMA) to provide a Deferred Compensation Plan in accordance with the Internal Revenue Code, Section 457, on a voluntary basis to full-time employees. In 2020, the Authority changed record-keepers to Empower Retirement. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is only available to participants at employment termination, retirement or for an unforeseeable emergency. The Authority makes no contributions to the plan. In accordance with federal law, a trust fund was established for the deposit of Section 457 assets. The trust fund is for the exclusive benefit of plan participants and beneficiaries. Because the assets are not owned by the Authority but are held in a trust, the deferred compensation assets and related liabilities are not recorded in the Authority's financial statements. The Authority's fiduciary responsibilities are to submit participant payroll deductions to the plan administrator (Retirement Corporation). Other than reviewing quarterly statements for accuracy, the Authority has no other fiduciary responsibility. Employees make deferral changes on the Empower website. Empower submits change reports to the Authority on a bi-weekly basis. Investments are managed by the plan's trustee with various investment options available. The employee makes the choice of the investment option(s). Forty-eight and fifty-three employees contributed into the Empower Retirement plan in 2024 and 2023, respectively.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 16 – RISK MANAGEMENT**

The Authority joined the Pennsylvania Intergovernmental Risk Management Association (PIRMA) in August 1991, to obtain General, Public Officials' and Automobile Liability Coverage. PIRMA, which has operated since 1987, is a public entity risk pool providing liability insurance coverage to 611 Pennsylvania municipal entities as of December 31, 2023. In paying claims, the pool covers the first \$350,000 per claim. Thereafter, American Public Entity Excess Pool (APEEP) provides coverage of \$4,650,000 per claim and General Reinsurance Company and Markel Reinsurance Company provide quota share coverage at \$5,000,000 per claim of excess coverage over APEEP for a total coverage of \$10,000,000 per claim. The intergovernmental agreement specifies that in the event a claim or claims exhausts total members' equity, plus excess insurance coverage, then payment for such claim shall be the obligation of the respective individual member. In 2024 and 2023, the Authority paid \$428,735 and \$369,164 to PIRMA as its share of liability insurance premiums, respectively.

The Authority has been a member of the Delaware Valley Workers' Compensation Trust (DVWCT) since 1993. The Trust, a risk sharing pool formed in 1992, is comprised of 107 municipal entities located primarily in Southeastern Pennsylvania. The DVWCT assumes the first \$750,000 of each occurrence with excess insurance providing coverage up to the PA Statutory limit. If reserve funds and surplus are exhausted by claims, the Trust Agreement allows the governing board to levy additional assessments against pool members. Any additional assessments would be equal to the ratio of the participant's annual contribution to the total annual contribution paid by all participants in the trust year in which a deficit occurred. The Trust's surplus position of \$44,153,052 as of December 31, 2024, makes an assessment unlikely.

The Authority paid a net premium (after payroll audit) of \$243,741 in 2023 and a deposit premium \$207,091 in 2024 before payroll audit. As of January 1, 2025, the Authority had accrued \$87,645 in Rate Stabilization Fund (RSF) credits which were available to reduce the Authority's 2025 premium. Any unused RSF credits will be rolled over to 2026, and the Trust will add investment income to the unused balance. The Authority also received dividends from the Trust of \$5,638 in 2023 and \$12,478 in 2024.

The Authority offers employees health care coverage through a PPO (Preferred Provider Organization) Plan using the Pennsylvania Municipal Insurance Cooperative (PMHIC) to purchase such insurance. The purpose of the cooperative, which consists of 291 municipal entities as of October 1, 2024, is to control escalating health care premiums by allowing municipalities the potential for volume discounts. The pool utilizes an Administrative Services arrangement, which uses the insurer (Capital Blue Cross) only for network access and claims management. The pool is self-funding up to the first \$50,000 per claim with reinsurance available to cover costs in excess of the self-funded limit. Annually a reconciliation of premiums paid to claims incurred is developed and if the cooperative has favorable experience, a dividend is returned to those participants who paid more premium than claims incurred. The cooperative uses a third-party administrator to issue bills and act as the liaison and rate negotiator with the insurers. Authority health benefits payments for retirees and active employees, net of reimbursements and dividend returns, for the years ended December 31, 2024, and December 31, 2023, totaled \$1,440,534 and \$849,420 respectively.

The Authority also purchases property coverage through CNA, brokered through Murray Securus. For 2024 and 2023, insurance costs amounted to \$392,000 and \$362,715, respectively. All other risks of loss including employee bonding, group disability and life insurance are insured through commercial insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past five years.

**NOTE 17 – MAJOR CUSTOMER AND ECONOMIC DEPENDENCY**

Several service agreements specify that the Authority will provide wastewater service through use of the Western Lehigh and Little Lehigh Relief Interceptor Systems to ten municipalities. As part of this service, the Authority bills certain municipalities for their share of the City of Allentown's treatment and transportation costs and the operating costs of the Western Lehigh and Little Lehigh Relief Interceptor Systems. During 2024 and 2023, two of the municipal customers each provided in excess of 10% of the total operating revenues. Since any reduction in user discharges is offset by lower treatment and transportation costs, and all municipalities share in paying system costs, economic dependency of any one of the customers is absent.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 18 – LEASES**

The Authority leases various office equipment for its operations. The leased office equipment consists of various copiers and printers. Terms of each lease vary with fixed monthly payments ranging from \$43 to \$267, and lease periods ranging from 36 to 60 months. An incremental borrowing rate of 3.25% was used when calculating the lease liabilities.

The future principal and interest lease payments on the Authority’s leased office equipment as of December 31, 2024, were as follows:

Year	Suburban Water		Suburban Wastewater		City Division	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,171	\$ 314	\$ 1,171	\$ 314	\$ 9,638	\$ 687
2026	1,210	219	1,210	219	9,956	481
2027	1,250	122	1,250	122	10,285	267
2028	856	26	856	26	7,044	56
	<u>\$ 4,487</u>	<u>\$ 681</u>	<u>\$ 4,487</u>	<u>\$ 681</u>	<u>\$ 36,923</u>	<u>\$ 1,491</u>

In addition to office equipment the Authority also leases various vehicles for its operations. Terms of each lease vary with fixed monthly payments ranging from \$283 to \$7,770, and lease periods of 60 months. An incremental borrowing rate of 3.25% was used when calculating the lease liabilities.

The future principal and interest lease payments on the Authority’s leased vehicles as of December 31, 2024, were as follows:

Year	Suburban Water		Suburban Wastewater		City Division	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	106,419	7,501	80,136	3,630	181,171	18,303
2026	101,646	3,902	35,870	1,281	172,497	11,333
2027	65,980	996	12,298	502	154,553	4,409
2028	4,438	-	-	-	22,783	-
	<u>\$278,483</u>	<u>\$12,399</u>	<u>\$128,304</u>	<u>\$ 5,413</u>	<u>\$531,004</u>	<u>\$34,045</u>

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**Notes to Financial Statements**

**NOTE 18 – LEASES (Continued)**

The future principal and interest lease payments on all the Authority's leases as of December 31, 2024, were as follows:

Year	Suburban Water		Suburban Wastewater		City Division	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$107,590	\$ 7,815	\$ 81,307	\$ 3,944	\$190,809	\$ 18,990
2026	102,856	4,121	37,080	1,500	182,453	11,814
2027	67,230	1,118	13,548	624	164,838	4,676
2028	5,294	26	856	26	29,827	56
	<u>\$282,970</u>	<u>\$ 13,080</u>	<u>\$132,791</u>	<u>\$ 6,094</u>	<u>\$567,927</u>	<u>\$ 35,536</u>

Lease liabilities for 2024 and 2023 consist of the following:

Balance as of 12/31/2023	Additions	Retirements	Balance as of 12/31/2024	Principal Due in One Year
\$ 1,411,205	\$ -	\$(427,517)	\$ 983,688	\$ 379,706
Balance as of 12/31/2022	Additions	Retirements	Balance as of 12/31/2023	Principal Due in One Year
\$ 1,286,106	\$776,566	\$(651,467)	\$ 1,411,205	\$ 420,583

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**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE AUTHORITY'S NET PENSION LIABILITY  
AND RELATED RATIOS  
LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Costs	\$ 2,071,741	\$ 1,997,070	\$ 1,959,422	\$ 1,949,152	\$ 1,779,213	\$ 1,688,127	\$ 1,543,865	\$ 1,452,861	\$ 1,488,350	\$ 677,165
Interest	2,259,121	2,038,498	1,939,928	1,784,757	1,649,798	1,503,378	1,401,384	1,276,753	1,163,405	1,038,585
Changes of Benefit Terms	-	-	-	409,231	-	563,913	-	1,061,505	-	329,959
Differences Between Expected and Actual Experience	-	1,541,493	-	600,023	-	-	-	641,095	209,677	-
Changes of Assumptions	-	-	(2,649,981)	(1,000,961)	(999,402)	(1,073,743)	(1,166,011)	(915,177)	(600,285)	(544,982)
Benefit Payments, Including Refunds of Member Contributions	(1,442,116)	(1,473,931)	-	-	-	-	-	-	-	-
Net Change in Total Pension Liability	2,888,746	4,103,130	1,249,369	3,742,202	2,429,609	2,661,675	1,779,238	3,517,037	2,261,147	1,500,727
Total Pension Liability - beginning	41,936,750	37,833,620	36,584,251	32,842,049	30,412,440	27,730,765	25,951,527	22,434,490	20,173,343	18,672,616
Total Pension Liability - ending (a)	\$ 44,825,496	\$ 41,938,750	\$ 37,833,620	\$ 36,584,251	\$ 32,842,049	\$ 30,412,440	\$ 27,730,765	\$ 25,951,527	\$ 22,434,490	\$ 20,173,343
Plan Fiduciary Net Position										
Contributions - Employer	\$ 1,807,990	\$ 1,606,131	\$ 1,684,763	\$ 1,484,790	\$ 1,410,695	\$ 1,141,302	\$ 1,106,875	\$ 972,122	\$ 978,336	\$ 365,907
Contributions - Member	649,189	659,596	674,887	713,435	648,390	602,779	543,474	526,823	507,893	473,935
Net Investment Income	4,335,116	(5,079,954)	4,808,310	5,054,116	5,436,112	(1,157,514)	3,886,626	1,670,359	(99,517)	947,378
Benefit Payments, Including Refunds of Member Contributions	(1,442,116)	(1,473,931)	(2,649,981)	(1,000,961)	(999,402)	(1,073,743)	(1,166,011)	(915,177)	(600,285)	(544,982)
Administrative Expense	(121,859)	(104,980)	(105,365)	(75,315)	(55,136)	(62,006)	(60,172)	(63,095)	(52,516)	(41,411)
Net Change in Plan Fiduciary Net Position	5,228,320	(4,393,138)	4,412,614	6,176,230	6,440,659	(549,182)	4,310,792	2,191,032	733,911	1,200,827
Plan Fiduciary Net Position - beginning	38,060,693	42,453,831	38,041,217	31,864,987	25,424,328	25,973,510	21,662,718	19,471,686	18,737,775	17,536,948
Plan Fiduciary Net Position - ending (b)	\$ 43,289,013	\$ 38,060,693	\$ 42,453,831	\$ 38,041,217	\$ 31,864,987	\$ 25,424,328	\$ 21,662,718	\$ 21,662,718	\$ 19,471,686	\$ 18,737,775
Authority's Net Pension Liability - ending (a) - (b)	\$ 1,536,483	\$ 3,878,057	\$ (4,620,211)	\$ (1,456,966)	\$ 977,062	\$ 4,988,112	\$ 1,757,255	\$ 4,288,809	\$ 2,962,804	\$ 1,435,568
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.57%	90.76%	112.21%	103.98%	97.02%	83.60%	93.66%	83.47%	86.79%	92.88%
Covered Payroll	\$ 11,928,692	\$ 11,276,525	\$ 10,831,527	\$ 11,336,308	\$ 10,378,157	\$ 9,905,129	\$ 9,135,580	\$ 8,807,193	\$ 8,763,140	\$ 2,314,192
Authority's Net Pension Liability as a Percentage of Covered Payroll	12.88%	34.37%	-42.66%	-12.85%	9.41%	50.36%	19.24%	48.70%	33.81%	62.03%

\*\* - The Authority had changes in assumptions related to mortality rates, retirement rates, and wage scales in the December 31, 2015 measurement date compared to previous measurement dates.

\*\*\* - The Authority had changes in assumptions related to the discount rate in the December 31, 2017 measurement date compared to previous measurement dates.

\*\*\*\* - The Authority had changes in assumptions related to the discount rate in the December 31, 2020 measurement date compared to previous measurement dates.

LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF AUTHORITY CONTRIBUTIONS PENSION PLAN  
LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 1,946,162	\$ 1,812,390	\$ 1,610,291	\$ 1,688,963	\$ 1,488,850	\$ 1,414,635	\$ 1,145,082	\$ 1,110,595	\$ 972,122	\$ 978,336
Contribution in Relation to the Actuarially Determined Contribution	1,946,162	1,812,390	1,610,291	1,688,963	1,488,850	1,414,635	1,145,082	1,110,595	972,122	978,736
Contribution Deficiency/(Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (400)
Covered Payroll	\$ 12,951,052	\$ 11,928,692	\$ 11,276,525	\$ 10,831,527	\$ 11,336,308	\$ 10,378,157	\$ 9,905,129	\$ 9,135,580	\$ 8,807,193	\$ 8,763,140
Contribution as a percentage of Covered Payroll	15.03%	15.19%	14.28%	15.59%	13.13%	13.63%	11.56%	12.16%	11.04%	11.17%

Notes to Schedule:

Valuation Date:  
Actuarially determined contribution rates are calculated as of January 1 for the odd valuation year at least two years prior to the end of the fiscal year in which the contributions were reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method  
Amortization Method  
Remaining Amortization Period  
Asset Valuation Method  
Inflation  
Salary Increases  
Investment Rate of Return  
Pre-Retirement Mortality

Entry Age  
Level Dollar Closed  
7 years  
Based Upon Municipal Reserves in PMRS (Fair Value)  
2.8%  
Age/Merit Scale including inflation ranging from 2.79% to 6.22%.  
5.25%, net of pension plan investment expense, including inflation.  
Males - RP 2000 with 1 year set back  
Females - RP 2000 with 5 year set back  
RP-2000 Sex-Distinct Mortality Table projected 15 years with scale AA for males and projected 10 years with scale AA for females

Post-Retirement Mortality:

\* - Information not available

LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE SUBURBAN NET OPEB LIABILITY  
AND RELATED RATIOS  
LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability Suburban Plan								
Service Cost	\$ 9,363	\$ 7,962	\$ 10,732	\$ 10,221	\$ 7,418	\$ 7,065	\$ 7,960	\$ 7,580
Interest	123,250	130,870	142,391	136,371	167,315	162,742	158,365	151,765
Changes of Benefit Terms	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	(228,105)	-	(282,636)	-	90,059	-	-
Changes of Assumptions	-	(10,175)	-	154,605	-	(99,162)	-	-
Benefit Payments	(60,191)	(93,100)	(90,780)	(90,518)	(115,648)	(110,336)	(92,904)	(61,525)
Net Change in Suburban Plan Total OPEB Liability	42,422	(192,548)	62,343	(69,957)	59,085	50,368	73,421	97,820
Suburban Plan Total OPEB Liability - Beginning	2,000,771	2,193,319	2,130,976	2,200,933	2,141,848	2,091,480	2,018,059	1,920,239
Suburban Plan Total OPEB Liability - Ending (a)	\$ 2,043,193	\$ 2,000,771	\$ 2,193,319	\$ 2,130,976	\$ 2,200,933	\$ 2,141,848	\$ 2,091,480	\$ 2,018,059
Suburban Plan Fiduciary Net Position								
Contributions - Employer	\$ -	\$ 47,039	\$ 12,008	\$ 11,831	\$ 27,393	\$ 22,928	\$ 13,376	\$ -
Net Investment Income	670,286	490,066	(571,813)	517,542	292,386	645,121	(220,248)	485,937
Benefit Payments	(135,928)	(93,100)	(90,780)	(90,518)	(115,648)	(110,336)	(92,904)	(61,526)
Administrative Expense	(21,046)	(20,354)	(20,674)	-	-	-	-	-
Net Change in Suburban Plan Fiduciary Net Position	513,312	423,651	(671,259)	438,855	204,131	557,713	(299,776)	424,411
Suburban Plan Fiduciary Net Position - Beginning	3,781,279	3,357,628	4,028,887	3,590,032	3,385,901	2,828,188	3,127,964	2,703,553
Suburban Plan Fiduciary Net Position - Ending (b)	\$ 4,294,591	\$ 3,781,279	\$ 3,357,628	\$ 4,028,887	\$ 3,590,032	\$ 3,385,901	\$ 2,828,188	\$ 3,127,964
Suburban Plan Net OPEB Liability/(Asset) - Ending (a) - (b)	\$ (2,251,398)	\$ (1,780,508)	\$ (1,164,309)	\$ (1,897,911)	\$ (1,389,099)	\$ (1,244,053)	\$ (736,708)	\$ (1,109,905)
Suburban Plan Fiduciary Net Position as a Percentage of the Total Suburban Plan OPEB Liability	210.19%	188.99%	153.08%	189.06%	163.11%	158.08%	135.22%	155.00%
Covered Payroll Suburban Plan	\$ 900,988	\$ 858,084	\$ 1,133,552	\$ 1,079,573	\$ 1,209,753	\$ 1,452,146	\$ 1,098,115	\$ 1,045,824
Suburban Plan Net OPEB Liability/(Asset) as a Percentage of Covered Payroll	-249.88%	-207.50%	-102.71%	-175.80%	-114.83%	-107.98%	-67.09%	-106.13%

\* - Information only available for eight years. Future years will be added as information becomes available.

\*\* - The 12/31/2023 measurement date had changes in assumptions related to mortality rates, health care trend rates, and a change in the discount rate compared to previous valuations.

LEHIGH COUNTY AUTHORITY  
ALLEN TOWN, PENNSYLVANIA

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS SUBURBAN OPEB PLAN  
LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially Determined Contribution	\$ -	\$ -	\$ 12,008	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution in Relation to the Actuarially Determined Contribution	-	47,039	-	11,831	27,393	22,928	13,376	-
Contribution Deficiency (Excess)	\$ -	\$ (47,039)	\$ (12,008)	\$ (11,831)	\$ (27,393)	\$ (22,928)	\$ (13,376)	\$ -
Suburban Plan Covered Payroll	\$ 900,988	\$ 855,084	\$ 1,133,552	\$ 1,079,573	\$ 1,209,753	\$ 1,152,146	\$ 1,098,115	\$ 1,045,824
Contributions as a Percentage of Covered Payroll	0.00%	5.48%	1.06%	1.10%	2.26%	1.99%	1.22%	0.00%

Notes to Schedule:

Valuation Date:

Actuarially determined contribution rates are calculated as of January 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of pay
Amortization Period	20 years
Asset Valuation Method	5-year smoothed fair value
Inflation	2.44%
Healthcare Cost Trend Rates	6.25% during 2024 to an ultimate rate of 4.00% in 2061.
Salary Increases	5.00%
Investment Rate of Return	6.27%
Retirement Age	65
Mortality	2010 Public General Amount Weighted Mortality Tables projected to 2026 usings Scale MP-2021.

\* - Information only available for eight years. Future years will be added as information becomes available.

LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF INVESTMENT RETURNS SUBURBAN OPEB PLAN

LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	17.73%	14.60%	-14.20%	14.60%	8.60%	23.20%	-7.13%	18.18%

\* - Information only available for eight years. Future years will be added as information becomes available.

LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE CITY DIVISION'S TOTAL OPEB LIABILITY  
AND RELATED RATIOS  
LAST 10 FISCAL YEARS

	*	*	*	*	*	*	*	*	*
	2024	2023	2022	2021	2020	2019	2018		
Total OPEB Liability City Division Plan	\$ 162,300	\$ 159,146	\$ 231,050	\$ 220,048	\$ 269,018	\$ 184,957	\$ 142,941		
Service Cost	102,986	108,467	85,577	79,341	72,855	106,760	73,458		
Interest	-	-	-	(18,456)	-	(55,110)	-		
Changes of Benefit Terms	-	(812,854)	-	(159,743)	-	383,657	-		
Differences Between Expected and Actual Experience	(63,427)	(155,048)	(672,953)	(324,006)	583,524	322,110	-		
Changes of Assumptions	(56,821)	(58,557)	(33,205)	(39,473)	(45,177)	(17,530)	(24,498)		
Benefit Payments	145,038	(758,846)	(389,531)	(236,289)	880,220	924,844	191,901		
Net Change in City Division Plan Total OPEB Liability	2,440,477	3,199,323	3,588,854	3,825,143	2,944,923	2,020,079	1,828,178		
City Division Plan Total OPEB Liability - Beginning	\$ 2,585,515	\$ 2,440,477	\$ 3,199,323	\$ 3,588,854	\$ 3,825,143	\$ 2,944,923	\$ 2,020,079		
City Division Plan Total OPEB Liability - Ending (a)	\$ 5,497,610	\$ 4,996,494	\$ 5,191,401	\$ 4,944,191	\$ 4,538,767	\$ 4,322,635	\$ 3,279,472		
Covered-Employee Payroll City Division Plan	47.03%	48.94%	61.63%	72.59%	84.28%	68.13%	61.60%		
City Division Plan Total OPEB Liability as a Percentage of Covered-Employee Payroll									

\* - Information only available for seven years. Future years will be added as information becomes available.  
\*\* - The 12/31/2024 measurement date had a change in assumptions related to the discount rate compared to previous valuations.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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**OTHER  
SUPPLEMENTARY  
INFORMATION**

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
SUBURBAN WASTEWATER FUND**

For the year ended December 31, 2024

	Western Lehigh Interceptor System	West. Weisenberg Wastewater	Common Rate Wastewater Fund	Other Wastewater Funds	Total Wastewater Fund
<b>Operating Revenues</b>					
Charges for Services	9,654,428	464,912	786,164	7,379,075	18,284,579
Other Income	94,386	-	9,417	878,604	982,407
Total Operating Revenues	9,748,814	464,912	795,581	8,257,679	19,266,986
<b>Operating Expenses</b>					
Salaries and Wages	451,493	91,377	288,841	294,469	1,126,180
Employee Benefits	159,972	49,879	157,920	160,849	528,620
General and Administrative	132,791	26,864	87,106	86,681	333,442
Utilities	68,563	24,536	39,896	130,764	263,759
Materials and Supplies	66,343	45,636	155,969	141,280	409,228
Miscellaneous Services	215,390	59,136	241,527	6,641,822	7,157,875
Treatment and Transportation	5,449,229	-	59,794	-	5,509,023
Depreciation and Amortization	3,759,793	140,321	632,413	2,421,666	6,954,193
Total Operating Expenses	10,303,574	437,749	1,663,466	9,877,531	22,282,320
<b>Operating Income (Loss)</b>	<b>(554,760)</b>	<b>27,163</b>	<b>(867,885)</b>	<b>(1,619,852)</b>	<b>(3,015,334)</b>
<b>Nonoperating Revenues (Expenses)</b>					
Tapping and Capital Recovery Fees	1,153,851	-	14,184	179,131	1,347,166
Meter Sales	-	144	3,497	-	3,732
Inspection, Plan Reviews and Project Reimbursements	396,679	6,853	-	293,245	696,777
Interest Earnings	(57,031)	(23,203)	(56,303)	-	(136,537)
Interest Expense	(212,302)	-	(2,932)	(12,341)	(227,575)
Other Expense	542,176	-	195	210	542,581
Total Nonoperating Revenues (Expenses)	1,823,373	(16,206)	(41,359)	460,336	2,226,144
<b>Increase (Decrease) in net position before capital contributions</b>	<b>1,268,613</b>	<b>10,957</b>	<b>(909,244)</b>	<b>(1,159,516)</b>	<b>(789,190)</b>
<b>Capital Contributions</b>					
Capital Grant	200,000	-	75,000	-	275,000
Capital Assets Provided by Developers and Others	92,411	-	-	-	92,411
Total Capital Contributions	292,411	-	75,000	-	367,411
<b>Increase (Decrease) in Net Position</b>	<b>1,561,024</b>	<b>10,957</b>	<b>(834,244)</b>	<b>(1,159,516)</b>	<b>(421,779)</b>
<b>Net Position at Beginning of Year, As Restated</b>	<b>42,134,954</b>	<b>2,612,198</b>	<b>8,666,466</b>	<b>45,567,327</b>	<b>98,980,945</b>
<b>Net Position at End of Year</b>	<b>\$ 43,695,978</b>	<b>\$ 2,623,155</b>	<b>\$ 7,832,222</b>	<b>\$ 44,407,811</b>	<b>\$ 98,559,166</b>

## **SUPPLEMENTAL SCHEDULES**

- Schedule of Cash and Cash Equivalents
- Combined Schedule of Certificates of Deposit – All Funds
- Schedule of Cash Receipts and Disbursements and Changes in Account Balances – Fixed Rate Water Revenue Bonds
- Budgetary Comparison

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**SCHEDULE OF CASH AND CASH EQUIVALENTS  
CURRENT AND RESTRICTED  
December 31, 2024**

<u>Financial Institution</u>	<u>Total</u>	<u>Enterprise Funds</u>		
		<u>Suburban Division</u>		<u>City Division</u>
		<u>Water</u>	<u>Wastewater</u>	<u>Water &amp; Wastewater</u>
Bank of New York	\$ 1,573,419	\$ 1,573,419	\$ -	\$ -
Financial Northeastern Companies	307,424	291,942	15,482	-
Truist Bank	126,893	126,893	-	-
Fulton Bank	25,328,409	9,186,917	3,264,022	12,877,470
PNC Bank (1)	3,814,885	376,777	3,438,108	-
M & T Bank	133,212,051	-	-	133,212,051
Total	<u>\$ 164,363,081</u>	<u>\$ 11,555,948</u>	<u>\$ 6,717,612</u>	<u>\$ 146,089,521</u>

(1) Represents the Authority's share of the Pennsylvania School District Liquid Asset Fund.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**COMBINED SCHEDULE OF CERTIFICATES OF DEPOSIT - ALL FUNDS  
CURRENT AND RESTRICTED FUNDS  
December 31, 2024**

	<u>Date of Purchase</u>	<u>Date of Maturity</u>	<u>% Rate of Return</u>	<u>Amount</u>	<u>Total By Fund</u>
<b>CERTIFICATES OF DEPOSIT:</b>					
Enterprise Funds:					
<u>Suburban Water</u>					
Sandy Spring Bank	3/10/23	3/10/25	5.10	240,314	
Liberty FCU	3/17/23	3/17/25	5.05	249,379	
Synchrony Bank	10/20/23	4/21/25	5.35	245,784	
Magnifi Financial CU	6/28/23	6/30/25	5.20	246,247	
Flagstar Bank, Nat'l Assn	2/28/24	2/27/26	4.75	246,764	
Bank Hapolim B.M.	5/31/24	5/29/26	5.05	248,236	
1st Financial Bank USA	7/19/24	7/20/26	4.70	247,328	
PSDLAF Flex Pool	12/31/24	1/31/25	4.17	1,122,001	<u>\$ 2,846,053</u>
<u>Suburban Wastewater</u>					
Austin Telco FCU	1/27/23	1/27/25	4.900	249,102	
Lake-Osceola State Bank	1/27/23	1/27/25	4.350	248,980	
Workers FCU	1/27/23	1/27/25	4.700	249,042	
First Foundation Bank	2/2/23	2/3/25	4.400	249,015	
Medallion Bank	2/6/23	2/6/25	4.350	147,990	
Jefferson Bank	2/22/23	2/21/25	4.700	245,027	
Vystar CU	3/10/23	3/10/25	5.000	243,304	
Wells Fargo Bank	5/5/23	5/5/25	4.850	245,473	
Raiz FCU	5/11/23	5/12/25	4.850	245,512	
Freedom First FCU	7/12/23	7/14/25	5.000	249,071	
Chartway FCU	7/12/23	7/14/25	5.250	246,382	
Clearview FCU	9/8/23	9/8/25	5.500	247,225	
Essential FCU	9/20/23	9/22/25	5.500	251,435	
Lafayette FCU	9/20/23	9/22/25	5.350	250,743	
Centris FCU	12/19/23	12/19/25	5.000	247,011	
Evolve Bank & Trust	2/2/24	2/2/26	4.450	245,755	
Neighbors FCU	2/16/24	2/17/26	4.800	249,900	
Greenstate CU	2/21/24	2/20/26	4.600	249,299	
Alabama CU	2/23/24	2/23/26	4.550	246,195	
BMO Bank National Association	2/29/24	3/2/26	4.750	246,781	
General Electric CU	3/28/24	3/30/26	4.950	251,590	
BMW Bank of North America	4/12/24	4/13/26	4.750	201,628	
Valley National Bank	5/29/24	5/29/26	4.950	247,874	
Bank of America NA	5/30/24	6/1/26	5.000	248,094	
Transportation Alliance Bank	6/3/24	6/3/26	4.950	247,933	
Oregon Community CU	6/7/24	6/8/26	5.050	248,339	
State Bank of India	8/29/24	8/28/26	4.000	244,797	
Lending Club Bank	9/9/24	9/9/26	4.000	244,782	
Trustone Financial CU	9/20/24	9/18/26	4.050	245,024	
First Technology FCU	10/23/24	10/23/26	4.050	245,047	<u>\$ 7,278,350</u>
TOTAL CERTIFICATES OF DEPOSIT					<u><u>\$ 10,124,403</u></u>

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA**

**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS AND CHANGES IN ACCOUNT BALANCES  
SUBURBAN WATER FUND - TRUSTEE ACCOUNTS - FIXED RATE WATER REVENUE BONDS,  
December 31, 2024  
For the Year Ended December 31, 2024**

	Debt Service Reserve Accounts	Debt Service Accounts	Construction Accounts	Total
<b>RECEIPTS:</b>				
Interest Income	\$ 77,220	\$ 636	\$ -	\$ 77,856
Bonds Payable	-	-	-	-
Bond Refinancing	-	-	-	-
Treasury Notes Matured	-	-	-	-
Receipts from LCA	-	2,970,482	-	2,970,482
Total Receipts	<u>77,220</u>	<u>2,971,118</u>	<u>-</u>	<u>3,048,338</u>
<b>DISBURSEMENTS:</b>				
Interest Payments	-	1,045,214	-	1,045,214
Water Capital Expenditures	-	-	-	-
Principal Reduction	-	2,005,000	-	2,005,000
Financing Costs	-	-	-	-
Underwriters Discount	-	-	-	-
Transfers to Debt Service Accounts	79,732	(79,732)	-	-
Miscellaneous Expense	-	-	-	-
Total Disbursements	<u>79,732</u>	<u>2,970,482</u>	<u>-</u>	<u>3,050,214</u>
<b>EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS</b>				
	(2,512)	636	-	(1,876)
<b>TRANSFERS TO (FROM) - NET</b>				
	-	-	-	-
<b>EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS AND TRANSFERS</b>				
	(2,512)	636	-	(1,876)
<b>BALANCE, JANUARY 1, 2024</b>				
	1,659,750	464	-	1,660,214
<b>BALANCE, DECEMBER 31, 2024</b>				
	<u>\$ 1,657,238</u>	<u>\$ 1,100</u>	<u>\$ -</u>	<u>\$ 1,658,338</u>
<b>BALANCE CONSISTS OF:</b>				
Cash and Cash Equivalents	\$ 1,657,238	\$ 1,100	\$ -	1,658,338
Certificates of Deposit (CD): (none)	-	-	-	-
<b>CD Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash and CD Total</b>	<u>\$ 1,657,238</u>	<u>\$ 1,100</u>	<u>\$ -</u>	<u>\$ 1,658,338</u>

Note: The Cash and Cash Equivalent amount on this schedule balances to the financial statement as follows:  
Cash and Cash Equivalent \$1,658,338 plus Other Developer Savings \$260,682 equals \$1,919,020.

LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA

BUDGETARY COMPARISON SCHEDULE

For the Year Ended December 31, 2024

(With comparative actual amounts for Year Ended December 31, 2023)

	2024		2023	Variance of 2024 Actual Data to	
	Budgeted Amounts			Final	2023
	Original	Final		Budget	Actual
<b>OPERATING REVENUES:</b>					
Charges for Services	\$ 91,145,195	\$ 91,145,195	\$ 85,333,299	\$ 2,183,339	\$ 7,995,235
Rent	-	-	-	-	-
Other Income	1,024,065	1,024,065	796,545	546,979	774,499
Total Operating Revenues	92,169,260	92,169,260	86,129,844	2,730,318	8,769,734
<b>OPERATING EXPENSES</b>					
Salaries and Wages	20,022,419	20,022,419	16,863,887	3,072,947	85,585
Benefits, General and Administrative	4,138,132	4,138,132	3,122,264	808,214	207,654
Utilities	2,915,790	2,915,790	2,626,750	325,253	(36,213)
Materials and Supplies	4,967,832	5,012,832	4,279,034	658,512	75,286
Miscellaneous Services	14,834,252	14,789,252	14,005,217	15,702	768,333
Treatment and Transportation	4,540,940	4,540,940	3,914,971	(980,016)	1,605,985
Depreciation and Amortization	16,718,350	16,718,350	17,358,733	(1,412,275)	771,892
Total Operating Expenses	68,137,715	68,137,715	62,170,856	2,488,337	3,478,522
<b>OPERATING INCOME (LOSS)</b>	24,031,545	24,031,545	23,958,988	5,218,655	5,291,212
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Tapping and Capital Recovery Fees	4,067,200	4,067,200	4,671,181	102,649	(501,332)
Meter Sales	149,400	149,400	181,422	70,097	38,075
Inspection and Plan Reviews	2,039,750	2,039,750	2,736,737	2,183,873	1,486,886
Interest Earnings	1,111,557	1,111,557	4,410,220	6,041,614	2,742,951
Interest Expense	(21,056,738)	(21,056,738)	(21,095,802)	(2,792,461)	(2,753,397)
Other Expense	(4,618,692)	(4,618,692)	(6,035,599)	(4,204,434)	(2,787,527)
Other Income	270,424	270,424	1,182,754	833,822	(78,508)
Total Nonoperating Revenues (Expenses)	(18,037,099)	(18,037,099)	(13,949,087)	2,235,160	(1,852,852)
Increase (decrease) in net position before capital contributions	5,994,446	5,994,446	10,009,901	7,453,815	3,438,360
<b>Capital Contributions:</b>					
Capital Grant	-	-	275,000	275,000	275,000
Capital Assets Provided by Developers and Others	-	-	268,650	268,650	(5,206,745)
Total Capital Contributions	-	-	543,650	543,650	(4,931,745)
<b>Increase (Decrease) in Net Position</b>	\$ 5,994,446	\$ 5,994,446	\$ 13,991,911	\$ 7,997,465	\$ (1,493,385)

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## STATISTICAL SECTION

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.*

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## **FINANCIAL TRENDS**

This section provides information on Changes in Net Position Components and Changes in Net Position.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
NET POSITION BY COMPONENT**

	2015	2016	2017	2018	2019
<b>Net Position:</b>					
Net Investment in Capital Assets	\$ 147,742,061	\$ 152,434,977	\$ 162,309,930	\$ 159,792,232	\$ 168,787,946
Restricted for Debt Service	1,209,239	1,209,379	1,365,470	1,380,654	1,043,094
Restricted for Net Pension Asset	-	-	-	-	-
Restricted for Net OPEB Asset	1,148,526	1,133,284	1,182,363	736,708	1,244,053
Unrestricted	10,509,902	811,269	(11,732,211)	(14,863,918)	(25,963,577)
<b>Total Net Position</b>	<b>\$ 160,609,728</b>	<b>\$ 155,588,909</b>	<b>\$ 153,125,552</b>	<b>\$ 147,045,676</b>	<b>\$ 145,111,516</b>
	2020	2021	2022	2023	2024
<b>Net Position:</b>					
Net Investment in Capital Assets	\$ 163,724,401	\$ 170,026,423	\$ 174,737,544	\$ 177,644,427	\$ 186,328,391
Restricted for Debt Service	1,407,066	1,570,266	1,579,403	1,578,968	1,572,319
Restricted for Net Pension Asset	-	1,456,966	4,620,211	-	-
Restricted for Net OPEB Asset	1,389,099	1,897,911	1,164,309	1,780,508	2,251,398
Unrestricted	(22,517,049)	(28,311,754)	(25,232,838)	(8,649,978)	(3,806,272)
<b>Total Net Position</b>	<b>\$ 144,003,517</b>	<b>\$ 146,639,812</b>	<b>\$ 156,868,629</b>	<b>\$ 172,353,925</b>	<b>\$ 186,345,836</b>

**Note:**

**Beginning in 2018, the amounts reported reflect the adoption of GASB 75. Amounts prior to 2018 have not been adjusted to reflect the adoption of GASB 75.**

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
CHANGES IN NET POSITION**

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income (Loss)	Total Nonoperating Revenues (Expenses)	(1) Increase (Decrease) in Net Position Before Capital Contributions	Capital Contributions	(1) Change in Net Position
2015	\$ 47,477,636	\$ 42,312,587	\$ 5,165,049	\$ (15,952,394)	\$ (10,787,345)	\$ 1,692,811	\$ (9,094,534)
2016	53,361,394	44,722,023	8,639,371	(18,205,887)	(9,566,516)	4,545,697	(5,020,819)
2017	54,808,820	46,719,135	8,089,685	(18,933,193)	(10,843,508)	8,380,151	(2,463,357)
2018	59,507,754	46,926,940	12,580,814	(19,473,727)	(6,892,913)	1,828,692	(5,064,221)
2019	61,088,459	48,768,093	12,320,366	(15,985,945)	(3,665,579)	1,731,419	(1,934,160)
2020	65,024,777	50,961,442	14,063,335	(15,388,747)	(1,325,412)	217,413	(1,107,999)
2021	70,545,721	52,626,666	17,919,055	(18,946,406)	(1,027,351)	3,683,935	2,656,584
2022	78,096,829	55,032,473	23,064,356	(13,089,141)	9,975,215	253,602	10,228,817
2023	86,129,844	62,170,856	23,958,988	(13,949,087)	10,009,901	5,475,395	15,485,296
2024	94,899,578	65,649,378	29,250,200	(15,801,939)	13,448,261	543,650	13,991,911

**NOTES:**

**(1) Beginning in 2018, the amounts reported reflect the adoption of GASB 75. Amounts prior to 2018 have not been adjusted to reflect the adoption of GASB 75.**

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## **REVENUE CAPACITY**

This section provides information on the major sources of revenue, expenses, schedules of rates and charges, largest industrial and commercial revenue sources and collections information.

**LEHIGH COUNTY AUTHORITY  
ALLEN TOWN, PENNSYLVANIA  
REVENUES BY SOURCE**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Suburban - Water Fund (1)</b>										
<b>Operating Revenues:</b>										
Customer Charges:										
Large Industrial	\$ 1,088,772	\$ 1,101,016	\$ 1,014,054	\$ 1,055,882	\$ 1,118,032	\$ 1,359,677	\$ 1,526,840	\$ 1,759,028	\$ 1,802,102	\$ 1,726,298
Industrial	1,959,556	1,924,336	1,971,310	2,023,984	2,118,324	2,331,984	2,864,043	3,583,427	3,765,979	3,916,197
Commercial/Institutional	934,255	1,044,364	1,134,993	1,193,232	1,286,316	1,480,634	1,618,500	2,248,980	2,534,660	2,807,916
Residential	3,336,469	3,377,843	3,483,627	3,617,000	3,889,305	4,353,510	4,928,585	6,438,205	6,680,440	7,285,423
Other	102,100	116,829	107,273	145,911	143,311	24,887	132,252	251,607	235,105	221,812
Private Fire Service	709,983	757,651	795,121	830,655	846,199	871,241	884,816	902,957	918,202	905,572
Public Fire Service	350,225	354,805	357,410	342,867	378,629	412,199	444,071	458,594	481,884	504,026
Total Charges for Service	8,481,360	8,676,844	8,863,788	9,209,531	9,780,116	10,834,132	12,399,107	15,642,798	16,418,379	17,417,244
Other Income	51,327	41,152	99,307	40,949	25,172	32,540	34,359	675,134	75,002	83,333
Rent	111,745	97,011	91,019	98,405	125,253	-	-	-	-	-
Total Operating Revenues	8,644,432	8,815,007	9,054,114	9,348,885	9,930,541	10,866,672	12,433,466	16,317,932	16,493,381	17,500,577
<b>Nonoperating Revenues:</b>										
Tapping & Capital Recovery Fees	276,202	426,177	455,405	221,405	418,775	464,648	386,165	279,250	316,943	385,212
Meter Sales	88,082	156,365	112,468	85,259	94,763	77,685	150,087	140,444	126,852	161,031
Inspection, Plan Reviews, & Project Reimbursements	207,982	160,751	154,433	183,148	393,187	318,263	1,022,771	233,338	286,607	234,948
Interest Income	54,422	91,619	127,486	255,439	179,191	84,958	34,284	64,387	374,909	714,190
Other Income	53,513	112,426	109,343	109,343	93,928	105,508	132,181	173,318	207,290	307,045
Total Nonoperating Revenues	680,211	947,338	959,135	832,222	1,178,844	1,051,062	1,725,488	830,737	1,312,601	1,802,426
Total Water Fund Revenues	9,324,643	9,762,345	10,013,249	10,181,107	11,110,385	11,917,734	14,158,954	17,208,669	17,805,982	19,303,003
<b>Suburban - Wastewater Fund (1)</b>										
<b>Operating Revenues:</b>										
User Charges	11,616,373	12,756,663	12,568,375	13,720,330	13,840,156	15,980,601	15,606,887	14,684,737	17,465,394	18,284,579
Other Income	252,802	116,267	290,406	294,099	241,900	193,826	204,533	336,915	306,437	982,407
Total Operating Revenues	11,869,175	12,872,930	12,858,781	14,014,429	14,082,056	16,174,427	15,811,420	15,021,652	17,771,831	19,266,986
<b>Nonoperating Revenues:</b>										
Tapping & Capital Recovery Fees	2,385,116	1,165,372	449,376	523,526	1,573,749	3,575,692	752,932	3,236,640	1,326,278	1,347,166
Meter Sales	-	12,000	-	-	-	-	-	-	-	359
Interest Income	109,829	118,529	162,034	222,306	332,847	193,926	25,019	(3,778)	576,327	696,777
Inspection, Plan Reviews, & Project Reimbursements	689	31,181	12,444	37,773	42,518	8,655	4,108	82,529	44,556	3,732
Other Income	930	1,090	1,090	690	711	6,194	45,690	1,585	495,094	542,581
Total Nonoperating Revenues	2,496,564	1,328,172	631,374	784,295	1,949,825	3,784,467	827,749	3,316,976	2,442,614	2,590,256
Total Wastewater Fund Revenues	14,365,739	14,201,102	13,490,155	14,798,724	16,031,881	19,958,894	16,639,169	18,338,628	20,214,445	21,857,242
<b>City Fund (1)</b>										
<b>Operating Revenues:</b>										
Customer Charges:										
Industrial	441,971	439,687	456,835	531,748	558,090	549,661	635,524	680,713	813,690	847,749
Commercial/Institutional	2,964,011	2,917,340	3,040,810	3,281,625	3,264,399	3,125,615	3,432,025	3,895,849	4,265,378	4,594,811
Residential	9,979,086	10,213,236	10,571,269	11,003,695	11,249,045	12,631,704	14,401,691	16,501,366	18,155,422	20,325,684
User Charges	10,376,636	14,686,290	14,984,978	15,265,064	15,920,317	16,295,859	17,958,563	18,920,688	21,350,507	24,023,555
Other	3,055,596	3,278,630	3,684,596	5,600,408	5,090,151	5,465,887	6,231,252	6,795,662	7,765,579	7,765,579
Private Fire Service	60,184	63,309	63,635	64,322	59,377	55,936	57,692	61,637	67,267	68,333
Public Fire Service	1,015	720	540	765	585	-	540	1,700	1,600	1,000
Total Charges for Service	26,878,499	31,599,212	32,802,663	35,747,627	36,657,563	37,748,826	41,949,921	46,293,205	51,449,526	57,626,711
Other Income	85,530	74,245	93,262	396,813	418,299	234,849	325,514	464,040	415,106	505,304
Total Operating Revenues	26,964,029	31,673,457	32,895,925	36,144,440	37,075,862	37,983,675	42,276,435	46,757,245	51,864,632	58,132,015
<b>Nonoperating Revenues:</b>										
Tapping & Capital Recovery Fees	236,343	764,853	725,230	1,383,796	1,707,128	1,901,863	2,173,581	2,491,962	3,027,960	2,437,471
Meter Sales	13,272	13,319	17,187	8,397	22,466	24,595	39,584	36,231	54,211	58,466
Inspection, Plan Reviews, & Project Reimbursements	1,295,847	1,396,588	1,132,206	912,225	448,402	841,585	1,308,125	5,806,628	2,405,574	3,984,943
Interest Income	424,171	386,754	341,431	1,047,630	1,193,618	162,075	5,373	914,681	3,458,984	5,742,204
Other Income	543,291	821,530	1,123,827	65,442	59,659	51,620	214,812	480,370	482,370	254,620
Total Nonoperating Revenues	2,512,924	3,383,044	3,339,881	3,417,490	3,431,273	2,981,738	3,640,020	9,464,314	9,427,099	12,477,704
Total Allentown Fund Revenues	29,476,953	35,056,501	36,235,806	39,561,930	40,507,135	40,965,413	45,916,455	56,221,559	61,291,731	70,609,719
Total Enterprise Funds	\$ 53,167,335	\$ 59,019,948	\$ 59,739,210	\$ 64,541,761	\$ 67,649,401	\$ 72,842,041	\$ 76,714,579	\$ 91,768,856	\$ 99,312,158	\$ 111,769,964

(1) This data can be compared to Expenses by Function on the following page.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
OPERATING EXPENSES BY FUNCTION**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
(2)										
<b>Suburban - Water Fund (1)</b>										
Salaries and Wages	\$ 801,639	\$ 1,028,004	\$ 1,042,565	\$ 1,037,882	\$ 1,042,754	\$ 1,697,918	\$ 1,936,530	\$ 2,273,458	\$ 2,421,077	\$ 2,793,263
Benefits, General and Administration	770,436	1,045,634	1,257,063	1,261,241	1,405,024	1,179,359	1,284,678	1,300,983	1,799,098	2,108,235
Utilities	435,422	426,230	420,812	437,253	426,969	419,493	423,327	481,997	489,998	492,836
Materials and Supplies	292,395	288,550	422,730	294,937	371,371	279,430	472,436	860,080	669,500	860,147
Miscellaneous Services	1,760,084	2,024,840	2,270,359	2,703,594	2,665,139	3,645,096	3,444,479	3,664,554	4,077,318	5,078,065
Depreciation and Amortization	2,508,051	2,587,430	2,695,548	2,768,133	2,602,179	2,948,963	3,373,864	3,665,828	3,898,085	4,060,163
<b>Total</b>	<b>\$ 6,568,027</b>	<b>\$ 7,400,688</b>	<b>\$ 8,109,077</b>	<b>\$ 8,503,040</b>	<b>\$ 8,513,436</b>	<b>\$ 10,170,259</b>	<b>\$ 10,935,314</b>	<b>\$ 12,246,900</b>	<b>\$ 13,355,076</b>	<b>\$ 15,392,709</b>
<b>Suburban - Wastewater Fund (1)</b>										
Salaries and Wages	\$ 430,271	\$ 440,614	\$ 424,208	\$ 462,145	\$ 551,668	\$ 800,670	\$ 807,480	\$ 930,273	\$ 1,120,004	\$ 1,126,180
Benefits, General and Administration	474,988	564,580	559,911	580,467	714,616	568,571	629,920	539,895	1,029,345	862,062
Utilities	218,286	204,648	226,197	290,201	374,030	296,419	269,555	271,866	238,267	263,759
Materials and Supplies	187,328	189,418	155,503	264,744	335,419	232,039	231,857	339,120	390,732	409,228
Miscellaneous Services	6,996,038	7,139,673	6,369,014	5,717,168	6,330,597	6,257,849	6,405,017	6,503,137	7,666,841	7,157,875
Treatment and Transportation	2,347,975	3,021,234	3,516,548	3,543,753	3,385,568	2,906,958	3,899,502	2,846,176	3,903,664	5,509,023
Depreciation and Amortization	4,359,509	4,501,469	4,599,096	4,490,397	4,571,072	5,937,183	6,671,362	7,090,828	6,705,024	6,954,193
<b>Total</b>	<b>\$ 15,014,395</b>	<b>\$ 16,061,636</b>	<b>\$ 15,850,477</b>	<b>\$ 15,348,875</b>	<b>\$ 16,262,970</b>	<b>\$ 16,999,689</b>	<b>\$ 18,914,693</b>	<b>\$ 18,521,295</b>	<b>\$ 21,053,877</b>	<b>\$ 22,282,320</b>
<b>City Fund (1)</b>										
Salaries and Wages	\$ 5,743,818	\$ 5,608,679	\$ 5,870,195	\$ 6,233,387	\$ 6,391,947	\$ 7,498,713	\$ 7,393,768	\$ 7,738,611	\$ 7,842,029	\$ 8,311,622
Benefits, General and Administration	3,746,923	4,417,857	5,155,222	5,563,262	6,694,877	4,996,559	4,264,243	4,184,144	5,774,598	5,078,028
Utilities	1,939,560	1,863,839	1,903,666	2,040,103	1,960,605	1,815,047	1,705,824	1,802,290	1,898,485	1,833,942
Materials and Supplies	1,400,206	1,333,225	1,312,551	1,267,835	1,315,169	1,393,271	1,486,678	2,227,856	3,218,802	3,084,945
Miscellaneous Services	2,358,537	2,190,803	2,620,544	2,096,178	1,784,035	1,958,582	1,513,867	1,807,716	2,261,058	2,537,610
Treatment and Transportation	11,043	11,011	10,096	9,827	9,547	11,926	12,480	11,594	11,307	11,933
Depreciation and Amortization	5,530,078	5,834,285	5,887,307	5,864,433	5,835,507	6,117,396	6,399,799	6,492,067	6,755,624	7,116,269
<b>Total</b>	<b>\$ 20,730,165</b>	<b>\$ 21,259,699</b>	<b>\$ 22,759,581</b>	<b>\$ 23,075,025</b>	<b>\$ 23,991,687</b>	<b>\$ 23,791,494</b>	<b>\$ 22,776,659</b>	<b>\$ 24,264,278</b>	<b>\$ 27,761,903</b>	<b>\$ 27,974,349</b>
<b>Total Operating Expenses</b>	<b>\$ 42,312,587</b>	<b>\$ 44,722,023</b>	<b>\$ 46,719,135</b>	<b>\$ 46,926,940</b>	<b>\$ 48,768,093</b>	<b>\$ 50,961,442</b>	<b>\$ 52,626,666</b>	<b>\$ 55,032,473</b>	<b>\$ 62,170,856</b>	<b>\$ 65,649,378</b>

(1) This data can be compared to Revenues by Source on the previous page.  
(2) The amounts reported reflect the adoption of GASB 75. Amounts prior to 2018 have not been adjusted to reflect the adoption of GASB 75.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
NONOPERATING EXPENSES**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Suburban - Water Fund:</b>										
Interest Expense	\$ 1,269,864	\$ 1,140,565	\$ 1,371,796	\$ 1,576,659	\$ 1,545,028	\$ 1,442,776	\$ 1,136,953	\$ 847,133	\$ 954,076	\$ 1,091,073
Other Expense	68,291	157,016	427,991	82,142	98,246	57,563	255,343	229,725	119,528	170,414
Loss on Disposal of Capital Assets	-	-	-	-	-	-	-	-	-	-
Total	\$ 1,338,155	\$ 1,297,581	\$ 1,799,787	\$ 1,658,801	\$ 1,643,274	\$ 1,500,339	\$ 1,392,296	\$ 1,076,858	\$ 1,073,604	\$ 1,261,487
<b>Suburban - Wastewater Fund:</b>										
Interest Expense	\$ 151,110	\$ 195,081	\$ 204,418	\$ 197,000	\$ 213,114	\$ 199,707	\$ 199,973	\$ 185,935	\$ 168,364	\$ 136,537
Other Expense	80,574	65,320	30,104	30,876	44,130	42,698	55,412	86,525	133,968	227,575
Total	\$ 231,684	\$ 260,401	\$ 234,522	\$ 227,876	\$ 257,244	\$ 242,405	\$ 255,385	\$ 272,460	\$ 302,332	\$ 364,112
<b>City Fund:</b>										
Interest Expense	\$ 18,024,646	\$ 18,280,300	\$ 18,516,650	\$ 18,810,413	\$ 19,386,584	\$ 17,257,071	\$ 19,452,114	\$ 19,703,642	\$ 19,973,362	\$ 22,621,589
Planning and Issuance Expense	-	-	-	-	-	-	-	-	-	-
Other Expense	2,047,608	4,026,159	3,312,624	3,810,644	1,259,785	4,206,199	4,029,868	5,708,208	5,782,103	8,425,137
Total	\$ 20,072,254	\$ 22,306,459	\$ 21,829,274	\$ 22,621,057	\$ 20,646,369	\$ 21,463,270	\$ 23,481,982	\$ 25,411,850	\$ 25,755,465	\$ 31,046,726
Total Nonoperating Expenses	\$ 21,642,093	\$ 23,864,441	\$ 23,863,583	\$ 24,507,734	\$ 22,546,887	\$ 23,206,014	\$ 25,129,663	\$ 26,761,168	\$ 27,131,401	\$ 32,672,325

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
CAPITAL CONTRIBUTIONS BY SOURCE**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Suburban - Water Fund:</b>										
Grant	\$ 421,853	\$ 211,552	\$ 211,892	\$ 212,688	\$ -	\$ -	\$ 34,523	\$ -	\$ -	\$ -
Capital Assets Provided by Developers	1,270,958	3,348,066	6,112,316	1,581,110	1,716,419	209,793	3,227,112	253,602	4,889,647	176,239
Total Water Fund	\$ 1,692,811	\$ 3,559,618	\$ 6,324,208	\$ 1,793,798	\$ 1,716,419	\$ 209,793	\$ 3,261,635	\$ 253,602	\$ 4,889,647	\$ 176,239
<b>Suburban - Wastewater Fund:</b>										
Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 275,000
Capital Assets Provided by Developers	-	986,079	2,055,943	34,894	15,000	7,620	422,300	-	585,748	92,411
Total Wastewater Fund	\$ -	\$ 986,079	\$ 2,055,943	\$ 34,894	\$ 15,000	\$ 7,620	\$ 422,300	\$ -	\$ 585,748	\$ 367,411
<b>City Fund:</b>										
Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Assets Provided by Developers	-	-	-	-	-	-	-	-	-	-
Total Allentown Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Enterprise Funds	\$ 1,692,811	\$ 4,545,697	\$ 8,380,151	\$ 1,828,692	\$ 1,731,419	\$ 217,413	\$ 3,683,935	\$ 253,602	\$ 5,475,395	\$ 543,650

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
SCHEDULE OF WATER CAPITAL RECOVERY FEES**

	2017	2018	2019	2020	2021	2022	2023	2024
<b>SUBURBAN DIVISION</b>								
<b>Charge per Typical Residential Customer:</b>								
<b>Central Lehigh Division:</b>								
Supply Tapping Fee	605 \$	605 \$	605 \$	605 \$	605 \$	659.25 \$	746.68 \$	784.76
Distribution Tapping Fee	1,880	1,880	1,880	1,880	1,880	125.03	239.57	256.00
<b>North Whitehall Division:</b>								
Supply Tapping Fee	575	575	575	575	575	659.25	746.68 \$	784.76
Distribution Tapping Fee	2,000	2,000	2,000	2,000	2,000	125.03	239.57	256.00
<b>Washington Twp Division:</b>								
Supply Tapping Fee	1,000	1,000	1,000	1,000	1,000	659.25	746.68 \$	784.76
Distribution Tapping Fee	1,550	1,550	1,550	1,550	1,550	125.03	239.57	256.00
<b>Heidelberg Heights Division:</b>								
Supply Tapping Fee	708	708	708	708	708	659.25	746.68 \$	784.76
Distribution Tapping Fee	2,000	2,000	2,000	2,000	2,000	125.03	239.57	256.00
<b>Emmaus Consecutive Division:</b>								
Supply Tapping Fee	400	400	400	400	400	400.00	400.00	400.00
Distribution Tapping Fee	1,480	1,480	1,480	1,480	1,480	1,480.00	1,480.00	1,480.00
<b>Upper Milford Central Division:</b>								
Supply Tapping Fee	235	235	235	235	235	659.25	746.68 \$	784.76
Distribution Tapping Fee	2,000	2,000	2,000	2,000	2,000	125.03	239.57	256.00
<b>Small System Divisions: (2)</b>								
Supply Tapping Fee	192	192	192	192	192	659.25	746.68 \$	784.76
Distribution Tapping Fee	2,000	2,000	2,000	2,000	2,000	125.03	239.57	256.00
<b>Total Fees collected: (Suburban Divisions, All Customers)</b>								
Supply & Special Tapping Fees	365,395 \$	184,915 \$	360,815 \$	348,206 \$	336,185 \$	255,334 \$	274,687 \$	350,710
Distribution Tapping Fees (1)	82,010	36,490	57,610	116,080	49,980	23,327	28,268	34,019
Connection Fees	-	-	350	362	-	-	13,698	-
<b>Total Suburban Division</b>	<b>\$ 447,405 \$</b>	<b>\$ 221,405 \$</b>	<b>\$ 418,775 \$</b>	<b>\$ 464,648 \$</b>	<b>\$ 386,165 \$</b>	<b>\$ 278,661 \$</b>	<b>\$ 316,653 \$</b>	<b>\$ 384,729</b>
<b>CITY DIVISION</b>								
Supply Tapping Fee	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Supply Tapping Fee - Part 1 (3)	\$5.38 per gal.	\$5.59 per gal.	\$5.88 per gal.	\$6.12 per gal.	\$6.32 per gal.	\$6.77 per gal.	\$7.46 per gal.	\$7.81 per gal.
Supply Tapping Fee - Part 2 Capacity Portion (3)	\$0.00851 per gal.	\$0.00851 per gal.	\$0.00851 per gal.	\$0.00851 per gal.	\$0.00851 per gal.	\$0.00851 per gal.	\$0.00851 per gal.	\$0.00851 per gal.
Supply Tapping Fee - Part 2 Distribution Portion (3)	\$0.02551 per gal.	\$0.02551 per gal.	\$0.02551 per gal.	\$0.02551 per gal.	\$0.02551 per gal.	\$0.02551 per gal.	\$0.02551 per gal.	\$0.02551 per gal.
<b>Total Fees collected: (Allentown Division, All Customers)</b>								
Supply & Special Tapping Fees	\$ 415,990 \$	\$ 968,123 \$	\$ 1,222,030 \$	\$ 1,292,073 \$	\$ 1,412,728 \$	\$ 1,628,470 \$	\$ 1,850,615 \$	\$ 1,364,496
Capacity Fees	435 \$	1,339 \$	1,390 \$	994 \$	1,380 \$	1,717 \$	2,299 \$	776
Distribution Fees	416,425 \$	969,462 \$	1,244,882 \$	1,301,236 \$	1,446,493 \$	1,692,780 \$	1,895,060 \$	1,377,468
<b>Total Allentown Division</b>								

(1) Distribution Tapping fees only includes type 1 fees, which are fees charged for connections to mains installed by the Authority. Type 2 fees charged for connections to mains installed by developers are not included because such fees are reimbursed back to the developer.  
 (2) Includes Mill Creek, Pine Lakes of Lynn, Beverly Hills and Clearview Farm Estates Divisions.  
 (3) In 2016, City Division tapping fees were calculated per EDU rather than a flat fee. An EDU for water calculations equals 159.5 gallons.

**Note: Water charges per typical residential customer represent rates in effect as of year-end.**

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
SCHEDULE OF WASTEWATER CAPITAL RECOVERY FEES**

	2017	2018	2019	2020	2021	2022	2023	2024
<b>Interceptors - Charge per 1000 Gallons:</b>								
Western Lehigh Interceptor	\$ 3,560	\$ 3,870	\$ 3,910	\$ 4,100	\$ 4,100	\$ 4,800	\$ 5,180	\$ 5,180
Little Lehigh Relief Interceptor	990	1,100	1,130	1,170	1,170	1,830	1,980	1,980
Treatment Capacity	5,840	6,110	6,140	6,320	6,320	7,130	7,520	7,520
<b>Total</b>	<b>\$ 10,390</b>	<b>\$ 11,080</b>	<b>\$ 11,180</b>	<b>\$ 11,590</b>	<b>\$ 11,590</b>	<b>\$ 13,760</b>	<b>\$ 14,680</b>	<b>\$ 14,680</b>
<b>Annual Wastewater Capacity Sales - Interceptor System</b>								
Gallons per Day	75,476	78,511	231,237	294,873	64,705	254,365	99,227	89,675
Fees Collected (1)	\$ 435,017	\$ 490,076	\$ 1,525,203	\$ 3,370,163	\$ 509,990	\$ 3,177,669	\$ 1,273,798	\$ 1,332,982
		(6)		(7)	(8)			
<b>Collection Systems - Charge per EDU (2)</b>								
<b>Upper Milford System:</b>								
Collection Part	\$ 2,331.00	\$ 1,816.55	\$ 1,994.49	\$ 1,994.49	\$ 1,994.49	\$ 1,994.49	\$ 3,030.11	\$ 3,030.11
Capacity Part	435.00	1,386.50	1,307.03	1,307.03	1,482.85	1,682.60	1,858.95	1,858.95
<b>Heidelberg Heights System:</b>								
Collection Part	626.55	842.74	889.37	889.37	863.35	1,003.78	1,027.54	1,027.54
Capacity Part	4,754.29	5,388.26	6,110.32	6,110.32	5,859.74	7,825.31	8,250.51	8,250.51
<b>Wynnewood Terrace System:</b>								
Collection Part	2,520.23	2,788.31	3,287.65	3,287.65	2,959.96	4,527.03	4,966.28	4,966.28
Capacity Part	1,534.48	2,567.32	3,251.76	3,251.76	2,822.24	19,535.57	20,712.81	20,712.81
<b>Sand Spring System:</b>								
Collection Part	617.88	849.83	878.38	878.38	852.69	991.38	1,014.84	1,014.84
Capacity Part	920.38	1,441.01	2,358.58	2,358.58	1,912.20	31,466.19	37,182.85	37,182.85
<b>Arcadia West System:</b>								
Collection Part	661.50	661.50	715.82	715.82	715.82	807.91	852.48	852.48
Capacity Part	10,108.10	10,108.10	10,957.60	10,957.60	10,957.60	12,367.26	13,049.49	13,049.49
Reimbursement Part (3)	21,809.14	21,809.14	n/a	n/a	n/a	n/a	n/a	n/a
<b>Western Weisenberg Treatment Plant:</b>								
Capacity Part (4)	10,108.10	10,108.10	10,637.12	10,637.12	10,657.60	10,657.60	13,049.49	13,049.49
<b>Annual Wastewater Capacity Sales - Collector Systems</b>								
Gallons per Day	7,359	10,481	11,150	13,805	18,286	10,481	2,676	2,007
Fees Collected	\$ 10,359	\$ 33,450	\$ 48,546	\$ 107,409	\$ 74,942	\$ 58,971	\$ 43,642	\$ 14,184
<b>CITY DIVISION</b>								
Tapping Fee	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Tapping Fee - Part 1 (9)	\$ 4.10 per gal.	\$ 4.26 per gal.	\$ 4.48 per gal.	\$ 4.66 per gal.	\$ 4.82 per gal.	\$ 5.16 per gal.	\$ 5.69 per gal.	\$ 5.95 per gal.
Tapping Fee - Part 2 Capacity Portion (9)	\$ 0.01538 per gal.	\$ 0.01538 per gal.	\$ 0.01538 per gal.	\$ 0.01538 per gal.	\$ 0.01538 per gal.	\$ 0.01538 per gal.	\$ 0.01538 per gal.	\$ 0.01538 per gal.
Tapping Fee - Part 2 Collection Portion (9)	\$ 0.00052 per gal.	\$ 0.00052 per gal.	\$ 0.00052 per gal.	\$ 0.00052 per gal.	\$ 0.00052 per gal.	\$ 0.00052 per gal.	\$ 0.00052 per gal.	\$ 0.00052 per gal.
<b>Total Fees collected: (Allentown Division, All Customers)</b>								
Tapping Fees	\$ 106,694	\$ 242,228	\$ 208,161	\$ 195,643	\$ 280,789	\$ 348,281	\$ 555,211	\$ 102,083
Capacity Fees	152,502	148,885	254,054	404,962	446,268	450,864	577,637	957,910
Collection Fees	10	30	31	22	31	37	52	10
<b>Total Allentown Division</b>	<b>\$ 259,206</b>	<b>\$ 391,143</b>	<b>\$ 462,246</b>	<b>\$ 600,627</b>	<b>\$ 727,088</b>	<b>\$ 799,182</b>	<b>\$ 1,132,900</b>	<b>\$ 1,060,003</b>

(1) Total includes Western Lehigh Interceptor, Little Lehigh Relief Interceptor and Treatment Capacity fees.  
(2) An EDU or Equivalent Dwelling Unit represents a single family residential property or in the case of the Arcadia West Industrial Park System it represents 262.5 gallons per day.  
(3) Represents the amount reimbursable to the developer for connections within the Arcadia West subdivision. This system was acquired in June 2003. The period of time for eligible reimbursement ended and is no longer applicable.  
(4) Represents a new wastewater treatment plant which will replace the Arcadia West Plant.  
(5) Gallons per Day and fees includes Sunopta purchase of 117,700 gpd and purchase price.  
(6) Gallons per Day and fees includes KRE Group purchase of 61,831 gpd and purchase price.  
(7) Gallons per Day and fees includes Gallop/RPG JV II LLC purchase of 225,000 gpd and purchase price.  
(8) Gallons per Day and fees includes Keurig/Dr. Pepper purchase of 175,000 gpd and purchase price.  
(9) In 2016, City Division tapping fees were calculated per EDU rather than a flat fee. An EDU for wastewater calculations equals 175.5 gallons.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
SCHEDULE OF WATER RATES AND CHARGES - SUBURBAN DIVISION**

Effective Date	Common Rates (1)		
	1/1/22	1/1/23	1/1/24
<b>Metered Water Usage</b>			
<b>Fixed Charges:</b>			
<u>Meter Size</u>			
Quarterly	5/8" & 3/4" 1"	\$ 31.30 55.48	\$ 31.30 55.48
Monthly	1-1/2" 2" 3" 4" 6" 8" 10"	42.04 58.18 105.05 154.00 288.54 448.27 631.04	42.04 58.18 105.05 154.00 288.54 448.27 631.04
<b>Volume Charge per 1,000 gallons: (2)</b>			
	Quarterly Usage (gals.)	Monthly Usage (gals.)	
	First 120,000	First 40,000	3.26
	Next 2,880,000	Next 960,000	3.17
	Next 24,000,000	Next 8,000,000	2.75
	Next 147,000,000	Next 49,000,000	2.38
	Over 174,000,000	Over 58,000,000	2.15
			3.58
			3.24
			2.83
			2.63
			2.44
			3.80
			3.43
			3.00
			2.75
			2.55
<b>Public Fire Protection (3)</b>			
	O&M per Hydrant (Rate per Month)	\$ 10.01	\$ 10.41
	Inch-Squared Foot/Year (4)	0.00167	0.00174
			\$ 10.83
			0.00181
<b>Private Fire Protection (Charge per month) (5)</b>			
<u>Fire Line Size</u>			
	SF Residential	\$ 5.00	\$ 5.00
	2"	13.61	13.61
	2 1/2"	21.26	21.26
	3"	30.62	30.62
	4"	54.43	54.43
	6"	122.47	122.47
	8"	217.72	217.72
	10"	340.18	340.18
	12"	489.87	489.87
<b>Other Fees</b>			
	Meter Test Fee (5/8", 3/4" & 1")	\$ 50.00	\$ 50.00
	Meter Inspection Fee	50.00	50.00
	Site Visit Charge (Normal Hrs) & Meter Inspection Fee	50.00	50.00
	Site Visit Charge (After Hrs)	150.00	150.00
	Service Order Charge (Normal Hrs) (6)	50.00	50.00
	Service Order Charge (After Hrs) (6)	150.00	150.00
	Lien Administration Fee (7)	132.15	132.15
	Hydrant Security Device Fee (8)	140.00	140.00

- (1) The Authority implemented common rates on 7/1/98 for the majority of the water service areas. Of 24,710 customers at year-end 2024, only 34 were on separate rate schedules.
- (2) Effective first of the year.
- (3) Municipalities are billed for this protection.
- (4) Applied to total Transmission and Distribution pipe length for mains with a diameter of 6 to 16 inches. The latest rate change took effect on 1/1/24.
- (5) SF Residential effective 7/12/10 while all other Private Fire rates effective 7/1/06.
- (6) Effective 1/1/15.
- (7) Effective 12/1/17.
- (8) Fee charged to developers for hydrant locking device effective 1/1/17.

**Note: The Authority has the ability to change rates at any time as authorized by its Board of Directors.**

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
SCHEDULE OF WATER RATES AND CHARGES - CITY DIVISION**

Effective Date		1/1/22	Rates 1/1/23	1/1/24
<b>Metered Water Usage</b>				
<b>Fixed Charges:</b>				
<u>Meter Size</u>				
Quarterly	5/8"	\$ 60.81	\$ 66.95	\$ 80.50
	3/4"	68.43	75.35	89.30
	1"	83.98	92.46	107.34
	1-1/2"	n/a	n/a	n/a
	2"	n/a	n/a	n/a
	3"	n/a	n/a	n/a
	4"	n/a	n/a	n/a
	6"	n/a	n/a	n/a
	8"	n/a	n/a	n/a
Monthly	5/8"	n/a	n/a	n/a
	3/4"	n/a	n/a	n/a
	1"	n/a	n/a	n/a
	1-1/2"	43.88	48.32	50.59
	2"	59.27	65.25	68.32
	3"	100.20	110.32	115.51
	4"	146.49	161.29	168.87
	6"	274.67	302.42	316.63
	8"	428.67	471.96	494.15
<b>Volume Charge per 1,000 gallons:</b>		\$ 4.15670	\$ 4.56266	\$ 4.87604
<b>Public Fire Protection</b>				
	Each Hydrant (Rate per year)	\$ 413.20	\$ 454.94	\$ 476.32
<b>Other Fees</b>				
	Meter Test Fee (5/8", 3/4" & 1")	\$ 50.00	\$ 50.00	\$ 50.00
	Meter Inspection Fee	50.00	50.00	50.00
	Site Visit Charge (Normal Hrs) & Meter Inspection Fee	50.00	50.00	50.00
	Site Visit Charge (After Hrs)	150.00	150.00	150.00
	Service Order Charge (Normal Hrs)	50.00	50.00	50.00
	Service Order Charge (After Hrs)	150.00	150.00	150.00
	Lien Administration Fee	132.15	132.15	132.15

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
SCHEDULE OF WASTEWATER RATES AND CHARGES - SUBURBAN DIVISION - COLLECTOR SYSTEMS**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
<u>Upper Milford System</u>											
Fixed Charge	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Per 1000 gals., per Day
Fixed Charge per Quarter (2)	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	Per Qtr per EDU (3)
Fixed Charge per Quarter (2)	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	Per Multi-Family Unit
Flow Charge:											
All Flow (2)	4.53	4.53	4.53	4.53	4.53	4.53	4.53	4.53	4.53	4.53	Per 1000 gals., of Flow
Up to 220 gpd	-	-	-	-	-	-	-	-	-	-	Per 1000 gals., of Flow
From 220 gpd to daily allocation	-	-	-	-	-	-	-	-	-	-	Per 1000 gals., of Flow
Greater than daily allocation	-	-	-	-	-	-	-	-	-	-	
<u>Exceptional Strength Charges (1):</u>											
Biological Oxygen Demand (BOD)	0.22	0.23	0.26	0.29	0.28	0.31	0.36	0.33	0.33	0.37	Per Pound
Total Suspended Solids (TSS)	0.20	0.21	0.24	0.25	0.25	0.29	0.29	0.25	0.30	0.31	Per Pound
Total Kjeldahl Nitrogen (TKN)	0.29	0.31	0.40	0.37	0.43	0.41	0.47	0.38	0.43	0.50	Per Pound
Sampling & Testing Charge	170.00	170.00	170.00	170.00	170.00	182.00	182.00	182.00	182.00	182.00	Per Day
<u>Weisenberg Twp. Collector System</u>											
Basic Service Charge	-	-	-	-	-	-	-	-	-	-	Per 1000 gals., of Allocation/Day
Fixed Charge per Quarter (2)	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	Per Equivalent Dwelling Unit
Fixed Charge per Quarter (2)	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	Multi-Family Units
Flow Charge (2)	4.53	4.53	4.53	4.53	4.53	4.53	4.53	4.53	4.53	4.53	Per 1000 gals., of Flow
<u>Arcadia West Collector System</u>											
Flow Charge	58.00	58.00	58.00	58.00	58.00	58.00	58.00	58.00	58.00	58.00	Per 1000 gals., of Flow
Fixed Charge	7.55	7.55	7.55	7.55	7.55	7.55	7.55	7.55	7.55	7.55	Per 1000 gals., of Allocation/Day
<u>Heidelberg Heights Collector System</u>											
Monthly Charge	-	-	-	-	-	-	-	-	-	-	Per Residential Unit
Fixed Charge per Quarter (2)	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	Per Equivalent Dwelling Unit
Fixed Charge per Quarter (2)	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	Per Multi-Family Unit
Flow Charge (2)	9.53	9.53	9.53	9.53	9.53	9.53	9.53	9.53	9.53	9.53	Per 1000 gals., of Flow
<u>Wynnewood Terrace Collector System</u>											
Monthly Charge	-	-	-	-	-	-	-	-	-	-	Per Residential Unit
Fixed Charge per Quarter (2)	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	Per Equivalent Dwelling Unit
Fixed Charge per Quarter (2)	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	Per Multi-Family Unit
Flow Charge (2)	9.53	9.53	9.53	9.53	9.53	9.53	9.53	9.53	9.53	9.53	Per 1000 gals., of Flow
<u>Sand Spring Collector System</u>											
Fixed Charge	-	-	-	-	-	-	-	-	-	-	Per Customer per Month
Fixed Charge per Quarter (2)	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	Per Equivalent Dwelling Unit
Fixed Charge per Quarter (2)	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	Per Multi-Family Unit
Flow Charge (2)	9.53	9.53	9.53	9.53	9.53	9.53	9.53	9.53	9.53	9.53	Per 1000 gals., of Flow
<u>Washington Township Collector System (3)</u>											
District 1 - Fixed Charge per Quarter	124.00	124.00	124.00	124.00	124.00	124.00	124.00	124.00	124.00	124.00	Per EDU
District 1 - Flow Chg per 1000 gals.	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	All flow in excess of 23,000 gals
District 2 - Fixed Charge per Quarter	124.00	124.00	124.00	124.00	124.00	124.00	124.00	124.00	124.00	124.00	Per EDU
District 2 - Flow Chg	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	Per 1000 gals., of Flow
<u>Lynn Township Collector System (4)</u>											
Fixed Charge per Quarter	158.98	158.98	158.98	158.98	158.98	158.98	158.98	158.98	158.98	158.98	Per EDU
Flow Charge	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	Per 1000 gals., of Flow
<u>Lowhill Township Collector System (5)</u>											
Fixed Charge per Quarter (2)	-	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	Per Equivalent Dwelling Unit
Fixed Charge per Quarter (2)	-	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	Multi-Family Units
Flow Charge (2)	-	4.53	4.53	4.53	4.53	4.53	4.53	4.53	4.53	4.53	Per 1000 gals., of Flow

(1) Applicable only to commercial and industrial customers.  
(2) Effective in 2010, the Authority took the first step of a 3 year phase-in of a common rate structure for the following collector systems:  
Upper Milford, Weisenberg, Heidelberg Heights, Wynnewood Terrace and Sand Spring.  
(3) The Authority took over operations and billing responsibilities in April 2009. Washington Township still owns the system. Effective 1/1/13, both districts will pay same fixed and flow charges.  
Flow charges apply to all flow discharged.  
(4) Lynn Township Collector System was acquired 2/28/12. The system serves 424 customers.  
(5) Lowhill Township Collector System was acquired 6/8/16. The system serves 43 customers.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
SCHEDULE OF WASTEWATER RATES AND CHARGES - SUBURBAN DIVISION - INTERCEPTOR SYSTEMS**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
<u>Little Lehigh Relief Interceptor - Phase 1</u>											
Flow Charge	\$ 0.12	\$ 0.12	\$ 0.15	\$ 0.27	\$ 0.22	\$ 0.19	\$ 0.23	\$ 0.23	\$ 0.23	\$ 0.18	Per 1000 gals. of Flow
<u>Little Lehigh Relief Interceptor - Phase 2</u>											
Flow Charge	\$ 0.03	\$ 0.03	\$ 0.02	\$ 0.03	\$ 0.03	\$ 0.00	\$ 0.02	\$ 0.011	\$ 0.013	\$ 0.017	Per 1000 gals. of Flow
<u>Western Lehigh Interceptor</u>											
Flow Charge (2)	\$ 0.97	\$ 1.28	\$ 1.13	\$ 0.98	\$ 0.89	\$ 0.98	\$ 0.91	\$ 1.16	\$ 1.17	\$ 1.36	Per 1000 gals. of Flow
<u>Exceptional Strength Charges (1):</u>											
BOD	\$ 0.22	\$ 0.23	\$ 0.26	\$ 0.29	\$ 0.28	\$ 0.31	\$ 0.36	\$ 0.33	\$ 0.33	\$ 0.37	Per Pound
TSS	\$ 0.20	\$ 0.21	\$ 0.24	\$ 0.25	\$ 0.25	\$ 0.29	\$ 0.29	\$ 0.25	\$ 0.30	\$ 0.31	Per Pound
TKN	\$ 0.29	\$ 0.31	\$ 0.40	\$ 0.37	\$ 0.43	\$ 0.41	\$ 0.47	\$ 0.38	\$ 0.43	\$ 0.50	Per Pound
<u>Allocation</u>	\$ 0.21	\$ 0.22	\$ 0.20	\$ 0.18	\$ 0.29	\$ 0.21	\$ 0.22	\$ 0.21	\$ 0.21	\$ 0.27	Per 1000 gals. per Day

(1) Applicable only to commercial and industrial customers.  
(2) The municipalities served by this system are billed based on estimated rates during the year. By mid-year of the following year, the City of Allentown issues a final reconciled bill of actual treatment and transportation costs and these costs together with the Authority interceptor system costs are used to develop a final actual bill to the municipalities. Based on a comparison of estimated to actual costs, the municipalities receive either an additional charge or credit.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
SCHEDULE OF WASTEWATER RATES AND CHARGES - CITY DIVISION**

Effective Date		1/1/22	Rates 1/1/23	1/1/24
<b>Metered Water Usage</b>				
<b>Fixed Charges:</b>				
	<u>Meter Size</u>			
Quarterly	5/8"	\$ 21.13	\$ 23.27	\$ 27.98
	3/4"	23.76	26.16	31.01
	1"	29.03	31.96	37.09
	1-1/2"	n/a	n/a	n/a
	2"	n/a	n/a	n/a
	3"	n/a	n/a	n/a
	4"	n/a	n/a	n/a
	6"	n/a	n/a	n/a
	8"	n/a	n/a	n/a
Monthly	5/8"	n/a	n/a	n/a
	3/4"	n/a	n/a	n/a
	1"	n/a	n/a	n/a
	1-1/2"	15.11	16.64	17.42
	2"	20.37	22.43	23.49
	3"	34.51	38.00	39.78
	4"	50.30	55.38	57.99
	6"	94.27	103.79	108.67
	8"	172.95	190.41	199.36
<b>Volume Charge per 1,000 gallons:</b>		\$ 2.983180	\$ 3.284080	\$ 3.439160

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
COMPARATIVE WATER CHARGES  
FOR MUNICIPAL OWNED WATER UTILITIES IN  
LEHIGH VALLEY REGION OF PENNSYLVANIA  
Water bill based on 20,000 gallons consumption per Quarter**

Utility	Quarterly Amount
<b><u>Local Suppliers (1)</u></b>	
<b>Lehigh County Authority - City Division (3)</b>	<b>\$ 185.81</b>
South Whitehall Township Authority	178.80
Slatington Borough	175.56
Lehighton Water Authority	168.25
Easton Suburban Water Authority	148.33
Lower Nazareth Township Authority	148.33
Northampton Borough Municipal Authority	147.45
Northampton Borough Municipal Authority - North Whitehall Twp.	140.77
<b>Lehigh County Authority - WTD Welshtown Road</b>	<b>126.00</b>
Borough of Macungie	122.07
Upper Saucon Township	122.00
City of Bethlehem	120.39
Whitehall Township Authority	110.00
<b>Lehigh County Authority - Suburban Division (2)</b>	<b>107.30</b>
Borough of Alburdis	103.59
Catasauqua Borough	102.60
Borough of Emmaus	63.35

- (1) Quarterly amounts are based on rates in effect as of 12/31/23 unless noted.
- (2) Includes Central Lehigh (Main System), North Whitehall, Millcreek, Pine Lakes of Lynn, Heidelberg Heights, Washington Twp, Clearview Farms, Beverly Hills and Emmaus Consecutive divisions or 98.7% of total customer base.
- (3) The Authority entered into a lease concession agreement with the City of Allentown on 8/8/13 to provide service to approximately 46,650 customers.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
TEN LARGEST INDUSTRIAL & COMMERCIAL WATER CUSTOMERS  
CURRENT YEAR AND NINE YEARS AGO**

<b>2024</b>				
	Customer	% of Total	Customer	% of Total
	Revenues	Charges for	Water Sales	Water Sales
		Services	(1000 Gals)	
Sam Adams Pa Brewery (1)	\$ 1,835,121	3.6%	654,752	9.2%
Niagara Bottling	927,912	1.8%	265,135	3.7%
Motts LLC	755,423	1.5%	258,979 a	
Ocean Spray Cranberries	660,592	1.3%	224,782	3.2%
Sunopta	557,408	1.1%	188,598	2.7%
Nestle Waters North America	549,429	1.1%	185,955	2.6%
Nestle Waters	376,172	0.7%	122,925	1.7%
Hamilton Tech Partners (2)	372,400	0.7%	120,289	1.7%
Coca-Cola	191,518	0.4%	59,650	0.8%
Uline	169,171	0.3%	53,395	0.8%
Totals	\$ 6,395,146	12.5%	2,134,460	26.4%
Balance from Other Customers	44,625,254	87.5%	4,962,543	69.9%
Grand Total	\$ 51,020,400	100.0%	7,097,003	96.4%

<b>2015</b>				
	Customer	% of Total	Customer	% of Total
	Revenues	Charges for	Water Sales	Water Sales
		Services	(1000 Gals)	
Sam Adams Pa Brewery (1)	1,092,854	4.4%	726,196	11.3%
Niagara Bottling	464,582	1.9%	292,213	4.5%
Nestle Waters	423,521	1.7%	264,280	4.1%
Nestle Waters (Perrier)	311,050	1.2%	285,651	4.4%
Ocen Spray Cranberries	232,995	0.9%	134,842	2.1%
Coca-Cola	214,456	0.9%	123,101	1.9%
Hamilton Tech Partners (2)	156,849	0.6%	84,779	1.3%
County of Lehigh	121,682	0.5%	61,752	1.0%
Hospital Central Services	120,465	0.5%	52,308	0.8%
Kraft Foods	113,354	0.5%	61,752	1.0%
Totals	\$ 3,251,808	13.0%	2,086,874	32.5%
Balance from Other Customers	21,731,415	87.0%	4,338,481	67.5%
Grand Total	\$ 24,983,223	100.0%	6,425,355	100.0%

(1) Site of the former Pabst Brewery. Sam Adams Pa Brewery purchased plant from Diageo on June 2, 2008.

(2) Site of former Agere facility.

(3) CH2MHill is the contract operator of Lehigh County Authority's Wastewater Treatment plant . The Authority acquired the plant from the County of Lehigh in October 2009.

Note: Revenues include usage charges and private fire protection charges.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
WATER BILLING COLLECTIONS  
SUBURBAN AND CITY DIVISIONS**

**Suburban - Water Fund:**

Year	Water Sales	Water Revenues	% Revenues vs. Sales	Uncollectible Amount
2015	7,421,152	7,421,152	100.00%	-
2016	7,564,388	7,563,474	99.99%	914
2017	7,711,257	7,710,881	99.99%	376
2018	8,036,009	8,035,228	99.98%	781
2019	8,555,288	8,555,288	100.00%	-
2020	9,550,692	9,550,574	100.00%	118
2021	11,070,220	11,055,039	99.86%	15,181
2022	14,281,247	14,277,918	99.98%	3,329
2023	15,018,299	15,013,349	99.97%	4,950
2024	15,957,646	15,957,259	100.00%	387

**City\* - Water Fund:**

Year	Water Sales	Water Revenues	% Revenues vs. Sales	Uncollectible Amount
2015	16,440,664	16,434,872	99.96%	5,792
2016	16,848,893	16,845,133	99.98%	3,760
2017	17,753,510	17,745,266	99.95%	8,244
2018	19,260,747	19,254,867	99.97%	5,880
2019	20,677,284	20,673,531	99.98%	3,753
2020	21,397,131	21,389,064	99.96%	8,067
2021	23,935,127	23,923,509	99.95%	11,618
2022	27,309,180	27,305,914	99.99%	3,266
2023	30,030,152	30,001,376	99.90%	28,776
2024	33,533,823	33,523,584	99.97%	10,239

**Note: Water Sales excludes private and public fire protection charges as listed on the Revenues by Source schedule.**

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## **DEBT CAPACITY**

This section provides data on outstanding debt of the Authority's Suburban and City water and wastewater systems, ratios of debt to personal income and per capita, information on pledged revenue coverage and overlapping debt of other municipal entities within the Authority's Service Area.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
SUBURBAN DIVISION - WATER SYSTEM**

Year	Net Revenue		Net Notes	Lease Debt	Net Total O/S Debt	Customers at Year-end	Total Debt per Customer	As a share of	
	Bonds	Notes						Personal Income	Personal Income (1)
2015	\$ 27,872,335	\$ 3,440,555	\$ -	\$ 31,312,890	20,960	\$ 1,493.94	3.14%	\$	47,537
2016	26,466,155	3,206,739	-	29,672,894	21,488	1,380.91	2.83%		48,834
2017	40,320,920	2,969,629	-	43,290,549	21,825	1,983.53	3.87%		51,298
2018	38,853,975	2,730,299	-	41,584,274	22,737	1,828.93	3.41%		53,614
2019	37,359,583	2,486,487	-	39,846,070	22,901	1,739.93	3.19%		54,471
2020	35,513,504	2,238,108	5,180	37,756,792	23,282	1,621.72	2.78%		58,402
2021	35,254,567	861,904	91,177	36,207,648	23,565	1,536.50	2.46%		62,537
2022	33,058,039	851,123	302,704	34,211,866	24,167	1,415.64	2.15%		65,821
2023	30,777,278	7,725,583	393,384	38,896,245	24,393	1,594.57	2.42%		65,898
2024	28,426,517	12,890,264	282,970	41,599,751	24,710	1,683.52	Not Available	Not Available	Not Available

(1) Although the Suburban Division's service area is in the more affluent areas of Western and Northern Lehigh County, the Personal Income level for the whole County was used to determine the share of personal income attributable to the debt load.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
SUBURBAN DIVISION - WASTEWATER SYSTEMS**

**Common Rate Collector Systems: (1)**

Year	Revenue Bonds	Notes	Lease Debt	Total	Customers at Year-end	Total Debt per Customer	As a share of Personal Income (2)	Personal Income
2015	\$ 1,782,769	\$ 421,852	\$ -	\$ 2,204,621	1,605	\$ 1,373.60	2.89%	\$ 47,537
2016	1,696,821	778,492	-	2,475,313	1,608	1,539.37	3.15%	48,834
2017	1,630,058	740,918	-	2,370,976	1,689	1,403.78	2.74%	51,298
2018	1,560,901	703,913	-	2,264,814	1,718	1,318.29	2.46%	53,614
2019	1,481,997	666,533	-	2,148,530	1,784	1,204.33	2.21%	54,471
2020	1,367,092	628,778	330,053	2,325,923	1,825	1,274.48	2.18%	58,402
2021	1,252,497	592,007	466,314	2,310,818	1,901	1,215.58	1.94%	62,537
2022	1,133,791	555,084	364,112	2,052,987	1,988	1,032.69	1.57%	65,821
2023	1,010,825	517,513	204,886	1,733,224	2,037	850.87	1.29%	65,898
2024	-	479,282	132,791	612,073	2,055	297.85	Not Available	Not Available

**Western Lehigh Interceptor System:**

Year	Revenue Bonds	Notes	Total	Customers at Year-end	Total Debt per Customer	As a share of Personal Income (2)	Personal Income
2015	\$ 128,167	\$ 4,157,973	\$ 4,286,140	19,774	\$ 216.76	0.46%	\$ 47,537
2016	-	3,927,001	3,927,001	19,801	198.32	0.41%	48,834
2017	-	3,692,167	3,692,167	20,245	182.37	0.36%	51,298
2018	-	3,451,275	3,451,275	20,504	168.32	0.31%	53,614
2019	-	3,204,180	3,204,180	20,711	154.71	0.28%	54,471
2020	-	2,950,716	2,950,716	21,031	140.30	0.24%	58,402
2021	-	2,690,721	2,690,721	21,163	127.14	0.20%	62,537
2022	-	2,424,026	2,424,026	21,436	113.08	0.17%	65,821
2023	-	2,150,458	2,150,458	21,656	99.30	0.15%	65,898
2024	-	2,838,826	2,838,826	21,951	129.33	Not Available	Not Available

**Arcadia Sewer System (3):**

Year	Revenue Bonds	Notes	Total	Customers at Year-end	Total Debt per Customer	As a share of Personal Income (3)	Personal Income
2015	\$ -	\$ 2,703,890	\$ 2,703,890	15	\$ 180,259.33	N/A	N/A
2016	-	2,568,833	2,568,833	18	142,712.94	N/A	N/A
2017	-	2,432,419	2,432,419	19	128,022.05	N/A	N/A
2018	-	2,294,634	2,294,634	19	120,770.21	N/A	N/A
2019	-	2,158,904	2,158,904	19	113,626.53	N/A	N/A
2020	-	2,022,962	2,022,962	19	106,471.68	N/A	N/A
2021	-	1,884,953	1,884,953	20	94,247.65	N/A	N/A
2022	-	1,744,846	1,744,846	20	87,242.30	N/A	N/A
2023	-	1,602,609	1,602,609	20	80,130.45	N/A	N/A
2024	-	1,458,209	1,458,209	22	66,282.23	N/A	N/A

- (1) Includes Common Rate Collector Systems: Upper Milford, Heidelberg Heights, Wynnewood Terrace, Sand Spring and Weisenberg Township - Pointe West.
- (2) Although Lehigh County Authority's service area is in the more affluent areas of Western and Northern Lehigh County, the Personal Income level for the whole County was used to determine the share of personal income attributable to the debt load. Specific municipal income levels for years other than a census year were not available.
- (3) An upgrade to the wastewater treatment facility was necessary in order to maintain compliance with its NPDES permit. The eighteen customers are commercial and governmental entities.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
CITY DIVISION**

Year	Net Revenue Bonds		Capital Appreciation	Net Notes	Lease Debt	Net Total O/S Debt	Customers at Year-end	Total Debt per Customer	As a share of	
	Tax Exempt	Taxable							Personal Income (1)	Personal Income
2015	\$ 235,458,097	\$ 18,735,000	\$ 49,602,860	-	\$ -	\$ 303,795,957	46,748	\$ 6,498.59	13.67%	\$ 47,537
2016	235,774,717	18,735,000	52,465,010	-	-	306,974,727	46,762	6,564.62	13.44%	48,834
2017	236,091,337	18,735,000	55,494,318	-	-	310,320,655	46,770	6,635.04	12.93%	51,298
2018	236,407,957	18,735,000	58,700,641	-	-	313,843,598	46,337	6,773.07	12.63%	53,614
2019	236,724,577	17,940,000	61,643,216	-	-	316,307,793	46,523	6,798.96	12.48%	54,471
2020	281,208,420	-	64,303,120	-	302,222	345,813,762	46,921	7,370.13	12.62%	58,402
2021	280,199,361	-	66,656,927	-	252,476	347,108,764	47,182	7,356.80	11.76%	62,537
2022	279,155,302	-	68,671,563	-	619,290	348,446,155	47,712	7,303.11	11.10%	65,821
2023	278,076,243	-	70,315,015	1,340,074	812,935	350,544,267	48,226	7,268.78	11.03%	65,898
2024	335,111,072	-	71,547,477	1,277,520	567,927	408,503,996	48,414	8,437.72	Not Available	Not Available

(1) The Personal Income level for the whole County was used to determine the share of personal income attributable to the debt load.

**LEHIGH COUNTY AUTHORITY  
ALLEN TOWN, PENNSYLVANIA  
SUMMARY OF DEBT SERVICE**

Year	Suburban Division						Total Funds					
	Water Fund		Wastewater Fund		City Division Fund		Principal		Interest		Debt Service	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 2,167,856	\$ 1,465,571	\$ 611,348	\$ 111,941	\$ 4,704,883	\$ 12,974,608	\$ 7,484,087	\$ 14,552,120	\$	\$	\$	\$
2026	1,969,039	1,376,987	626,677	95,584	4,852,156	13,395,749	7,447,872	14,868,320				
2027	2,280,241	1,296,186	899,243	73,261	5,206,360	13,630,044	8,385,844	14,999,491				
2028	2,397,461	1,202,765	788,037	47,694	6,276,493	13,920,663	9,461,991	15,171,122				
2029	2,486,700	1,113,271	516,112	30,566	6,614,503	14,220,403	9,617,315	15,364,240				
2030-2034	10,623,967	4,483,913	1,276,890	43,900	35,985,278	77,427,345	47,886,135	81,955,158				
2035-2039	7,635,000	3,133,963	58,010	676	41,685,174	90,089,853	49,378,184	93,224,492				
2040-2044	6,965,000	1,163,581			55,470,150	52,226,221	62,435,150	53,389,802				
2045-2049	2,335,000	159,468			67,215,000	40,220,042	69,550,000	40,379,510				
2050-2054					80,305,000	27,137,474	80,305,000	27,137,474				
2055-2059					96,240,000	11,206,441	96,240,000	11,206,441				
	<b>\$ 38,860,264</b>	<b>\$ 15,395,705</b>	<b>\$ 4,776,317</b>	<b>\$ 403,622</b>	<b>\$ 404,554,997</b>	<b>\$ 366,448,843</b>	<b>\$ 448,191,578</b>	<b>\$ 382,248,170</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 830,439,748</b>

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
DEBT SERVICE COVERAGE - SUBURBAN - WATER SYSTEM  
(IN THOUSAND DOLLARS)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>REVENUES:</b>										
Operating Revenues:	\$ 8,481	\$ 8,677	\$ 8,864	\$ 9,210	\$ 9,780	\$ 10,834	\$ 12,399	\$ 15,643	\$ 16,418	\$ 17,417
Customer Charges	51	41	99	41	25	33	59	675	75	83
Other Income (1)	112	97	91	98	125	-	-	-	-	-
Transfer from other Funds (2)	680	947	959	832	1,180	1,051	1,725	891	1,313	1,802
Non-Operating Revenues	9,324	9,762	10,013	10,181	11,110	11,918	14,183	17,209	17,806	19,302
<b>Total Revenues</b>	<b>4,060</b>	<b>4,813</b>	<b>5,414</b>	<b>5,729</b>	<b>5,911</b>	<b>7,221</b>	<b>7,561</b>	<b>8,581</b>	<b>9,457</b>	<b>11,333</b>
<b>EXPENSES:</b>										
Operating Expenses (3)	68	157	428	82	98	58	255	230	120	170
Non-Operating Expenses (4)	4,128	4,970	5,842	5,811	6,009	7,279	7,816	8,811	9,577	11,503
<b>Total Expenses</b>	<b>5,196</b>	<b>4,792</b>	<b>4,171</b>	<b>4,370</b>	<b>5,101</b>	<b>4,639</b>	<b>6,367</b>	<b>8,398</b>	<b>8,229</b>	<b>7,799</b>
<b>Total Net Revenues</b>										
<b>Debt Service:</b>										
2001 Note	-	-	-	-	-	-	-	-	-	-
2007 Pennworks Note	204	204	204	204	204	204	102	-	-	-
2001 Bonds	-	-	-	-	-	-	-	-	-	-
2003 Bonds	-	-	-	-	-	-	-	-	-	-
2008 Bond	517	-	-	-	-	-	-	-	-	-
2010 A Bonds	649	649	649	649	649	649	431	-	-	-
2010 AA Bonds	461	-	-	-	-	-	-	-	-	-
2011 Pennvest Note	84	84	85	87	87	87	87	87	87	87
2011 Bond	129	129	129	129	129	129	129	65	-	-
2015 Bond	436	1,109	1,105	1,107	1,103	1,107	1,110	-	-	-
2015A Bond	-	400	513	508	513	513	123	-	-	-
2017 Bond	-	-	185	509	509	829	829	829	829	829
2021 Bond	-	-	-	-	-	-	534	2,143	2,225	2,222
2022 Bond	-	-	-	-	-	-	-	-	168	380
Total Debt Service	2,480	2,575	2,870	3,193	3,194	3,518	3,345	3,124	3,309	3,518
<b>Annual Debt Service Coverage (5)</b>	<b>2.10</b>	<b>1.86</b>	<b>1.45</b>	<b>1.37</b>	<b>1.60</b>	<b>1.32</b>	<b>1.90</b>	<b>2.69</b>	<b>2.49</b>	<b>2.22</b>

- (1) Includes interest income, miscellaneous income, and federal subsidy on Build America bonds
- (2) Represents share of operating and debt service cost of the Office/Operations Center.
- (3) Excludes depreciation and amortization.
- (4) Includes trustee, remarketing and liquidity fees.
- (5) Net revenues divided by debt service.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
WATER AND WASTEWATER SERVICE AREAS  
SCHEDULE OF OVERLAPPING DEBT**

Entity	Gross Outstanding Debt 12/31/24	2024 Assessment Valuation of Taxable Property (7)	Ratio of Debt to Assessed Taxable Property
Lehigh County	\$ 172,802,289	\$ 31,690,216,400	0.0055
Borough of Alburdis	-	153,175,700	-
Borough of Emmaus	n/a	846,762,700	-
Borough of Macungie	1,582,000	242,571,000	0.0065
Heidelberg Township	-	278,210,200	-
Lowhill Township	-	269,887,900	-
Lower Macungie Township	16,904,779	3,755,852,000	0.0045
Lynn Township	-	373,351,200	-
North Whitehall Township	6,070,000	1,608,290,400	-
Salisbury Township	6,666,800	1,321,178,800	-
South Whitehall Township	-	2,504,524,200	-
Upper Macungie Township	-	4,619,106,600	-
Upper Milford Township	-	846,026,700	-
Washington Township	-	488,724,000	-
Weisenberg Township	-	768,772,200	-
East Penn School District (1)	5,715,000	5,873,035,000	0.0010
Parkland School District (2)	n/a	9,205,644,500	-
Northern Lehigh School District (3)	19,930,000	663,337,400	0.0300
Northwestern Lehigh School District (4)	48,728,000	1,702,900,300	0.0286
Salisbury School District (5)	44,945,000	1,321,793,900	0.0340
Northampton School District (6)	149,183,901	1,251,659,500	0.1192

- (1) East Penn School District includes Boroughs of Alburdis, Emmaus, Macungie, Lower Macungie and Upper Milford Townships.
- (2) Parkland School District includes Upper Macungie, South Whitehall and North Whitehall Townships, and portions of the City of Allentown, which are not served by LCA.
- (3) Northern Lehigh School District includes Washington Township as a portion of area served.
- (4) Northwestern Lehigh School District includes Heidelberg, Lowhill, Weisenberg and Lynn Townships.
- (5) Salisbury School District includes Salisbury Township.
- (6) Northampton School District includes Clearview Farm Estates.
- (7) Lehigh County reassessed all properties in 2012. Valuation changed from 50% to 100%.

Source: Lehigh County Assessment Office

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## **DEMOGRAPHIC AND ECONOMIC**

This section provides trend information on population, major employees, income levels, housing starts, commercial and industrial facilities and unemployment rates, which can indicate the level of economic activity.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
MAJOR EMPLOYERS  
CURRENT YEAR AND TEN YEARS AGO**

Employer	Type of Business	2024			2015		
		Employees	% to Total (A)	Rank	Employees	% to Total (A)	Rank
Lehigh Valley Hospital & Health Network	Health Services	20,000	5.8%	1	14,256	4.2%	1
St. Luke's Hospital & Health Network	Health Services	18,953	5.5%	2	8,900	2.6%	2
Amazon.com	E-commerce Warehouse	4,385	1.3%	3	1,937	0.6%	9
Giant Food Stores	Grocery Store	2,586	0.8%	4	2,449	0.7%	4
Allentown School District	Education	2,417	0.7%	5	1,858	0.5%	13
Air Products & Chemicals	Industrial Gases	2,135	0.6%	6	3,000	0.9%	3
County of Lehigh	Government	1,868	0.5%	7	1,962	0.6%	8
Wegmans Food Markets	Grocery Store	1,802	0.5%	9	1,803	0.5%	12
Mack Trucks	Vehicle Manufacturer	1,765	0.5%	8	1,900	0.6%	10
Weis Markets	Grocery Store	1,685	0.5%	11	1,400	0.4%	15
Sodexo / Wood Company	Food Service	1,656	0.5%	10	2,170	0.6%	7
Guardian Life	Insurance Services	1,302	0.4%	12	1,574	0.5%	14
Walmart	Department Store	2,006	0.6%	14	1,000	0.3%	23
HCR Manorcare	Health Services	1,156	0.3%	13	1,298	0.4%	16
Lutron Electronics Company	Electronic Manufacturer	1,052	0.3%	15	1,100	0.3%	20
PPL	Electricity	1,035	0.3%	17	1,123	0.3%	5
Kidspace	Mental Health	1,011	0.3%	16	1,187	0.3%	19
City of Allentown	Local Government	935	0.3%	18			
Lehigh Carbon Community College	Higher Education	798	0.3%	19	913	0.3%	24

**(A) Represents the percentage of employees to total employment in Lehigh and Northampton Counties.  
Note: Number of employees are for all locations in Lehigh and Northampton Counties. The listed employers have at least one location in Lehigh County Authority's service area.**

Source: greaterlehighvalleyrealtors.com

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
ECONOMIC AND SOCIAL INDICATORS**

Entity	Population		Income \$		Poverty %		Education %		
	2024 Persons	Density (Sq. Mile)	Household (Median)	Family (Median)	Per Capita Income	Persons Below	Families Below	High School Graduate	College Graduate
Pennsylvania	13,079,000	292	\$ 76,081	\$ 97,247	\$ 43,104	12.0	7.9	91.9	34.5
Lehigh County	381,000	1,102	76,656	111,453	42,947	11.3	7.7	90.2	32.4
Northampton County	321,837	874	79,202	107,782	41,739	10.6	9.1	92.0	32.8
Alburtis Borough	2,550	3,607	97,760	111,875	42,074	4.6	5.2	92.7	31.8
Allentown City	128,038	7,290	53,458	73,490	27,028	21.4	22.1	81.9	18.3
Emmaus Borough	11,577	3,999	82,488	101,021	44,434	7.0	3.5	94.0	33.9
Heidelberg Township	4,087	169	89,903	106,042	43,353	2.7	5.8	92.2	24.2
Lower Macungie Township	32,782	1,465	117,994	156,076	58,780	3.5	3.7	96.2	49.9
Lower Milford Township	3,848	195	116,647	128,542	70,800	2.6	1.8	97.9	39.6
Lowhill Township	2,187	162	141,889	172,578	64,888	3.4	1.7	92.8	18.1
Lynn Township	4,237	102	85,455	115,875	45,927	4.1	2.1	92.3	29.5
Macungie Borough	3,292	3,328	63,704	93,297	42,227	2.9	5.1	95.0	34.8
Moore Township	9,435	252	92,750	102,358	39,017	5.4	3.4	92.7	24.8
North Whitehall Township	16,000	557	113,190	132,425	55,369	5.7	3.0	96.4	39.4
Salisbury Township	13,820	1,217	97,238	106,872	49,133	9.0	6.7	92.7	36.3
South Whitehall Township	22,101	1,294	100,470	132,592	53,351	6.5	4.2	94.4	45.8
Upper Macungie Township	28,123	1,078	116,760	158,096	57,302	3.4	2.2	97.4	53.9
Upper Milford Township	8,304	427	110,780	114,959	49,414	2.2	3.3	96.1	43.5
Washington Township	6,682	278	84,861	87,258	43,117	3.1	4.7	89.3	20.6
Weisenberg Township	5,114	186	133,533	145,867	60,676	2.1	1.2	96.3	38.6

**Note: The above-listed Boroughs and Townships are within the Lehigh County Authority service area.**

Source: US Census Bureau  
[quickfacts.census.gov](http://quickfacts.census.gov)  
[factfinder.census.gov](http://factfinder.census.gov)  
 PA Hometown Locator  
[censusreporter.org](http://censusreporter.org)

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
MUNICIPAL POPULATION TRENDS**

Area	2010 Census	2020 Census	2024	Change	
				No.	%
Lehigh County	349,497	374,557	380,686	25,060	7.2%
Northampton County	297,735	312,951	321,837	15,216	5.1%
Allentown	118,032	125,845	128,038	7,813	6.6%
Borough of Alburtis	2,361	2,643	2,550	282	11.9%
Borough of Emmaus	11,211	11,652	11,577	441	3.9%
Heidelberg Township	3,416	4,313	4,087	897	26.3%
Lower Macungie Township	30,633	32,426	32,782	1,793	5.9%
Lower Milford Township	3,775	3,891	3,848	116	3.1%
Lowhill Township	2,173	2,276	2,187	103	4.7%
Lynn Township	4,229	4,368	4,237	139	3.3%
Borough of Macungie	3,074	3,148	3,292	74	2.4%
Moore Township	9,198	9,460	9,435	262	2.8%
North Whitehall Township	15,703	16,370	16,000	667	4.2%
Salisbury Township	13,505	11,828	13,820	(1,677)	-12.4%
South Whitehall Township	19,180	20,306	21,504	1,126	5.9%
Upper Macungie Township	20,063	26,377	28,123	6,314	31.5%
Upper Milford Township	7,292	7,675	8,304	383	5.3%
Washington Township	6,624	7,057	6,682	433	6.5%
Weisenberg Township	4,923	5,284	5,114	361	7.3%

**Note: Lehigh County Authority provides water and wastewater service to portions of the listed areas.**

Source: U.S. Census Quickfacts  
data.census.gov(formally factfinder.census.gov)

PA HomeTown Locator  
pennsylvania.hometownlocator.com

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
COMPARATIVE POPULATION STATISTICS 1950 - 2024**

Year	Lehigh County	Change (1)	(2) ABE - MSA	Change	Pennsylvania	Change (1)	United States	Change
1950	198,207		437,824		10,498,012		151,325,798	
1960	227,536	14.8%	492,168	12.4%	11,319,366	7.8%	179,323,000	18.5%
1970	255,702	12.4%	521,447	5.9%	11,811,561	4.3%	203,215,000	13.3%
1980	272,778	6.7%	551,800	5.8%	11,868,305	0.5%	226,502,000	11.5%
1990	291,946	7.0%	596,817	8.2%	11,903,299	0.3%	248,709,873	9.8%
2000	312,090	6.9%	638,867	7.0%	12,286,107	3.2%	273,643,273	10.0%
2010	349,497	12.0%	821,623	28.6%	12,702,379	3.4%	308,745,538	12.8%
2013	355,768	1.8%	829,300	0.9%	12,781,296	0.6%	316,128,839	2.4%
2014	357,823	0.6%	829,835	0.1%	12,787,209	0.0%	318,857,056	0.9%
2015	360,685	0.8%	832,327	0.3%	12,802,503	0.1%	321,418,820	0.8%
2016	356,756	-1.1%	835,652	0.4%	12,779,559	-0.2%	316,515,021	-1.5%
2017	366,494	2.7%	840,550	0.6%	12,805,537	0.2%	325,719,178	2.9%
2018	368,100	0.4%	842,913	0.3%	12,807,060	0.01%	327,167,434	0.4%
2019	369,318	0%	844,052	0.14%	12,801,989	-0.04%	328,239,523	0.33%
2020	374,557	1.4%	846,399	0%	13,002,700	1.6%	331,449,281	1.0%
2021	375,539	0%	865,310	2%	12,964,056	0%	331,893,745	0%
2022	379,968	1%	871,229	1%	12,972,008	0%	338,289,857	2%
2023	377,754	-1%	873,555	0%	12,961,683	0%	335,893,089	-1%
2024	380,686	1%	886,418	1%	13,078,751	1%	340,110,988	1%

(1) Change from prior decade.

(2) Allentown-Bethlehem-Easton Metropolitan Service Area

Source: U.S. Department of Commerce, Bureau of Economic Analysis  
 HUD PD&R Housing Market Profiles  
 City Population  
 American Fact Finder-data.census.gov

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
2024 New Industrial / Commercial / Institutional Customers - Suburban Division**

Name	Classification	Approximate Size in Sq. Ft.	(1) Est. Water Usage in gallons per day
<b>Customer Additions in 2024:</b>			
248 RT 100 Taco Bell	Restaurant	2,753	600
749 PA RT 100	Warehouse	160,000	1,200
861 N. Route 100	Financial Institution	1,975	900
1435 Nursery Street	Financial Institution	2,110	112
3371 Rt 100	Medical Office	10,157	4,260
5245 Maple Ridge Way	Irrigation	N/A	N/A
5353 Oakview Drive	Apartment	14,115	223
5420 Crackersport Road	Commercial	21,605	1,150
5877 Hamilton Boulevard Home Depot	Commercial	136,048	1,500
7034 Ambassador Drive	Warehouse	154,000	1,800
8182 Century Blvd	Irrigation Meter 1	N/A	N/A
8182 Century Blvd	Irrigation Meter 2	N/A	N/A
8449 Congdon Hill Drive Lot 9	Warehouse	923,660	1,200
ABE Doors & Windows Redevelopment (6776 Hamilton Blvd)	Car Wash & Retail Stores/Restaurant	15,252	10,107
Guardian Storage	Self-Storage Facility	120,000	30
Green Hills Commerce Center 5925 Tilghman Street	Commercial	11,200	1,000
4344 Charcoal Drive Posh Properties	Day Care / Self Storage Facility	121,388	1,115
West Hills Business Center - Lot H	Warehouse	105,000	40,000
<b>Plans Approved or under Review:</b>			
2766 Rt 100	Warehouse	187,000	1,200
3200 Orchard Road (7284 Alburtis Rd)	Warehouse/Logistics Facility	28,500	485
3262 Schoeneck Road	Warehouse	200,000	5,250
Air Products Cetronia Road	3 Warehouses	2,600,100	95,000
3369 PA RT 100	Hospital	22,359	4,260
3500 Brookside Road Apts	Development	13,300	7,700
3952 Independence Drive	Warehouse	12,500	1,200
4002 Chestnut Street	Gas Station	2,791	120
5329-5347-5357 Hamilton Blvd	Retail Stores/Fast Food	N/A	1,300
6503 Lower Macungie Road	Funeral Processing Facility w/ Crematorium	10,309	465
6950 Ambassador Drive - Millipore Sigma	Warehouse	350,324	720
7312 Windsor Drive - Lot 61	Warehouse	90,664	1,610
7503 Kernsville Road	Warehouse	100,569	1,000
8323 Congdan Hill Road Lot 10	Warehouse	88,330	1,200
Advanced Health Care of Allentown	Transitional Care Facility	33,349	5,778
ATAS International	Industrial - Manufacturing	474,800	1,980
Bandit Truck Stop	Gas station	8,500	1,850
Beit Simcha	Messianic Fellowship	14,200	N/A
Betz Court	Warehouse	299,880	3,000
Kings Business Park	Mixed Use	52,576	3,901
Lehigh Valley South, Lots 1 & 2	Office Buildings	131,060	7,000
Lehigh Valley West IP, Lots 5-11	Warehouse	384,500	4,540
Lehigh Valley Town Center	Mix Use	2,564,072	154,500
Lehigh Valley Top Golf	Retail	20,460	1,400
Macungie Crossings (Hamilton & Grange Road)	Retail Stores	146,470	15,000
North Valley Trade Center	Warehouse	3,136,320	5,000
Penn's View at Madison Village	Development w/Master Meter	N/A	9,900
Raising Cains	Restaurant	3,589	605
Shoppes at Trexler Plaza	Gas Station/Car Wash/Retail	2,311	3,268
Towneplace Suites by Marriott	Hotel	64,000	8,190
Trexler Senior Living Center	Senior Living Center / Retail Stores	132,000	2,665
U-Haul of Lower Macungie	Rental	87,044	111
Upper Macungie Community Center	Community Center	188,186	6,761
Woodmont Valley 2	Apartments Mixed use Master Meter	13,000	28,090
Yourway Facility Expansion	Pharmaceutical Warehouse/Testing Facility	90,805	4,125

N/A = Not Available

(1) Water Usage can be based on a developer estimate, LCA estimate based on submitted plans, township information, application for water service, wastewater allocation purchase, or Department of Environmental Protection sewage planning modules.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
2024 New Industrial / Commercial / Institutional Customers - City Division**

Name	Classification	Approximate Size in Sq. Ft.	(1) Est. Water Usage in gallons per day
<b>Customer Additions in 2024:</b>			
18 N 8th St - Davinci Center	Learning Center	80,000	9,000
949 Hamilton St	Hotel	5,700	20,675
1528 Hamilton St	Apartment Building	63,305	7,050
948 N Front St	Apartment Building	41,140	3,700
1401 E Cedar St	School	24,000	3,190
939 W Hamilton St	Entertainment Venue	31,170	1,875
827 Linden St	Apartment Building	400	6,000
Valania Park	City Swimming Pool	N/A	1595
<b>Plans Approved or under Review:</b>			
40 S 8th St	Apartments	44,010	4,850
101 N 6th St	Apartments	248,000	24,770
120 Union St	Industrial	16,000	2,050
128 E Walnut St	Manufacturing	200,000	90,000
222 N 7th St	Childcare Center	14,810	N/A
249 N Front Street	Apartments/Retail/Office	23,684	35,507
301 Union Blvd	Hotel	9,285	3,510
349 Hanover	Apartment Building	4,000	500
366 W Allen St	Apartment Building	42,900	6,400
401 Auburn Ct - North Building	Apartment Building	8,000	1,020
401 Auburn Ct - South Building	Apartment Building	8,000	1,020
401 N Front St	BrewPub/Office Building	100,000	2,760
402 Basin St	Warehouse	130,000	5,250
414 S Carlise St	Apartment Building	N/A	1,020
440 S 15th St	Dialysis Center	1,900	5,800
502 E Walnut St	School	N/A	N/A
526 S Aubrey St	Daycare	5,000	2,115
560 Waterfront Dr	Office/Retail/Restaurant	175,000	N/A
606 S 10th St	Industrial Manufacturing	51,000	2,400
630 Waterfront Dr	Office/Retail/Restaurant	150,000	N/A
645 Waterfront Dr	Office/Retail/Restaurant	133,000	N/A
826 W Turner St	Apartment Building	N/A	16,200
829 Linden St	Apartment Building	400	6,000
836 Constitution Dr	Apartment Building	63,390	23,450
864 Dauphin St	Mixed Use	N/A	N/A
902 Union Blvd	Restaurant	2,450	1,300
926 W Hamilton St	Apartments/Retail	62,350	10,800
1014 Sumner Ave	Warehouse	23,525	750
1024 N Bradford St	Warehouse	146,000	160
1031 Hamilton St	Apartment Building	400	6,000
1035 Ridge Ave	Apartment Building	16,000	510
1051 American Parkway	Warehouse	100,000	1,994
1129 Union Blvd	Daycare	2,000	80
1134 Hanover Ave	Restaurant	1,917	1,230
1358 S 5th St	Storage	87,500	240
1384 S 5th St	Storage	50,000	180
1501 S 12th St	LANTA Bus	60,000	2,050
1736 Hamilton	St Lukes Mother Baby	8,860	6,880
1811 Glenwood	Industrial	148,100	4,725
1901 S 12th St	Warehouse	133,000	4,200
2039 Vultee St	Warehouse	88,500	320
2118 Hanover Ave	Storage	28,800	70
2401 W Emaus Ave	Warehouse	224,000	8,330
2443 Lehigh St - Haldeman	Auto Sales	6,700	215
2939 Lehigh St - Sheetz	Gas Station	6,070	2,500
Allentown Flex Center	Commercial	N/A	7,000
Cumberland Apt Complex	Apartments	250,000	67,210
Maple Street Garage	Parking Garage	82,000	N/A
N Bradford Commercial	Commercial	N/A	160
Wawa - 3015 Lehigh St	Gas Station	6,500	1,700

N/A = Not Available

(1) Water Usage can be based on a developer estimate, LCA estimate based on submitted plans, township information, application for water service, wastewater allocation purchase, or Department of Environmental Protection sewage planning modules.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
2024 MAJOR INDUSTRIAL AND COMMERCIAL COMPLEXES  
WITHIN THE LCA SUBURBAN AND CITY SERVICE AREAS**

<b>Name</b>	<b>Total Acreage</b>	<b>Status</b>
Air Products & Chemicals	52	Infrastructure Complete
Alburtis Crossing	89	Infrastructure Complete
Arcadia West Industrial Park	210	Infrastructure Complete
Barber Street Townhomes	13	Infrastructure Complete
Barnes Lane Development	14	Infrastructure Complete
Boulder Business Center	256	Infrastructure Complete
Diocesan Pastoral Center	62	Design/Review
Grandview Crossings	53	Infrastructure Complete
Greentree Industrial Park	80	Infrastructure Complete
Hamilton Crossings	55	Infrastructure Complete
Indian Creek Industrial Park	26	Design/Review
Iron Run Industrial Park	533	Infrastructure Complete
JDN Retail Development	39	Infrastructure Complete
Lehigh 100 Corporate Center	87	Infrastructure Complete
Lehigh Valley South Industrial Park	116	Infrastructure Complete
Lehigh Valley West	337	Infrastructure Complete
Lehigh Valley West II	517	Infrastructure Complete
Liberty at Mill Creek	289	Infrastructure Complete
Little Lehigh Estates	13	Infrastructure Complete
Macungie Crossing	27	Infrastructure Complete
Meadows Business Center	59	Infrastructure Complete
Mill Run Corporate Center	157	Infrastructure Complete
Northridge Redevelopment	250	Design/Review
North Whitehall Commercial Center	41	Design/Review
North Whitehall Industrial Park	77	Infrastructure Complete
Spring Creek Properties Settlement Subd	620	Infrastructure Complete
Springside Industrial Acres	28	Infrastructure Complete
Tek Park	137	Infrastructure Complete
The Crossings	201	Infrastructure Complete
The Waterfront, Phase 1	26	Infrastructure Complete
The Waterfront, Phase 2	26	Design/Review
Trexler Business Center	17	Infrastructure Complete
West Hills Business Center, Lot H	14	Design/Review
West Hills Business Center, Lots A-F	313	Infrastructure Complete
West Park Business Center	35	Infrastructure Complete
West Park II	92	Infrastructure Complete
Western Lehigh Valley Corp.	18	Infrastructure Complete
William Penn Business Center	135	Infrastructure Complete

Source: Plans submitted to Lehigh County Authority.



**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
AVERAGE ANNUAL UNEMPLOYMENT RATES**

<u>Year</u>	<u>Lehigh County</u>	<u>Pennsylvania</u>	<u>United States</u>
2014	6.9%	5.8%	6.2%
2015	5.0%	5.1%	5.0%
2016	4.7%	4.8%	4.7%
2017	4.4%	4.9%	4.4%
2018	4.0%	4.2%	3.9%
2019	4.5%	4.6%	3.7%
2020	7.0%	7.1%	6.7%
2021	4.5%	5.5%	3.9%
2022	3.8%	4.3%	3.5%
2023	3.2%	3.4%	3.6%
2024	3.4%	3.6%	4.1%

Source: US Bureau of Labor Statistics  
FRED - [fred.stlouisfed.org](https://fred.stlouisfed.org)

**LEHIGH COUNTY AUTHORITY**

**PERSONAL INCOME**

	2015	2016	2017	2018	2019
<b>Lehigh County</b>					
Total Personal Income (\$000)	\$ 17,145,783	\$ 17,734,075	\$ 18,800,570	\$ 19,735,321	\$ 20,116,946
Population (000)	360	366	368	363	369
Per Capita Personal Income	\$ 47,537	\$ 48,834	\$ 51,298	\$ 53,614	\$ 54,471
<b>Pennsylvania</b>					
Total Personal Income (\$000)	\$ 649,909,812	\$ 676,880,269	\$ 682,533,744	\$ 720,073,441	\$ 749,808,500
Population (000)	12,802	12,805	12,807	12,791	12,802
Per Capita Personal Income	\$ 49,786	\$ 52,096	\$ 53,300	\$ 56,225	\$ 58,046
<b>United States</b>					
Total Personal Income (\$000)	\$ 15,737,700,000	\$ 15,928,700,000	\$ 17,164,600,000	\$ 18,205,500,000	\$ 18,675,100,000
Population (000)	325,200	325,719	327,164	328,240	331,163
Per Capita Personal Income	\$ 48,112	\$ 50,398	\$ 53,712	\$ 54,501	\$ 56,650
	2020	2021	2022	2023	2024
<b>Lehigh County</b>					
Total Personal Income (\$000)	\$ 21,655,640	\$ 23,484,928	\$ 24,987,016	\$ 24,893,412	n/a
Population (000)	376	373	375	378	381
Per Capita Personal Income	\$ 58,402	\$ 62,537	\$ 65,821	\$ 65,898	n/a
<b>Pennsylvania</b>					
Total Personal Income (\$000)	\$ 776,466,700	\$ 750,118,900	\$ 855,739,000	\$ 890,752,300	945,380,700
Population (000)	12,964	13,001	12,970	12,962	13,079
Per Capita Personal Income	\$ 60,720	\$ 64,042	\$ 65,167	\$ 67,839	71,148
<b>United States</b>					
Total Personal Income (\$000)	\$ 19,607,450	\$ 21,294,800	\$ 21,277,200	\$ 22,952,030	25,037,100
Population (000)	331,449	332,032	333,288	335,893	340,111
Per Capita Personal Income	\$ 58,865	\$ 63,591	\$ 66,534	\$ 67,513	73,402

Source: U.S. Department of Commerce, Economics and Statistical Administration, Bureau of Economic Analysis.  
 Office of Financial Management  
 FRED - Federal Reserve Economic Data  
 The Statistical Portal  
 PA WorkStats-PA.gov

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
CIVILIAN LABOR FORCE 2001 - 2040**

	Age Group	2001	2010	2020	Estimate	
					2030	2040
<b>Lehigh Valley</b>	16 - 19	17,626	15,006	5,720	14,199	16,476
	20 - 24	27,409	34,858	14,487	34,313	40,776
	25 - 34	60,332	63,229	36,507	84,598	92,329
	35 - 44	81,995	71,451	33,984	94,126	92,172
	45-54	73,679	83,551	32,140	74,911	99,258
	55-64	34,398	52,236	27,293	60,838	62,106
	65+	11,172	15,280	10,613	33,884	33,775
	<b>Total</b>	<b>306,611</b>	<b>335,611</b>	<b>160,744</b>	<b>396,869</b>	<b>436,892</b>
<b>Pennsylvania</b>		9,363,040	7,137,155	6,396,000	6,467,625	NA
<b>United States</b>		212,577,000	233,658,000	160,671,000	165,400,000	NA

**Note: NA means not available.**

Source: FRED - [fred.stlouisfed.org](http://fred.stlouisfed.org)  
Bureau of Labor and Statistics - [www.bls.gov](http://www.bls.gov)

**\*\*Some estimate figures not yet available\*\***

## **OPERATING INFORMATION**

This section provides trends of sales, customer growth, systems capacity, number of employees and other significant operating and capital indicators.

**LEHIGH COUNTY AUTHORITY  
ALLEN TOWN, PENNSYLVANIA  
WATER SALES AND CUSTOMER GROWTH**

Customer Class	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>SUBURBAN DIVISION</b>										
<b>Western Lehigh Service Area (1):</b>										
<b>Sales:</b>										
Large Industrial	\$ 726,196	\$ 732,464	\$ 647,574	\$ 622,634	\$ 665,161	\$ 663,152	\$ 745,311	\$ 722,607	\$ 674,410	\$ 717,196
Other Industrial	1,181,947	1,158,204	1,127,906	1,121,571	1,086,340	1,108,619	1,271,081	1,349,293	1,371,491	1,311,681
Commercial/Sm. Industrial/Institutional/Other	383,238	452,939	442,098	466,086	473,801	528,193	516,334	596,583	608,062	746,898
Residential	954,476	1,072,729	960,662	1,041,458	1,060,341	1,176,376	1,162,801	1,154,805	1,171,057	1,210,722
Total Sales	3,245,857	3,416,336	3,178,240	3,251,749	3,285,643	3,476,340	3,695,527	3,823,288	3,825,020	3,986,497
<b>Customers:</b>										
Large Industrial	1	1	1	1	1	1	1	1	1	1
Other Industrial	8	8	8	8	8	9	9	9	9	9
Commercial/Sm. Industrial/Institutional	591	622	642	655	662	674	682	691	698	703
Residential	18,338	18,828	19,143	20,042	20,232	20,544	20,791	21,376	21,589	21,895
Total Customers	18,938	19,459	19,794	20,706	20,903	21,228	21,483	22,077	22,297	22,608
<b>Northern Lehigh Service Area (2):</b>										
<b>Sales:</b>										
Commercial/Sm. Industrial/Institutional	\$ 12,119	\$ 13,021	\$ 12,009	\$ 12,961	\$ 15,056	\$ 13,330	\$ 18,345	\$ 20,518	\$ 18,436	\$ 19,314
Residential	86,239	88,078	83,774	84,353	82,771	90,181	90,221	90,551	89,361	93,952
Total Sales	98,358	101,099	95,783	97,314	97,827	103,511	108,566	111,069	107,797	113,266
<b>Customers:</b>										
Commercial/Sm. Industrial/Institutional	69	69	70	70	71	72	80	81	81	80
Residential	1,886	1,893	1,894	1,894	1,901	1,911	1,935	1,942	1,948	1,955
Total Customers	1,955	1,962	1,964	1,964	1,972	1,983	2,015	2,023	2,029	2,035
<b>Northampton County Service Area (3):</b>										
<b>Sales:</b>										
Residential	\$ 3,286	\$ 3,627	\$ 3,459	\$ 3,498	\$ 3,383	\$ 3,537	\$ 3,540	\$ 3,970	\$ 2,775	\$ 3,370
<b>Customers:</b>										
Residential	67	67	67	67	67	67	67	67	67	67
<b>CITY DIVISION (4)</b>										
<b>Sales:</b>										
Other Industrial	\$ 113,671	\$ 113,470	\$ 107,331	\$ 126,736	\$ 128,113	\$ 116,293	\$ 136,202	\$ 133,842	\$ 143,796	\$ 139,523
Commercial/Sm. Industrial/Institutional/Other	816,700	785,917	769,492	784,930	789,274	678,080	710,283	731,297	729,728	731,832
Residential	2,147,484	2,160,603	2,158,560	2,152,837	2,137,892	2,269,456	2,188,391	2,166,195	2,142,343	2,122,228
Total Sales	3,077,855	3,059,990	3,035,383	3,064,503	3,055,279	3,063,829	3,034,876	3,031,334	3,015,867	2,993,583
<b>Customers:</b>										
Other Industrial	417	419	419	419	419	422	423	467	490	471
Commercial/Sm. Industrial/Institutional	4,743	4,728	4,731	4,720	4,724	4,757	4,761	4,995	5,313	5,425
Residential	41,588	41,615	41,620	41,198	41,274	41,742	41,998	42,250	42,423	42,518
Total Customers	46,748	46,762	46,770	46,337	46,417	46,921	47,182	47,712	48,226	48,414
<b>ALL SERVICE AREAS:</b>										
<b>Sales:</b>										
Large Industrial	\$ 726,196	\$ 732,464	\$ 647,574	\$ 622,634	\$ 665,161	\$ 663,152	\$ 745,311	\$ 722,607	\$ 674,410	\$ 717,196
Other Industrial	1,295,618	1,271,674	1,235,237	1,248,307	1,214,453	1,224,912	1,407,283	1,483,135	1,515,287	1,451,204
Commercial/Sm. Industrial/Institutional	1,212,057	1,251,877	1,223,599	1,263,977	1,278,131	1,219,603	1,244,962	1,348,398	1,356,226	1,498,044
Residential	3,191,485	3,325,037	3,206,455	3,282,146	3,284,387	3,539,550	3,444,953	3,415,521	3,405,536	3,430,272
Total Sales	6,425,356	6,581,052	6,312,865	6,417,064	6,442,132	6,647,217	6,842,509	6,969,661	6,951,459	7,096,716
<b>Customers:</b>										
Large Industrial	1	1	1	1	1	1	1	1	1	1
Other Industrial	425	427	427	427	427	431	432	476	499	480
Commercial/Sm. Industrial/Institutional	5,403	5,419	5,443	5,445	5,457	5,503	5,523	5,767	6,092	6,208
Residential	61,879	62,403	62,724	63,201	63,474	64,264	64,791	65,635	66,027	66,435
Total Customers	67,708	68,250	68,595	69,074	69,359	70,199	70,747	71,879	72,619	73,124

(1) Includes the Central Lehigh, Upper Milford, Arcadia West, Beverly Hills and Emmaus Consecutive divisions. Includes sales to Municipalities within Commercial/Sm Industrial/Institutional/Other.

(2) Includes the North Whitehall, Washington Township, Mill Creek, Heidelberg Heights and Pine Lakes of Lynn divisions.

(3) The Clearview Farm Estates system was acquired in May 2006.

(4) The City Division was acquired through a Lease Concession agreement on 8/8/13.

**Note: Total Sales is shown in thousands of gallons. Total Customers represent units served at year-end, not customer connections.**

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
WATER SUPPLY SOURCES, DEMAND AND CAPACITY INFORMATION**

Customer Class	ACTUAL						PROJECTED					
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2030	2035
<b>SUBURBAN DIVISION</b>												
<b>Central Lehigh Division:</b>												
Average Daily Demand (Gallons)	9,085,000	9,329,000	9,284,500	9,557,914	9,736,210	10,329,712	11,062,251	11,513,533	11,386,490	11,489,027	12,320,000	13,070,000
Maximum Daily Demand (Gallons)	10,819,000	12,273,000	11,830,000	12,101,447	11,754,797	13,107,605	13,895,073	15,092,530	15,766,736	14,943,093	15,830,000	16,800,000
Estimated Safe Yield of Supplies (GPD)	15,760,000	15,760,000	15,760,000	15,760,000	15,760,000	15,760,000	15,760,000	15,760,000	15,760,000	15,760,000	25,800,000 (*)	25,800,000 (*)
Surplus/(Deficit) (GPD)	4,941,000	3,487,000	3,930,000	3,658,553	4,005,203	2,652,395	1,824,927	667,470	(6,736)	816,907	9,970,000	9,000,000
* Includes WL-3 (-1.29 mgd) which is used intermittently												
* Includes 2010 Max. day purchase from City of Allentown @ 3mgd and @ 10.5 mgd for 2020 and beyond												
<b>Washington Township Division:</b>												
Average Daily Demand (Gallons)	44,000	48,000	48,000	48,403	68,413	60,369	68,173	62,351	52,855	67,733	63,000	63,000
Maximum Daily Demand (Gallons)	92,000	89,000	64,000	74,400	85,000	103,429	83,714	113,000	93,571	96,571	94,000	94,000
Estimated Safe Yield of Supplies (GPD)	214,000 *	214,000 *	214,000 *	214,000 *	214,000 *	214,000	214,000	214,000	214,000	214,000	214,000 *	214,000 *
Surplus/(Deficit) (GPD)	122,000	125,000	150,000	139,600	129,000	110,571	130,286	101,000	120,429	117,429	120,000	120,000
* Maximum day purchase from Slatington (1,500,000 gal. over 7 days) by agreement												
<b>North Whitehall Township Division:</b>												
Average Daily Demand (Gallons)	346,000	469,000	356,000	406,121	461,086	500,771	603,234	471,501	375,557	431,460	870,000	1,050,000
Maximum Daily Demand (Gallons)	520,000	835,000	454,000	538,443	735,015	796,986	790,636	638,044	500,661	814,946	1,240,000	1,490,000
Estimated Safe Yield of Supplies (GPD)	703,000 *	703,000 *	703,000 *	703,000 *	703,000	703,000	703,000	703,000	703,000	703,000	1,000,000 *	1,000,000 *
Surplus/(Deficit) (GPD)	183,000	(132,000)	249,000	164,557	(32,015)	(93,986)	(87,636)	64,956	202,339	(111,946)	(240,000)	(490,000)
* Includes 390,000 gpd maximum purchase from NBMA over 30 days by agreement												
<b>Mill Creek Estates Division:</b>												
Average Daily Demand (Gallons)	5,000	5,200	5,200	5,191	4,916	5,208	4,925	5,435	5,083	5,598	10,000	10,000
Maximum Daily Demand (Gallons)	12,000	10,000	10,000	10,000	8,680	8,480	9,536	10,847	18,335	15,000	15,000	15,000
Estimated Safe Yield of Supplies (GPD)	51,800	51,800	51,800	51,800	51,800	51,800	51,800	51,800	51,800	51,800	51,800	51,800
Surplus/(Deficit) (GPD)	39,800	41,800	41,800	41,793	43,120	43,320	45,416	42,264	40,953	33,465	36,800	36,800
<b>Heidelberg Heights Division:</b>												
Average Daily Demand (Gallons)	42,000	33,000	29,800	31,862	31,332	32,362	27,575	30,514	25,165	36,914	37,000	37,000
Maximum Daily Demand (Gallons)	70,000	73,000	43,000	62,883	64,723	54,945	69,684	62,076	62,076	104,100	64,000	64,000
Estimated Safe Yield of Supplies (GPD)	129,000	129,000	129,000	129,000	129,000	129,000	129,000	129,000	129,000	129,000	129,000	129,000
Surplus/(Deficit) (GPD)	59,000	56,000	86,000	66,117	64,277	74,065	59,316	74,926	66,924	24,900	65,000	65,000
<b>Pine Lakes of Lynn Division:</b>												
Average Daily Demand (Gallons)	9,000	7,300	7,200	7,187	7,353	9,328	10,654	14,317	8,935	8,878	11,000	11,000
Maximum Daily Demand (Gallons)	15,000	12,000	13,000	14,583	11,121	29,370	25,230	29,360	18,920	19,670	19,000	19,000
Estimated Safe Yield of Supplies (GPD)	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000
Surplus/(Deficit) (GPD)	57,000	60,000	59,000	57,417	60,879	42,630	46,770	42,640	53,080	52,330	53,000	53,000
<b>Arcadia West Division:</b>												
Average Daily Demand (Gallons)	22,000	22,000	23,000	27,374	25,705	23,030	29,289	28,561	27,728	25,597	48,500	48,500
Maximum Daily Demand (Gallons)	54,000	85,000	49,000	58,386	46,133	145,200	121,200	199,200	138,300	70,400	194,000	194,000
Estimated Safe Yield of Supplies (GPD)	264,000	264,000	264,000	264,000	264,000	264,000	264,000	264,000	264,000	264,000	264,000	264,000
Surplus/(Deficit) (GPD)	210,000	179,000	215,000	205,614	217,867	118,800	142,800	64,800	125,700	193,600	70,000	70,000
<b>Beverly Hills Division:</b>												
Average Daily Demand (Gallons)	6,000	6,800	6,000	6,089	8,919	6,270	7,000	8,452	8,947	11,723	12,000	12,000
Maximum Daily Demand (Gallons)	14,000	14,000	13,000	14,477	15,330	13,983	12,500	16,373	15,794	22,932	18,000	18,000
Estimated Safe Yield of Supplies (GPD)	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000
Surplus/(Deficit) (GPD)	19,000	19,000	20,000	18,523	17,670	19,007	20,500	16,627	17,206	10,068	15,000	15,000

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
WATER SUPPLY SOURCES, DEMAND AND CAPACITY INFORMATION (Continued)**

Customer Class	ACTUAL										PROJECTED	
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2030	2035
<b>Clearview Farm Estates Division:</b>												
Average Daily Demand (Gallons)	10,000	10,000	8,800	9,147	9,857	8,755	8,729	8,782	8,613	9,079	13,000	13,000
Maximum Daily Demand (Gallons)	19,000	29,000	15,000	17,400	21,550	16,470	21,800	19,680	18,540	21,220	25,000	25,000
Estimated Safe Yield of Supplies (GPD)	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Surplus/(Deficit) (GPD)	16,000	6,000	20,000	17,600	13,450	18,530	13,200	15,320	16,460	13,780	10,000	10,000
<b>Emmaus Consecutive Division:</b>												
Average Daily Demand (Gallons)	63,000	63,000	64,000	59,871	61,824	71,016	61,198	60,544	58,805	58,988	64,000	64,000
Maximum Daily Demand (Gallons)	67,000	71,000	68,000	64,541	67,785	80,030	69,419	74,496	63,696	68,230	67,000	67,000
Estimated Safe Yield of Supplies (GPD)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Surplus/(Deficit) (GPD)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Buss Acres Division:</b>												
Average Daily Demand (Gallons)	23,000	28,000	24,000	21,401	19,289	18,248	18,487	25,608	34,697	36,105	21,000	21,000
Maximum Daily Demand (Gallons)	53,000	51,000	16,000	35,525	32,900	33,167	37,100	51,500	83,200	71,600	30,000	30,000
Estimated Safe Yield of Supplies (GPD)	118,000	118,000	118,000	118,000	118,000	118,000	118,000	118,000	118,000	118,000	118,000	118,000
Surplus/(Deficit) (GPD)	65,000	67,000	102,000	82,475	85,100	84,833	80,900	66,500	34,800	46,400	88,000	88,000
<b>Madison Park Division:</b>												
Average Daily Demand (Gallons)	13,000	13,000	13,000	13,308	14,602	13,886	16,455	16,210	14,328	14,127	27,000	27,000
Maximum Daily Demand (Gallons)	30,000	24,000	24,000	18,300	20,533	27,001	52,836	35,174	53,871	23,262	41,000	41,000
Estimated Safe Yield of Supplies (GPD)	137,000	137,000	137,000	137,000	137,000	137,000	137,000	137,000	137,000	137,000	137,000	137,000
Surplus/(Deficit) (GPD)	107,000	113,000	113,000	118,700	116,467	109,999	84,164	101,826	83,029	113,738	96,000	96,000
<b>CITY DIVISION</b>												
Average Daily Demand (Gallons)	19,989,940	20,408,474	21,156,763	21,492,755	21,512,142	21,368,766	22,003,852	22,504,438	22,514,285	22,397,784	26,000,000	26,000,000
Maximum Daily Demand (Gallons)	26,120,900	25,296,100	27,135,900	29,756,200	29,504,800	28,256,000	29,196,300	30,870,900	30,682,900	30,594,800	35,000,000	35,000,000
Estimated Safe Yield of Supplies (GPD)	71,000,000	71,000,000	71,000,000	71,000,000	71,000,000	71,000,000	71,000,000	71,000,000	71,000,000	71,000,000	71,000,000	71,000,000
Surplus/(Deficit) (GPD)	44,879,100	45,703,900	43,864,100	41,243,800	41,495,200	42,744,000	41,803,700	40,129,100	40,317,100	40,405,200	36,000,000	36,000,000

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
WASTEWATER COLLECTOR SYSTEM GROWTH AND BILLABLE FLOW**

System	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Upper Milford:</b>										
Residential Customers	781	790	819	849	916	956	1,031	1,117	1,166	1,183
Commercial/Industrial Customers	49	49	49	48	47	48	48	48	48	48
Total Customers	830	839	868	897	963	1,004	1,079	1,165	1,214	1,231
Billable Flow (1)	58,976	52,959	57,509	58,436	58,896	64,746	69,678	71,732	64,283	63,352
<b>Weisenberg Township: (4)</b>										
Residential Customers	149	149	149	149	149	149	149	149	149	149
Commercial/Industrial Customers	3	3	3	3	3	3	3	3	3	3
Total Customers	152	152	152	152	152	152	152	152	152	152
Billable Flow (1)	12,196	12,285	10,833	10,975	11,454	9,571	10,524	10,721	9,282	9,705
<b>Heidelberg Heights: (2)</b>										
Residential Customers	145	145	145	145	145	145	145	145	145	145
Billable Flow	6,112	6,752	6,544	6,638	6,613	6,721	6,396	6,494	6,422	5,905
<b>Wynnewood Terrace: (2)</b>										
Residential Customers	219	219	222	222	222	222	222	223	223	223
Commercial/Industrial Customers	2	2	2	2	2	2	2	2	2	2
Total Customers	221	221	224	224	224	224	224	225	225	225
Billable Flow (1)	13,249	13,386	13,087	12,785	12,960	12,442	12,673	12,105	11,569	11,712
<b>Sand Spring: (3)</b>										
Residential Customers	248	248	248	248	248	248	248	248	248	248
Commercial/Industrial Customers	9	9	9	9	9	9	10	10	10	10
Total Customers	257	257	257	257	257	257	258	258	258	258
Billable Flow (1)	8,080	8,143	8,954	8,196	8,201	8,501	11,971	15,304	13,875	14,988
<b>Washington Township: (5)</b>										
Residential Customers	601	602	602	602	602	602	603	603	613	613
Commercial/Industrial Customers	23	23	23	23	23	23	23	23	23	23
Total Customers	624	625	625	625	625	625	626	626	636	636
Billable Flow (1)	25,963	25,327	24,587	23,642	23,775	25,489	24,659	24,345	25,032	24,079
<b>Lynn Township: (6)</b>										
Residential Customers	406	410	411	411	411	411	411	411	411	411
Commercial/Industrial Customers	21	21	21	21	21	21	21	21	21	21
Total Customers	427	431	432	432	432	432	432	432	432	432
Billable Flow (1)	1,406	1,150	1,223	1,199	1,116	883	1,221	972	1,129	1,054
<b>Lowhill Township: (7)</b>										
Residential Customers	43	43	43	43	43	43	43	43	43	43
Billable Flow	1,789	2,114	2,114	2,335	2,220	2,060	2,230	2,480	1,129	2,014
<b>Total Collector Systems:</b>										
Residential Customers	2,549	2,606	2,639	2,669	2,736	2,776	2,852	2,939	2,998	3,015
Commercial/Industrial Customers	107	107	107	106	105	106	107	107	107	107
Total Customers	2,656	2,713	2,746	2,775	2,841	2,882	2,959	3,046	3,105	3,122
Billable Flow (1)	125,982	121,791	124,851	124,206	125,235	130,413	139,352	144,153	132,721	132,809

- (1) Flow is shown in thousands of gallons.
- (2) The Authority acquired these systems in the initial year where a customer total is indicated. Customers within these service areas were billed based on a flat rate through 2009. In 2010, metered water usage was used to bill those customers with meters and an assumed usage of 180 gallons per day was used to bill unmetered customers.
- (3) The Authority acquired this system on 12/30/04, but since there was very little billable flow the customer additions are shown in 2005. During 2006 individual water meters were installed to record billable flow at 26 residential apartment buildings and each commercial facility.
- (4) Includes Poine West and Arcadia West systems.
- (5) The Authority took over operations and billing responsibilities for this system on April 1, 2009.
- (6) The Authority took over operations and billing responsibilities for this system on February 29, 2012.
- (7) The Authority took over operations and billing responsibilities for this system on June 8, 2016.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
WESTERN LEHIGH INTERCEPTOR  
AVERAGE DAILY WASTEWATER FLOW  
ACTUAL AND PROJECTED**

	Year	System Flow (1)	Billable Flow (2)	% of Flow Unbilled
Actual	2015	8.27	7.38	10.8%
	2016	7.76	7.21	7.1%
	2017	9.25	6.83	26.2%
	2018	11.85	7.26	38.7%
	2019	11.65	7.41	36.4%
	2020	9.61	7.52	21.7%
	2021	9.75	8.08	17.1%
	2022	10.17	8.46	16.8%
	2023	10.11	8.58	15.1%
	2024	9.92	8.33	16.0%
Projected (A)	2025	10.78		
	2030	11.00		

- (1) System flow to City of Allentown recorded at Keck's Bridge Meter Station and Spring Creek Road Pump Station.  
(2) Flow billed to municipalities.

**Note: Flow is reported in millions of gallons per day.**

(A) Source: LCA Planning Records.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
LITTLE LEHIGH RELIEF INTERCEPTOR BILLABLE FLOWS**

Billable System Flow										
Municipality	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Alburtis	51,158	54,195	52,490	50,308	48,755	50,092	51,887	51,710	49,731	50,916
Lowhill	2,677	2,544	2,144	2,345	2,284	2,376	2,364	2,524	2,152	2,086
Lower Macungie	527,857	494,538	518,599	634,716	545,880	567,224	532,872	537,989	555,789	567,536
Macungie	68,271	70,642	61,212	69,421	66,273	61,002	64,662	66,092	65,237	68,677
Salisbury	144,735	143,806	140,072	148,696	156,206	149,637	136,911	160,491	179,716	165,768
South Whitehall	407,528	384,152	292,224	283,239	247,576	276,788	248,373	254,788	319,146	352,101
Upper Macungie	1,136,997	1,182,468	1,114,969	1,095,301	1,082,922	1,131,753	1,355,265	1,525,816	1,609,824	1,505,982
Upper Milford	61,345	55,120	60,916	60,910	45,499	51,552	54,409	55,366	49,583	65,507
Weisenberg	11,869	12,396	10,649	13,377	11,154	11,909	9,244	9,274	10,105	9,124
<b>Total</b>	<b>2,412,437</b>	<b>2,399,861</b>	<b>2,253,275</b>	<b>2,358,313</b>	<b>2,206,549</b>	<b>2,302,333</b>	<b>2,455,987</b>	<b>2,664,051</b>	<b>2,841,281</b>	<b>2,787,697</b>

**Note: Flow is shown in thousands of gallons per year.**

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
OPERATING AND CAPITAL INDICATORS**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Suburban Division Water System:</b>										
Water Sales (MGD)	9.17	9.62	8.98	8.79	8.89	9.79	10.43	10.79	10.78	11.24
Average Daily Demand (MGD)	9.68	10.04	9.88	10.07	10.35	11.09	11.92	12.25	11.87	12.20
Peak Day Demand (MGD)	11.78	13.60	12.65	13.02	12.88	14.43	15.23	16.33	16.83	16.27
Safe Supply Capacity (MGD)	17.70	17.70	17.70	17.70	17.70	17.70	17.70	17.70	17.70	17.70
System Storage Capacity (MG)	11.15	11.15	11.17	11.17	11.17	11.17	11.17	11.17	11.17	11.17
Miles of Water Mains	322.52	329.67	341.78	343.00	341.80	341.80	341.80	353.10	356.94	356.94
<b>Suburban Division Wastewater System:</b>										
Average Daily flow to Kline's Island (1)	7.88	7.98	8.80	11.19	10.92	9.04	9.16	9.65	9.02	9.45
Treatment Capacity (2)	10.78	10.78	10.78	10.78	10.78	10.78	10.78	10.78	10.78	10.78
Wastewater Allocation Sold (gallons per day)	273,392	124,800	75,476	78,511	231,237	294,873	64,705	254,365	99,227	89,675
Treatment Plant Design Capacity in Collector Systems (GPD) (3)	355,000	355,000	355,000	355,000	355,000	355,000	355,000	355,000	355,000	355,000
Miles of Pipe:										
Western Lehigh Interceptor	25.51	25.51	25.51	25.51	25.51	25.51	25.51	25.51	25.51	25.51
Little Lehigh Relief Interceptor	5.66	5.66	5.66	5.66	5.66	5.66	5.66	5.66	5.66	5.66
Collector System	35.97	40.16	40.51	40.76	39.19	39.07	39.28	39.28	39.28	39.28
Total Miles of Wastewater System Pipe	67.14	71.33	71.68	71.93	70.36	70.24	70.45	70.45	70.45	70.45
<b>City Division Water System: *</b>										
Water Sales (MGD)	8.43	8.36	8.32	8.40	8.37	8.37	8.31	8.31	8.26	8.20
Average Daily Demand (MGD)	19.99	20.41	21.16	21.49	21.51	21.67	22.00	22.50	22.51	22.40
Peak Day Demand (MGD)	26.12	25.30	27.14	29.76	29.50	28.26	29.20	30.87	30.68	30.59
Safe Supply Capacity (MGD)	71.00	71.00	71.00	71.00	71.00	71.00	71.00	71.00	71.00	71.00
System Storage Capacity (MG)	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
Miles of Water Mains	320.00	320.00	320.00	320.00	320.00	320.00	320.00	320.00	320.00	320.00
<b>City Division Wastewater System: *</b>										
Average Daily flow received at Klines Island (1)	30.44	29.67	30.78	36.07	37.64	32.28	32.25	32.61	32.23	34.05
Wastewater Allocation Used (MGD)	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
Treatment Plant Design Capacity	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
Miles of Pipe	285.00	285.00	285.00	285.00	285.00	285.00	285.00	285.00	285.00	285.00

- (1) Represents the annual flow in millions of gallons per day billed by the Kline Island WW Treatment Plant to the Divisions for treatment services.
- (2) Represents Divisional Capacity in millions of gallons per day in the Kline Island WW Treatment Plant's 40 million gallons per day (mgd) treatment plant at year end.
- (3) The following collector systems with package treatment plants were acquired by the Suburban Division:
  - a. Heidelberg Heights in 1998. A new treatment plant was completed in 2000 to replace a nonfunctioning plant.
  - b. The Wynnewood Terrace (51,900 gallons per day) and Arcadia Industrial Park (12,000 gallons per day) systems were purchased in 2003. The Wynnewood Plant was upgraded to 60,000 gallons per day in December 2005. The Arcadia plant was permanently removed from service in August 2006 because of operating problems. Flow through the station resumed in January 2014.
  - c. The Sand Spring System (35,000 gallons per day) was purchased in 2004.

Note: MGD equates to millions of gallons per day. GPD equates to gallons per day and MG equates to millions of gallons.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
NUMBER OF EMPLOYEES BY FUND**

	Total Fulltime Equivalent Employees									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>SUBURBAN DIVISION</b>										
Administration, Customer Service & Clerical	9.3	10.1	10.0	11.3	12.5	12.4	13.4	13.9	15.8	15.6
Water Operations	14.2	15.3	18.2	17.0	17.1	21.2	18.7	20.4	19.9	23.5
Water Capital (1)	3.5	3.2	2.8	3.3	3.4	5.0	4.6	2.9	2.5	4.4
Wastewater Operations	6.5	7.1	6.9	7.1	8.5	8.3	7.2	8.2	9.2	10.3
Wastewater Capital (1)	1.0	1.0	1.3	1.7	2.9	2.5	1.6	1.5	1.4	1.7
<b>CITY DIVISION</b>										
Administration, Customer Service & Clerical	17.1	17.0	18.3	18.3	19.2	17.5	17.7	18.5	19.8	19.0
Water Operations	43.5	34.7	37.5	39.4	39.8	39.3	35.6	37.3	37.8	39.4
Water Capital (1)	4.4	6.9	5.8	4.9	3.0	2.5	2.6	1.6	1.9	2.4
Wastewater Operations	46.6	47.9	48.5	48.8	47.7	51.8	46.6	47.6	45.8	35.1
Wastewater Capital (1)	1.7	2.3	1.4	1.2	1.2	2.0	1.2	1.3	1.8	2.4
<b>Total</b>	<b>147.8</b>	<b>145.5</b>	<b>150.7</b>	<b>153.0</b>	<b>155.3</b>	<b>162.5</b>	<b>149.2</b>	<b>153.2</b>	<b>155.9</b>	<b>153.8</b>
<b># of Employees at year-end:</b>										
Fulltime	148	148	155	160	162	157	158	165	164	171
Parttime	-	-	-	-	-	-	2	-	-	2

(1) Includes inspectors and employees working on Capital Projects.

**Note:** A fulltime employee is equivalent to 2,080 hours per year (including vacation and other offtime). Fulltime equivalent employment is calculated by dividing total hours allocated to a fund by total organization hours. Total FTE's may exceed employees at year-end because of seasonal help and fulltime employees leaving employment before year-end without being replaced.

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**OTHER INFORMATION**

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
PROFILE OF AUTHORITY MANAGEMENT STAFF  
December 31, 2024**

**Liesel M. Gross, Chief Executive Officer**

Ms. Gross holds a Master's Degree in Public Administration Degree from Kutztown University and a Bachelor's Degree in Journalism / Public Relations from Indiana University of Pennsylvania. She has been employed by the Authority since 1998. She began her service to the Authority in a public relations role and became the Authority's Customer & Communications Manager in 2006. In her role as Chief Executive Officer, which she began in 2016, Ms. Gross focuses attention on providing broad organizational leadership both internally and externally, with a focus on developing collaboration and synergies among operational groups and engaging employees and the public in future decision-making of the Authority.

Over her years of service to the Authority, she has served in numerous positions in local, state and national professional associations. She served on the Board of Directors of the American Water Works Association (AWWA) from 2016 to 2019. She also has served as Chair of the American Water Works Association, Pennsylvania Section, Trustee of the Northeast District AWWA, and has served on numerous committees of the Association at the state and national level, including the Water Utility Council and the Workforce Strategies, Knowledge Management, and Diversity & Member Inclusion committees of the AWWA. She is a current member of the Board of Directors for the East Penn Chamber of Commerce, and the Greater Lehigh Valley Chamber of Commerce's Energy & Environment Committee, and serves as the secretary of the Lehigh Valley Water Suppliers, Inc. She is currently serving on the Legislative Committee of the Pennsylvania Municipal Authorities Association and the Executive Committee of the Water Resources Association of the Delaware River Basin.

**Edward C. Klein, Chief Financial Officer**

Prior to joining the Authority in 2015, Mr. Klein worked for almost fifteen years with Weir Hazleton, Inc. as Vice President of Finance. His primary area of responsibility was for all financial activities of the business and had responsibility for Human Resources, Information Technology, Safety, and Administration. He also served in the operations area of the business for a short period of time as Interim Vice President of Operations.

Mr. Klein has a Master's Degree in Business Administration from Pennsylvania State University and a Bachelor's Degree in Accounting from King's College. He has provided financial leadership which had a positive impact on the performance of the businesses that he has served by implementing solid financial structure, being a business partner to the executive team through analysis and advice, eliminating waste, managing risks of the business, and being a champion of change.

In his role as Chief Financial Officer, Mr. Klein focuses on the financial infrastructure and controls to support the strategic objectives of the Authority and provides the financial leadership to allow the Authority to improve its overall performance in a highly dynamic economic environment.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
PROFILE OF AUTHORITY MANAGEMENT STAFF  
December 31, 2024  
(Continued)**

**Susan Sampson, Communications Manager**

Susan Sampson holds a Bachelor's Degree in Rehabilitation Counseling from the Pennsylvania State University. She joined the Authority in 2017 after 23 years of corporate public relations, communications, and management experience. She attended the Carroll School of Management at Boston College, earning a certificate in Corporate Community Involvement. She has extensive community, media, and legislative relations experience and has managed corporate partnerships with national organizations, driving results with customer and public education campaigns.

In her role as Communications Manager, Ms. Sampson is responsible for the development and implementation of a strategic communications plan, including internal and external communications, and customer education. She manages the company website and social media, as well as relationships with media contacts. She coordinates community relations on behalf of Lehigh County Authority, including youth outreach, volunteer events, site visits, speaking engagements, community partnerships, and more.

**Christopher W. Moughan, Director of Service & Technology**

Christopher Moughan holds a Master's of Business Administration from DeSales University and undergraduate degrees from Muhlenberg College and Penn State. He is also MCSE Certified, and has certificates of training for several business reporting software suites. He joined the Authority in 2017 after spending many years in the information technology field focusing on security and innovative ways for organizations to gain efficiencies.

He is responsible for leading, planning and organizing all activities of the Information Technology (IT) department and to ensure the effective, efficient and secure operation of information technology processes and systems. He also governs the Authority's IT strategic plan and direction of the department, including providing oversight on IT governance, developing user groups, and assessing development training needs. Mr. Moughan provide the vision and leadership to drive the adoption of technology, innovation and automation for the organization. Through this work, he supports the Authority's goals for process improvement, knowledge retention and capture, and efficiency.

**Andrew D. Moore, Director of Plant Operations**

Mr. Moore holds a Bachelor's Degree in Forensic Chemistry from York College of Pennsylvania. He joined the Authority in 2017 after seven years of laboratory management and wastewater plant operation. He holds a PA DEP State Board Wastewater Operators A-E 2-5 certification and is involved with multiple wastewater and drinking water organizations, including sitting on the Board of Directors for the Pretreatment Information Exchange, Inc.

In his role as Director of Plant Operations, Mr. Moore is responsible for overseeing operation and compliance of the Authority's water and wastewater facilities. He ensures the organization is held to the highest standards to ensure efficient and cost-effective treatment. In addition, he examines and advises on new environmental regulations in order to identify risks to the Authority's compliance.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
PROFILE OF AUTHORITY MANAGEMENT STAFF  
December 31, 2024  
(Continued)**

**Albert J. Capuzzi, P.E., Director of Engineering & Asset Management**

Albert J. Capuzzi holds a Bachelor's Degree in Civil Engineering from the Villanova University and a Master of Arts from Seton Hall University. He is a licensed professional engineer in the states of New Jersey and New York and a Designated Design Build Professional. He joined the Authority in 2022. He spent his 30+ year career protecting public health and the environment in consulting by assisting water and wastewater utilities with successful studies (master plans, asset management, water quality), designs (conveyance, storage, treatment) and construction projects. In his role as Director of Engineering and Asset Management, Mr. Capuzzi is responsible for the leading planning, design, construction, and asset management activities for the Authority.

**Mark S. Mason, Human Resources Manager**

Mr. Mason holds a Bachelor's Degree in Psychology from Ursinus College and earned credentials as a Professional in Human Resources (PHR), a SHRM Certified Professional (SHRM-CP), and a certified DPW Investigator. His extensive expertise spans performance management, talent acquisition and development, labor relations, benefits administration, employee engagement, and HRIS implementation.

He brings over 23 years of Human Resources, management, and consulting experience in the non-profit sector to his role as Human Resources Manager. He joined the Authority in 2024, continuing a distinguished career marked by strategic leadership, operational excellence, and a deep commitment to organizational development.

In his current role, he is responsible for developing and executing human resource strategies that align with the Authority's overall mission and strategic direction. His focus areas include succession planning, talent management, employee relations, compensation and benefits, training and development, and policy administration. Known for his collaborative leadership style and strategic insight, Mr. Mason plays a key role in shaping a positive and productive organizational culture.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
PROFILE OF AUTHORITY BOARD MEMBERS**

**Brian C. Nagle, Chairman – Term Expires December 31, 2024**

Mr. Nagle holds a Bachelor of Science degree in Mechanical Engineering from Rutgers University. Mr. Nagle is a life-long resident of the Lehigh Valley and is now retired from PPL Corporation after 38 years of service in engineering, project management, environmental management and regulatory affairs. He was a founding Board member of the Sustainable Energy Fund and served on the Board of the Wildlands Conservancy for 8 years until 2015. He also served on the Board of Macungie Memorial Park Association for 9 years until 2019. Mr. Nagle has also been involved in the Lehigh Valley's initiatives to preserve open space and revitalize abandoned industrial sites. Mr. Nagle has been an Authority Board member since 2009.

**Amir Famili, Vice Chairman – Term Expires December 31, 2028**

Mr. Famili holds a Ph.D. degree in Chemistry from University of Akron. He worked at Air Products and Chemicals for 34 years before retirement in 2018. While in Air Products, Mr. Famili was Global Technology Director and Chief Technology Officer of the Performance Material business responsible for new products, application development and new process development. He is a long-time resident of the Lehigh Valley. Mr. Famili is member of Allentown West Rotary Club and a core volunteer of Lehigh Valley Habitat for Humanity. Mr. Famili became an Authority Board member in July 2019.

**Ted Lyons Jr., Treasurer – Term Expires December 31, 2028**

Mr. Lyons holds a Bachelor of Science degree in Civil Engineering from Duke and an MBA from the Wharton School University of Pennsylvania. He is retired from HT Lyons, Inc., a mechanical contracting and engineering firm which he founded in 1973 and was acquired by PPL in 1998. He serves on the boards of the Allentown Boys and Girls Club and the Allentown Art Museum. He is also a past board member of the Allentown Symphony and the DaVinci Science Center. Mr. Lyons became an Authority Board member in August 2014.

**Kevin I. Baker, Assistant Treasurer – Term Expires December 31, 2025**

Mr. Baker holds a Bachelor of Science degree in Chemical Engineering from University College, London and an MBA from Manchester Business School, University of Manchester in the UK. He is a Fellow of the Institution of Chemical Engineers and a Chartered European Engineer. He is President and CEO of UIG, LLC a supplier of industrial gases and related equipment and services, owned by Nucor Corporation. He is a long-time resident of Lehigh County and previously served as President of the East Penn Chamber of Commerce and on the Board of Governors for the Lehigh Valley Chamber. Mr. Baker became an Authority Board member in April of 2016.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
PROFILE OF AUTHORITY BOARD MEMBERS**

**Linda A. Rosenfeld, Secretary – Term Expires December 31, 2026**

Ms. Rosenfeld attended Penn State University. A lifelong resident of Lehigh County, she is a retired office manager and has served as President of Allentown City Council, Vice-president of Lehigh County Board of Commissioners, Chair of the Allentown Commercial and Industrial Development Authority, Vice-chair of the Lehigh Northampton Airport Authority, Member of the Bridgeworks Advisory Board, Chair of the Allentown Parking Authority, President of Big Brothers and Big Sisters of Lehigh County, President of Haven House (Partial Hospitalization Program for the Mentally Ill). She is presently Secretary of Repertory Dance Theatre, member of the Haven House Advisory Board, ex-officio on the Board of Allentown Economic Development Authority (AEDC) and most recently appointed to the Allentown Commercial and Industrial Development Authority (ACIDA). She served 15 years as a Court Appointed Special Advocate (CASA) a volunteer representing and advocating for children going through the Court System, many of whom are neglected or abused. Ms. Rosenfeld became an Authority Board member in January 2015.

**Norma A. Cusick, Assistant Secretary – Term Expires December 31, 2024**

Ms. Cusick holds a Bachelor of Arts degree from De Sales University and a Master of Arts degree from Kutztown University and is a certified paralegal. She has been a resident of Lehigh County for 49 years and was a small business owner and business manager. Ms. Cusick has served as the Division Director for the American Heart Association, Allentown Downtown Improvement District, the Board of Directors of the Allentown Public Library, Salisbury Township School Board, Salisbury Township Commissioner, Salisbury Township Planning Commission and is currently on the Salisbury Township Education Foundation.

Ms. Cusick has served on the Board of Directors of the Pennsylvania Shakespeare Festival, Child Advocacy Center and was past President of the Lehigh County Sports Fields. She has also participated with and served on several additional community organizations, including the Greater Lehigh Valley Girl Scouts. Throughout the period of her residence, she continues to be active in many other local, regional, and statewide endeavors. Ms. Cusick is currently on the Executive Committee of the Board of Associates of Lehigh Valley Hospital Network. Ms. Cusick became an Authority Board member in March 2010.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
PROFILE OF AUTHORITY BOARD MEMBERS**

**Jeffrey J. Morgan, Member – Term Expires December 31, 2026**

Mr. Morgan grew up in Allentown and graduated from William Allen High School. He earned a Bachelor of Science degree in Physics from Muhlenberg College and a Master of Science degree in Environmental Engineering and Water Resources from Villanova University. He is a professional engineer licensed in PA, NJ and DE. He has over 30 years of diverse engineering and client management experience in the water and wastewater industry. Mr. Morgan works for a small engineering firm that specializes in water, wastewater, industrial pretreatment, construction management and stormwater work for municipalities and authorities. Mr. Morgan has volunteered his time with various youth sports organizations over the years and is currently in his sixteenth year of volunteering with the South Parkland Youth Association's Football Program. Mr. Morgan currently resides in South Whitehall Township. Mr. Morgan became an Authority Board member in March 2017.

**Sean Ziller, Member – Term Expires December 31, 2027**

Mr. Ziller holds a Master of Public Administration degree, with graduate certificates in Public Budgeting & Financial Management and Public Sector Human Resources Management, from Penn State University, and a Bachelor of Arts degree in Political Science from King's College (PA). He is currently the Deputy Director of Economic Development for the City of Bethlehem and he previously worked for the City of Easton as the Community and Economic Development Administrator. Prior to his profession in the public sector, he worked in both the higher education and private sectors - in the latter, helping to drive the operational oversight and implementation of multi-million-dollar contracts that provided new technology resources to regional government agencies in Philadelphia. In addition to his membership on the Board of Directors for the Lehigh County Authority (LCA), he currently serves on the boards of the Volunteer Center of the Lehigh Valley, Discover Lehigh Valley (ex-officio), various Greater Lehigh Valley Chamber of Commerce (GLVCC) boards, is on the Advisory Council for the Great Lakes Economic Development Council (GLEDC), and is a member of the North Whitehall Township Planning Commission.

He has previously served on the Easton Area Chamber board; Whitehall Township Planning Commission; as a column author for the American Society for Public Administration (ASPA) online editorial; as Chairperson of the Luzerne County Accountability, Conduct, and Ethics Commission; and has volunteered extensively with the Muscular Dystrophy Association. Mr. Ziller became an Authority Board member in February 2023 and has been a resident of the Lehigh Valley since 2018.

**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
PROFILE OF AUTHORITY BOARD MEMBERS**

**Marc J. Grammes, Member – Term Expires December 31, 2027**

Mr. Grammes is a lifelong resident of the Northern Lehigh Area where together with his wife Elizabeth they raised their family of four children. He remains an active member of the community. He is a graduate of Slatington High School, and a US Navy Veteran, both enlisted and as a commissioned officer. He is a 1983 graduate of the US Merchant Marine Academy at Kings Point New York, where he earned a Bachelor of Science degree in Marine Engineering, a US Coast Guard License as a Merchant Marine Officer, Third Assistant Engineer for both Steam and Motor Ocean Vessels of unlimited tonnage, and a commission in the US Navy. He brings over 40 years of extensive experience in the design engineering and power operations in both nuclear and fossil power plants. He has volunteered his time with youth sports, the Boy Scouts of America, the Rotary Club of Slatington, and the Knights of Columbus. He has a strong passion for the outdoors and enjoys fishing and hiking. He is the Founder of the Leaser Lake Heritage Foundation, where he worked together with government officials, local sportsmen groups and volunteers for the restoration and rehabilitation of Leaser Lake. Mr. Grammes is also a Founding Member of the Lehigh Valley Zoological Society, where he advocated for the preservation of the Lehigh Valley Zoo. Mr. Grammes served as a Lehigh County Commissioner from 2004-2008 and again from 2018 to 2022 and served as Vice Chair of the Board for two years. Mr. Grammes became an Authority Board member in February 2023.

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# **LCA Strategic Plan: 2022-2027**

## **Our Mission**

**Who is Lehigh County Authority?**

**Why do we exist?**

To protect public health and the environment by providing high-quality, safe, and reliable water and wastewater services.

## **Our Vision**

**What does LCA aspire to become in the future?**

To be a trusted and engaged community partner, advancing the vitality of our region through exceptional water and wastewater services.



# Lehigh County Authority

## Our Shared Values



**Service** - We take pride in our role as public servants. We focus on serving customers and each other.



**Engagement** - We enjoy learning, exploring new ideas, solving problems, and embracing changes that support continuous improvement.



**Dedication** - We give our best effort every day and seek ways to contribute to achieving LCA's goals.



**Positivity** - We face challenges with optimism and foster trust, teamwork, and collaboration.



**Excellence** - We strive to make LCA the best utility it can be!



### **Operational Excellence**

To proactively ensure safe and reliable service delivery, regulatory compliance, and resilient operations through streamlined processes, best practices, and data-driven decision-making

**Strategy 1:** Establish and implement plans to meet or exceed all regulatory requirements.

#### **Examples of what we are already doing:**

- Responding to the Lead and Copper Rule
- Participate in the Partnership for Safe Drinking Water – (exceed DEP requirements)
- Update and implement existing master plans
- Continue to update SCADA systems (4-year project)

#### **NEW Activities Beginning in 2022:**

- Address small system challenges that result in violations / boil advisories
- Conduct root cause analysis and identify targeted improvements to mitigate permit exceedances

**Strategy 2:** Participate in the legislative and regulatory review process to prepare for new regulations and ensure LCA's interests are considered

#### **Examples of what we are already doing:**

- Responding to the Lead and Copper Rule
- Monitor via committees, associations
- Participate by providing comments on proposed legislation

#### **NEW Activities Beginning in 2022:**

- Increase staff / leadership team awareness and participation in regulatory review / legislative processes
- Proactively address upcoming regulations (e.g., PFAS, internal targets, etc.)

**Strategy 3:** Develop strategies to enhance organizational resiliency, especially in the areas of cyber security, emergency preparedness, system redundancy, and climate change.

#### **Examples of what we are already doing:**

- Constant monitoring of DHS ISAC (cyber-threats)
- Develop/Update and implement appropriate master plans
- Develop and implement recovery plans/succession plans by departments
- Update standard operating procedures

#### **NEW Activities Beginning in 2022:**

- Improve emergency communications protocols for cyber event / other events
- Implement large diameter valve maintenance program



## **Regional Collaboration and Leadership**

To help our region to thrive by growing community confidence in LCA, advancing collaborative efforts, and demonstrating operational excellence

**Strategy 1:** Collaborate with municipalities, stakeholders, regulators, and community groups to increase our understanding of the region's goals and strengthen the role LCA plays in supporting them.

### **Examples of what we are already doing:**

- Manage complex intermunicipal service agreements
- Regulatory outreach

### **NEW Activities Beginning in 2022:**

- Monitor meeting agendas and attend municipal meetings to address topics where LCA could add value.
- Develop an engagement strategy for municipalities

**Strategy 2:** Advance LCA's position in the region as the leading resource on water and wastewater-related issues.

### **Examples of what we are already doing:**

- Active involvement in industry organizations
- Municipal meeting facilitation

### **NEW Activities Beginning in 2022:**

- Increase visibility of LCA team member's industry participation

**Strategy 3:** Support environmental sustainability and water equity initiatives through partnerships, education, and policy.

### **Examples of what we are already doing:**

- Project-specific energy efficiencies
- Water equity network participation

### **NEW Activities Beginning in 2022:**

- Expand LCA's watershed monitoring program (include more stakeholders & publish data and results)
- Identify LCA-specific environmental sustainability goals (energy efficiency, waste reduction, others) and policies
- Develop relationships with organizations that address equity and environmental sustainability issues.
- Create employee volunteer network to participate in community / environmental events (ex., stream cleanups, tree plantings)



## **Financial Stewardship**

To cost-effectively serve our community, now and in the future, by managing funds effectively and responsibly to support debt commitments, operational needs, and asset management

**Strategy 1:** Sustainably support LCA's water and wastewater systems through responsible financial management.

### **Examples of what we are already doing:**

- Financial reporting
- 5-year capital plan

### **NEW Activities Beginning in 2022:**

- Enhance financial forecasting from quarterly to rolling monthly
- Departmental level financial reporting
- Begin analyzing and reporting on the cost of internal processes and activities
- Simplify payroll process / time reporting

**Strategy 2:** Develop decision-making criteria for evaluating growth opportunities.

### **Examples of what we are already doing:**

- When an opportunity arises, identify the quality of the assets, determine cash flow impact, and identify operational viability of the system before deciding on LCA's involvement

### **NEW Activities Beginning in 2022:**

- Determine LCA's desired role in acquiring small systems
- Create menu of options / capabilities list for contract operations, lease options, acquisition, etc.

**Strategy 3:** Establish rates that balance affordability with achieving required revenue targets that support the financial needs of LCA.

### **Examples of what we are already doing:**

- Evaluate future of LCA's customer assistance program & support through payment plans and other options
- Annual rate adjustment
- Regular rate studies

### **NEW Activities Beginning in 2022:**

- Pursue alternative funding sources (e.g., Pennvest, WIFIA, grants)



## **Customer Engagement and Support**

To create an exceptional customer experience and build trust and understanding of LCA's essential services

**Strategy 1:** Enhance customer engagement and experience through process improvements and adoption of new technology.

### **Examples of what we are already doing:**

- Improve customer service processes (from process improvement list) including evaluation of phone system, IVR updates, and other technology solutions

### **NEW Activities Beginning in 2022:**

- Enhance customer self-service tools
- Standardize complaint tracking & handling protocols (including scripting)
- Define customer service excellence & metrics to track performance

**Strategy 2:** Improve our responsiveness to customers' needs.

### **Examples of what we are already doing:**

- Improve customer service processes (from process improvement list) including evaluation of phone system, IVR updates, and other technology solutions

### **NEW Activities Beginning in 2022:**

- Improved delinquency termination process
- Create after hours customer service staffing plan for emergency response.
- After-hours service enhancement
- Develop customer service SOPs

**Strategy 3:** Grow customer awareness and support for LCA's goals and direction.

### **Examples of what we are already doing:**

- Newsletter
- Social media
- Public education / events

### **NEW Activities Beginning in 2022:**

- Communication / customer education about risk prevention
- Website enhancements
- Private side sewer system customer education



### **System Capacity and Reliability**

To dependably meet current and future community needs and achieve optimal levels of service by effectively managing assets and implementing projects to ensure sufficient system capacity

**Strategy 1:** Increase our systems' capacity to address economic development needs in our region.

#### **Examples of what we are already doing:**

- DEP-mandated regional sewer planning
- DEP-issued Consent Orders, corrective action plan activities

#### **NEW Activities Beginning in 2022:**

- Assess water supply resiliency (Suburban focus)
- Develop and implement master plan for pre-treatment plant
- Develop concepts and information around regional service approaches

**Strategy 2:** Define and establish plans to meet LCA's targeted levels of service

#### **Examples of what we are already doing:**

- Data collection on system performance (linear and vertical assets)

#### **NEW Activities Beginning in 2022:**

- Begin a level of service (LoS) assessment, including stakeholder/regulatory review, current performance assessment, definition of LCA's LoS goals, and facility-specific considerations / constraints
- Research approaches and LCA's needs for a develop a data analytics program

**Strategy 3:** Standardize and implement a comprehensive asset management program to ensure infrastructure reliability, guide investment, and support data-driven decision-making.

#### **Examples of what we are already doing:**

- Master plan updates for existing plans
- Annual water main replacement prioritization
- Flow metering activities/Western Lehigh

#### **NEW Activities Beginning in 2022:**

- Identify master planning needs for all systems.
- Figure out where Asset Management sits within the LCA organization (create clear ownership & responsibility of AM functions)
- Standardize master planning approach, frequency & data collection



## **Employee Engagement and Safety**

To build a safe, cohesive, and engaging workplace in which employees feel personally connected to their work, each other, and LCA's commitment to excellence

**Strategy 1:** Ensure a safe working environment for all employees.

### **Examples of what we are already doing:**

- Safety training
- Bi-monthly safety meetings
- Accident/injury investigation to correct action
- Driving safety program

### **NEW Activities Beginning in 2022:**

- Identify and prioritize safety policies for review and update.
- Develop a more comprehensive training program
- Improve root cause analysis process
- Standardize / define safety training requirements for new hires

**Strategy 2:** Standardize and enhance our approaches to succession planning, knowledge management, and performance management.

### **Examples of what we are already doing:**

- Documenting work processes (SOPs)
- Workforce analysis, retirement risk profile
- Annual performance evaluations
- Disciplinary program

### **NEW Activities Beginning in 2022:**

- Identify job specific performance measures and training plans
- Standardize new employee onboarding program

**Strategy 3:** Expand opportunities for employee and leadership development, technical training, and certification.

### **Examples of what we are already doing:**

- Access to certification training
- Tuition program (improve on promotion)
- Leadership development programs
- Skill-based / certification-based job advancement (selected operational roles)
- Education policy w/ tuition reimbursement option

### **NEW Activities Beginning in 2022:**

- Expand Lunch & Learn program
- Standardize supervisory onboarding / training

**Strategy 4:** Openly explore the diversity, equity, and inclusion issues that are important to LCA and our employees.

**NEW Activities Beginning in 2022:**

- Bullying/sensitivity training
- Provide DEI training for LCA leadership

**Strategy 5:** Engage employees in LCA's work through collaboration, communication, and cooperation.

**Examples of what we are already doing:**

- Company-wide meetings
- Regular top-down communication on major LCA issues
- Quarterly managers' meetings
- Strategic planning process
- SharePoint site

**NEW Activities Beginning in 2022:**

- Standardize / increase use of exit and stay interviews
- Evaluate flexible work arrangements / policies
- New employee check in program (after onboarding)
- Develop a mentoring program

# How will we stay focused?

It's a big plan with a lot of important goals and activities!

## 1. Metrics to illustrate progress

- ✓ **Reporting on 2022 Milestones**
  - Asset management program development
  - Water & sewer capacity projects
  - Process efficiency improvements
- ✓ **Reduction of reportable employee safety incidents**
- ✓ **Capital program management (on time / on budget)**
- ✓ **Planned vs. unplanned maintenance**
- ✓ **Other metrics:**
  - Monthly financial reporting
  - Regulatory compliance
  - Customer responsiveness
  - Employee turnover

## 2. Communication

- Board of Directors
- Stakeholders
- Municipalities
- Customers

## 3. Teamwork!

- LCA Strategy Teams
- Department Goals
- Employee Town Hall Meetings




**LEHIGH COUNTY AUTHORITY  
ALLENTOWN, PENNSYLVANIA  
ACQUISITIONS/LEASES/OPERATING CONTRACTS**

Acquisition Date	Development	Municipality	Purchase Price	Original Customers	Current Customers
<b>Water Systems:</b>					
April 14, 1976	Fairways at Brookside	Lower Macungie Twp.	\$ 180,000	92	596
June 1, 1976	Millbrook Farms	Lower Macungie Twp.	92,339	2	367
July 1, 1976	Pine Grove Park	Lower Macungie Twp.	25,000	166	187
January 1, 1979	Shepherd Hills	Lower Macungie Twp.	325,000	453	675
June 28, 1979	Mark Terrace	Upper Macungie Twp.	8,250	25	27
January 1, 1980	Ancient Oak	Lower Macungie Twp.	1,350,000	1,055	1,143
May 20, 1980	Upper Macungie	Upper Macungie Twp.	200,000	(5)	8,184
October 1, 1981	Country Downs	Lower Macungie Twp.	12,000	36	131
March 14, 1984	Clearview Manor	Lower Macungie Twp.	150,000	(1)	592
May 31, 1989	Penn Hills	North Whitehall Twp.	78,500	94	114
August 16, 1991	Slatedale/Emerald	Washington Twp.	-	360	406
September 30, 1991	Schnecksville North	North Whitehall Twp.	210,000	(2)	349
October 1, 1991	Crestwood	North Whitehall Twp.	105,000	(3)	265
January 24, 1992	Green Hills	Upper Macungie Twp.	357,700	(4)	726
December 14, 1993	Country Home Acres	Lower Macungie & Salisbury Twps.	32,000	56	60
February 2, 1998	Mink Estates/Farview Farms	Upper Milford Twp.	-	41	71
February 22, 2002	Pine Lakes of Lynn	Lynn Township	-	59	60
June 26, 2002	Heidelberg Heights	Heidelberg Twp.	267,481	189	190
June 12, 2003	Arcadia West IP	Weisenberg Twp.	400,000	5	20
December 30, 2004	Sand Spring	North Whitehall Twp.	35,350	257	260
February 22, 2005	Mill Creek	Washington Twp.	-	35	35
March 30, 2005	Beverly Hills	Lower Milford Twp.	29,800	43	44
May 31, 2006	Clearview Farms Estates	Moore Twp, Northampton Co.	-	66	67
March 16, 2007	Emmaus Out-of-Borough	Lower Macungie & Upper Milford Twps.	131,000	415	421
April 4, 2007	Buss Acres	Upper Milford Twp.	205,450	100	100
July 8, 2010	Lynn Water Company	Lynn Township	233,637	116	116
<b>Wastewater Systems:</b>					
September 23, 1998	Heidelberg Heights	Heidelberg Twp.	-	145	145
June 12, 2003	Arcadia West IP	Weisenberg Twp.	-	5	20
July 11, 2003	Wynnewood Terrace	North Whitehall Twp.	547,184	216	220
December 30, 2004	Sand Spring	North Whitehall Twp.	126,000	257	259
May 16, 2006	Lehigh County Wastewater Treatment Plant	Upper Macungie Twp.	-	Not Applicable	
April 1, 2009	Washington Township Sewer System	Washington Twp.	-	613	628
February 29, 2012	Lynn Township Sewer System	Lynn Township	-	424	431
June 8, 2016	Lowhill Township Sewer System	Lowhill Township	-	43	43
<b>City Division System:</b>					
August 7, 2013	City of Allentown	City of Allentown	246,205,824	(6)	46,643

- (1) Purchase price represents the initial upfront payment. Additional payments of \$680 per connection are made as new homes are served. A total of \$396,160 has been paid through 12/31/12.
- (2) Purchase price represents the initial upfront payment. Additional payments of \$375 per apartment and \$750 per single family or twin connection are made as new units are served. The Authority has an additional exposure of \$17,550 for new commercial connections to the system. A total of \$251,250 has been paid through 12/31/12.
- (3) Purchase price represents an initial upfront payment. Additional payments of \$500 per connection are made as new homes are served. A total of \$118,500 has been paid through 12/31/12.
- (4) Purchase price represents an initial upfront payment. Additional payments of \$1,100 or \$1,250 per connection, dependent upon location, are made as new homes are served. A total of \$817,750 has been paid through 12/31/12.
- (5) Excludes Mark Terrace and Green Hills customers which are listed separately.
- (6) Purchase price represents the I) upfront payment, less fair value of conveyed capital assets, II) the discounted future annual payments, and III) the discounted future Capex Fund funding requirements.

**Note: Current customers represents residential and commercial units served as of 12/31/24, not customer connections, for those systems acquired before 12/31/24.**



Our mission is to protect public health  
and the environment by providing  
high-quality, safe, and reliable water  
and wastewater services.



Lehigh County Authority

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