



BOARD MEETING AGENDA – January 23, 2017

1. Call to Order
 - *Public Participation Sign-In Request*
2. Review of Agenda / Executive Sessions
3. Approval of Minutes
 - *January 9, 2017 Board meeting minutes*
4. Public Comments
5. Action / Discussion Items:

FINANCE AND ADMINISTRATION

- *Employee Compensation Study – Review & Discussion of Preliminary Results*

WATER

- *Allentown Division – Water Filtration Plant / Water Distribution: Flood Pump Replacement (blue)*

WASTEWATER

- *Allentown Division – Wastewater Treatment Plant: WWTP Security Upgrades (yellow)*

6. Monthly Project Updates / Information Items (1st Board meeting per month)
7. Monthly Financial Review (2nd Board meeting per month) – **December report to be sent under separate cover**
8. Monthly System Operations Overview (2nd Board meeting per month) – **December report attached**
9. Staff Comments
10. Solicitor's Comments
11. Public Comments / Other Comments
12. Executive Sessions
13. Adjournment

UPCOMING BOARD MEETINGS

Meetings begin at Noon at LCA's Main Office, unless noted otherwise below.

February 13, 2017

February 27, 2017

March 13, 2017

PUBLIC PARTICIPATION POLICY

In accordance with Authority policy, members of the public shall record their name, address, and discussion item on the sign-in sheet at the start of each meeting; this information shall also be stated when addressing the meeting. During the Public Comment portions of the meeting, members of the public will be allowed 5 minutes to make comments/ask questions regarding non-agenda items, but time may be extended at the discretion of the Chair; comments/questions regarding agenda items may be addressed after the presentation of the agenda item. Members of the public may not request that specific items or language be included in the meeting minutes.

REGULAR MEETING MINUTES

January 9, 2017

The Regular Meeting of the Lehigh County Authority was called to order at 12:00 p.m. on Monday, January 9, 2017, Chairman Brian Nagle presiding. Other Members present at the commencement of the meeting were: Linda Rosenfeld, Tom Muller, Richard Bohner, Norma Cusick, Scott Bieber and Ted Lyons. Deana Zosky was on the conference phone and did not participate in any discussion or vote. Authority Staff present were Liesel Gross, Ed Klein, Pat Mandes, Brad Landon, John Parsons, Chuck Volk, Phil DePoe and Lisa Miller.

REVIEW OF AGENDA

Chairman Nagle noted the item under Finance and Administration, Union Contracts & Employee Manual Updates will not be discussed in executive session, as initially planned.

Kevin Baker arrived at 12:05 p.m.

APPROVAL OF MINUTES

December 12, 2016 Regular Meeting Minutes

Richard Bohner suggested a correction on the first page, under Public Comments second sentence, the word *to* should be added after the word *it*. Scott Bieber requested the Minutes be corrected on page 3 under his comments to read *Scott Bieber disagreed and said that the City is not making an impact on the Lehigh River flood flow any worse by blending, and should pursue blending as the less expensive alternative to protect water quality.*

On a motion by Richard Bohner, seconded by Linda Rosenfeld, the Board approved the Minutes of the December 12, 2016 meeting as revised with the above noted changes (7-0). Tom Muller abstained.

PUBLIC COMMENTS

Mike Siegel presented a USGS graph of the stream flow of the Little Lehigh Creek. He reported the creek contains "still water" meaning the water appears to be moving but is just lying in the creek bed, as evidenced by the creek being frozen over. When this happens, it is only a matter of time until the water goes underground. Mr. Siegel also presented a graph from the monitoring station in Fogelsville. He is concerned about the recharge time, which typically occurs in the winter months but appears to not be occurring so far this season. He recommended the Authority shut down Well #8. He also reviewed a graph showing the average current daily depth to water, all adding to his concern about another drought emergency.

Chairman Nagle asked for an update on the proposal from Al Guiseppe of Spotts, Stevens & McCoy as discussed at the previous meeting. John Parsons informed the Board that the Authority received the proposal and it has been reviewed and commented on the Authority's legal department and forwarded to Spotts, Stevens & McCoy for consent and signatures. The plan and scope, which will include information on gages, funding and partnerships, will then be presented to the Board for discussion. Chairman Nagle added that the decision to shut down the wells is a management operating decision, but study will help to establish a process to determine if the shutting down of a well would have a positive or negative impact on groundwater.

ACTION AND DISCUSSION ITEMS

Union Contracts & Employee Manual Updates

Liesel Gross introduced Ryan Sirak, Treatment Plant Operator with the Allentown Division, who was on the contract negotiating team and sitting in the room. Mr. Sirak expressed that he didn't have anything to address to the Board, but was present to observe. Ms. Gross reviewed the highlights of the union contract changes and employee manual recommended changes and explained the primary goal of the process was

to bring more internal equity and uniformity to pay practices and other policies for all employees. The Board commended the Staff for a great job done working on and negotiating the contracts.

On a motion by Tom Muller, seconded by Norma Cusick, the Board approved the Union Contracts (8-0).

Liesel Gross reviewed the three changes to the employee manual that were raised and addressed through contract negotiations. The three items were regarding the Authority's anti-nepotism policy, off-time benefits, and retiree fringe benefits.

On a motion by Tom Muller, seconded by Norma Cusick, the Board approved the three changes to the employee manual as presented (8-0).

Suburban Division – Additional Water Supply – Small Satellite Systems

Chuck Volk gave an overview of the project. The project addresses the needs of the Beverly Hills and Madison Park North water systems which each are operating on one well with no redundant back up water supply. Phase 1 of the project is for an exploratory study to develop a well. The test well can become a supply well if it's adequate. If the test well fails, further investigation would be needed.

Mr. Volk is asking for approval of the Capital Project Authorization – Phase 1- Exploratory Well Drilling & Feasibility Evaluation, Beverly Hills & Madison Park North in the amount of \$150,000.00 which includes the Professional Services Authorization - Phase 1 – awarding engineering services to ARRO Consulting in the amount of \$93,130.00.

On a motion by Scott Bieber, seconded by Norma Cusick, the Board approved the Capital Project Authorization – Phase 1- Exploratory Well Drilling & Feasibility Evaluation, Beverly Hills & Madison Park North in the amount of \$150,000.00 which includes the Professional Services Authorization - Phase 1 – awarding engineering services to ARRO Consulting in the amount of \$93,130.00 (8-0).

Suburban Division – Lynn Township – WWTP Improvements, Phases 1 & 2

Chuck Volk gave an overview of the construction phase of the project. Mr. Volk is requesting approval of the Capital Project Authorization – Amendment No. 1 – Construction Phase in the amount of \$749,875.00 which includes the Professional Services Authorization – Amendment No. 1 – Construction Phase for engineering services to Gannett Fleming in the amount of \$40,000.00 and inspections services to Cowan Associates in the amount of \$24,142.00, and awarding the contract for the Construction Phase for General Construction to Blooming Glen Contractors WW in the amount of \$501,030.00 and the contract for Electrical Construction to Blooming Glen Contractors WW in the amount of \$66,503.00. Mr. Volk explained the higher estimated hours in the Cowan Associates proposal and felt it was evident that Cowan Associates was proposing a more experienced inspector as well as offering the better overall value to the Authority.

On a motion by Ted Lyons, seconded by Tom Muller, the Board approved the Capital Project Authorization – Amendment No. 1 – Construction Phase in the amount of \$749,875.00 which includes the Professional Services Authorization – Amendment No. 1 – Construction Phase for engineering services to Gannett Fleming in the amount of \$40,000.00 and inspections services to Cowan Associates in the amount of \$24,142.00, and awarding the contract for the Construction Phase for General construction to Blooming Glen Contractors WW in the amount of \$501,030.00 and the contract for Electrical construction to Blooming Glen Contractors WW in the amount of \$66,503.00 (8-0).

Allentown Division – Emergency Declaration – Wastewater Treatment Plant: Final Settling Tank Drive

John Parsons explained the emergency declaration caused by the failure of the drive on Final Settling Tank #5 at Kline's Island Wastewater Treatment Plant. The procurement of a replacement drive has a 14-17 week lead time which would mean the plant would potentially be running without the impacted tank during periods of very high flows. It is imperative to Operations that the plant be fully functioning, therefore, by eliminating the bidding process, the replacement will be back on line prior to hurricane season, when such very high flow are more probable based on experience and history.

Some discussion followed regarding asset management strategies to repair or replace aging equipment prior to such failures occurring.

On a motion by Scott Bieber, seconded by Tom Muller, the Board approved the Emergency Declaration for the Wastewater Treatment Plant Final Settling Tank Drive (8-0).

PROJECT UPDATES/INFORMATION ITEMS

Liesel Gross addressed a question regarding the Farr Tract noting that it is still an active development that the Authority will review, although public water supply to the current proposed plans for this tract is not envisioned.

MONTHLY FINANCIAL REVIEW

Ed Klein gave an overview of the November 2016 Financial Report. The preliminary December financials will be presented at the next meeting.

STAFF COMMENTS

Liesel Gross noted the fire extinguishers that were handed out to the Board were a year end safety gift for employees that was extended to the Board to illustrate the importance of employee safety across the entire organization. Also, a citizen survey regarding public participation has been posted on the Authority website. She also mentioned that for the next Board meeting, there will be a compensation expert present to discuss pay philosophy and preliminary results of the compensation survey the Authority began in December.

Chairman Nagle noted that Ms. Gross has been CEO of the Authority for one year and an annual performance appraisal is due.

SOLICITOR'S COMMENTS

None.

PUBLIC COMMENTS / OTHER COMMENTS

Mike Siegel commented on the sewer collector system manholes and covers and feels they are improperly re-aligned during road paving by municipalities and PennDOT, thus creating depressions that potentially funnel water into the collector systems. He is concerned about water getting into the manhole covers. In an unrelated matter, Mr. Siegel also voiced his concerns with sinkholes forming when the water table returns.

EXECUTIVE SESSION

None.

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 12:58 p.m.

Richard H. Bohner
Secretary

MEMORANDUM

Date: January 23, 2017

To: Authority Board
From: Phil DePoe
Subject: Allentown Division – Distribution and Collection Flood Pump Replacement
Project: Construction Phase

MOTIONS / APPROVALS REQUESTED:

No.	Item	Amount
1	Capital Project Authorization – Construction Phase	\$329,500
2 ⁽¹⁾	Professional Services Authorization – D’Huy Engineering	\$28,200
3 ⁽¹⁾	General Contract Award – Zimmerman Environmental	\$221,300

(1) Included in the Capital Project Authorization.

PROJECT OVERVIEW:

The project generally consists of the installation of a new submersible flood pump at the Allentown Division – Distribution and Collection Site. The existing centrifugal flood pump has reached the end of its useful life. In addition, an existing raw water magmeter will be replaced in the parking lot of the Water Filtration Plant. The contractor will also install two new chemical feed tanks in the basement of the Water Filtration Plant. LCA be purchasing these chemical feed tanks for the install as part of this contract.

FINANCIAL:

This Project will be funded by the LCA Allentown Division.

PROJECT STATUS:

The project was advertised for bid on November 15, 2016. A mandatory pre-bid meeting was held on November 29, 2016. Bids were received on January 12, 2017.

THIS APPROVAL – CONSTRUCTION PHASE:

The construction phase includes activities that are necessary to install the new flood pump, raw water magmeter, and chemical feed tanks. The General Contractor will be responsible for all construction activities. The design engineer will be responsible for periodic oversight of the construction, which will be supplemented by in-house project management provided by LCA.

BIDDING SUMMARY:

The project requires a General Construction (GC) Contract. The bid results are summarized below:

Bidder	Base Bid Amount
Zimmerman Environmental	\$221,300
Blooming Glen Contractors WW	\$247,239
JP Environmental, LLC	\$261,500
PSI Pumping Solutions, Inc.	\$276,764
Eastern Environmental Contractors, Inc.	\$302,400

Based upon the review of the bids, we recommend award of the General Construction contract to Zimmerman Environmental subject to the receipt of the necessary Performance Bonds, Insurance and other required documentation. LCA staff has reviewed the supplied references and Zimmerman Environmental is qualified to complete this project.

PROFESSIONAL SERVICES:

D’Huy Engineers has been our design consultant on this project and will provide construction engineering and on-site inspection services for the construction phase of the project. Their work will also include:

1. Prepare for, attend, and facilitate a pre-construction conference
2. Prepare for and attend three job conference meetings
3. Review and approve contractor’s submittals and respond to RFIs
4. Process and necessary change orders
5. Provide limited construction observation
6. Prepare punch list and final project close-out
7. As-built drawing preparation

PROJECT SCHEDULE:

The specifications require the project to be complete by the end of August 2017.

FUTURE AUTHORIZATIONS:

No future authorizations are anticipated for this project.

CAPITAL PROJECT AUTHORIZATION

PROJECT NO.:	AD-W-17-1	BUDGET FUND:	Allentown Div\Water\Capital
PROJECT TITLE:	Allentown Division – Distribution and Collection Stormwater Flood Pump: Construction Phase	PROJECT TYPE:	<input checked="" type="checkbox"/> Construction <input type="checkbox"/> Engineering Study <input type="checkbox"/> Equipment Purchase <input checked="" type="checkbox"/> Amendment No. 1
THIS AUTHORIZATION:	\$329,500		
TO DATE (W/ ABOVE)	\$367,000		

DESCRIPTION AND BENEFITS:

The project generally consists of the installation of a new submersible flood pump at the Allentown Division – Distribution and Collection site. The existing centrifugal flood pump has reached the end of its useful life. In addition, an existing raw water Magmeter will be replaced in the parking lot of the Water Filtration Plant. The contractor will also install two new chemical feed tanks in the basement of the Water Filtration Plant. LCA will be purchasing these chemical feed tanks for the install as part of this contract.

Please see attached Board Memo for further project details.

Authorization Status:

<i>Previous Authorizations</i>	
<i>Design Phase</i>	<i>\$37,500</i>
Requested This Authorization	
Construction Phase	
Staff	\$15,000
Construction Contractor	\$221,300
Engineering Consultant	\$28,200
Miscellaneous	55,000
Contingency	10,000
Total This Authorization	\$329,500
Future Authorizations None Anticipated	
Total Estimated Project	\$367,000

REVIEW AND APPROVALS:

Project Manager	Date	Chief Executive Officer	Date
Chief Capital Works Officer	Date	Chairman	Date



Lehigh County Authority

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**PROFESSIONAL SERVICES AUTHORIZATION
AMENDMENT NO. 2**

Professional: D'HUY ENGINEERING, INC.
One East Broad Street, Suite 310
Bethlehem, PA 18018

Date: January 23, 2017
Requested By: Phil DePoe

Approvals
Department Head: _____
Chief Executive Officer: _____

Allentown Division - Distribution and Collection Stormwater Flood Pump – Construction Administration Phase

D'Huy Engineering, Inc. will assist LCA with construction administration support for the flood pump replacement project.

Previous Authorizations – Design Phase: \$30,500

Professional Services (1)
1. Prepare for, attend, and facilitate a pre-construction conference
2. Prepare for and attend three job conference meetings
3. Review and approve contractor's submittals and respond to RFIs
4. Process and necessary change orders
5. Provide limited construction observation
6. Prepare punch list and final project close-out
7. As-built drawing preparation

(1) For construction administration phase services only.

This Authorization – Design Phase Amendment No. 2: **\$28,200**

This amendment addresses construction administration services that were not specifically accounted for in the original authorizations.

Cost Estimate (not to be exceeded without further authorization): **\$58,700**

Time Table and Completion Deadline: As required to meet various critical deadlines as set forth in the proposal.

(For Authority Use Only)

Authorization Completion:

Approval: _____ **Actual Cost:** _____ **Date:** _____



MEMORANDUM

Date: January 23, 2017

To: Authority Board

From: Phil DePoe

Subject: Lehigh County Authority: Allentown Division – WWTP Security Upgrade

MOTIONS /APPROVALS REQUESTED:

No.	Item	Amount
1	<u>Contract Awards:</u> <ul style="list-style-type: none"> • PA COSTARS Program Supplier: <i>Tyco Integrated Security</i> 	\$68,980.70

PROJECT OVERVIEW:

The Project consists of purchasing electronic door access system hardware and security system hardware for the Allentown Division Kline’s Island Wastewater Treatment Plant. Approximately 20 electronic door access hardware items and approximately 12 security camera items will be purchased under this Contract.

Construction bid documents will be prepared to ensure proper equipment installation by a general/electrical contractor. Tyco Integrated Security (Tyco) will make all final connections to the equipment when appropriate. In addition, Tyco will be responsible for all testing and startup activities for the cameras and door security.

PROJECT STATUS:

Pending Board approval for equipment purchase. This is an Uncompleted Work (UW) project under the Lease Agreement and will be paid by the City.

PROCUREMENT:

The equipment will be purchased by LCA directly through Pennsylvania's cooperative purchasing program, "COSTARS", which is managed by the Department of General Services Bureau of Procurement and is in compliance with all bidding laws. The purchase will ultimately result in the installation of new security equipment at the Kline’s Island Wastewater Treatment Plant.

After negotiations with the equipment manufacturer, the COSTARS price is as follows:

TYCO INTEGRATED SECURITY: \$68,981

We recommend awarding the contract for the purchase of the security equipment through the COSTARS Program to Tyco Integrated Security.

FIELD INSPECTION:

The project will have periodic field inspection by both D'Huy and Plant staff during contractor installation.

SCHEDULE:

Assuming procurement approval at the January 23, 2017 Board meeting, final installation and startup is expected in June of 2017.

FUTURE AUTHORIZATIONS:

Construction phase approval at the 4/10/17 Board Meeting (for the equipment installation by a contractor).



LEHIGH COUNTY AUTHORITY

FINANCIAL REPORT – DECEMBER 2016

FINANCIAL REPORT

DECEMBER 2016

1. SUMMARY

MONTH	City Division			Suburban Division			LCA TOTAL		
	Actual	Forecast	Variance	Actual	Forecast	Variance	Actual	Forecast	Variance
Net Income (Loss)	(436,573)	(809,000)	372,427	(398,143)	(793,000)	394,857	(834,716)	(1,602,000)	767,284
Net Cash Flows	(5,640,669)	(8,906,000)	3,265,331	(924,351)	(829,000)	(95,351)	(6,565,020)	(9,735,000)	3,169,980
YEAR-TO-DATE	Actual	Forecast	Variance	Actual	Forecast	Variance	Actual	Forecast	Variance
Net Income (Loss)	(7,064,046)	(8,797,000)	1,732,954	665,913	(1,571,000)	2,236,913	(6,398,133)	(10,368,000)	3,969,867
Net Cash Flows	(9,407,151)	(12,091,000)	2,683,849	(77,549)	(2,209,000)	2,131,451	(9,484,700)	(14,300,000)	4,815,300
Debt Service Coverage	1.46	1.32	0.14	2.32	1.87	0.45	1.67	1.44	0.23

MONTH

Net income

City had a loss for the month that was better than the forecasted loss.

Suburban also had a loss for the month that was better than the forecast loss.

Cash Flows

City had negative cash flow that was significantly favorable to forecast.

Suburban had negative cash flow that was slightly unfavorable to forecast.

YEAR-TO-DATE

Net income

City had a net loss for the year that was better than the forecasted loss.

Suburban had net income that was significantly favorable to forecast.

Cash Flows

City had a negative cash flow that was significantly favorable to the negative cash flows forecasted

Suburban finished the year with a negative cash flow that was also significantly favorable to the negative cash flows forecasted for the year.

Debt Service Coverage Ratio

City debt service coverage ratio of 1.46 was higher than forecast of 1.32 and higher than indenture target of 1.20.

Suburban was 2.32 compared to forecast of 1.87.

2. MONTH - INCREASE (DECREASE) IN NET POSITION

A. City

	Month				Forecast
	Actual	Forecast	Budget	Prior Yr	Variance
OPERATING REVENUES					
Charges for Service	2,769,514	2,300,000	2,655,335	2,425,708	469,514
Rent	-	-	-	-	-
Other Income	(5,384)	10,000	25,237	12,121	(15,384)
Total Operating Revenues	<u>2,764,130</u>	<u>2,310,000</u>	<u>2,680,572</u>	<u>2,437,829</u>	<u>454,130</u>
OPERATING EXPENSES					
Salaries, Wages, and Benefits	679,165	770,000	625,815	727,298	90,835
General & Administrative	13,279	60,000	45,788	8,568	46,721
Utilities	201,779	160,000	175,400	199,632	(41,779)
Materials & Supplies	310,660	120,000	220,242	367,684	(190,660)
Miscellaneous Services	203,471	206,000	128,840	249,108	2,529
Treatment & Transportation	5,582	-	-	5,742	(5,582)
Depreciation & Amortization	450,000	450,000	450,000	441,114	-
Total Operating Expenses	<u>1,863,936</u>	<u>1,766,000</u>	<u>1,646,085</u>	<u>1,999,146</u>	<u>(97,936)</u>
OPERATING INCOME (LOSS)	<u>900,193</u>	<u>544,000</u>	<u>1,034,487</u>	<u>438,683</u>	<u>356,193</u>
NONOPERATING REVENUES (EXPENSES)					
Tapping and Capital Recovery Fees	54,990	30,000	17,750	1,080	24,990
Meter Sales	489	1,000	1,413	860	(511)
Inspection & Plan Reviews	8,487	3,000	2,250	3,097	5,487
Other Income	26,497	5,000	1,663	4,050	21,497
Other Expense	(125,298)	(96,000)	(200,000)	-	(29,298)
Interest Earnings	13,527	20,000	35,837	285	(6,473)
Interest Expense	(1,315,458)	(1,316,000)	(1,315,462)	(1,001,195)	542
Total Nonoperating Expenses	<u>(1,336,766)</u>	<u>(1,353,000)</u>	<u>(1,456,549)</u>	<u>(991,823)</u>	<u>16,234</u>
INCREASE (DECREASE) IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	<u>(436,573)</u>	<u>(809,000)</u>	<u>(422,062)</u>	<u>(553,140)</u>	<u>372,427</u>
CAPITAL CONTRIBUTIONS					
Capital Grant	-	-	-	-	-
Capital Assets Provided By Developers and Others	-	-	-	-	-
Total Capital Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
INCREASE (DECREASE) IN NET POSITION	<u>(436,573)</u>	<u>(809,000)</u>	<u>(422,062)</u>	<u>(553,140)</u>	<u>372,427</u>

Net income

Reported loss of \$437k is better than the forecasted loss by \$372k. This is driven by combination of higher operating revenues and higher non-operating revenues offset partly by higher operating expenses and higher other expenses

Operating Revenues

Operating revenues were higher than forecast by \$454k on higher customer charges with a small offset from lower other revenues. Customer charges were up to forecast by \$470k on higher revenues in both water and wastewater segments.

Operating expenses

Operating expenses were \$98k unfavorable to forecast with favorable variances on employee costs and G&A more than offset by higher spending on utilities and materials & supplies.

Non-Operating Revenues (Expenses)

Non-operating revenues expenses were higher than forecast by \$16k with higher tapping & capital recovery fees along with higher inspection & plan review fees partially offset by higher other expenses.

B. Suburban

	Month				Forecast
	Actual	Forecast	Budget	Prior Yr	Variance
OPERATING REVENUES					
Charges for Service	2,074,758	1,720,000	2,667,848	1,984,733	354,758
Rent	8,019	15,000	14,917	9,980	(6,981)
Other Income	112,594	-	50,803	127,663	112,594
Total Operating Revenues	2,195,370	1,735,000	2,733,568	2,122,376	460,370
OPERATING EXPENSES					
Salaries, Wages, and Benefits	220,517	220,000	183,983	201,982	(517)
General & Administrative	2,043	50,000	19,525	3,319	47,957
Utilities	93,597	70,000	64,263	54,914	(23,597)
Materials & Supplies	192,582	91,000	280,611	455,443	(101,582)
Miscellaneous Services	800,546	855,000	666,386	896,914	54,454
Treatment & Transportation	905,948	550,000	408,942	442,446	(355,948)
Depreciation & Amortization	572,918	573,000	572,925	591,210	82
Total Operating Expenses	2,788,151	2,409,000	2,196,635	2,646,229	(379,151)
OPERATING INCOME (LOSS)	(592,780)	(674,000)	536,933	(523,853)	81,220
NONOPERATING REVENUES (EXPENSES)					
Tapping and Capital Recovery Fees	255,312	60,000	112,415	109,919	195,312
Meter Sales	4,005	10,000	6,250	5,701	(5,995)
Inspection & Plan Reviews	15,056	5,000	8,000	25,125	10,056
Other Income	20,545	(95,000)	462	2,680	115,545
Other Expense	(219)	-	(587)	(1,347)	(219)
Interest Earnings	6,506	6,000	3,154	9,513	506
Interest Expense	(106,569)	(105,000)	(139,071)	(109,709)	(1,569)
Total Nonoperating Expenses	194,637	(119,000)	(9,377)	41,882	313,637
INCREASE (DECREASE) IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	(398,143)	(793,000)	527,556	(481,972)	394,857
CAPITAL CONTRIBUTIONS					
Capital Grant	-	-	75,000	-	-
Capital Assets Provided By Developers and Others	-	-	-	-	-
Total Capital Contributions	-	-	75,000	-	-
INCREASE (DECREASE) IN NET POSITION	(398,143)	(793,000)	602,556	(481,972)	394,857

Net income

Reported loss of \$398k was better than the forecasted loss by \$395k driven by higher operating revenues and higher non-operating revenues to compensate for higher operating expenses.

Operating Revenues

Operating revenues were up to forecast by \$460k on higher customer charges and higher other revenues. Customer charges were up with water up along with higher wastewater revenues from the Western Lehigh Interceptor.

Operating Expenses

Operating expenses were \$379k higher than forecast due to higher spending on utilities, materials & supplies, and treatment & transportation.

Non-Operating Revenues (Expenses)

Non-operating revenues (expenses) were unfavorable to forecast by \$3145k due to higher capital recovery fees and higher other revenues.

3. MONTH – NET CASH FLOWS

A. City

	Month				Forecast
	Actual	Forecast	Budget	Prior Year	Variance
Increase (Decrease) in Net position	(436,573)	(809,000)	(422,062)	(553,140)	372,427
Depreciation (non-cash)	450,000	450,000	450,000	441,114	-
Non-Cash Interest expenses	(5,208,403)	(8,304,000)	(5,208,399)	(5,522,666)	3,095,597
Expenses from Capital Projects	125,298	96,000	200,000	-	29,298
Cash generated by Operations	(5,069,677)	(8,567,000)	(4,980,461)	(5,634,692)	-
Capex spending	(570,991)	(339,000)	(1,391,425)	(2,546,206)	(231,991)
Principal Payments	-	-	-	-	-
Concession Lease Payment	-	-	-	-	-
NET CASH FLOWS	(5,640,669)	(8,906,000)	(6,371,886)	(8,180,897)	3,265,331

Cash flows was negative as interest payments exceeded cash generated by operations but was favorable to forecast due to lower interest payments.

B. Suburban

	Month				Forecast
	Actual	Forecast	Budget	Prior Year	Variance
Increase (Decrease) in Net position	(398,143)	(793,000)	602,556	(481,972)	394,857
Depreciation (non-cash)	572,918	573,000	572,925	591,210	(82)
Non-Cash Interest Expenses	82,070	185,000	119,000	(390,291)	(102,930)
Cash generated by Operations	256,845	(35,000)	1,294,481	(281,052)	291,845
Capex spending	(1,111,994)	(725,000)	(998,023)	(879,771)	(386,994)
Principal Payments	(69,202)	(69,000)	(69,000)	(210,467)	(202)
NET CASH FLOWS	(924,351)	(829,000)	227,459	(1,371,291)	(95,351)

Cash flow was negative as capital spending exceeded cash generated by operations and cash flow was worse than forecast by \$95k as cash generated by operations was significantly more than offset by higher capex.

4. YTD – INCREASE (DECREASE) IN NET POSITION

A. City

	YTD				Forecast
	Actual	Forecast	Budget	Prior Yr	Variance
OPERATING REVENUES					
Charges for Service	31,765,122	30,390,000	31,529,219	26,878,499	1,375,122
Rent	-	-	-	-	-
Other Income	333,256	313,000	302,800	85,530	20,256
Total Operating Revenues	<u>32,098,378</u>	<u>30,703,000</u>	<u>31,832,019</u>	<u>26,964,029</u>	<u>1,395,378</u>
OPERATING EXPENSES					
Salaries, Wages, and Benefits	8,546,314	8,791,000	8,135,511	8,512,151	244,686
General & Administrative	526,389	672,000	549,423	475,346	145,611
Utilities	1,927,153	1,966,000	2,104,778	2,026,621	38,847
Materials & Supplies	2,060,055	1,830,000	2,614,251	2,262,230	(230,055)
Miscellaneous Services	2,484,693	2,422,000	1,545,948	2,273,315	(62,693)
Treatment & Transportation	11,011	5,000	-	11,043	(6,011)
Depreciation & Amortization	5,400,000	5,400,000	5,400,000	5,293,368	-
Total Operating Expenses	<u>20,955,614</u>	<u>21,086,000</u>	<u>20,349,911</u>	<u>20,854,074</u>	<u>130,386</u>
OPERATING INCOME (LOSS)	<u>11,142,764</u>	<u>9,617,000</u>	<u>11,482,108</u>	<u>6,109,955</u>	<u>1,525,764</u>
NONOPERATING REVENUES (EXPENSES)					
Tapping and Capital Recovery Fees	511,479	428,000	213,000	250,500	83,479
Meter Sales	13,769	14,000	17,000	13,272	(231)
Inspection & Plan Reviews	38,559	36,000	27,000	32,326	2,559
Other Income	75,736	56,000	20,000	39,930	19,736
Other Expense	(3,458,236)	(3,427,000)	(3,639,000)	7,800	(31,236)
Interest Earnings	397,378	264,000	430,000	573,162	133,378
Interest Expense	(15,785,496)	(15,785,000)	(15,785,500)	(12,014,340)	(496)
Total Nonoperating Expenses	<u>(18,206,810)</u>	<u>(18,414,000)</u>	<u>(18,717,500)</u>	<u>(11,097,350)</u>	<u>207,190</u>
INCREASE (DECREASE) IN NET POSITION					
BEFORE CAPITAL CONTRIBUTIONS	<u>(7,064,046)</u>	<u>(8,797,000)</u>	<u>(7,235,392)</u>	<u>(4,987,395)</u>	<u>1,732,954</u>
CAPITAL CONTRIBUTIONS					
Capital Grant	-	-	-	-	-
Capital Assets Provided By Developers and Others	-	-	-	-	-
Total Capital Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
INCREASE (DECREASE) IN NET POSITION	<u>(7,064,046)</u>	<u>(8,797,000)</u>	<u>(7,235,392)</u>	<u>(4,987,395)</u>	<u>1,732,954</u>

Net income

Net income was higher than forecast by \$1.7m from higher operating revenues, lower operating expenses, and higher non-operating revenues.

Operating Revenues

Operating revenues were higher than forecast by \$1.4m due, mainly, to higher customer charges. Customer charges are up to forecast with Water up on higher residential and industrial revenues and wastewater up on higher residential and signatory charges.

Operating Expenses

Operating expenses were lower than forecast by \$130k with lower employee costs, lower G&A expenses, and lower utilities costs offset some by higher supplies and services.

Non-Operating Revenues (Expenses)

Non-Operating revenues (expenses) were better than forecast by \$207k driven by higher tapping fees and higher interest earnings from investment rollovers.

B. Suburban

	YTD				Forecast Variance
	Actual	Forecast	Budget	Prior Yr	
OPERATING REVENUES					
Charges for Service	26,600,711	24,890,000	24,301,607	25,887,732	1,710,711
Rent	99,687	120,000	179,004	126,340	(20,313)
Other Income	416,113	187,000	609,592	626,997	229,113
Total Operating Revenues	<u>27,116,511</u>	<u>25,197,000</u>	<u>25,090,203</u>	<u>26,641,068</u>	<u>1,919,511</u>
OPERATING EXPENSES					
Salaries, Wages, and Benefits	2,734,952	2,752,000	2,391,800	2,493,981	17,048
General & Administrative	215,539	354,000	234,355	216,475	138,461
Utilities	745,226	733,000	771,112	707,034	(12,226)
Materials & Supplies	1,218,745	1,052,000	2,029,591	2,007,899	(166,745)
Miscellaneous Services	8,683,916	9,232,000	7,996,599	7,503,653	548,084
Treatment & Transportation	6,790,533	6,405,000	5,331,851	5,352,600	(385,533)
Depreciation & Amortization	6,882,843	6,883,000	6,875,111	7,094,520	157
Total Operating Expenses	<u>27,271,754</u>	<u>27,411,000</u>	<u>25,630,419</u>	<u>25,376,162</u>	<u>139,246</u>
OPERATING INCOME (LOSS)	<u>(155,243)</u>	<u>(2,214,000)</u>	<u>(540,216)</u>	<u>1,264,906</u>	<u>2,058,757</u>
NONOPERATING REVENUES (EXPENSES)					
Tapping and Capital Recovery Fees	2,118,529	1,590,000	1,348,980	2,023,185	528,529
Meter Sales	156,365	160,000	75,000	88,926	(3,635)
Inspection & Plan Reviews	86,947	85,000	96,000	189,347	1,947
Other Income	137,987	2,000	5,500	41,561	135,987
Other Expense	(6,706)	(6,000)	(7,000)	(86,078)	(706)
Interest Earnings	67,822	68,000	37,826	44,556	(178)
Interest Expense	(1,739,787)	(1,256,000)	(1,668,907)	(1,360,119)	(483,787)
Total Nonoperating Expenses	<u>821,157</u>	<u>643,000</u>	<u>(112,601)</u>	<u>941,378</u>	<u>178,157</u>
INCREASE (DECREASE) IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	<u>665,913</u>	<u>(1,571,000)</u>	<u>(652,817)</u>	<u>2,206,284</u>	<u>2,236,913</u>
CAPITAL CONTRIBUTIONS					
Capital Grant	-	-	75,000	-	-
Capital Assets Provided By Developers and Others	-	-	-	-	-
Total Capital Contributions	<u>-</u>	<u>-</u>	<u>75,000</u>	<u>-</u>	<u>-</u>
INCREASE (DECREASE) IN NET POSITION	<u>665,913</u>	<u>(1,571,000)</u>	<u>(577,817)</u>	<u>2,206,284</u>	<u>2,236,913</u>

Net income

Net income was higher by \$2.2m on higher operating revenues and lower operating expenses which more than offset higher interest expense.

Operating Revenues

Operating revenues were higher than forecast by \$1.9m driven by higher customer charges coming from higher water charges and higher Western Lehigh Interceptor charges.

Operating Expenses

Operating expenses were lower than forecast by \$139k with favorable variances pretty much across most of the categories except for materials & supplies and treatment & transportation.

Non-Operating Revenues (Expenses)

Non-operating revenues (expenses) were \$178k favorable to forecast with higher capital recovery fees partially offset by higher interest expense.

5. YTD – NET CASH FLOWS

A. City

	YTD				Forecast
	Actual	Forecast	Budget	Prior Yr	Variance
Increase (Decrease) in Net position	(7,064,046)	(8,797,000)	(7,235,392)	(4,987,395)	1,732,954
Depreciation (non-cash)	5,400,000	5,400,000	5,400,000	5,293,368	-
Non-Cash Interest expenses	2,737,774	(359,000)	2,737,778	(1,033,382)	3,096,774
Expenses from Capital Projects	3,449,396	3,420,000	3,639,000	-	29,396
Cash generated by Operations	4,523,124	(336,000)	4,541,386	(727,409)	4,859,124
Capex spending	(13,430,275)	(11,255,000)	(16,697,100)	(10,025,172)	(2,175,275)
Principal Payments	-	-	-	-	-
Annual Payment	(500,000)	(500,000)	(500,000)	-	-
NET CASH FLOWS	(9,407,151)	(12,091,000)	(12,655,714)	(10,752,581)	2,683,849

Cash flow is negative from capital spending exceeding cash from operations but is better to forecast by \$2.6m from higher cash from higher cash generated by operations despite higher capital spending.

B. Suburban

	YTD				Forecast
	Actual	Forecast	Budget	Prior Yr	Variance
Increase (Decrease) in Net position	665,913	(1,571,000)	(577,817)	2,206,284	2,236,913
Depreciation (non-cash)	6,882,843	6,883,000	6,875,111	7,094,520	(157)
Non-Cash Interest expenses	517,535	138,000	450,964	360,119	379,535
Cash generated by Operations	8,066,292	5,450,000	6,748,258	9,660,923	2,616,292
Capex spending	(5,885,344)	(5,401,000)	(11,976,270)	(3,629,427)	(484,344)
Principal Payments	(2,258,497)	(2,258,000)	(2,258,000)	(2,373,545)	(497)
Annual Payment	-	-	-	-	-
NET CASH FLOWS	(77,549)	(2,209,000)	(7,486,012)	3,657,951	2,131,451

Cash flow was negative as cash flow and debt service exceeded cash from operations, but was significantly favorable to forecast on higher cash generated by operations with a partial offset from higher capital spending.

6. FULL YEAR FORECAST

We have reported results for December 2016. These results are subject to a financial audit that will take place throughout the first four months of year 2017. This audit can result in further changes to the results. While nothing major is anticipated, they may change somewhat.

Highlights for 2016 are as follows:

City

Net income – better than forecast and better than budget

Cash flows – better than forecast and better than budget

Debt service coverage ratio – actual of 1.46 is better than forecast of 1.32, in line with budget of 1.46 and better than indenture target of 1.20

Suburban

Net income – better than forecast and better than budget

Cash flows – better than forecast and better than budget

Debt service coverage ration – actual of 2.32 is better than forecast of 1.87 and better than budget of 2.26

Final financial results for 2016 will be provided when the audit is complete and financial statements are prepared.

7. FINANCIAL STATEMENTS

A. City

LEHIGH COUNTY AUTHORITY STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION CITY DIVISION	Dec-2016		2016 YTD		Annual Budget	Month Variance to		YTD Variance to					
	Actual	Budget	Forecast	Budget		Forecast	Budget	Forecast	Budget	Forecast			
	Prior Yr				Prior Yr				Prior Yr				
OPERATING REVENUES													
Changes for Service	2,769,514	2,300,000	2,655,335	3,152,919	31,529,219	469,514	114,179	343,806	1,375,122	235,903	4,686,623		
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	(5,384)	10,000	25,237	302,800	302,800	(15,384)	(30,621)	(17,506)	20,256	30,466	247,726		
Total Operating Income	2,764,130	2,310,000	2,680,572	31,832,019	31,832,019	454,130	83,558	326,301	1,395,378	266,369	5,134,349		
OPERATING EXPENSES													
Salaries, Wages, and Benefits	679,165	770,000	625,615	8,791,000	8,512,151	90,835	(53,350)	48,132	244,666	(410,303)	(34,163)		
General & Administrative	13,279	60,000	45,788	549,423	549,423	549,423	475,346	(4,711)	145,611	23,034	(51,043)		
Utilities	201,779	160,000	175,400	1,966,000	2,026,621	1,927,153	2,104,776	(2,147)	38,847	177,625	99,468		
Materials & Supplies	310,660	120,000	220,242	1,830,000	2,262,230	2,060,055	2,614,251	(90,418)	(230,055)	554,196	202,176		
Miscellaneous Services	203,471	206,000	128,840	2,422,000	1,545,948	2,484,693	2,273,315	74,631	(62,693)	(938,745)	(21,378)		
Treatment & Transportation	5,592	-	-	5,000	11,043	11,011	5,000	(8,886)	(6,011)	(11,011)	32		
Depreciation & Amortization	450,000	450,000	450,000	5,400,000	5,293,368	5,400,000	5,293,368	-	-	-	(106,632)		
Total Operating Expenses	1,863,936	1,766,000	1,646,085	20,349,911	20,349,911	20,955,614	21,086,000	(217,851)	130,366	(605,703)	(101,540)		
OPERATING INCOME (LOSS)	900,193	544,000	1,034,487	11,482,108	11,482,108	11,442,764	9,617,000	(134,294)	1,525,764	(339,344)	5,032,808		
NONOPERATING REVENUES (EXPENSES)													
Tapping and Capital Recovery Fees	54,990	30,000	17,750	213,000	290,500	511,479	428,000	213,000	213,000	298,479	260,979		
Meter Sales	489	1,000	1,413	14,000	13,272	13,769	14,000	(371)	(231)	(3,231)	487		
Inspection & Plan Reviews	8,487	3,000	2,250	3,037	32,226	38,559	36,000	27,000	2,559	11,559	6,233		
Other Income	26,497	5,000	1,663	4,030	39,930	75,736	56,000	20,000	21,497	19,736	55,736		
Other Expense	(125,298)	(96,000)	(200,000)	(3,639,000)	7,900	(3,458,236)	(3,427,000)	(3,639,000)	(29,288)	(31,296)	(3,466,036)		
Interest Earnings	13,527	20,000	35,637	284,000	573,162	397,378	284,000	430,000	133,378	(32,622)	(175,783)		
Interest Expense	(1,315,458)	(1,316,000)	(1,315,462)	(15,785,000)	(12,014,340)	(15,785,496)	(15,785,500)	(6,473)	(496)	4	(3,771,156)		
Total Nonoperating Expenses	(1,336,766)	(1,353,000)	(1,455,549)	(18,414,000)	(11,097,350)	(18,206,810)	(18,414,000)	(19,793)	207,190	510,890	(7,109,460)		
INCREASE (DECREASE) IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	(436,573)	(809,000)	(422,062)	(7,235,392)	(4,987,395)	(7,064,046)	(8,797,000)	(14,511)	1,732,954	171,346	(2,076,651)		
CAPITAL CONTRIBUTIONS													
Capital Grant	-	-	-	-	-	-	-	-	-	-	-		
Capital Assets Provided By Developers and Others	-	-	-	-	-	-	-	-	-	-	-		
Total Capital Contributions	-	-	-	-	-	-	-	-	-	-	-		
INCREASE (DECREASE) IN NET POSITION	(436,573)	(809,000)	(422,062)	(7,235,392)	(4,987,395)	(7,064,046)	(8,797,000)	(14,511)	1,732,954	171,346	(2,076,651)		

B. Suburban

LEHIGH COUNTY AUTHORITY STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION SUBURBAN DIVISION															
	Dec-2016			2016 YTD			Annual Budget	Month Variance to			YTD Variance to				
	Actual	Forecast	Budget	Prior Yr	Actual	Forecast		Budget	Forecast	Budget	Prior Yr	Forecast	Budget		
OPERATING REVENUES															
Changes for Service	2,074,758	1,720,000	2,667,848	1,984,733	26,600,711	24,890,000	24,301,607	25,887,732	24,301,607	354,758	(693,090)	90,025	1,710,711	2,298,104	712,980
Rent	8,019	15,000	14,917	9,980	99,887	120,000	179,004	126,340	179,004	(6,981)	(6,898)	(1,961)	(20,313)	(79,317)	(26,663)
Other Income	112,594	-	50,803	127,663	416,113	187,000	609,592	626,997	609,592	112,594	61,791	(15,070)	229,113	(193,479)	(210,894)
Total Operating Income	2,195,370	1,735,000	2,733,568	2,122,376	27,116,511	25,197,000	25,090,203	26,614,068	25,090,203	460,370	(539,198)	72,994	1,919,511	2,026,308	475,443
OPERATING EXPENSES															
Salaries, Wages, and Benefits	220,517	220,000	183,983	201,982	2,734,952	2,752,000	2,391,800	2,493,981	2,391,801	(517)	(36,534)	(18,535)	17,048	(643,152)	(240,972)
General & Administrative	2,043	50,000	19,525	3,319	215,539	354,000	234,355	216,475	234,354	47,957	(17,482)	1,277	138,461	18,816	935
Utilities	93,597	70,000	64,263	54,914	745,226	733,000	771,112	707,034	771,112	(23,597)	(29,334)	(38,682)	(12,226)	25,886	(38,192)
Materials & Supplies	192,582	91,000	280,611	455,443	1,218,745	1,022,000	2,029,591	2,007,899	2,029,590	(101,582)	88,029	262,861	(166,745)	810,846	789,155
Miscellaneous Services	800,546	855,000	666,386	896,914	8,683,916	9,232,000	7,906,599	7,503,653	7,906,600	54,454	(134,180)	96,368	546,094	(687,317)	(1,180,263)
Treatment & Transportation	915,948	550,000	408,942	442,446	6,790,533	6,405,000	5,331,851	5,352,600	5,331,851	(355,948)	(497,006)	(463,502)	(385,533)	(1,456,682)	(1,437,932)
Depreciation & Amortization	572,918	573,000	572,925	591,210	6,882,843	6,883,000	6,875,111	7,094,520	6,875,111	82	7	(18,292)	157	(7,732)	211,677
Total Operating Expenses	2,788,151	2,409,000	2,196,635	2,646,229	27,271,754	27,411,000	25,630,419	25,376,162	25,630,419	(979,151)	(591,516)	(141,922)	139,246	(1,641,335)	(1,855,582)
OPERATING INCOME (LOSS)	(592,780)	(674,000)	536,933	(523,853)	(155,243)	(2,214,000)	(540,216)	1,264,906	(540,216)	81,220	(1,129,713)	(68,927)	2,058,757	384,973	(1,420,149)
NONOPERATING REVENUES (EXPENSES)															
Tapping and Capital Recovery Fees	255,312	60,000	112,415	109,919	2,118,529	1,580,000	1,348,980	2,023,185	1,348,980	195,312	142,887	145,393	528,529	769,549	95,344
Meter Sales	4,005	10,000	6,250	5,701	158,365	160,000	75,000	88,926	75,000	(5,985)	(2,245)	(1,686)	(3,635)	81,365	67,439
Inspection & Plan Reviews	15,056	5,000	8,000	25,125	86,947	85,000	96,000	189,347	96,000	10,056	7,056	(10,069)	1,947	(9,053)	(102,400)
Other Income	20,545	(95,000)	462	2,680	137,987	2,000	5,500	41,561	5,500	115,545	20,083	17,865	135,987	132,487	96,426
Other Expense	(219)	-	(587)	(1,347)	(6,706)	(6,000)	(7,000)	(86,078)	(7,000)	(219)	368	1,129	(706)	294	79,372
Interest Earnings	6,506	6,000	3,154	9,513	67,822	68,000	37,826	44,556	37,826	506	3,332	(3,007)	(178)	29,996	23,266
Interest Expense	(106,569)	(105,000)	(139,071)	(109,709)	(1,739,787)	(1,255,000)	(1,868,907)	(1,360,119)	(1,868,907)	(1,569)	32,502	3,140	(483,787)	(70,880)	(379,668)
Total Nonoperating Expenses	194,637	(119,000)	(9,377)	41,882	821,157	643,000	(112,601)	941,378	(112,601)	313,637	204,014	152,796	178,157	933,798	(120,221)
INCREASE (DECREASE) IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS	(398,143)	(783,000)	527,556	(481,972)	666,913	(1,571,000)	(652,817)	2,206,284	(652,817)	394,857	(925,699)	83,828	2,236,913	1,318,730	(1,540,370)
CAPITAL CONTRIBUTIONS															
Capital Grant	-	-	75,000	-	-	-	75,000	-	75,000	-	(75,000)	-	-	(75,000)	-
Capital Assets Provided By Developers and Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Contributions	-	-	75,000	-	-	-	75,000	-	75,000	-	(75,000)	-	-	(75,000)	-
INCREASE (DECREASE) IN NET POSITION	(398,143)	(783,000)	602,556	(481,972)	666,913	(1,571,000)	(577,817)	2,206,284	(577,817)	394,857	(1,000,699)	83,828	2,236,913	1,243,730	(1,540,370)

Lehigh County Authority

System Operations Review - December 2016

Presented: January 23, 2017

<u>Critical Activities</u>	<u>System</u>	<u>Description</u>	<u>Dec-17</u>	<u>2016-to-Date</u>	<u>2015 Totals</u>	<u>Permit</u>
			<u>Daily Avg (MGD)</u>	<u>Daily Avg (MGD)</u>	<u>Daily Avg (MGD)</u>	<u>Daily Max (MGD)</u>
Water Production	Allentown	Total	19.39	20.41	19.99	39.0
		Schantz Spring	5.57	5.91	6.16	9.0
		Crystal Spring	3.84	3.86	3.88	4.0
		Little Lehigh Creek	9.92	10.46	9.85	30.0
		Lehigh River	0.06	0.18	0.10	28.0
	Central Lehigh	Total	8.75	9.27	9.08	19.04 MGD Avg
		Feed from Allentown	6.10	5.99	4.95	6.0 MGD Avg 10.5 MGD Max
		Well Production (CLD)	2.65	3.28	4.13	8.54 MGD Avg
		Sum of all (12) other Suburban Water Systems	0.16	0.19	0.17	1.71 Sum of all wells
Wastewater Treatment	Kline's Island	28.95	29.67	30.44	40.0	
	Pretreatment Plant	4.06	4.33	4.34	5.75 (design capacity)	
	Sum of all (5) other Suburban WW Systems	0.21	0.17	0.21	0.36	
			<u>Dec-17</u>	<u>2016-to-Date</u>	<u>2015 Totals</u>	
Precipitation Totals (inches)			2.43	36.82	40.24	
Compliance Reports Submitted to Allentown			18	269	246	
Notices of Violation (NOVs)	(Allentown + Suburban)		0	3	3	
Sanitary Sewer Overflows (SSOs)/Bypasses	(Allentown + Suburban)		1	16	13	
Main Breaks Repaired	Allentown		2	19	29	
	Suburban		0	11	12	
Customer Service Phone Inquiries	(Allentown + Suburban)		1,991	28,099	35,983	
Water Shutoffs for Non-Payment	(Allentown + Suburban)		172	1,685	1,844	
Injury Accidents	(Allentown + Suburban)		2	10	9	
Emergency Declarations	Allentown		(1) @ \$59,400	(2) @ \$87,079		
	Suburban		0	(1) @ \$33,495		

Significant Repairs:

After a few small delays, the secondary digester cover at KIWWTP is expected to be completed in early February. The construction at Arcadia WWTP to address cold weather treatment is in the final stages of punch list items. The drive for FST #5 at KIWWTP has been ordered and installation is expected by mid-summer.

Description of NOVs and/or SSOs:

There were no NOVs for either division in December. There was a single SSO in Lower Macungie Township on 12/14/2016 that resulted from a contractor's cable that was lost but not reported. A blockage developed into an SSO. LCA will be billing the contractor for Time and Materials relating to the SSO.

Other Highlights:

Lehigh County and (7) other PA counties continue to remain in Drought Warning status. Drought Watches are still in effect for (26) other PA counties. Current status of LCA ground water and surface water supplies are being checked routinely, as are local monitoring wells. Weekly and monthly reports are being posted on the LCA website.