



BOARD MEETING AGENDA – May 21, 2018

1. Call to Order

- NOTICE OF MEETING RECORDINGS

Meetings of Lehigh County Authority's Board of Directors that are held at LCA's Main Office at 1053 Spruce Road, Wescosville, PA, may be recorded for viewing online at lehighcountauthority.org. Recordings of LCA meetings are for public convenience and internal use only and are not considered as minutes for the meeting being recorded, nor are they part of public record. Recordings may be retained or destroyed at LCA's discretion.

- *Public Participation Sign-In Request*

2. Review of Agenda / Executive Sessions

3. Approval of Minutes

- *April 23, 2018 Board meeting minutes*
- *May 14, 2018 Board meeting minutes*

4. Public Comments

5. Action / Discussion Items:

FINANCE AND ADMINISTRATION

- *LCA Billing Procedures – Allentown Division – Adoption of Monthly Billing (salmon)*

WATER

WASTEWATER

6. Monthly Project Updates / Information Items (1st Board meeting per month) – **May 2018 report attached**

7. Monthly Financial Review (2nd Board meeting per month) – **April 2018 report attached**

8. Monthly System Operations Overview (2nd Board meeting per month) – **April 2018 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.

June 11, 2018

June 25, 2018

July 9, 2018

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

April 23, 2018

The Regular Meeting of the Lehigh County Authority was called to order at 12:00 p.m. on Monday, April 23, 2018, Chairman Brian Nagle presiding. Other Members present at the commencement of the meeting were: Linda Rosenfeld, Jeff Morgan, Richard Bohner, Norma Cusick, and Deana Zosky. Authority Staff present were Liesel Gross, Ed Klein, Chuck Volk, Chris Moughan, Susan Sampson, John Parsons, Phil DePoe, Jennifer Montero and Lisa Miller.

REVIEW OF AGENDA

Chairman Nagle announced that today's Board meeting is being videotaped and streaming live and recordings will be posted to the Authority's website.

Liesel Gross noted there will be an Executive Session at the end of the regular agenda to discuss potential litigation. The order of the agenda will be rearranged to have the presentation regarding the Allentown Water/Sewer System Financial Evaluation last under Action/Discussion Items due to the expected length of the discussion.

Chairman Nagle announced that the Board received their packets of meeting information prior to the meeting.

APPROVAL OF MINUTES

April 9, 2018 Regular Meeting Minutes

Richard Bohner and Chairman Nagle suggested minor corrections to the April 9, 2018 minutes.

Scott Bieber arrived at 12:03 p.m.

Liesel Gross clarified the motion regarding the Allentown Division – Water Filtration Plant: Roof Replacement Phase II project. A vote was taken but a motion had not been made; therefore, a motion needs to be made to complete the approval. Scott Bieber made a motion, seconded by Norma Cusick, to approve the Capital Project Authorization for the Construction Phase in the amount of \$356,325.00 which includes the Professional Services Authorization to D'Huy Engineering in the amount of \$21,400.00 and the General Contract Award to Alan Kunsman Roofing in the amount of \$309,925.00. Approval followed (7-0).

On a motion by Richard Bohner, seconded by Linda Rosenfeld, the Board approved the Minutes of the April 9, 2018 meeting as corrected (7-0).

PUBLIC COMMENTS

Kevin Harwick of Budget Storage and Lock, was present to inform the Board about a matter regarding a negative remark made while inquiring about his billing and a fire hydrant on his property. He said the situation has not been taken care of to his satisfaction. Mr. Harwick also inquired about a fire hydrant on his property and asked what he gets for the money he pays for this hydrant. Liesel Gross responded by asking Mr. Harwick for an accurate address so that a response can be delivered to him since the one that was sent to him was returned undeliverable. Ms. Gross explained that on the public fire hydrants, they are being maintained according to maintenance specifications and flushing guidelines according to operating standards. The service that he is being billed for is a capacity charge to provide private fire service protection to the property. Because it is a private fire

hydrant, the Authority does not own the fire hydrant, so maintenance is the responsibility of the owner. Mr. Harwick would like information on how to abandon the hydrant. Chairman Nagle stated that he would have Staff provide him with that information.

Robert Hamill of Lower Macungie Township, was present and read a letter that he addressed to the County Commissioners regarding the Authority's finances and charter extension.

Ted Lyons was present on the conference phone at 12:17 p.m.

Joe Hilliard of Allentown commented that he received only a partial answer to his Right-To-Know form that he handed to the Board at the April 9 meeting. He also commented on the Authority's finances stating that the Authority does not have a sense of urgency in addressing its deficiencies.

Dave Parsons of Orefield was present stating that the Board meeting was not advertised according to the Sunshine Law and he could not find the information anywhere. He also stated that there was no notification to residents regarding a recent boil alert in his neighborhood. Liesel Gross replied that meeting information is on the Authority's website and the meetings are advertised as required. As far as the boil alert, the Authority follows current state regulations for public notification and contacts as many residents as possible through the phone system and using the information provided by the residents. Additional outreach is required to identify phone numbers for some customers to improve response.

Deana Zosky commented to Mr. Hilliard's comments stating that she has always felt a sense of urgency both as it relates to the Authority's financials. Ms. Zosky stated her job is not to ask why the poor financial conditions exist from prior decisions that were made, but rather to find a way to resolve it to support future financial sustainability for the organization. Chairman Nagle stated the Board is fully aware of the urgency and has been addressing it and will continue to address it.

ACTION AND DISCUSSION ITEMS

Muhlenberg College Student Presentation – Senior Business Project

Liesel Gross thanked Phil DePoe as liaison for the project and introduced Colin Gavigan, Matt Musilli, and Mickey Schindler from Muhlenberg College who gave a presentation on dealing with Project Prioritization in an effective and efficient manner. The students developed a tool using a matrix that ranks the projects relative to each other and looks at them across the board. The tool is easy to use and adaptable for all types of projects and scenarios throughout the organization using key encompassing issues, such as cost of project, which will then be added up to 100 points using an assigned point value. Assigning point values will be given more specific instruction in a few weeks when delivered to LCA. The Board thanked the students for choosing the Authority for their project.

Suburban Division Mechanical Asset Management Upgrades – Design Phase Authorization

Chuck Volk explained the next phase of the Asset Management Upgrades project. As part of the project, some pumps, valves, and piping will be replaced at some Suburban Division facilities. Also part of the project is to perform inspections of the hydropneumatic tanks. Mr. Volk is asking for approval of the Capital Project Authorization for the Design & Bid Phase in the amount of \$112,600.00 which includes the Professional Services Authorization for the Design & Bid Phase to D'Huy Engineering, Inc. in the amount of \$87,600.00.

The project includes all the components at the water and wastewater facilities that have the highest risk rating through the asset management program.

On a motion by Norma Cusick, seconded by Scott Bieber, the Board approved the Capital Project Authorization for the Design & Bid Phase in the amount of \$112,600.00 which includes the Professional Services Authorization for the Design & Bid Phase to D'Huy Engineering, Inc. in the amount of \$87,600.00 (8-0).

Allentown Water / Sewer System Lease Financial Evaluation

Liesel Gross gave a brief overview of the presentation. Present were Joe Nattress and Dave Green from Jacobs, Rocky Craley from Raffelis, Joe Mason from Davenport, and Diana Heimbach the plant manager at the pretreatment plant, also with Jacobs.

Joe Nattress from Jacobs thanked the Authority staff for working with the group on the evaluation and also gave a Safety Moment regarding reverse parking. Mr. Nattress provided a PowerPoint presentation and gave an overview of the study reviewing key issues. The financial model developed through this project is extremely detailed and incorporates many features about how the system actually operates, improving reliability of Authority forecasts. The goal of the evaluation project is to provide analysis of key issues and develop recommendations to move forward on a financially sustainable path for the City Division. Through this evaluation, three critical issues were discovered to be primary drivers for the Authority's financial stability: debt management, capital improvements cost and planning, and revenue sustainability. The remainder of the presentation focused on these three elements and included recommendations. Primary recommendations presented by Jacobs included immediate efforts to refinance the Authority's 2013C bond issue, more detailed prioritization and capital improvements phasing to limit the need for future borrowing, and implementation of the monthly billing schedule and rates provided in the lease to immediately improve cash flows.

Deana Zosky questioned how to balance affordability to the customer and if there is flexibility in the model. Rocky Craley explained that what may be affordable for the customer may not be best benefit for the utility or the customer base as a whole. For example, the refinancing of debt may lower annual costs, but will cost more over the life of lease, which diminishes the Authority's ability to complete capital improvements.

Liesel Gross explained that the study included about 20 additional smaller revenue enhancements and methods to reduce operational costs. While they do not individually provide significant benefit on their own, they will all be reviewed and implemented if possible to collectively improve financial performance.

Deana Zosky thanked everyone for their work on the financial model commenting that monthly billing should have been done years ago and favors the scenario that maximizes all the recommendations presented, with the issuance of new debt being a last resort. Ms. Zosky asked how the Board can move forward with monthly billing and what the next procedural step should be. Liesel Gross explained that a public input meeting will be held in the evening in Allentown in May to give the public an opportunity to provide feedback. The Board will then make a decision at either the May 21 or June 11 meeting. As far as the refinancing of the 2013C Bond, this needs to be addressed immediately with the assistance of a financial advisor.

Deana Zosky commented that the Authority should also be utilizing the modeling for rates in all divisions all at one time; not piecemealing it. Liesel Gross explained the process and intricacies that are different from the city division and suburban division and using the model will take some time for the Suburban Division due to the variety of contractual and municipal obligations involved.

Joe Hilliard commented on the modeling tool and capital expense assumptions for new development, and suggested the Authority should look at every single option to improve financial

performance. Joe Nattress explained that Authority staff is committed to looking at each operational expense and revenue enhancement opportunity studied as part of this project. Ms. Gross added that projects that are related to specific development are paid for by the developer and the municipal service agreements also dictate how expansion of the treatment facilities are handled from a cost-sharing perspective.

Robert Hamill commented on assumptions made in the model regarding interest on new debt, stating the high interest rate indicates the new bonds would be junk status, and he asked questions regarding the employee pension program. Mr. Green explained that the interest rate used in the financial model for new debt was higher than what the Authority current pays and was put into the model this way to be conservative based on unknown future interest rates, not to indicate any specific bond rating that is expected. Ms. Gross explained the Authority's pension program under the terms of the Pennsylvania Municipal Retirement System as well as the terms of the current union contracts.

John Donches questioned if the monthly billing will only apply to residents or will it apply to businesses as well. Dave Green explained the rates would be applied uniformly to all Allentown customers, and clarified that that customers with a meter larger than 1 inch are already on monthly billing.

MONTHLY FINANCIAL REVIEW

The monthly financial review for March 2018 was prepared by Ed Klein. Mr. Klein stated that the second quarter forecast is being compiled and will be presented at an upcoming meeting.

Scott Bieber left the meeting at 2:30 p.m.

MONTHLY SYSTEM OPERATIONS OVERVIEW

John Parsons reviewed the Monthly System Operations Overview report for March 2018.

STAFF COMMENTS

Liesel Gross informed the Board that the annual performance evaluations and merit increases for non-union employees have been completed and a summary of those was provided to the Board.

SOLICITOR'S COMMENTS

Not present.

Liesel Gross commented that Kathy Pape, Devin Chwastyk and Alessandra Hylander of McNees Wallace & Nurick LLC were also part of the team working on the Allentown Water / Sewer Lease Financial Evaluation project.

Ms. Gross reported that the County Commissioners at their April 11, 2018 meeting voted against extending the Authority's charter but there has been a lot of positive communication between the commissioners and Authority staff. Several commissioners have contacted Ms. Gross since the meeting to understand what the Authority is all about and also understand the finances. Ms. Gross expects communication will continue and the commissioners will provide recommendations on how to move forward towards a charter extension that they will support.

PUBLIC COMMENTS / OTHER COMMENTS

Chairman Nagle called a recess at 2:35 p.m. The meeting reconvened at 2:44.

EXECUTIVE SESSION

An Executive Session was held at 2:44 p.m. to discuss potential litigation. The Executive Session ended at 3:36 p.m.

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 3:36 p.m.

Richard H. Bohner
Secretary

REGULAR MEETING MINUTES

May 14, 2018

The Regular Meeting of the Lehigh County Authority was called to order at 12:00 p.m. on Monday, May 14, 2018, Chairman Brian Nagle presiding. Other Members present at the commencement of the meeting were: Linda Rosenfeld, Kevin Baker, Jeff Morgan, Richard Bohner, Norma Cusick, Scott Bieber, and Ted Lyons. Deana Zosky was present on the conference phone. Authority Staff present were Liesel Gross, Ed Klein, Pat Mandes, Brad Landon, Chuck Volk, Chris Moughan, Susan Sampson, John Parsons, and Lisa Miller.

REVIEW OF AGENDA

Chairman Nagle announced that today's Board meeting is being videotaped and streaming live and recordings will be posted to the Authority's website.

Chairman Nagle also announced that the agenda does not include any items for regular business and there will be an Executive Session at the end of public comment to discuss potential litigation.

Liesel Gross noted that there will be a few items under Staff Comments.

PUBLIC COMMENTS

Joe Hilliard of Allentown asked if the regular meeting will continue after the Executive Session. Chairman Nagle stated there will be no decisions made in the Executive Session nor anticipated afterwards. Mr. Hilliard asked about the status of the annual audit. Chairman Nagle said this will be addressed under Staff comments.

ACTION AND DISCUSSION ITEMS

None.

STAFF COMMENTS

Liesel Gross reminded everyone of the upcoming Public Input hearing on Thursday, May 17th from 7 p.m. to 9 p.m. at the Lehigh County Government Center to hear public comment regarding the rates in Allentown and also the implementation of monthly billing. Comments have been solicited on the Authority's website, in English and Spanish, and the Authority is also accepting all means of public input. This topic will also be on the Board agenda for May 21st.

Ed Klein updated the Board on the status of the annual audit and financial statements. There is a delay in the receipt of the disclosure requirements for GASB 68 which refers to the defined benefit pension plan, and also GASB 72, which relates to post retirement benefits, causing the actuarial information to be delayed. Mr. Klein is expecting this information by the end of May and the review of the Annual Audit can be conducted at the June 11 meeting.

Mr. Klein reported that he has hired Concord Financial to investigate options regarding the refinancing of the Concession Series C bonds. They will be providing the Authority with a definitive proposal for further discussion with the Board at an upcoming meeting.

Mr. Klein also reported that he has had recent discussions with Standard and Poors (S&P), the agency that rates the Authority for purposes of issuing bonds. As a result of these discussions, S&P has not done a downgrading on the Concession lease bonds, but the "outlook" has changed from

stable to negative. S&P has certain concerns and uncertainties such as the litigation with the City, the refinancing of the Series C bonds, the lack of charter extension from the County, and also the discussions regarding monthly billing.

Ted Lyons asked if there was any indication that if monthly billing and other items would be resolved in our favor, would they re-evaluate the outlook? S&P did indicate that it would and that they will be monitoring the Authority regularly for improvements. Refinancing of the Series C bonds and any future borrowing regarding the capital improvements would be less of a concern once they have the new debt schedule.

SOLICITOR'S COMMENTS

None.

PUBLIC COMMENTS / OTHER COMMENTS

Jennifer McKenna, City Compliance Office, questioned how many responses are there so far for the public meeting on Thursday. Susan Sampson reported that at this time, there are 120 comments online, less than 20 comments on the website, and 12 registered speakers for the evening of the meeting.

Liesel Gross clarified how the meeting will be run on Thursday. The speakers will each have a three minute time allotment for their comments. There will be a moderator, court stenographer, and the meeting will be video recorded. There will be a preamble estimated at 10 to 15 minutes indicating the Authority's purpose for the monthly billing. Linda Rosenfeld stated this is not an LCA Board meeting. It is a rate hearing and that's how it will be conducted.

Chairman Nagle called a recess at 12:15 p.m. The meeting reconvened at 12:17 p.m.

EXECUTIVE SESSION

An Executive Session was held at 12:17 p.m. to discuss potential litigation. The Executive Session ended at 1:16 p.m.

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 1:16 p.m.

Richard H. Bohner
Secretary



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MEMORANDUM

TO: LCA Board of Directors
FROM: Liesel Gross
DATE: May 15, 2018
RE: LCA City Division – Monthly Billing Implementation

Actions Requested

Prior to considering the actions listed below, the Lehigh County Authority (LCA) Board of Directors should review this memo and the attached preliminary listing of public comments received to date. This will be subject to further discussion at the May 21, 2018 meeting and will be supplemented with additional public comment received at the public input hearing scheduled for Thursday, May 17, 2018.

1. **Process Change to Monthly Billing in Allentown Division** – Rates were previously adopted via Lease Agreement and subsequent rate approvals (current rates approved effective 1/1/2018), and Board authorization is requested to apply the existing monthly rates to customers with all meter sizes in the Allentown Division. Note that future adoption of monthly billing for other LCA divisions will require additional study to be completed in 2018 and 2019.
2. **2018 Budget Amendment – Allentown Division** – Certain implementation and ongoing operating expenses are associated with this process change, which would need to be authorized along with associated revenue increase as an amendment to the 2018 Budget (see attached detail).

Overview

Over the past two months, LCA staff and Board have discussed the positive and negative impacts of making a switch to monthly billing for its Allentown Division. This change was also presented in greater detail at the April 23, 2018 Board meeting as part of the financial evaluation report presented by Jacobs.

The basis for monthly billing can be found in the Concession Lease Agreement (Lease) that LCA and the City of Allentown entered into in 2013, whereby the water and sewer rate schedule to be applied to Allentown customers was defined in detail. The rate schedule (supplied by the City as Schedule 3, attached to the Lease) included fixed charges for both monthly and quarterly billing frequencies. This rate schedule has been escalated according to the terms of the Lease over the past five years. LCA implemented the quarterly rate schedule in 2013 for most customers in Allentown in an effort to provide a smooth transition to the community, and to gain valuable experience operating the water and sewer systems.

With the benefit of five years of operating experience, several key drivers for financial shortfalls have been identified:

1. Matters of ongoing legal dispute with the City of Allentown regarding past practices related to sewer billing. This will be addressed separately from this memo.

Every drop matters. Every customer counts.

2. Increases in expected system improvements due to significant and long-term deferrals of maintenance in the years leading up to the Lease. This was discussed at the April 23, 2018 meeting, in which Jacobs presented a schedule of nearly \$1.3 billion in capital improvements that will be needed over the remaining 45 years of the Lease.
3. Delay of implementation of monthly billing.

These factors, coupled with the significant debt burden associated with the Lease, have left LCA with little flexibility to address financial constraints and secure new funding for system improvements. In addition, the upcoming refinancing of the 2013C Lease Bonds requires that revenue sufficiency be properly illustrated in order to complete the financing activity that is required by December 2018.

Therefore, staff recommends the LCA Board carefully consider the public input provided, and alternatives discussed over the past several months, and determine if the time is now right for implementation of monthly billing. The actions listed on page 1 of this memo are those that would be recommended to be voted upon if the Board wishes to implement monthly billing at this time.

Please review materials presented on April 9 and April 23, 2018 for additional background on LCA's operation of the system under the Lease, financial performance to date, and capital improvements expected in the future.

Review of Public Input

Over the past month, LCA has accepted public input on the change to monthly billing through a variety of channels including:

- Public comment at LCA Board meetings
- Written comment via email or regular mail
- Comments transcribed over the phone
- Online form to collect comments in English and Spanish

In addition, a Public Input Hearing is scheduled for Thursday, May 17, 2018. Input gathered at this meeting will be compiled and shared with the Board as a supplement to this memo, along with any additional comments provided by any other method after this memo is distributed.

Attached to this memo are two sets of public comments, representing all the input that has been submitted to date. The longer document with comments numbered 1 – 126 are those that were provided or transcribed into our online form. The shorter document includes those comments provided by email or in writing.

Upon review of the public comments received to date, several themes emerge that the LCA staff believes are important to consider, whether now or in the future.

Important Note: The Lease with Allentown does not provide any flexibility regarding the rate schedule that LCA may use. The rates are provided in Schedule 3, attached to the Lease. For LCA to consider an alternative rate structure to address some of the important feedback provided by the public, as outlined below, we would need to have the City's support to do so. LCA would welcome the future opportunity to discuss this with City officials, should the City be willing to engage in such discussions. However, LCA's

financial sustainability must be secured prior to entertaining any possible revisions of the Lease Agreement.

Key Themes from Public Input:

Fixed-Income / Low-Income Households / Seniors – The largest number of comments were provided by citizens concerned about the impact of any cost increase to senior citizens or others on fixed incomes such as disability or social security benefits. Overall, this was the most common type of comment LCA received about the potential change in billing. It is worth noting that an alternative rate schedule could be designed to address this type of concern. An example would be a “Lifeline Rate” structure that includes a base level of water volume included in the fixed charge per month, which would be beneficial to lower-income / fixed-income households. (See “Important Note” above.)

Capital Improvements – Many comments were provided regarding system improvements that are needed. Some customers cited the existing capital cost recovery charge (CCRC) and questioned the need for the billing change if LCA already has a mechanism in place to cover capital costs. Other customers shared an opinion that system maintenance or system improvements should not be recovered by the ratepayers. Others asked for LCA to do more to cut costs or defer projects to help minimize the impact to citizens. Overall, the comments speak to a citizen base that would benefit from receiving additional information from LCA about the facilities we operate and the critical nature of some of the upgrades that are long overdue, or which cannot be covered via the CCRC due the structure of the Lease.

Phase-In Approach – Several comments were provided from citizens who expressed some level of understanding for the need for rate increases, but asking for a phased-in approach to lessen the impact in a single year.

Lease Decision-Making – Some citizens offered comments relating to the Lease itself and the decisions that were made by the City of Allentown and by LCA in 2013. There appears to be some general awareness that the City’s prior pension debt has been transferred to the water and sewer system, and that communication may not have been as clear or forthright as it should have been that the Lease would result in higher costs to the citizens, or that LCA could / should have done more to prevent such cost increases. From many of these types of comments, it is clear there are some who distrusted the Lease five years ago and this action confirms for those individuals that the distrust was warranted.

Concern for Tenants – A small number of comments came from landlords who expressed concern for their tenants’ ability to pay, as well as some lack of awareness of LCA programs and policies that are in place to support improved landlord/tenant relations regarding the water and sewer bill.

Feeling of “What Next?” – Comments were received from several citizens who cited the City’s recent implementation of a stormwater fee, plus other increased taxes they pay, utility bill increases, etc., generating overall frustration that LCA’s billing change will add to the burden.

Intended Use of Funds – Several citizens provided comments that illustrated a lack of awareness of how the increased revenue would be used. This came through in comments from citizens who asked why converting to monthly billing would cost \$13 more each month, as well as those who questioned how the conversion could be cost effective if it costs so much more. A few related comments / questions came in suggesting they don’t expect to receive any improvement in their service by paying more, so

how could the change be justified? Generally such comments illustrate the need for LCA to complete more outreach and communication with customers about why the billing change is needed, the extent of the long-overdue system improvements that are needed, and how LCA's financial security helps Allentown citizens in the long run. The long-term view of the benefits of having a well-run, financially secure water and sewer utility should be communicated clearly to city residents.

Regional Approach – A small number of comments were provided from citizens who feel the cost to operate and maintain the system (including paying City debts) should be paid by all LCA customers, including Allentown ratepayers and the suburban municipalities we serve. While this may not be feasible for a variety of contractual and practical reasons, equitable cost-sharing of true water and sewer expenses (not related to City debt) is something LCA could study further with City officials as a partner if there was willingness to look at all rate issues comprehensively.

Preference for Quarterly Billing – Some customers expressed genuine preference for the quarterly billing cycle, stating that it costs them less to process and mail four payments per year vs. twelve.

General Opposition – Several citizens provided less specific, but still very clear, opposition to any change that will result in the need to pay more for water and sewer service.

Support & Questions – While a very small minority, LCA did receive some input from citizens who understand that the water and sewer systems must be upgraded and that it will cost more to do so, and that monthly billing will help customers manage the increases to their water and sewer bills. A few others asked questions that were more inquisitive in nature, suggesting that providing additional information will satisfy their concerns.

Summary:

LCA staff understands that changing what and how people pay for their service is difficult, and many citizens in Allentown will find the change to monthly billing to be burdensome. This is not a decision we should go into lightly, and the impact to our customers is important to consider. The themes described above illustrate a need to look at the issues very closely both now and in the future. To the extent that LCA's options are limited by the Lease Agreement, we face a difficult decision on May 21st. LCA staff continues to recommend that we implement monthly billing now using the rates provided by the Lease, while still seeking to address the citizens' concerns through continued outreach to City officials to form a partnership and alternative rate design that would be in the best interests of LCA, Allentown and the community we serve.

Attachments:

- LCA Allentown Division - 2018 Budget Amendment - Monthly Billing Conversion (1 page)
- Public Input Received Through 5/15/18 - Online Form (10 pages)
- Public Input Received Through 5/15/18 – Email / Written (5 pages)

LCA Allentown Division - 2018 Budget Amendment - Monthly Billing Conversion

Assumes August 2018 Implementation

2018 Revenue Added **\$ 2,114,714**

Transition Expenses	2018 Estimate	
Office Renovations / Furniture / Electrical / HVAC	\$	(65,000)
Vehicle Purchases (meter reading)	\$	(37,000)
Mobile/Meter Reading Equipment	\$	(50,000)
Workstations / Phones	\$	(35,000)
System Set-up, Data Analysis & Implementation	\$	(20,000)
Staff Recruiting, Secetion, Screening, Training & Onboarding	\$	(18,000)
Customer Communications	\$	(60,000)

Ongoing Expenses	Annual Est.	2018 Est. (5 Months)
Additional Payroll (7 positions)	\$ (289,120)	\$ (120,467)
Overhead (1.2x Payroll)*	\$ (346,944)	\$ (144,560)
Billing Expenses (print / postage)	\$ (130,472)	\$ (54,363)
Payment Processing (third-party contracts)	\$ (116,400)	\$ (48,500)

* Overhead expense include employee benefits and a proportionate share of administrative expenses such as fuel, building maintenance, training, HR expense, etc.

2018 Additional Expenses **\$ (652,890)**

Total 2018 Budget Impact **\$ 1,461,824**

Public Input Received Through 5/15/18 - Online Form

#	Please share your comments in the space provided below.	Name:	Do you live in the City of Allentown?	Are you a Lehigh County Authority customer?
1	Been paying water and sewage for 18 years in Allentown and moved in Allentown and I get a new customer charge in Allentown. Not happy! Now you want to charge me more and pay more frequently with this monthly billing! Not happy! Ohh, and that new water drainage runoff tax!! Not happy!!	Matthew Thomas	Yes	Yes
2	Hello, I am concerned with how steep of an increase I will see in my water bills if you switch to monthly billing. Currently, I pay about \$80 every three months for my water. Switching to monthly payment adds around \$13 per month. So in three months time, I will be paying an additional \$39 for my water. That is a 50% increase in cost! I understand that it helps people budget better, and gives the LCA more cash flow, but an increase of that magnitude is simply too high. I oppose this idea and think that if a rate increase is truly necessary, it cannot start out at a 50% hike. Thank you for listening. Bill Jones	William Jones	Yes	Yes
3	I think it would be better if you just raised the water usage rate a little. Billing monthly and adding to the base charge is going to put a hardship on poor Allentown residents. Also since Allentown is full of pot heads the city should decriminalize marijuana and charge a \$25 misdemeanor fee. Then use this money to make the necessary repairs and updates. I am sure a lot of money could be made this way. A soda tax could also bring in money. Allentown residents are already stretched too far with utility bills.	Mary C. Smitreski	Yes	Yes
4	A \$13.00 per month increase in our rates will be a severe financial hardship on those with very low incomes or people like myself attempting to survive on Social Security. That's at least \$156.00 yearly increase! The Authority needs to find a more equitable way forward. Please consider a lesser punitive rate structure for those less fortunate than yourselves! Respectfully, Wayne Labaty	Wayne Labaty	Yes	Yes
5	LCA's needs for additional Capital Expenditures should be generated, as necessary, by billing an appropriate "CCRC" (See your LCA Final 5-Year Capital Plan). LCA's proposed monthly billing schedule, and increase, equates to an immediate service charge with no new/additional/improved service to your customers and the funds are not clearly allocated to any specific project. - And most importantly your \$156 annual fee has no completion date as would a CCRC.	J. Andrews	Yes	Yes
6	WHY SHOULD WE PAY \$156.00 MORE A YEAR BECAUSE YOU NEED MORE MONEY AND WANT TO CHANGE THE BILLING CYCLE ??	Gordon Doyle	Yes	Yes
7	I live and own property in Allentown, PA. I do not wish any changes be made in the billing cycle. Quarterly billing works fine for me and i hope that overwhelming majority will stand by this. 4 quarter bills works. No Change	Abraham	Yes	Yes
8	While I support monthly billing as a better budgeting mechanism for the overall city, I think it's preposterous to pay \$13/month more per household to support monthly billing and capital improvements. If my calculations are correct, that's a 39% increase annually. So, obviously that supports no budgeting ability for an average family and NO OTHER government, civil, retail, or tax agency is allowed to raise rates that much. If the LCA needs more money for capital authority, then raise the rates gradually since you do not have the ability to replace all the lines, filters, etc. over the next few years. In a large city and someone who lives in a newer neighborhood, I feel like I'm being punished for the sins of the past. In no way do I feel like this is warranted, thorough or honest, and I do not support the rate increase. While I can strive to do my best to lower my water consumption, we don't have a choice in who we source it from like I can with other utility providers. The Board needs to go back to the drawing board and find a more acceptable solution for working families. I can't continue to support utilities that need capital improvements (We pay for PPL, we pay for UGI, we pay for water, our cable rates rise). But somehow our salaries do not rise to cover the cost for neglect.	Rick McDonald	Yes	Yes
9	I am against monthly billing, \$13/month is an excessive amount for managing 12 bills instead of 4 in a year. Other water and sewer billings such as SWT are quarterly. Do not make this change.	Susan Costa	Yes	Yes
10	Please do not burden the people of Allentown, especially the seniors on fixed incomes, with \$13 more a month for our water bills. They have already gone up since you leased the rights. We cannot afford to pay more. Keep the quarterly billing. Thank you	Elmer Smith	Yes	Yes
11	I am totally opposed to this increase. Why should my rates have to go up so you can get your money faster. You should be trying to save us money not increasing our costs	william mc carthy	Yes	Yes
12	I am not in agreement with monthly billing	Felix	Yes	Yes
13	Additional \$13 every month is too much for lower income group. There should be choice like tax bills. If you select monthly, there will be \$13 more. for quarterly paying customers, No increase	Piyush Joshi	No	Yes

#	Please share your comments in the space provided below.	Name:	Do you live in the City of Allentown?	Are you a Lehigh County Authority customer?
14	We are unable to attend the public meeting for this but we strongly oppose this proposal. LCA sent out a page with 2018 water and sewer rates that was included with the bill. How can you now say that you are going to increase these rates in the middle of the year after you told your customers what the rates would be for the year? Also, on the same notice about the 2018 rates you said that the two "capital cost charges" one for the water and one for the sewer for instituted to cover the costs of system improvements. Back when LCA instituted these new charges, and there are three that were added to our bill, the information in that communication also said that these "capital Cost charges" were put in place to cover system improvements and repairs but now you want to charge us an additional \$ monthly for the same thing but I would be willing to bet that you are not going to remove these other "Capital Cost Recovery Charges" so that means that you are charging us two times for this. I understand you have to update things sometimes but you are making alot of money from the citizens of Allentown and now you want to introduce an additional burden to us. And you want to do it monthly? So how long will it be until you decide to add another charge to our bill for this. This is just wrong and we strongly oppose this proposal. We want our bill quarterly at the rate it was before all these additional charges. Why should your customers pay more to improve your system when we are your customers. That is your responsibility.	Roy Sr and Tina Geist	Yes	Yes
15	Monthly bill is to much money for property owners on a fixed income.	Crystal Dejesus	Yes	Yes
16	I am opposed to the monthly billing and the increase of what it will cost me as a homeowner. My paycheck does not increase when I feel the need I need more money to make improvement. You will need to find another way to raise the capital for improvements. Perhaps you should weed out dead weight with in your organization and streamline the operations.	David A Eberwein	Yes	Yes
17	a monthly bill would double my present bill along with inconveniencing everyone involved !!	franklin graver	Yes	Yes
18	I am a single householder OPPOSED to the announcement that the Lehigh County Authority is raising rates to pay for improvements in the water and sewage treatment plants with increases of approximately \$13 per month for an average household. I would like to point out the INJUSTICE against the residents of Allentown and municipalities of the county served by the Authority. Most households are vacant during work and school hours, and asleep during the night That leaves just a few hours of demand on the water and sewage systems from households, The major demands on the treatment plants are required by county businesses, manufacturers, and medical and educational facilities. Since they create huge discharges into the system both day and night it is reasonable to conclude that If the systems need improvements it is largely due to the stresses caused by the ongoing huge discharges generated by those companies and facilities in the area that generate the most waste to the plants. My financial advisor admitted that most people in the nation gained little to nothing from the new federal tax bill while corporations, businesses and very wealthy individuals gained huge financial breaks and gains. These breaks, we were told, were supposed to TRICKLE DOWN to benefit the average citizen. It would seem reasonable that corporations and businesses should have to trickle down some of their financial gains to offset the needed revenues for improving the treatment plants especially since they are the ones who created the need for improvements the most. That would be in keeping with INTENT of the wonderful GOP 2018 tax plan. To us taxpayers thats what trickle down sounds like to me.	Consiia Karli	Yes	Yes
19	Do not change the water/sewer rates. Thanks	Tony	Yes	Yes
20	I am against changing the cycle of payment and the monthly increase.	Abraham Khalil	No	Yes
21	In looking over the current rates, the monthly billing is nearly half of the proposed quarterly bill. \$13.00 plus additional a month would put a burden on those with low and fixed incomes. Also, I don't think the 'benefits' of monthly billing compensate for the additional cost.	Linda Mikle	Yes	Yes
22	Keep billing the same way (quarterly) with increase rate.applied	Edward Thomas	Yes	Yes
23	Do not quite understand the reason for increase. Increasing the frequency will allow more revenue collection with minimal postage cost. I oppose this move.	Lokesh Gandhi	Yes	Yes
24	I disagree with changing to monthly billing and increase of \$13 per month. Extra annoying to pay monthly billing.	Zecharia Levi	Yes	Yes
25	That's is approximately \$156.00 more a year and what is worse is it will be monthly so now we have to be bothered with a monthly bill. Why does it have to go up to provide the same service? Now you are using additional funds to print statements & postage to mail it. I personally don't like this new proposal. I don't see the upside.	Rodney Mells	Yes	Yes
26	Does LCA provide water and sewer to other communities around Allentown?If so,will these other areas share in this proposed price increase?Or is this just for Allentown customers?	Francis Conlin	Yes	Yes
27	I seriously doubt that changing the quarterly billing system will cost \$13.00 extra dollars per month per customer household. LCA is a public authority responsible for maintaining and repairing the public works. Why should customers pay for this? How do customers get help from the public authorities for maintaining their own holdings?	Jeanne Dager	Yes	Yes
28	I think it a fine to increase the rates. It will be a financial burden but it a necessary increase. Monthly would be a much better billing cycle. I will be less likely to forget to pay the bill.	Maureen Yoachim	Yes	Yes
29	I am against monthly billing if that will increase the price. Why the \$13 increase if changed to monthly?	Ovidiu Ravasan	Yes	Yes
30	No raise in water payment, I live of disability I can't afford this raise in the water system. your rates are always going up. this has to stop.	Nancy De Jesus	Yes	Yes

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31	Considering the reported profit margins of PPL an additional \$150+ increase (per year) seems a bit extreme. My wife and I are on a fixed income and this type of increase seems a bit extreme. I would hope this blanket upsurge will be reconsidered.	William A Wells	Yes	Yes
32	I believe the cost of about \$13 more per month is an immense increase for the Lehigh County Authority to expect retired households, who are on fixed incomes, to pay.	Diane Clause	Yes	Yes
33	I received your post card regarding monthly billing and rate increases. I understand the necessity for monthly billing as it will make revenue available sooner for maintenance and repairs. Yes, it is more of a nuisance to the homeowner - 12 bills a year instead of 4, but that's okay, I get it. However, I do not understand the \$13 a month increase for the average family. I would consider my family "average" - four members including two older sons. My current average monthly water bill is \$27. An additional \$13 per month would amount to a 48% increase. This is UNACCEPTABLE! While the cost of living continues to rise, I hope that gas, groceries, electricity, etc. do not rise by 48% this year, else I may need to ask my employer for a 48% cost of living raise. It seems to me that LCA must streamline operations and cut costs where practical, just as the average household must do to meet expenses. Please don't burden the average homeowner without first tightening your own belt.	Philip Albright	Yes	Yes
34	I am not agree with the monthly bill payment. I know this will give the city more revenues for maintaining but i do not see to much public works around. i believe also in these last years we received increases in the utilities bills. Increases the bill will generate more revenues to the city with the same result for us (poor service)and more money to them.	Roberto	Yes	Yes
35	I feel that this change to monthly billing and an increase of an estimated \$156 per year per payee is ridiculous. If the LCA did not conduct its due diligence when leasing these facilities from Allentown, the customers in Allentown are not at fault. LCA should seek restitution from Goldman Sachs and/or refinance its debt. We are already burdened with paying an increase of 2.5% per year plus the CPI. The LCA is attempting to finagle additional monies with this change to monthly billing through its interpretation of the lease agreement, and it should be fought. Additionally, this change to monthly billing will be very regressive on low income earners.	Jonathan Scott	Yes	Yes
36	AS I SEE IT, YOU ARE RAISING MY RATE 36%. WHAT IS THE JUSTIFICATION? PAYING MONTHLY ALSO MEANS I HAVE TO PAY FOR MORE STAMPS TOO. I'M 85 AND HAVE TO LIVE ON A FIXED INCOME...NOT EASY WITH YOU RAISING RATES LIKE THIS!	John Rowley	Yes	Yes
37	Does processing 12 bills instead of 4 a year cost more? If there is an increase, does this increase get passed onto us?	Brooke	Yes	Yes
38	Do not make us pay for your convenience. Manage your money! It is the same amount. You are just making us pay for your poor management. If you need to postpone projects until you do learn better management, postpone them. 13 x 12 is 156.00 at least. You are asking me to pay for your poor management skills! I can't ask you for that if I manage poorly.	Pat DeWolfe	Yes	Yes
39	I do not go along with changing to a monthly billing, let alone increasing the rates whereby another \$13 per month is added to the rates. I live on a limited monthly income with Social Security as my only income. People like me are barely getting by now. There is no way I (we) can afford paying another \$156 per year. I want my opposition to this noted. Thank you, Karen Biagi	Karen J. Biagi	Yes	Yes
40	4 times a year is great	Mathew	Yes	Yes
41	SO because of the corrupt city mayor Ed Pawloski sold out allentown to finance the high pension plans the tax payer gets fucked again in the ass . Just like raising the earned income tax taken out of paychecks also increased under fat cat Pawloski. Allentown is being sucked dry like so many other large cities in America. The corruption destroys the city in the e nd. Im seriously thinking of getting the hell out of allentowns high cost of living with its shitty roads , the high gas taxes for no road improvements. All anyone cares about is downtown allentown and the hell with the rest of the infrastruture such as roads which we all know the tax money is not being spent solely on roads. The road repair season is here and not one fucking road has new blacktop on them. *****(expletive removed) YOUR PROPOSED INCREASE IN WATER SEWER BILLS. You should have checked into the phoney projections and bonds issue before ALLENTOWN got sold up the river	CHARLES F SENG	Yes	Yes
42	I find it highly deceptive to change from quarterly to monthly billing to increase rates exponentially for everyone in the area. I fully understand if there is truly not enough \$\$ coming in to cover expenses, however billing monthly only adds to that. Save some money and keep quarterly billing! It only makes sense.	Gretchen Moehrle	Yes	Yes
43	What about the increase to households with only one occupant. Why should my increase be as much as a family. I can't imagine that I will use even half as much water. So why should my bill be just as high??	Sandra Marrello	Yes	Yes
44	I am very upset that you are planning a increase in the water rates as well as changing your billing system for your customers. I am a senior on a very fixed income and this is a hardship for me. In addition to the above, Allentown's water is undrinkable and I believe, is of very low quality compared with other areas. I cannot afford a water softening system that many in the area are forced to install. To increase rates on water loaded with contaminates is unfair.	Eileen Pellini	Yes	Yes
45	I think this price hike is unreasonable. We are senior citizens and on a limited income. We don't even use that much water.	Barry Paules	Yes	Yes

#	Please share your comments in the space provided below.	Name:	Do you live in the City of Allentown?	Are you a Lehigh County Authority customer?
46	I would like to express my opinion as a Negative vote to begin monthly billing. With already High Fixed costs converting to a monthly billing cycle would in affect equal a fifth quarterly bill. With my personal situation as it is, this would be a very heavy burden to bare. I would implore the Authority to rethink this strategy and leave things as they are. Thank you for your time and consideration.	Nicholas J. Carroza	Yes	Yes
47	Feel free to raise prices if you need to, but please do not make the bills monthly. Quarterly bills are more convenient, and per your own notice, significantly cheaper to implement. Anecdotally for me, it the estimated increased administrative cost of \$13/month is roughly 30% of the entire bill, which seems like a waste. As such, I strongly support maintaining quarterly bills as changing the frequency to monthly will cost you and thus your consumers more, while being a large administrative hassle for both. If the concern is cashflow (though I certainly hope there is many months of reserve funds at any given time), perhaps there is a cheaper way to implement estimated/automated payments monthly with only actually balancing accounts (and checking meters/sending invoices) on a quarterly/semi/annual basis. I understand that there is always tension between consumers and companies/utilities desires to lower and raise rates respectively. I do not begrudge you whatever funds you need to operate your business. I do humbly ask that you don't intentionally decrease efficiency and create more cost.	Daniel Miller	Yes	Yes
48	I have 3 rental properties in the City of Allentown. My tenants are responsible for the paying the water bill. I sometimes end up paying the bill for them then I get reimbursed. If the water bill would increase by \$13 per month they would have a hard time paying it. They are all on a fixed income.	Peter Rizzuto	No	Yes
49	How are seniors on a fixed income supposed to account for this?? This is exactly why we should not have given this work to private industry	Jorge	Yes	Yes
50	I would prefer the quarterly pay system. another \$13.00 per month seems very high to change to a monthly cycle.	Phyllis Johnson	Yes	Yes
51	Im a Senior Citizen and any Cost increase will be a Burden, please consider this. This will raise our quarterly Statement by \$39 a \$156 Yearly Raise and a Hardship on fixed income Seniors....	Carmine Guagenti	Yes	Yes
52	Raising the cost of water \$13 a month is unacceptable! And monthly bills only creates more paper for everyone. Allentown water is awful to begin with and to pay more for it without any improvements to our facility is outrageous!	Jaclyn Kucinski	Yes	Yes
53	I do not see the advantage of billing monthly as it would cost more to do so. Keep the quarterly payments as it is easier and cheaper for everyone involved. I'm not paying more so you can bill more more often.	Jason Shetler	Yes	Yes
54	Regarding the water rate increase. If the numbers I am seeing are correct we will be paying an increase of 25.71%!!! By your own admission, you underestimated the cost of operation so now you want increased cash flow. Rather than go through a rate increase process as you should, you want to change to monthly billing increasing overhead. This no doubt it costs more to process 12 bills than four and we will pay for the overhead in ADDITION to an increased rate!!! We also have pay 12 bills instead of 4. This is NOT RIGHT.Go through the process!	Miriam Pitkoff	No	Yes
55	To switch to monthly billing which will cost more is not fair to us on limited income. How are we supposed to keep up on increases all the time when our ss or disability does not increase. It just isn't right.	Carolyn	Yes	Yes
56	I dont agree with the change is going to increase the average allentown household more in the long run in cost while residents have to pay higher taxes each year.	north 7th st resident	Yes	Yes
57	Why should we the house owner have to pay for everything the city wants to do. When we all know thier other always to go about this Than to raise price and change it a monthly it makes no sense . We keep building buildings increase in property taxes now the water and. Not so long the Electric which we don't have a contract with anymore they can raise it whatever the heck they want it's nice to see Allentown looking out for their people's and thier Home owners .	Alvarez	Yes	Yes
58	My husband and myself are on a fixed income. Having to pay an extra \$156 dollars every year is not going to be easy. My husband is diabetic and his medication alone puts a financial burden on us. I understand that there is money needed to fix problems, but when we have the same problem I wish I could do that to some companies so they could help us. I would also like to know how many board members live in town. Who comes up with this idea. Is this going to effect you? Please think about those people like myself and anyone else who is on a fixed income. You have to figure what is most important to pay or you just go under and have services turned off. I hope you take these comments into consideration. Thank You, Connie Kindle	Connie kindle	Yes	Yes
59	Please do not increase this bill. Keep as is qtrly	Kate ruth	Yes	Yes
60	Proposal is absolutely insane, keep it the way it was. Screwing over the residents of the city yet again.	witheld	Yes	Yes
61	I am not interested in switching to monthly billing.	Rebecca Kiss	Yes	Yes
62	Your estimated increase of 25% is unfair, my income has not increased by 25%	Mark J Chelius	Yes	Yes
63	Outragous. Sneaky way to slip in an increase. And utterly inefficient to bill 12 times vs 4 times. If there is a shortfall of funds, there needs to be transparancy.	George Chadwick	Yes	Yes
64	I am a senior citizen on a fixed income. Please do not go to 12 month billing which will leave me with less money to spend on my daily living. Thank you..	Walter J. Baransky	Yes	Yes

Public Input Received Through 5/15/18 - Online Form

#	Please share your comments in the space provided below.	Name:	Do you live in the City of Allentown?	Are you a Lehigh County Authority customer?
65	We will not be here for the scheduled meeting. Like many people, we live on S.S. income. An increase of \$13.00 a month would be a hardship for us. Please consider this. Sincerely, Mary Alston	Mary Alston	Yes	Yes
66	I have no problem with the Authority seeking a way to have a constant cash flow by doing monthly billing BUT I have a major problem with that convenience costing me "about" \$ 13.00 a month extra. I am an owner/operator of a small center city business along with owning 4 apartments, and I'm sure the monthly "about" increase will be much more than \$ 13.00. Monthly billing is a convenience to the Authority and, in reality, is an inconvenience to it's customers who have extra work and expenses to now pay a bill 3 times more often than they currently do. My choice is to avoid extra charges for monthly billing or leave it the way it is.	Daniel Knauss	No	Yes
67	I for one like the quarterly billing of water/sewer rates. However, if the need to go to monthly is passed by the Board, it seems that an average of \$13.00/month more is a huge increase. While rates may need to increase I would urge the Board to consider a lesser amount increase per month.	Donna Mears	Yes	Yes
68	We disagree to the proposed change to monthly billing and the increase in cost of \$13 per month. This is a high increase in one time compared to historical increases in other bills from other utilities. The customer service you provide is not a good service and you don't care about the community when you shut down the water on people when they are late on paying their bills. You need to understand that the water is an essential element of life and required for people to survive. You offer a terrible service and you come now to ask for more money. this is not accepted at all by the community.	Shawn Query	Yes	Yes
69	With all due respect, I can't believe your organization is serious about the humongous proposed increase. It's ludicrous! My bill would almost double. I remember this was a concern when the city sold off, and we were all told not to worry. I would ask for a more modest increase. I think that is owed to the people of Allentown.	Bernadette Taylor	Yes	Yes
70	I think the price increase is ridiculous. We're going to pay \$160 or more per year. And what about all the extra paper, print, envelopes, postage, handling, check processing and manpower expenses that will now triple from 4 times a year to 12? So how much of this increase will actually go to improving systems?	Ramon Makhoul	No	Yes
71	My current water bill is \$13 a month and increasing it by \$13 a month will double it. If businesses, schools and Apartments are also given a \$13 a month increase divided by the number of people using the water the increase is not that substantial. I do not agree with nor want the \$13/month increase.	v.drauc	Yes	Yes
72	Conversion to monthly billing for the City of Allentown water and sewer is fine as a purely administrative task; monthly billing could even be seen as a benefit for some Lehigh County Authority (LCA) customers. However, I soundly reject expected increases in charges of > \$150/yr per household. The current proposal is a fee/cost recovery increase masquerading as an administrative change, and should be rejected out of hand. There is already a provision for Capital Cost Recovery Charges (subject to City of Allentown approval) for cost increases unrelated to Schedule 3 rate increases, already set for CPI + 2.5% annually. [1] [2] The question arises: With existing avenues for securing considerable revenue increases, why is the Lehigh County Authority attempting to disguise additional City of Allentown customer charges as a billing cycle change? If only City of Allentown residents could count on a COLA + 2.5% annual wage increase, and then ask at will for additional funds from their employers. The sad history of turning publicly-owned assets such as the City of Allentown's water and sewer system into a privatized asset at pennies on the dollar still rankles, regardless of the short-term budgetary bandages that such privatization provides to cash-strapped cities. I would contend that the current proposal by LCA provides ample evidence of the long-term negative impacts for city residents of short-term budget gimmicks. This consumer strongly urges retaining the current LCA quarterly billing cycle. A few more trips to the grocery store are preferred over (literally) flushing another Allentown resident's funds into the sewer. There are already existing methods for securing revenue increases for LCA from City of Allentown customers; I recommend that LCA's Board of Directors go back to the drawing board on this proposal and craft another one that meets its own standards and the law. Sincerely, Michael A. Chupa references: [1] https://lehighcountyauthority.org/wp-content/uploads/Lease-Overview-LCA-Board-Meeting-040917.pdf , slides 15-22. [2] https://lehighcountyauthority.org/wp-content/uploads/LCA-CityFinancialStudy-042318.pdf , slide 13.	Michael A. Chupa	Yes	Yes
73	\$13 per month increase i think is a little too much...	James Smith	Yes	Yes
74	It is ridiculous to charge monthly for the water bills. The cost to the Authority to print and mail monthly bills in addition to the cost to the customer is totally uncalled for. If your need operating funds on a monthly basis break the city up into 3 regions. Region 1 gets bills Jan, April, July and Oct. Region 2 gets bills Feb, May, Aug and Nov. Region 3 gets bills March, June, Sept and Dec.	Joe K	Yes	Yes
75	I am not in favor of the proposal. There is no detail regarding the projects. Until more concrete information can be presented for consideration, please keep the billing as it is. Sincerely, Brigitte K Day	Brigitte K Day	Yes	Yes

#	Please share your comments in the space provided below.	Name:	Do you live in the City of Allentown?	Are you a Lehigh County Authority customer?
76	To whom it may concern. I don't mind the monthly billing, but the increase you are proposing is quite excessive. You say the average customer will see a increase of \$13.00 per month. My current bill is around \$90.00 every 3 months. That comes out to \$30.00 per month. Now you say you want to add another \$13.00 per month to that amount. Doing the math that comes out to approximately a 45 % increase over my current cost. I feel that 45 % is a totally unjustifiable increase.I wish my monthly Social Security payment would see a 45 % increase. The recent storm water tax was supposed to cost the average property owner \$ 50.00, but when I got my tax bill my cost was \$ 140.00. I have lived at my current address for 40 years on the 26th of this month and I would like to stay here in the future but these costly increases make it difficult for retired people on a fixed income to stay in their homes. I understand the costs to maintain the water & sewer system has gone up, but think the the increase you are asking for is a bit much. Thank you for your time.	Dale R. Heist	Yes	Yes
77	This is unacceptable. While \$13.00 per month may not seem like much, it is tot those of us who already pay exorbitant property taxes. Being very much a cynic and rightfully distrustful of government, I suspect that this is an attempt to make up for fiscal shortfalls/ irresponsible spending. Unfortunately, as a citizen I'm forced to spend within my means unlike bureaucracies.	Robert A Burritsch	Yes	Yes
78	A \$13 a month increase is too steep and sudden. I worry that those on fixed incomes will not be able to adjust to such an increase as proposed. The monthly billing is fine, but the increases needed to fund infrastructure improvements should be phased in over a 5+ year period. So for instance, start out with a \$3 a month increase for one year, the next year increase it another \$3 a month and so on. Even if after 5 years the average bill goes up by a total of \$15 a month it's a lot easier to absorb with COLA increases and will appear to have much less negative impact on customers. I'm not sure what the average water bill is, but I'm guessing it's somewhere in the ballpark of \$100 every 3 months. If so, what you are proposing is nearly a 40% increase in one year. Even if it were only a 20% increase, that's still too much. This should be phased in over 5 years as I suggested.	Randy Laughlin	Yes	Yes
79	We in my household feel that the current system of billing is good as is. Almost everywhere the water bill is always paid every 3 months, Also it says with the new system customers will be paying 13 dollars more per month, essentially for no change in service at all on the customer side. This honestly doesn't seem beneficial for customers, but I'm open to change my mind .Below I left my email so please feel free to send me more information on how this system will objectively be better.	Miguel Apolinario	Yes	Yes
80	I am vehemently opposed to paying an extra \$156 a year so the city can convert to a monthly billing system. If the additional cost is eliminated altogether than there would be less objection to the switch. If it is not cost effective than it shouldn't be done and alternative options should be considered to provide additional revenue.	Nerfis Nieves	Yes	Yes
81	We should not have to pay an additional monthly cost for the exactly same service! If the City of Allentown needs additional revenue they should break the city into quadrants (i.e. south side, west end, east side, and center city) and rotate payment collections per quadrant to keep the system on a quarterly cycle.	Anna Maria Diaz Kochan	Yes	Yes
82	Will there be any price reduction for senior citizens?	Karen Merkel	Yes	Yes
83	As a landlord I see this as a bad decision that will raise not only actual cost without any real change in service but will also add to collection problems and increase delinquency PPL and UGI can do this because the tenant has direct responsibility and if they do not pay, service is terminated - so there is an incentive to pay on time. Not true for LCA - reducing terms of payment without adding real direct billing to tenant (with ultimate responsibility) and recourse to service termination as an incentive for tenant to pay will just increases collection overhead to the landlord and will have the unintended consequence of increasing delinquency	Frank	No	Yes
84	The proposed change and rate increase outlined in the notice that I received amounts to a 50% rate increase. This is excessive and uncalled for. I intend to challenge it with the PUC.	James P. Garofalo, Jr.	Yes	Yes
85	I think it's terrible that another utility is going to push operation of updating or infrastructure on their customers as a totally separate part of their bill just like all the other utilities if you can't manage your business to allow for upgrades at the expenses that are already built into your rate system that is not a good thing in my own personal business I can't charge people for new vehicles and new equipment has to be covered by the cost of the jobs that I do or their standard rate that I charge I just can't add in a charge-off new truck equipment rate they should learn how to manage their money more efficiently which would help everybody in the long run please deny this rate increase and change of billing	Jeffrey E. Nyce	Yes	Yes
86	Bad idea,terrible idea,stupid idea. After decades and decades and decades why now? Anything to screw us out of more money.	Me	Yes	Yes

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87	We are senior citizens (my wife and I only). Our utility usage [water/sewer] is not typical for larger average households paying your fees. If our future bills will reflect are non-typical usage we could afford the \$13.00 (prorated down according to our actual usage). We live off our SS checks alone; we have no pension, etc. income from any other source. Paying quarterly is convenient for us! If your Board of Directors votes to go to the City of Allentown's billing schedule with the \$13/month increase does that mean we must comply regardless of our non-typical circumstances? We feel that lessor usage should be billed a lessor rate prorated to that usage! That would be equitable! I am writing here because we will not be able to attend the meeting on May 17th @7-9 PM. due to a prior commitment. VFP	Victor & Barbara Preletz	Yes	Yes
88	I think the city of Allentown taxes people and businesses to the hilt now, and any increase in the rates would be an additional burden on the residents and businesses. The surrounding communities are better to live and work in than the city of Allentown, and this certainly doesn't help!	dave bhasin	No	Yes
89	I want to go on record that I'm against changing the current billing from 4 times a year to a monthly bill. Such a change along with the 13 dollar increase is completely wrong and shows a lack of compassion for the many low income resident in Allentown.	Harding	No	Yes
90	This is going to create a new hardship for seniors trying to stay in their homes, probably many others. That's to much of a jump on the monthly bill. Share some of the burden.	Sjhart	Yes	Yes
91	Nobody wants to hear about a rate increase, especially to repair and maintain the water and sewer systems; this should have been done years ago, when the rates were cheaper and the infrastructure was already falling apart. \$156.00/year is quite a jump. What's going on? Is the next rate hike already in the horizon?	Leon Papir	Yes	Yes
92	The conversion to monthly billing will increase overhead cost to handle bills of Allentown customer threefold. Processing 12 bills costs more than processing 4. The cost increase is undeniable and fiscally irresponsible. If a rate increase is needed apply through the process and have it evaluated. Ethical organizations don't look for loopholes in deals and raise cost in an attempt to improve cash flow. It appears you may have made a bad deal and it is more costly to operate than you projected. In that case you live with it.	Brad Piatt	Yes	Yes
93	I used 62277 gallons of water in 2017, which cost me \$513.70. If I'm charged \$13 a month more for the same usage my total cost will be \$670. That is a 30% increase. Allentown has a disproportionately high number of poor people. That 30% increase will be a real budget buster for most of these people. Many of Allentown's water lines are relatively new. The water lines in my part of Allentown were replaced 20 years ago and the cost of it was covered in my water rates. Now you're telling me I have to pay a 30% penalty to pay for the water lines that have to be replaced in other parts of the city? Any old city like Allentown has on-going projects of replacing utility lines. The Lehigh County Authority should have known this when they bought it. And as far as keeping the Allentown system separate from the rest of its system we seem to forget when Kraft Foods moved into Lehigh County the county with little or no regard for the Tax Payer, spared no expense to get water there for them. My tax dollars funded that project. As an Allentown resident I received no benefit from it. Now it's time to return some of those tax dollars to the city by spreading the cost to the Authority's system.	Daniel Greczyn	Yes	Yes
94	I am wondering how much of \$13 a month would go into the repairs & maintenance & how much of it will be used for sending out the bills 12 times a year compared to 4 times a year. With extra postage & staff time will that amount be increased again?	LuAnn Steinhauer	Yes	Yes
95	I think the increase on the billing is abusive because Allentown City has more population than means more revenue for the city I think the billing has to remain the same every three months and the same rate	Luis	Yes	Yes
96	I have NO desire to have my rates increased. Paying quarterly is fine with me.	Spencer Snygg	Yes	Yes
97	My most recent bill from LCA was \$52.22 for 3 months of use. You're proposing monthly billings with an additional \$13/month, or \$39 quarterly. That's a 75% increase, and THAT is unacceptable. This is exactly what residents feared when LCA assumed control of our municipal water system, despite assurances to the contrary. I'm not sure how or why your projections were so far from your reality, however it is unfair to expect city residents to bear the brunt of your gross miscalculations. A 75% increase is ludicrous and fundamentally wrong.	Harold Breitenstein	Yes	Yes
98	While I am not happy about paying more for my water/sewer service, I would like to support the upgrading of our water/sewer infrastructure. My only question is what is the breakdown of expenditures for servicing the debt, how much is operating the systems, and how much is going into infrastructure improvements? Are we spending enough on infrastructure improvements?	Peter Terry	Yes	Yes
99	This will have a huge impact on seniors and those that own their home and those who are on a fixed budget as well as all residents who are responsible for their bill. The bill for a household who uses only the 2000 per month amount would increase by 40%. This is certainly not acceptable. Instead of stating what the monthly increase might be in dollar amounts you need to state what percentage the increase would amount to. It appears you are attempting to put a spin on how much this increase actually would be. Yet another reason to distrust those associated with the city.	Dawn Lambert	Yes	Yes

Public Input Received Through 5/15/18 - Online Form

#	Please share your comments in the space provided below.	Name:	Do you live in the City of Allentown?	Are you a Lehigh County Authority customer?
100	We as 90 plus senior citizens are satisfied with the current quarterly billing. our little or no increase in pension and social security does not qualify us for that kind of increase in our water and sewer bill. Our suggestion is to sell bonds for any future planning and cut the fat out of the budget.	Jopseph J. Pitinsky	Yes	Yes
101	I am a retired person living within the city limits of Allentown. I'm imputing my opinion on the upcoming proposal to establish monthly rates on my water sewer bill. I'm totally against this idea of monthly billing because currently I pay on an average of \$320.00 per year and to have to pay another \$156.00 annually (13x12) is ludicrous. I suggest the people who run this department dig down deeper and find an alternative solution. Not keep digging down deeper in the pockets of tax payers who cannot afford more of a financial burden.	William Becker Sr.	Yes	Yes
102	An additional \$13 per month cost is a financial burden on my family. I ask that LCA operate within the current budget by cutting cost in lieu of increasing this mandatory bill for all Allentown customers.	John Beena	No	Yes
103	I am amazed that our rates will increase by an average of 13 dollars per month. Allentown should never have sold our water to the Lehigh County Authority. Are you trying to drive more quality residents out of the city by continually increasing the rates and taxes! Moreover, this monthly payment versus the quarterly payment does not seem to be a cost effective measure. How many additional man-hours will it take to process the water bills for all of the customers on a monthly basis rather than a quarterly basis? Now a bill will be sent to all customers every month rather than every 3 months. Has anybody thought of this! The Post Office will love the Lehigh County Authority for yet another brilliant move. And I guess that the additional waste of paper and damage to the environment, as a as result, did not cross anyone's mind either. Just continue to raise our rates and drive the quality, law abiding and tax paying citizens out of the city of Allentown. Great job Lehigh County Water Authority.	Steve Kutz	Yes	Yes
104	Please do not implement something that will increase our bills. The current method of billing quarterly has worked for years and there are a lot of individuals that cannot afford an additional \$156 annually. On top of that, we have already been hit with the "storm water fee" which, in essence, charges people for when it rains. The increases, fees, taxes, etc are getting tremendously out of hand and I am not interested in seeing the hard working people of Allentown get hit with yet another increase. Please work within your already existing budget (as the rest of us have to do) and do not increase our bills.	Erin DeLong	Yes	Yes
105	Adding \$13 per month more to our bill is ridiculous ! There is no way I would go for that. We are paying more than we should be already due to our criminal mayor's bad deal selling our water to the authority in the first place.	Clyde Norelli	Yes	Yes
106	An additional 13.00 a month equals \$156.00 a year, is a big hit for one year for a senior citizen on Social Security. Having a meeting 7-9pm downtown is not acceptable for senior citizens to try to get to a meeting at that time and downtown. No parking, late at night. There should be 2 meetings one during the day and one at night so everyone could attend.	Dawn Trach	Yes	Yes
107	This feels like the gross mismanagement that often accompanies decisions as such. Some politico gets a harebrained idea to sell out an important public utility to patch a financial bullet hole (in this case, the pension system) with a Band-aid and wonder why several years down the road someone in the agreement has to reevaluate the terms. Situations like these are rarely put through the wringer in terms of efficacy and contingency, and I'm sure I'm not alone in thinking there will be yet another excuse to fund another increase when something similar happens in probably several more years. It should also be added that Allentown's water is significantly inferior to a lot of other area works; it's over chlorinated and extremely hard. Without a water softener it kills pipes and water appliances much quicker by comparison. This doesn't justify what amounts to effectively almost doubling most smaller bills to cover a shortsighted political math problem. Moreover, it sets the stage down the road for the city and the LCA to cite past practices as a way of dealing with similar hangups should they occur. I'm not against modest rate increases, but let's find a way to make a solution happen that doesn't so actively gouge the city residents.	Randy Schneckner	Yes	Yes
108	I am totally opposing this. We just had increase for in taxes for storm water run off and that is significant. I can understand need some funds for maintaining and repairing existing sewer pipes. But \$13 increase per month is significant. Very hard to effort this increase. I can leave with \$5 increase per month or so. Thanks...Atul Amin	Atul V. Amin	Yes	Yes
109	I am a household of ONE, yet my neighbors have 5 or more people - on either side of me and their water bills is in line with mine. I work all day use very little water so how can that be? Q. Adam DiCola, III	Q. Adam DiCola, III	Yes	Yes
110	No, I do not want to switch to a monthly billing schedule if it will increase my monthly cost. I own two rental properties in Allentown and the last thing my tenants need is another cost increase. I vote NO! Thanks, Tammy	Tammy Van Fleet	No	Yes

#	Please share your comments in the space provided below.	Name:	Do you live in the City of Allentown?	Are you a Lehigh County Authority customer?
111	I am AGAINST any increase in fees or costs relating to Allentown water and sewer systems! I strongly prefer to keep billing on a quarterly basis, or to at least give customers the option of quarterly vs. monthly, but with no mark-up either way. (i.e. the total money collected should be equal in either scenario). \$13 per month for a typical household translates into over \$150 year. This is excessive! I'm not certain what your solution is to find funding to complete needed work but it should not be to charge residents and citizens of Allentown more money! Sharpen your pencil and tighten your belt within the Lehigh County Authority, or cut elsewhere within the city's budget to have dollars transferred over. But if you truly understood the needs and circumstances of Allentown households, this would not be an option. This is always the easy solution for governments - to charge more from their citizenry. But it's lazy and wrong. I ask you to think twice about this path and find any other way possible. Thank you.	David B	Yes	Yes
112	Please no increase, that 13 would be a 42\$ increase for me, I'm already now on a very strict budget. If things like this keep happening in Allentown I will have to consider selling my property and moving somewhere else. I have a perfect solution for the city of allentown if only people of higher authority would listen???? We the home owners already pay higher taxes then those in much nicer areas, Make Mr EX MAYOR P pay back what he stole from the city of Allentown that would be a small start, second is for our city law enforcement to write more traffic violations, I have personally witnessed an accident that was caused by a driver not even driving his own car, no license and not insured and the allentown cop let this man drive away, that was unreal and 3rd is to start taxing the renters who rent in this city, No I have had people tell me that the property owner pays the tax, but let me remind you that there are plenty of rented places in this city where there are more then 2 adults living in, again I have witnessed 13 or so living in one location that my ex father in law paid tax on for 2 people. What about the other 11 adults who were living there there not paying tax???? this would all be a lot of revenue for allentown and plenty to make repairs and keep this city in tip top shape. I could go on and on but no one would listen or act on anything of real logic. I should run for mayer and I would have the city 75% cleaned up in 6 months, tax all renters, get rid of the welfare people who don't want to work, the drugs and small time gangs who threaten us, hey watch how quick most of the Latino community would move else where of go back to Purto Rico they are here cuz it is cheap for them to live with all of the handouts they get. What about the hard working man who has to keep paying more cuz all the upper hand leaders can't seem to budget the funds in the right ways	MR Homeowner	Yes	Yes
113	Why charge us more to bill monthly for the convenience of upgrading? You get the same money quarterly, it should be allocated more wisely instead of residents bearing that burden. I do not agree with the increase of \$156 a year.	Rachael	Yes	Yes
114	I must protest the steep increase to Allentown rates proposed by LCA. \$13 per month is an increase of over 40% to my bill, and will create hardship for customers living in the city, many of whom are low-income residents. The monthly billing proposal, tied in with this proposed increase, is far less convenient than the current quarterly billing system, and will result in an increased cost for many customers as they pay 12 times per year instead of 4, in terms of postage and checks and possible walk-ins. Also, the proposed increase is not linked to usage, so the burden cannot be mitigated by conservation measures. There is also the legal question of whether the increase is even allowable under the contract between the LCA and Allentown. What if the increase is litigated by Allentown? Will Allentown residents/LCA customers bear the burden of that cost too, possibly from both sides?	Jack A.	Yes	Yes
115	This is outrageous! \$156 increase per year when my current bill is only about \$400 a year is more than 25% increase. There is no excuse for such money grabbing behavior It's jusy not affordable	Janet Chicka	Yes	Yes
116	\$13.00 a month does not sound like much but when you are retired, on a fixed income, paying school, real estate and city taxes, \$13.00 each month is burdensome. That will mean cutting back on food or other necessities. What the heck are senior citizens supposed to do after they have worked and paid property taxes for over 30 to 40 years? There must be some other way to obtain the necessary funds without an extra burden on the old folks.	Karen Lasko	Yes	Yes
117	You entered into an agreement with a Allentown mayor who was just convicted on 47 felony counts of pay to play and now you want to transfer the burden of your bad decision making onto the economically challenged inhabitants of the city of Allentown rather than spread the associated costs among all your customers. You ought to be ashamed of yourself. Wait until you are investigated for mishandling public funds. I vote a capital NO.	E.G. Unknown	Yes	Yes
118	I am an owner of a residential property - Allentown. This property is cosidered rental property and as such is rented to two of my sons. Currently my quarterly billings from Lwhigh Count Authority average between \$90-\$96 per quarter. Using your chart this relates to approximately 9,000 gallons of water /sewer volume. Roughly \$30-\$32 dollars per month. with an increase of \$13 amonth this calculates to a 24.7% increase per month. That amount is unconscionable in this economy. People are struggling now and to add this burden is not fair or just, I can understand a rate increase but not athis level. I would reccommend a stepped increase over a few years(3-5). Also, it appears deiscriminatory as it effects only a select geographic group and not all your customers system wide. Why should we be asked to pay more when other users getting the same service are exempted. John R Benner Marianne Benner	John & M Benner	No	Yes

#	Please share your comments in the space provided below.	Name:	Do you live in the City of Allentown?	Are you a Lehigh County Authority customer?
119	i do not support an increase and monthly statements. people may set up direct withdrawals into your account and that would not cost more for the authority. will users be given an option to pay yearly, will users be given a discount for yearly payment?	Robert Csencsits	Yes	Yes
120	I am totally opposed to monthly billing which will cost more on lca's end to bill monthly. First of all is this the same board of directors that bid on getting this from the city of Allentown in the beginning. They obviously underestimated the costs to run the system efficiently and properly from the beginning. Now the homeowners are expected to pick up the tab for the inability of the board to make decisions. What a boner!! Just keep takin from the homeowners to cover your asses!!! You sure are helping to make this city a great place to live! NOT!!	Terry	Yes	Yes
121	I enjoy the quarterly billing system. If monthly billing is to go into effect, it should be for the entire authority!! NOT FAIR for the Allentown ratepayers. This is just another rip-off and allowing you to get your hands deeper into our pockets. I'll have to cut back to 1 bath a month, and I'll be seeking out the authority board members at any lehigh valley restaurant, sitting next to them stinking proudly!!	B.T. George	Yes	Yes
122	This is par for the course. You wonder why the public opposed selling our water & sewer infrastructure? To avoid getting stiffed not too long down the road. Here's a better idea: manage the assets you purchased better, instead of passing off your incompetency to the paying public. Or, better yet, reduce billing to once a year, and cut our bills by \$13 a month.	Harlan Hemple	Yes	Yes
123	I say "NO" on this change to the current billing plan. I have the 140.00 storm drain charge to deal with now this! We live on a fixed income have some mercy!	Robert & Judy Dembrosky	Yes	Yes
124	I strongly urge you NOT to move to a monthly bill. There is no need to add another burden to your customers - your rates have already risen from we paid before our system was sold to you. It's getting to be more expensive than we can afford. The extra \$13 per month that you're proposing we need to come up with is not something we should have to absorb - or can afford to absorb. If you have a problem with revenue, you need to manage the quarterly payments we send you better.	Jennifer Mizak	Yes	Yes
125	Why go to monthly billing? It will be a waste of paper and money spent on postage sending 12 bills instead of 4 per year. It will be a waste of people's time paying 12 times instead of 4. Also, it would cost \$13 per month? For what exact benefit? More overhead, more paper wasted and it costs your customers more money - why is this even being considered?	Josh	Yes	Yes
126	I use considerably less than the "average customer," but it appears that this increase--based on your example--would be about 25.7% over current rates. I can understand that you will have additional costs (clerical, postage) when going to a monthly billing cycle, but 25.7%???? THAT will need to be justified. Given that a SIGNIFICANT portion of my bill is the base charge, not usage (my last quarterly statement was for \$52.02) my percentage increase may even be larger, although the dollar figure will be smaller.	David A Schell	Yes	Yes

From: Diana M Lynn

Concerning monthly water bill and increase in costs My entire worksite has closed down I have been displaced and have been looking for a job and mainly the jobs out there are 2 to 4\$ less pay per hour I canceled my land line and next is cable to make ends meet Every year utilities keep going up and up . Personally I can't even begin to afford this I am just trying to survive so I am not in the financial situation to agree with the increase. Thank you

From: joseph w grazer

Does everyone get billed Jan., Apr., July, and Oct.? Keep everyone quarterly, just change 33% of people to their first quarter bill to be in Feb., then 34% to their first quarterly bill in March, then every month money will be coming in not all at once each quarter.

From: Friedrich Hunsicker

Unfair to us landlords and renters it's hard to get paid from them now trying to mail it to them to pay it us ridiculous nobody wants to keep paying money for your company to make more and more money if you can't make it sell it back to the city.

Friedrich Hunsicker

Not fair to the tenants new raises the water bill I raise the rents nowhere in the US do we pay monthly for water everywhere is every 3 months why would Allentown be any different isn't there a law for monopolizing AT&T had to break up they need to have more competition for water so that people are not being charged more water is being monopolized I think there is a law an old monopolizing I'm going to look into that there should be more competition even with water

From: Friedrich Hunsicker

We have six water bills for tenants I know we can send them the bill directly but if they don't pay we are the responsible party. Monthly bills are only good for you and no one else always putting rates up and now adding \$13 more a month people are struggling and living paycheck to paycheck This is another propaganda to soak the city of Allentown residents

From: Kathleen Aubertin

Regarding the meeting may17...I cannot attend but want You to know that even \$13 a month more than I can afford....I am a senior , a widow, with total income of \$20,000 per yr... .Please consider everyone in your decision... Thank You..Sincerely, Kathleen Aubertin

From: Barbara Miller

I looked for the link to provide my input on the proposed monthly billing and rate increase but the link wasn't there. My input is that I support converting to monthly billing and the proposed rates, even though it means an increase. Our water rates are very reasonable and we need to properly repair and maintain a very old system, so an increase is fine with me. We would be irresponsible if we did not address this need now. Barbara Miller

From: Ken Webb

To whom it may concern:

What do you do when someone is a senior on a fixed income and you find you now have to pay Over a \$100 more/yr for water/sewer service?

Slice of Life for you-

- 1.The City or the county installed new water meters a year or two ago. The average cost to my household annually prior to that was about \$160/yr. Once the new meter was installed that cost was raised to about \$200./yr.
- 2.PPL installed a new meter for electric at my home-I feel I am paying a higher electric rate than I was before. More \$\$ out of pocket.
- 3.I have the usual taxes to pay.
- 4.This past winter I paid an average of \$400/mo. For oil for oil heat. 4 months is \$1600. Approximately.

I have only so much financial resources and that's it. I don't want to see them depleted.

Why can't you come up with some other idea instead of costing residents even more money??

Thank you for your time.

That is my input.

K. Webb

From: Bradley Piatt

The conversion to monthly billing will increase overhead cost to handle bills of Allentown customer threefold. Processing 12 bills costs more than processing 4. The cost increase is undeniable and fiscally irresponsible. If a rate increase is needed apply through the process and have it evaluated. Ethical organizations don't look for loopholes in deals and raise cost in an attempt to improve cash flow. It appears you may have made a bad deal and it is more costly to operate than you projected. In that case you live with it.

From: STEPHEN ARONSON

the 60's are over ,get off the drugs-
if I must pay monthly, I expect a 15% discount. If you want cash flow, you HAVE TO PAY for it. NOT ME PAY YOU
As it is my water bill went up \$230 for the water run off tax-
If you made a bad deal and can't earn a profit — tough- chalk it up as a bad decision by management.

From: Diane Cheer

Hello LCA,

Re: Public input meeting on water/sewer rates. I should think that if the so-called LCA Board of Directors is making a vague (to us) decision to increase our rates by about \$156.00 per year, then they should have the human dignity and integrity to attend the meeting in person and not just be "reported to".

What exactly is meant by "additional revenue is needed to repair and maintain the water and sewer systems"? Could you be very specific about that? If you are going to ask for more money as though this is a casual occurrence, then you should detail what you are talking about.

It seems to me this is not our problem. We do not pay for any other service to be repaired and maintained. Why do you not have the money for this? Your average person does not have the money either. Most middle class families have been on a fixed income for years as hourly wages have been frozen, while everything else skyrockets. Many Allentown residents are living on social security.

Where exactly do you want us to pull this money out of? Not happening.

From: William Cooperman

The proposed switch to monthly billing along with the increase in our bills is particularly hard on retired people on fixed incomes. In our Senior years are we expected to cut our usage to be able to pay for the ever increasing cost? Whoever did the math when the Authority took over the City of Allentown's Water & Serwer operations made some very poor calculations- the net result being we now have to pay more for their miscalculations. When will it ever stop for the Seniors?

From: RONALD BROPHY

so this whole water authority was sold by the city to cover pensions plans and now ur saying that we need to pay more money so we can actually maintain our water and sewer. is that was this is all about well i wud like to attend this meeting. so \$156 more a year ? i think we knew this was going to happen . maybe your workers shud work little more see a lot of water authority trucks parked doing nothing around lehigh valley and most of those trucks have 2 workers in them

From: Elmer Smith

Dear Sirs,

As a senior citizen on a fixed income I ask that you do not vote to go to a monthly bill instead of a quarterly bill. \$13 a month increase does not sound like a lot but it will be a major burden on seniors. I realize that you have a financial burden but please do not expect the customers to once again make up for it. Hopefully you can renegotiate some of the debt somehow to alleviate your debts. Thank you
Elmer Smith

From: Diane Cheer

Hello LCA,

I am an Allentown resident. In case I cannot attend the meeting, I am sending my input now that my neighbor has given me a newspaper article written about the fiasco.

My first question is: Why and how was there such a miscalculation on the funding that was needed by the LCA when they took over the lease 5 years ago? Who is responsible for this gross miscalculation and where exactly did this money go? WHY did the projects cost twice as much as expected?

Taking a stab in the dark - does it have anything to do with the implementation of high-falutin' electronic technology? This push for electronic technology by some unseen force or entity is draining the pockets and life out of

everyone. From schools to health care to smart grids, it is a time-sink and a money-sink. It is not environmentally sustainable, has not improved anything (speaking firsthand as a respiratory therapist regarding mandatory electronic medical records) and slowly but surely the mainstream media is forced to admit that indeed it is hazardous to human health and life everywhere.

Obviously, electronic tech has been beneficial in a few very specific instances, but certainly not to the extreme that it is being forced upon us all. This needs to be tempered and re-evaluated. It is not, ultimately, the way of the future good.

If the behemoth costs of "upkeeps" have nothing to do with electronic tech, then the question still remains of why there was such an error in monetary calculation and really, are the Allentown residents responsible for this? There is obviously a piece of the story missing.

Sincerely, Diane Cheer

From: Mai To

I am against monthly billing of water and sewer.
An increase of 13 dollars per month is high.
Thanks
Mai

From: Daniel and Gail King

We are definitely not in favor of monthly billing. This fee for monthly billing is ridiculous.

Raise the rates to other municipalities if money is needed. The residents of Allentown just got hit with a stormwater fee. We have had enough.

Quarterly billing should remain in effect. Again raise rates if need be. Pay for what is used. Senior citizens can not afford to much more.

Thank you

Gail King

FINANCE & ADMINISTRATION

ACTION ITEMS

1. LCA Billing Procedures – Allentown Division – Adoption of Monthly Billing – May 21, 2018

Following a public input process to be conducted in May, the Authority would like to proceed with converting all accounts from the quarterly to monthly billing schedule for the Allentown Division. Authorization to implement the monthly billing rate schedule will follow review of any public input provided, and authorization for expenses associated with the implementation. Action to consider a similar conversion for the Suburban Division will be reviewed in 2019.

DISCUSSION ITEMS

INFORMATION ITEMS

1. Recently Purchased Investments – Certificates of Deposit (CDs)

CERTIFICATES OF DEPOSIT						
26-Feb-18						
Fund	Bank	Location	Gross Amount	Date of Purchase	Date Due	Net Rate %
Cons Wtr (2)	Crossfirst Bank	Leawood, KS	249,000.00	1/24/18	1/24/20	2.00
Cons Wtr (2)	Flagstar Bank FSNB	Troy, MI	249,000.00	1/26/18	1/27/20	2.15
Cons Wtr (2)	Volunteer State Bank	Portland, TN	245,000.00	2/9/18	2/10/20	2.00
LLRI CR	PSDLAF Flex Pool		400,000.00	1/12/18	6/26/18	1.25
Cons Wtr (2)	PSDLAF Flex Pool		155,000.00	1/12/18	6/26/18	1.25
Cons LL2 (314)	PSDLAF Flex Pool		245,000.00	1/12/18	6/26/18	1.25
WW Capac	PSDLAF Flex Pool		600,000.00	1/12/18	6/26/18	1.25
Wtr R&R	PSDLAF Flex Pool		1,000,000.00	1/12/18	6/26/18	1.25
LLRI CR	Customers Bank	Phoenixville, PA	245,000.00	2/21/18	8/21/19	2.10

Cons Wtr (2)	Consolidated Water (2)
LLRI CR	Little Lehigh Relief Interceptor Capital Reserves
Cons LL2 (314)	Consolidated Little Lehigh Relief Interceptor 2
WW Capac	Wastewater Capacity
2010 Wtr Cons A	2010 Water Construction, Series A Bond
Wtr R&R	Renewal and Replacement

2. Developments

Water system construction is occurring in the following developments:

- Above & Beyond (personal care facility), 2 commercial lots, UMT
- Mary Ann’s Plaza, 1 lot with 5 commercial units, NWT
- Spring View (Bortz Tract), 14 commercial units, UMT – No Change
- Trexler Business Center, 1 Commercial Lot with 6 commercial buildings, LMT – No Change
- Trexler Fields, Phase 1B/8/9, 100 residential lots (sfa), UMT – No Change

Water system plans are being reviewed for the following developments:

- 5329-5347-5357 Hamilton Blvd., 1 Commercial lot, LMT – No Change

5354 Hamilton Blvd., 1 commercial lot, LMT – No Change
5374/5392 Hamilton Blvd., 1 Commercial lot, LMT – No Change
CVS, 1 commercial lot, LMT – No Change
Diocesan Pastoral Center, 2 commercial lots, 3 additional lots and residual lot for existing cemetery, LMT – No Change
Farr Tract, 17 residential lots (sfd), LMT – No Change
Grant Street Townes, 18 residential lots (sfa), WashT – No Change
Hickory Park Estates, 3 residential lots (sfd), UMT – No Change
Hillview Farms, 31 residential lots (sfd), LMT/SWT – No Change
Indian Creek Industrial Park, 6 commercial lots, UMiIT, water and sewer – No Change
Kohler Tract, 123 residential lots (sfa), UMiIT, water and sewer – No Change
Lehigh Hills, Lot 5, Phase 1, 273 apartments & clubhouse, UMT – No Change
Lower Macungie Township Community Center Expansion, 1 institutional lot, LMT – No Change
Madison Village at Penn's View, 66 manufactured homes, 1 lot, LynnT, water and sewer – No Change
Millbrook Farms, Section VI, 45 residential lots (sfd), LMT – No Change
Morgan Hills, 40 residential lots (sfd), WeisT, water and sewer – No Change
Parkland School District, new elementary school, 1 lot, UMT – No Change
Schoeneck Road, Lot 1, 1 lot warehouse, LMT – No Change
Shepherd's Corner, 1 commercial lot, LMT – No Change
Spring Creek Properties Settlement Subdivision, Lot 1, 1 commercial lot, LMT – No Change
Stone Hill Meadows, Phase 2, 85 residential units (sfd), LMT – No Change
Weilers Road Twins, 82 residential lots (sfa), UMT – No Change
Woodmere Estates, 60 residential units (sfd), UMT – No Change

Sewage Planning Modules Reviewed in Prior Month:
None.

WATER**ACTION ITEMS**

DISCUSSION ITEMS

INFORMATION ITEMS

1. Allentown Division – Hamilton Street Cedar Creek Bridge Water Main Relocation Project

As part of the Pennsylvania Rapid Bridge Replacement Program, the replacement of the Cedar Creek Bridge on Hamilton Street has required the relocation of approximately 500 linear feet of water main. The construction phase was approved at the December 2016 Board meeting and the construction phase at the January 2018 meeting. As of February 22, 2018, the contractor has completed a majority of the relocation work for LCA's facilities; however, they were pulled off the site due to construction conflicts. It is anticipated at this time the contractor will return by late May to finish all of the LCA line relocation. It is anticipated that this work will be reimbursed 100% by the state and that the construction related activities will be incorporated within the state's work. **(No Change)**.

2. Allentown Division – Water Main Replacement Program Cycle 4

The project is the replacement of 2-miles of aged and/or failing Cast Iron water main in multiple locations throughout the City. Design is currently under way. This Project is required under the Operating Standards in the Concession Agreement and will be funded by the LCA Allentown Division. **(No Change)**.

3. Allentown Division – Water Filtration Plant: Carbon Dioxide Feed System

The project consists of the addition of a carbon dioxide feed system at the Allentown Water Plant. With the present conversion from alum to polyaluminum chloride (PACl) as the plant's primary coagulant, proper treatment requires the raw water to be kept within a very small pH range for optimum treatment. The acid feed system will control pH within these parameters to achieve treatment goals. Submission of a Major Permit Application with PaDEP is currently in process. The goal for Installation and startup is in the May/June 2018 timeframe. Board approval for the construction phase is anticipated during May or June, 2018.

4. Allentown Division – Water Filtration Plant: Roof Replacement Phase II

The project consists of various replacements at the Kline's Island Wastewater Treatment Plant, Water, Filtration Plant, and miscellaneous gatehouses and pump stations. Phase I of the project was completed in mid-2016. Phase II of the project was advertised on 3/6/2018 and bids were received on 3/27/2018. Board approval for the construction phase of the project was granted at the 4/23/2018 Meeting. Construction will be completed by late July. This project will be funded by LCA Allentown Division.

5. Suburban Division - Water Main Replacement Program Cycle 4

The project consists of the replacement of approximately 2 miles of aged and/or failing Cast Iron water main. The design phase of this project was approved at the October 2017 Board meeting. The project is currently in design phase with an anticipated bid date of mid May 2018. **(No Change)**.

6. Suburban Division – CLD Auxiliary Pump Station Project

The project will feature the installation of a new booster pumping station and water main extension to pump water from the Lower Pressure System to the Upper Pressure System. The project will also involve installation of a SCADA system. The Public Water Supply (PWS) permit

has been issued by DEP. We are revising the proposed pump station easement as requested by the property owner. Bid phase of the project will commence in May 2018. **(No Change)**.

7. **Suburban Division – Upper Milford-CLD Interconnection Project (Kohler Tract)**

The project will feature the installation of a new booster pumping station and water main extension to interconnect the Central Lehigh Division (CLD) with the Upper Milford Division (UMD) allowing the abandonment of the UMD water supply facilities, and to provide water service to the proposed 123-lot Kohler Tract subdivision in Upper Milford Township. Design of the pump station is under way. The Public Water Supply (PWS) permit has been issued by DEP. One property owner has granted us a water line easement. We are investigating an alternate site for the pumping station.

8. **Suburban Division – Pine Lakes Pumping Station Improvements**

This project was originally bid in July 2016 and bids were subsequently rejected due to the lack of competitiveness and significant exceedance of the engineer's estimate. The project was modified and rebid in May 2017 resulting in greater bidder interest and lower prices. The purpose of this project is to upgrade the original hydro-pneumatic well station (built in mid-1970s) to continue the level of service, replace aged and problematic equipment, reduce the probability and consequence of risk, and prolong the useful life of the station. The station is to be upgraded to a double pumping variable speed system with full SCADA telemetry. Construction began in Fall 2017, and will be completed by early Summer.2018 **(No Change)**.

9. **Suburban Division – Crestwood Alternate Water Supply**

The project consists of abandonment of existing wells and storage tank currently serving higher elevation customers and a connection of the pumping station to the main North Whitehall Division System. The project will also involve installation of a SCADA system. The project bids were opened on July 7 and authorization to award was given at the July 24, 2017 Board meeting. A pre-construction meeting was held in September. Construction started in October 2017 and is expected be completed in May 2018 **(No Change)**.

10. **Suburban Division – Water Meter Replacement Project**

The project consists of the replacement of approximately 2000 residential meters and 430 commercial meters as well as replacing "non-read" meters with new transceiver units. Residential meters which are 20 years and older and commercial meters 15 years and older will be replaced. All meters will be upgraded to the most current radio read capability. The project was approved at the September 25, 2017 Board meeting. The Notice to Proceed was issued in November. Replacement of meters began the second week of January 2018 and the project is approximately two thirds complete **(No Change)**.

11. **Suburban Division – Buss Acres Pump Station Replacement**

The project consists of the consolidation and replacement of two well stations with a single new pump station and a new water storage tank to replace two antiquated hydropneumatic pump stations. The new station will be a variable frequency drive controlled double pumping system with full SCADA control. The design will accommodate the future addition of radon removal equipment to be implemented upon DEP's mandate of a regulatory limit. Design phase was authorized at the 8/28/17 board meeting, and the project is anticipated to be ready for bidding in late Summer 2018 **(No Change)**.

12. **Suburban Division – Watershed Monitoring Program**

The project will include setting up a surface water flow-monitoring network for the Little Lehigh Creek. The work is in response to the Watershed Monitoring Plan that was developed and reported to LCA by AI Guiseppa (SSM, Inc.) in 2017. An RFP for vendors to supply flow-monitoring and data transmission equipment to be used at six (6) local bridges was released on

2/1/2018, with proposals due on 3/2/2018. Flow monitoring in 2018 will focus on the Little Lehigh Creek only. In 2019, LCA will develop plans to add new monitoring wells to supplement existing groundwater data that is being collected. Total daily flow recordings at Schantz Spring that will need to include the spring field bypass and the tank overflows as well. SSM will assist LCA in calibrating surface flows under the bridges based on the recorded stream elevations. Authorization for the award of the project was approved at the 3/26/2018 Board meeting. Contract development with FYBR is currently underway. A kickoff meeting is anticipated sometime in May, 2018.

13. Suburban Division – Mechanical Asset Management Upgrade Project

This next phase of Asset Management upgrade work focuses on mechanical components, along with some HVAC and electrical system improvements at ten locations in the Suburban Division. The upgrade locations were determined from asset management data collected from internal interviews conducted by Capital Works with senior Operations staff, and based on risk rating. Also as part of the design phase of this project is the condition assessment of seven (7) hydropneumatic tanks that were placed into service in the 1970s and are reaching the end of their service lives. Design phase was authorized the 4/23/18 Board meeting, and design is anticipated to be completed and ready for bid by mid-Summer.

WASTEWATER**ACTION ITEMS**

DISCUSSION ITEMS

INFORMATION ITEMS

1. Allentown Division – Kline’s Island WWTP: Electrical Substation Replacements

This project involves the replacement of the existing 12.4 kV Switchgear and existing Substation No. 1 and No. 2. The equipment was installed in 1977 and has reached the end of its useful life. The City has reviewed this and has approved this project as a Major Capital Project. Approval of the design engineer was granted at the May 8, 2017 Board Meeting. Approval of the construction contract is tentatively scheduled to be requested at the June 25, 2018 Board Meeting. Construction of the project is expected to begin in July of 2018 and will be completed by the end of 2019. This Major Capital Project will be funded by the LCA Allentown Division.

2. Allentown Division – Kline’s Island WWTP: Miscellaneous Clarifier Improvements

In December 2016, the drive unit on Final Clarifier #5 at Kline’s Island WWTP experienced a complete failure. The drive was the original unit that was installed during construction of the clarifier in 1968. An emergency declaration was declared to reduce the installation time by several weeks. A request for a retroactive emergency declaration was requested and approved at the January 9, 2017 Board meeting. The drive was installed in April 2017 and is now fully operational. The remaining mechanisms of Final Clarifier #5, and the drive unit and similar mechanisms of Final Clarifier #6 have also reached the end of their useful life and will be replaced in early 2018. Construction approval was granted at the August 28, 2017 Board meeting. Construction should be completed by the end of August 2018. This capital project will be funded by the LCA Allentown Division. **(No Change)**

3. Allentown Division – Kline’s Island WWTP: Phase 1 AO Design Improvements

This project includes the design of the AO improvements at the wastewater treatment plant. This conceptual design concept was approved by the City and the relevant final deliverables were received by LCA. The City then directed LCA to proceed with the final design of improvements related to the blending alternative. Board approval for the Professional Services Authorization with Kleinfelder East, Inc. was granted at the September 11, 2017 Board Meeting. The project is identified as Administrative Order Work and will be funded by the City. The 30% design drawings and specifications have been received. The City has now directed to “pause” the design phase of the project as the EPA is scheduled to provide further AO direction.

4. Allentown Division – Kline’s Island WWTP: Primary No. 2 Digester Cleaning

This project includes the cleaning of the Primary No. 2 Digester at the wastewater treatment plant. The project was advertised on February 23, 2018 and bids were received on March 23, 2018. Construction approval was granted at the 4/9/18 Board Meeting. The cleaning of Primary No. 2 Digester began on May 7, 2018 and be completed by mid-June 2018. This capital project will be funded by the LCA Allentown Division

5. Allentown Division – Kline’s Island WWTP: Primary No. 2 Digester Miscellaneous Improvements

This project includes miscellaneous improvements (additional scumbuster and control panel, minor pipe replacement, etc.) for the Primary No. 2 Digester at the wastewater treatment plant. The project was advertised in late April and bids are due in late May. Construction approval is expected at the June 11, 2018 Board Meeting. Construction will begin in early July and will be completed in early August. This capital project will be funded by the LCA Allentown Division.

6. **Allentown Division – Kline’s Island WWTP Master Plan**

This project involves the development of a Master Plan that is required as part of the lease with the City of Allentown. The Master Plan is similar in scope to what was done previously for the Allentown Water System in 2017, and will include Condition Assessments, Process Optimizations, and both short-term and long-term Capital Improvement Plans. The city lease requirements dictate that the Master Plans must be updated every 5 years for the duration of the lease, and 2018 is the first year that a Master Plan is to be prepared for the wastewater system. A Request for Proposal (RFP) was released to five (5) qualified firms on 12/15/2017 and the proposal due date was 1/26/2018. Authorization for the award of the contract was approved at the 3/12/2018 Board meeting. A kickoff meeting will be scheduled in May, 2018.

7. **Suburban Division – Test & Seal Project, Western Lehigh Interceptor Service Area**

Project consists of sanitary sewer cleaning, inspections via CCTV, cured-in-place point repairs, pressure testing and chemical grout sealing of joints, and post construction inspection for sanitary sewer lines located in western and central Lehigh County previously identified as areas subject to leakage. This project is part of the SCARP program. Construction began in August 2016 and is expected to finish by the end of Summer 2017; additional scope work under existing contract is being concluded in Spring 2018 and project will be closed out by early Summer. **(No Change)**

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

This project will upgrade the wastewater treatment plant (WWTP) headworks to install a mechanical fine screen, in order to protect the influent pumps and mitigate rag buildup. The project is funded by the Lynn Township Suburban Division. The contractor has installed the meter vault. The mechanical screen was also installed and a successful startup performed. The chemical feed line must still be installed along with some minor plumbing and electrical work. We anticipate delivery of the chemical tanks in early May, and the project will be closed out by early Summer 2018.

9. **Suburban Division – SCARP**

EPA is considering terminating the Administrative Order after submission and approval of a regional flow management strategy (RFMS) inclusive of all EPA AO respondents. EPA has indicated that the following critical elements should be included in the program: collection system operation and maintenance plan, system characterization, source removal, flow modeling, and flow targets. Should this action take place, then the Pa. Department of Environmental Protection would resume its enforcement oversight of the program. LCA, the Western Lehigh Sewerage Partnership, City of Allentown, and City municipal signatories agreed to this approach in concept and received written confirmation from EPA that the submission deadline is August 1, 2018. Meetings have been taking place with the Partners and City Signatories to develop the RFMS.

10. **Suburban Division – Spring Creek Pump Station**

This project involves the following upgrades to the existing pumping station: Install a comminutor to reduce buildup of debris on the bar screens, replace the manually operated weir gates with new motorized weir gates, and upgrades to the SCADA system. Design of the project is complete. The Notice to Proceed was issued on December 12, 2017. The project is currently under construction and is anticipated to be completed by late Summer 2018 **(No Change)**.

11. **Suburban Division – Park Pump Station Force Main Rehabilitation**

The Park Pump Station and Force Main line were constructed in 1980 to provide wet weather relief to the Little Lehigh Creek Interceptor, which conveys wastewater from ten municipalities from outlying areas to the Kline’s Island Wastewater Treatment Plant (KIWWTP). The force main consists of 8,715 linear feet of prestressed concrete cylinder pipe (PCCP) of various sizes (2,615’ of 24”; 2,695’ of 30”; and 3,405’ of 36”), and connects with the 54” sanitary sewer

interceptor that runs to KIWWTP. PCCP is particularly sensitive to deterioration due to hydrogen sulfide gas from wastewater, and corrosion of exposed reinforcing steel can result in structural degradation and pipe failure. An internal investigation of the pipe is required to assess the condition of the PCCP pipe and identify damage areas, in order to determine the locations and extent of rehabilitation needed to restore the level of service, prolong service life, and mitigate the risk of failure. Capital Works is currently evaluating technologies and procedures for performing an internal force main pipe condition assessment that require minimal interruption of operation of the pump station and force main **(No Change)**.

12. Suburban Division – Park Pump Station Upgrade

The Park Pump Station is to be upgraded to address mitigate risk of failure, restore station capacity, and prolong the service life of this critical facility. Design was completed in December 2017. The Park Pump Station Upgrade was advertised for bid in December 2017, pre-bid meeting was held on 1/4/18, and bids were opened 2/1/18. Construction phase was authorized at the 2/12/18 board meeting. Notice to proceed for the construction contracts was issued dated 3/26/18. A pre-construction meeting was conducted in early April 2018, and construction is anticipated to be completed by Summer, 2019 **(No Change)**.

13. Suburban Division – Heidelberg Heights Sanitary Sewer Rehabilitation

This project involves replacement of approximately 1,100 feet of 8-inch sewer main and 54 sewer laterals (public portion only) in the Heidelberg Heights sanitary sewer system. Recent internal CCTV inspection of the system revealed numerous pipe breaks, root intrusions, and other defects that has resulted in excessive infiltration of groundwater, particularly during storm events. The targeted sewer lines appear to be in the worst condition, and have the highest priority for replacement. This project is part of an on-going effort to reduce hydraulic overloads at the Heidelberg Heights wastewater treatment plant. The project was advertised for bid in January 2018 and bids were opened on 2/28/2018. The board authorized the construction phase of this project at the 3/12/2018 Board meeting. LCA issued a notice to proceed on 3/29/18 to the contractor and construction is anticipated to be completed by early Summer.

14. Suburban Division – Heidelberg Heights Wastewater Treatment Plant Improvements

As part of an asset management approach to maintaining the level of service and mitigating risk of failure at the Heidelberg Heights Wastewater Treatment Plant, a condition assessment evaluation is proposed for the Equalization/Sludge Holding tank. This steel tank is part of the original plant, installed in the mid-1970s, and is compartmentalized to serve as both a raw sewage equalization tank (for sequenced pumping to the newer SBR tanks), and for storing liquid sludge (for pump and haul removal). The exposed portions of this tank display areas of corrosion, and the tank is to be drained and cleaned in order to perform a thorough assessment to determine structural integrity and remaining service life.



LEHIGH COUNTY AUTHORITY

FINANCIAL REPORT – APRIL 2018

SUMMARY

MONTH			APRIL 2018	YEAR-TO-DATE			FULL YEAR		
Actual	Forecast	FC Var		Actual	Forecast	FC Var	Forecast	Budget	Variance
Income Statement									
(127,675)	(134,877)	7,202	Suburban Water	(68,298)	(75,500)	7,202	(303,499)	(305,584)	2,085
(28,383)	(45,197)	16,815	Suburban Wastewater	(269,539)	(286,353)	16,815	890,203	883,715	6,488
(221,779)	(240,123)	18,345	City Division	(966,124)	(984,469)	18,345	(8,374,567)	(7,267,990)	(1,106,577)
(377,836)	(420,198)	42,361	Total LCA	(1,303,960)	(1,346,322)	42,361	(7,787,863)	(6,689,859)	(1,098,004)
Cash Flow Statement									
(174,838)	(955,254)	780,416	Suburban Water	1,706,193	925,776	780,417	881,945	(4,392,584)	5,274,529
259,018	68,514	190,504	Suburban Wastewater	1,893,812	1,703,308	190,504	5,295,165	(2,751,285)	8,046,450
1,616,958	1,383,044	233,915	City Division	5,639,306	5,405,391	233,915	(3,032,715)	(5,085,490)	2,052,775
1,701,138	496,303	1,204,835	Total LCA	9,239,311	8,034,475	1,204,835	3,144,395	(12,229,359)	15,373,754
Debt Service Coverage Ratio									
0.82	0.81	0.02	Suburban Water	1.25	1.25	0.01	1.35	1.24	0.11
7.08	6.45	0.63	Suburban Wastewater	6.37	6.21	0.15	9.07	8.95	0.12
1.61	1.55	0.06	City Division	1.55	1.53	0.02	1.27	1.25	0.02

NET INCOME

Month

For the month, all three funds are reporting a net loss. However, compared to forecast, all three funds are favorable.

Year-to-Date

All three funds are reporting a YTD loss. However, all three funds are favorable to forecast.

Full Year

The full year forecast reflects a favorable variance to budget for Suburban Water and Suburban Wastewater. The full year forecast for the City Division is unfavorable to budget.

CASH FLOWS

Month

Cash flows for the month were positive for Suburban Wastewater and City Division. Suburban Water cash flows are a deficit. Compared to forecast, though, all three funds had cash flows that were better.

Year-to-Date

For the year so far, all three funds are reporting surplus cash flows and all three funds have cash flows better than forecast.

Full Year

The forecasted cash flows for the year are at surplus for Suburban Water and Suburban Wastewater. City Division is forecasting a deficit for the full year. However, the full year forecasted cash flows for all three funds are favorable to budget.

DEBT SERVICE COVERAGE RATIO

Year-to-Date

All three funds have ratios that are better than internal target and all three funds are at or better than budget.

Full Year

Forecast for the year shows all funds with debt service coverage ratios that are higher than internal target and higher than budget.

SUBURBAN WATER

MONTH			APRIL 2018	YEAR-TO-DATE			FULL YEAR		
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Budget	Variance
			Income Statement						
845,371	803,972	41,399	Operating Revenues	3,006,022	2,964,623	41,399	9,739,128	9,733,000	6,128
(706,043)	(689,659)	(16,383)	Operating (Expenses)	(2,649,580)	(2,633,197)	(16,383)	(9,302,780)	(8,929,584)	(373,196)
139,328	114,313	25,015	Operating Income	356,442	331,426	25,015	436,348	803,416	(367,068)
17,810	16,000	1,810	Non-Operating Revenues	77,905	76,095	1,810	754,095	746,000	8,095
-	-	-	Project Reimbursement	-	-	-	23,000	23,000	-
-	-	-	Non-Operating Expenses	-	-	-	-	-	-
(406)	-	(406)	Capex Expensed	(840)	(434)	(406)	(434)	-	(434)
156,732	130,313	26,419	Income Before Interest & Contributions	433,507	407,088	26,419	1,213,009	1,572,416	(359,407)
(5,615)	10,000	(15,615)	Interest Income	35,942	51,557	(15,615)	126,557	125,000	1,557
(278,792)	(275,190)	(3,602)	Interest Expense	(537,747)	(534,145)	(3,602)	(1,643,065)	(2,003,000)	359,935
-	-	-	Capital Contributions	-	-	-	-	-	-
(127,675)	(134,877)	7,202	NET INCOME	(68,298)	(75,500)	7,202	(303,499)	(305,584)	2,085
			Cash Flow Statement (Indirect)						
(127,675)	(134,877)	7,202	Net Income	(68,298)	(75,500)	7,202	(303,499)	(305,584)	2,085
245,832	245,833	(1)	Add: Depreciation & Amortization	983,328	983,329	(1)	2,949,997	2,950,000	(3)
0	-	0	Add: Non-Cash Interest Expense	0	(0)	0	-	-	-
406	-	406	Add: Capex Charged to Expense	840	434	406	434	-	434
-	-	-	Non-Cash Working Capital Changes	-	-	-	-	-	-
(203,145)	(204,000)	855	Principal Payments	(620,724)	(621,580)	856	(1,518,820)	(1,741,000)	222,180
-	-	-	Investments Converting To Cash	2,022,010	2,022,010	-	6,000,000	4,000,000	2,000,000
-	-	-	New Borrowing	-	-	-	-	-	-
(90,256)	(862,210)	771,954	Capital Expenditures	(610,963)	(1,382,917)	771,954	(6,246,167)	(9,296,000)	3,049,833
(174,838)	(955,254)	780,416	NET FUND CASH FLOWS	1,706,193	925,776	780,417	881,945	(4,392,584)	5,274,529
			Debt Service Coverage Ratio						
397,355	386,146	11,209	Total Cash Available For Debt Service	1,453,617	1,442,408	11,209	4,266,997	4,624,416	(357,419)
481,937	479,190	2,747	Debt Service	1,158,471	1,155,725	2,746	3,161,885	3,744,000	(582,115)
0.82	0.81	0.02	DSCR	1.25	1.25	0.01	1.35	1.24	0.11

NET INCOME

Month

Net income for the month was a loss, but this was favorable to forecast. This was due to higher operating revenues offset partly by higher operating expenses, lower interest income, and slightly interest expenses. Operating revenues were higher with residential revenues up a bit to forecast partly offset by slightly lower industrial revenues. Operating expenses were unfavorable to forecast with unfavorable variances on services partly offset by favorable variances on other spending categories. Interest income unfavorable due to an accounting true-up.

Year-to-Date

YTD net income is a loss but is favorable to forecast on lower interest income, higher interest expenses, and higher operating expenses that were more than offset by higher operating revenues. Operating revenues were up from higher residential revenues with a slight offset from lower industrial. Operating expenses were unfavorable due to higher service spending that was mitigated by favorable variances on other accounts. Interest income was negatively impacted by the accounting true-up.

Full Year

Net income for the year is forecasted to negative but is slightly favorable to budget. Not forecasting any big changes to operating revenues as that is up only a bit to budget. Operating expenses are up due to an adjustment to the costs of purchased water. Interest expenses were forecasted down to agree to debt schedules, budget for the year was on the high side. Actually, the lower interest expense just about offset the impact of the purchased water adjustment.

CASH FLOWS

Month

Cash flow for the month was a deficit that was favorable. The favorable forecast variance was due to lower capital spending.

Year-to-Date

Cash flow YTD is a surplus that is favorable to forecast on lower capital spending. We are going to see more cash from maturities and we are forecasting significantly lower capital spending that pushed cash flows well favorable to budget.

Full Year

Cash flow forecasted for the year is a surplus that is significantly favorable to budget on higher investments maturing into cash and lower capital spending. Forecast has a reduction in capital spending of \$3.0m

SUBURBAN WASTEWATER

MONTH			YEAR-TO-DATE			FULL YEAR			
Actual	Forecast	Variance	APRIL 2018	Actual	Forecast	Variance	Forecast	Budget	Variance
			Income Statement						
1,476,308	1,467,576	8,732	Operating Revenues	5,751,262	5,742,530	8,732	19,169,817	19,197,000	(27,183)
(1,569,848)	(1,539,973)	(29,875)	Operating (Expenses)	(6,148,325)	(6,118,450)	(29,875)	(18,855,381)	(18,908,285)	52,904
(93,541)	(72,397)	(21,143)	Operating Income	(397,063)	(375,920)	(21,143)	314,436	288,715	25,721
81,725	45,000	36,725	Non-Operating Revenues	194,545	157,820	36,725	1,084,820	1,107,000	(22,180)
-	-	-	Project Reimbursement	-	-	-	-	-	-
-	-	-	Non-Operating Expenses	-	-	-	-	-	-
-	-	-	Capex Expensed	-	-	-	(301,000)	(301,000)	-
(11,816)	(27,397)	15,582	Income Before Interest Expense	(202,518)	(218,100)	15,582	1,098,256	1,094,715	3,541
284	200	84	Interest Income	1,007	923	84	5,123	5,000	123
(16,851)	(18,000)	1,149	Interest Expense	(68,027)	(69,176)	1,149	(213,176)	(216,000)	2,824
-	-	-	Capital Contributions	-	-	-	-	-	-
(28,383)	(45,197)	16,815	NET INCOME	(269,539)	(286,353)	16,815	890,203	883,715	6,488
			Cash Flow Statement (Indirect)						
(28,383)	(45,197)	16,815	Net Income	(269,539)	(286,353)	16,815	890,203	883,715	6,488
397,865	398,000	(135)	Add: Depreciation & Amortization	1,591,460	1,591,595	(135)	4,775,595	4,776,000	(405)
2,501	-	2,501	Add: Non-Cash Interest Expense	10,218	7,717	2,501	7,717	-	7,717
-	-	-	Add: Capex Charged to Expense	-	-	-	301,000	301,000	-
-	-	-	Non-Cash Working Capital Changes	-	-	-	-	-	-
(40,224)	(39,500)	(724)	Principal Payments	(160,469)	(159,745)	(724)	(475,745)	(474,000)	(1,745)
-	-	-	Investments Converting To Cash	980,000	980,000	-	3,480,000	3,480,000	-
-	-	-	New Borrowing	-	-	-	-	-	-
(72,742)	(244,789)	172,047	Capital Expenditures	(257,858)	(429,905)	172,047	(3,683,605)	(11,718,000)	8,034,395
259,018	68,514	190,504	NET FUND CASH FLOWS	1,893,812	1,703,308	190,504	5,295,165	(2,751,285)	8,046,450
			DEBT SERVICE COVERAGE RATIO						
386,333	370,803	15,531	Total Cash Available For Debt Service	1,389,949	1,374,418	15,531	6,179,974	6,176,715	3,259
54,573	57,500	(2,927)	Debt Service	218,278	221,205	(2,927)	681,204	690,000	(8,796)
7.08	6.45	0.63	DSCR	6.37	6.21	0.15	9.07	8.95	0.12

NET INCOME

Month

Net income for the month was negative but better than forecast due to higher non-operating and operating revenues offset partly by higher operating expenses. Operating revenues were up by \$9k with \$18 of higher revenues from the Wastewater Treatment Plant partly offset by \$9k of lower revenues from Signatories. Operating expenses were up to forecast by \$30m with most of that coming from higher purchased services and material & supplies purchases. Non-operating revenues were from higher tapping fees.

Year-to-Date

Year-to-date net income is negative favorable to forecast due to the higher non-operating revenues offset partly by higher operating expenses. Operating revenues are up with higher Wastewater Treatment Plant revenues partly offset by lower Signatory Revenues. Operating expenses are up on higher services and supplies. Non-operating revenues are up on higher tapping fees.

Full Year

Forecast net income for the year is slightly favorable to budget. Are not forecasting any major changes. Forecasting operating revenues to be down slightly as well as slight reduction in non-operating revenues but forecast ting will me more than offset by lower operating expenses.

CASH FLOWS

Month

Cash flow for the month was a surplus and was favorable to forecast due to lower capital spending.

Year-to-Date

YTD cash flow is a surplus and favorable to forecast due to lower capital spending.

Full Year

Forecasted cash flow for the year are a surplus and significantly higher than budget due to lower capital spending. Forecasted capital spending is reduced by \$8.0m from budget.

CITY DIVISION

MONTH			APRIL 2018	YEAR-TO-DATE			FULL YEAR		
Actual	Forecast	Variance		Actual	Forecast	Variance	Forecast	Budget	Variance
Income Statement									
3,035,850	3,038,544	(2,694)	Operating Revenues	11,791,461	11,794,155	(2,694)	33,851,388	33,569,000	282,388
(1,839,339)	(1,884,667)	45,328	Operating (Expenses)	(7,122,280)	(7,167,609)	45,328	(22,393,941)	(22,401,990)	8,049
1,196,511	1,153,877	42,634	Operating Income	4,669,180	4,626,546	42,634	11,457,447	11,167,010	290,437
25,594	16,000	9,594	Non-Operating Revenues	150,853	141,259	9,594	443,259	452,000	(8,741)
-	-	-	Project Reimbursement	-	-	-	2,480,000	2,480,000	-
-	-	-	Non-Operating Expenses	-	-	-	-	-	-
(132,342)	(100,000)	(32,342)	Capex Expensed	(370,980)	(338,638)	(32,342)	(4,638,638)	(4,980,000)	341,362
1,089,763	1,069,877	19,887	Income Before Interest Expense	4,449,053	4,429,167	19,887	9,742,068	9,119,010	623,058
91,192	90,000	1,192	Interest Income	195,759	194,567	1,192	404,567	348,000	56,567
(1,402,734)	(1,400,000)	(2,734)	Interest Expense	(5,610,936)	(5,608,202)	(2,734)	(18,521,202)	(16,735,000)	(1,786,202)
-	-	-	Capital Contributions	-	-	-	-	-	-
(221,779)	(240,123)	18,345	NET INCOME	(966,124)	(984,469)	18,345	(8,374,567)	(7,267,990)	(1,106,577)
Cash Flow Statement (Indirect)									
(221,779)	(240,123)	18,345	Net Income	(966,124)	(984,469)	18,345	(8,374,567)	(7,267,990)	(1,106,577)
466,667	466,667	-	Add: Depreciation & Amortization	1,866,668	1,866,668	-	5,600,000	5,600,000	-
1,402,734	1,400,000	2,734	Add: Non-Cash Interest Expense	5,610,936	5,608,202	2,734	4,773,202	2,987,000	1,786,202
132,342	100,000	32,342	Add: Capex Charged to Expense	370,980	338,638	32,342	4,638,638	4,980,000	(341,362)
-	-	-	Non-Cash Working Capital Changes	-	-	-	-	-	-
-	-	-	Principal Payments	-	-	-	-	-	-
-	-	-	Cash Outlays on Lease & Lease Reserve	(255,780)	(255,780)	-	(515,560)	(512,000)	(3,560)
-	-	-	Investments Converting To Cash	-	-	-	-	-	-
-	-	-	New Borrowing	-	-	-	1,100,000	1,720,000	(620,000)
(163,006)	(343,500)	180,494	Capital Expenditures	(987,374)	(1,167,868)	180,494	(10,254,428)	(12,592,500)	2,338,072
1,616,958	1,383,044	233,915	NET FUND CASH FLOWS	5,639,306	5,405,391	233,915	(3,032,715)	(5,085,490)	2,052,775
DEBT SERVICE COVERAGE RATIO									
1,754,519	1,684,211	70,308	Net Cash Available For Debt Service	6,736,843	6,665,399	71,445	17,464,592	17,129,856	334,736
1,087,310	1,087,310	-	Debt Service	4,349,240	4,349,240	0	13,748,000	13,748,000	-
1.61	1.55	0.06	DSCR	1.55	1.53	0.02	1.27	1.25	0.02

NET INCOME

Month

Net income for the month was a loss but was favorable to forecast due to lower operating expenses partly offset by higher expensed capital works spending. Operating revenues were just a bit lower than forecast with water up by \$15m but wastewater down by \$18m on lower Signatory charges. Operating expenses were down to forecast on lower purchased services. Capital works projects were unfavorable on project spending expensed that was forecasted in a later period.

Year-to-Date

YTD net income is a loss but is also favorable to forecast on the lower operating expenses to more than offset higher expensed capital works spending. The revenues are down a bit as higher water revenues were more than offset by lower wastewater revenues. Operating expenses reflect lower spending on services.

Full Year

Forecast for the year is a loss and is unfavorable to budget on higher interest expenses. Operating income was up from higher operating revenues and a small reduction in operating expenses, but the majority of the increase to loss is from higher interest expense on higher accretion. The forecast was based upon values experienced in 2017 that we did not have visibility on during budget development. This interest is not actual debt service as it is non-cash.

CASH FLOWS

Month

Cash flows for the month were at a surplus and favorable to forecast due to lower capital spending.

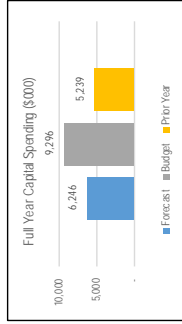
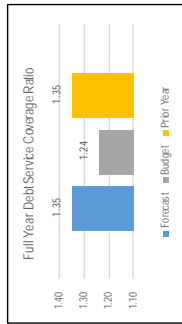
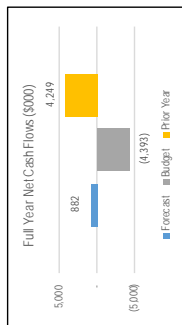
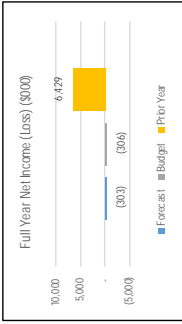
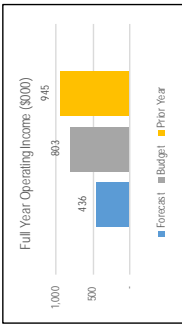
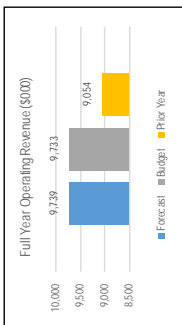
Year-to-Date

YTD cash flows are at a surplus and better than forecast on lower capital spending.

Full Year

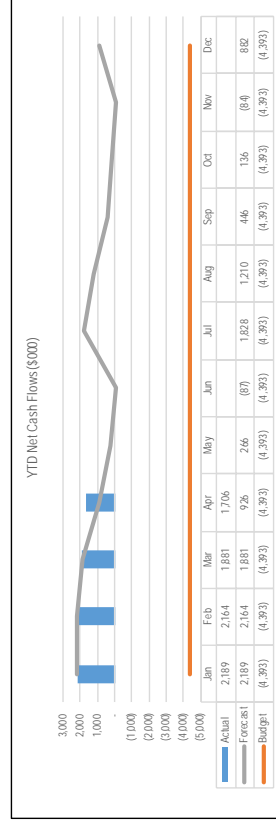
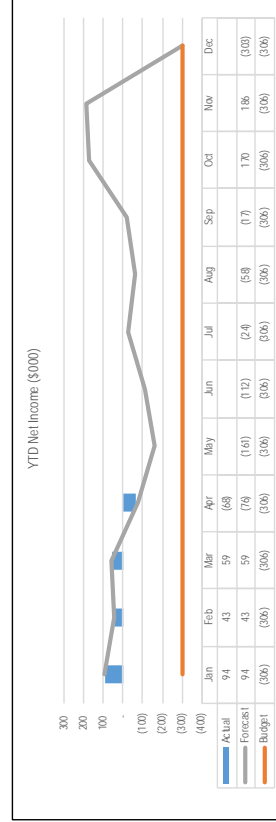
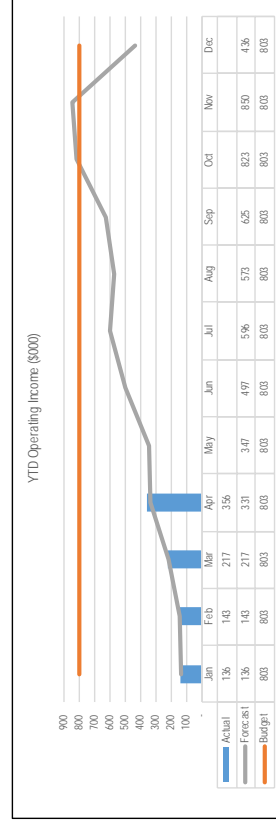
Full year cash flows are forecasted to be at a deficit but are favorable to forecast on lower capital spending. The capital spending was reduced by \$2.3m from budget and that is most of the change in cash flows forecasted compared to budget.

**DASHBOARD - SUBURBAN WATER
APRIL 2018**



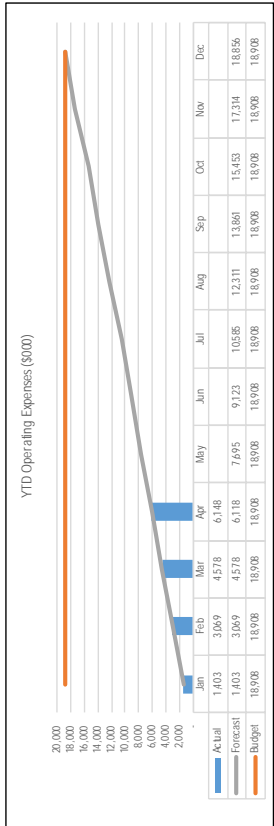
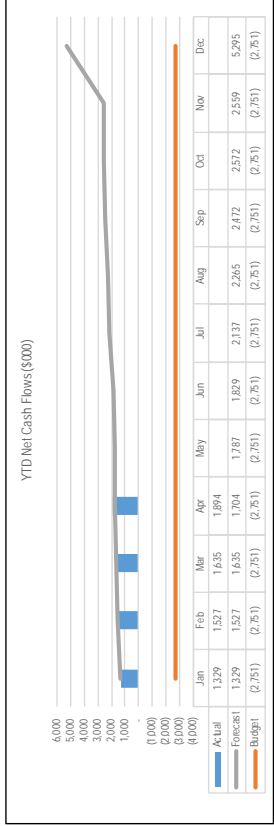
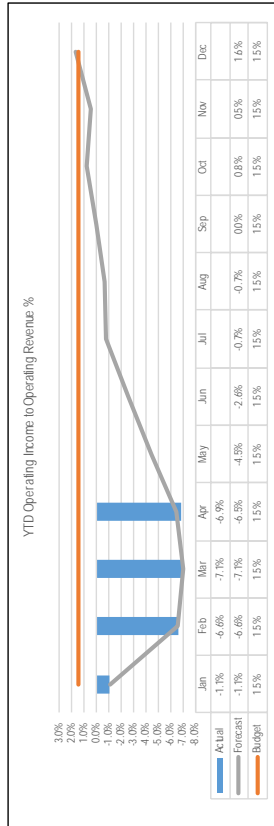
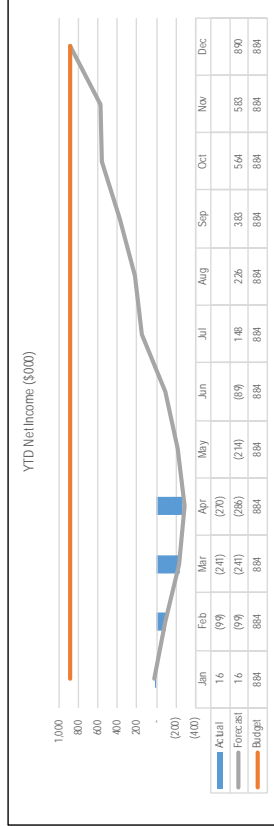
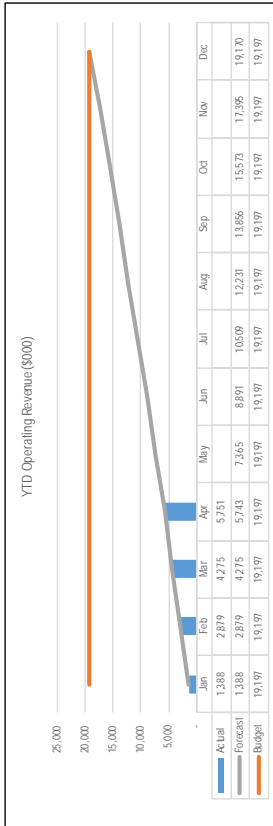
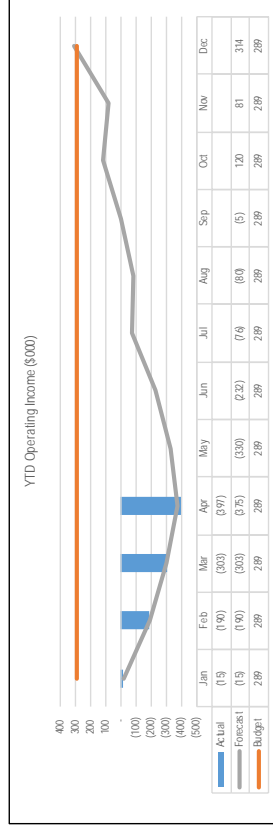
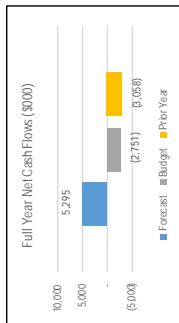
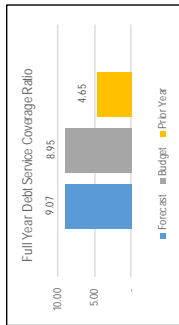
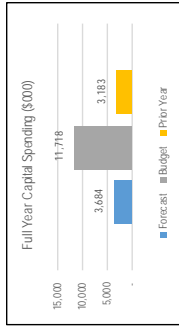
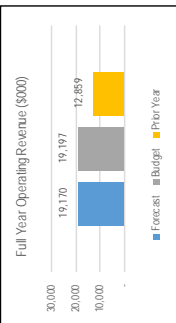
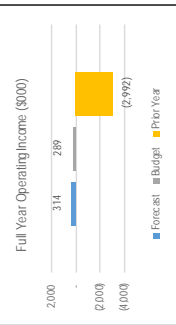
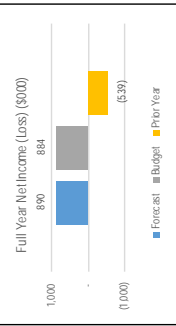
FULL YEAR COMPARATIVE (\$000)

	Forecast	Budget	Prior Yr
Operating Revenues	9,739	9,733	9,054
Less Operating Expenses	9,303	8,930	8,109
Operating Income	436	803	945
Other Income (expenses)	(739)	(1,109)	5,484
Net Income	(303)	(306)	6,429
Debt Service Coverage Ratio	1.35	1.24	1.35
Net Cash Flows	882	(4,393)	4,249

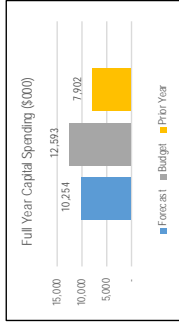
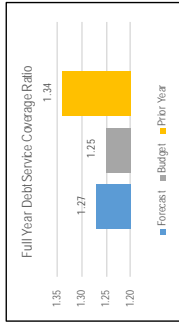
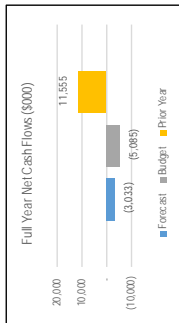
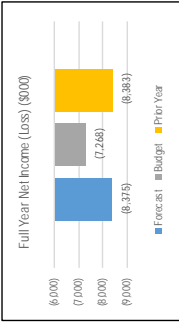
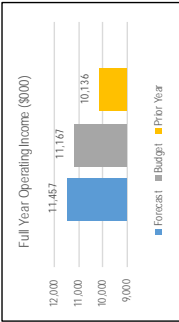
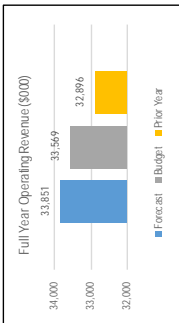


**DASHBOARD - SUBURBAN WASTEWATER
APRIL 2018**

FULL YEAR COMPARATIVE (\$000)			
	Forecast	Budget	Prior Yr
Operating Revenues	19,170	19,197	12,859
Less: Operating Expenses	18,856	18,908	15,851
Operating Income	314	289	(2,992)
Other income (expenses)	576	595	2,453
Net Income	890	884	(539)
Debt Service Coverage Ratio	9.07	8.95	4.65
Net Cash Flows	5,295	(2,751)	(3,058)

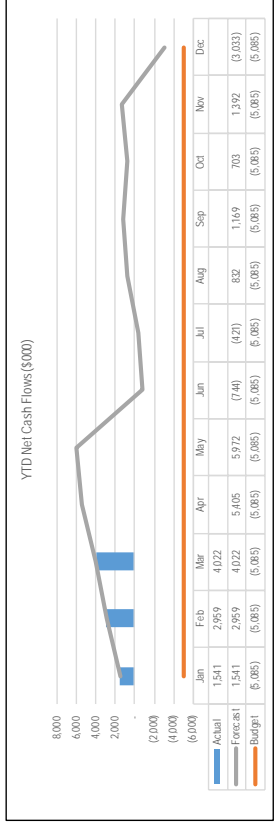
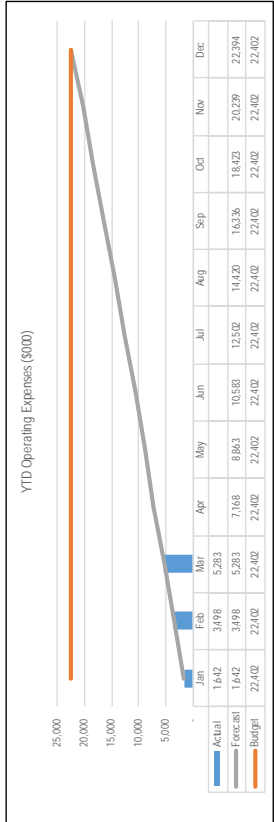
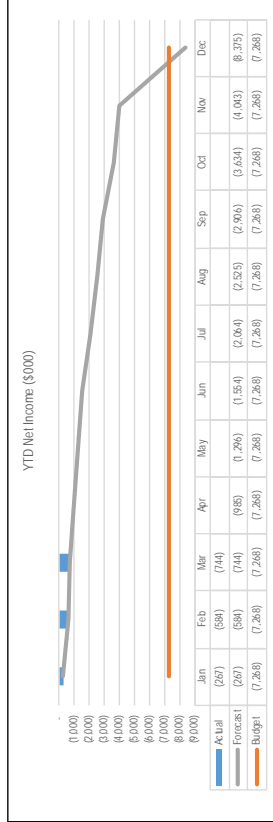
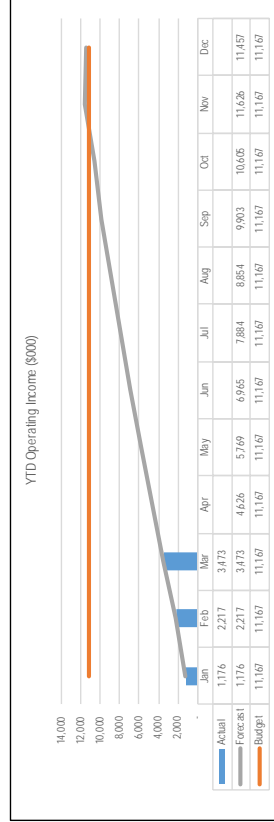
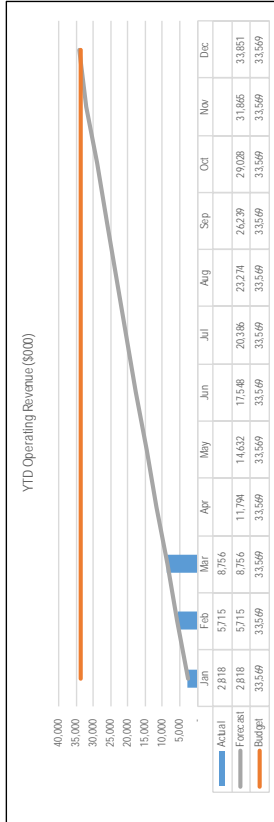


**DASHBOARD - CITY DIVISION
APRIL 2018**



FULL YEAR COMPARATIVE (\$000)

Category	Forecast	Budget	Prior Yr
Operating Revenues	33,851	33,569	32,896
Less Operating Expenses	22,394	22,402	22,760
Operating Income	11,457	11,167	10,136
Other income (expenses)	(19,832)	(18,435)	(18,519)
Net Income	(8,375)	(7,268)	(8,383)
Debt Service Coverage Ratio	1.27	1.25	1.34
Net Cash Flows	(3,033)	(5,085)	11,555



LEHIGH COUNTY AUTHORITY									
FINANCIAL STATEMENTS - SUBURBAN WATER									
APRIL 2018									
MONTH			YEAR-TO-DATE			FULL YEAR			
Actual	Forecast	Variance	APRIL 2018	Actual	Forecast	Variance	Forecast	Budget	Variance
			Income Statement						
845,371	803,972	41,399	Operating Revenues	3,006,022	2,964,623	41,399	9,739,128	9,733,000	6,128
(706,043)	(689,659)	(16,383)	Operating (Expenses)	(2,649,580)	(2,633,197)	(16,383)	(9,302,780)	(8,929,584)	(373,196)
139,328	114,313	25,015	Operating Income	356,442	331,426	25,015	436,348	803,416	(367,068)
17,810	16,000	1,810	Non-Operating Revenues	77,905	76,095	1,810	754,095	746,000	8,095
-	-	-	Project Reimbursement	-	-	-	23,000	23,000	-
-	-	-	Non-Operating Expenses	-	-	-	-	-	-
(406)	-	(406)	Capex Expensed	(840)	(434)	(406)	(434)	-	(434)
156,732	130,313	26,419	Income Before Interest & Contributions	433,507	407,088	26,419	1,213,009	1,572,416	(359,407)
(5,615)	10,000	(15,615)	Interest Income	35,942	51,557	(15,615)	126,557	125,000	1,557
(278,792)	(275,190)	(3,602)	Interest Expense	(537,747)	(534,145)	(3,602)	(1,643,065)	(2,003,000)	359,935
-	-	-	Capital Contributions	-	-	-	-	-	-
(127,675)	(134,877)	7,202	NET INCOME	(68,298)	(75,500)	7,202	(303,499)	(305,584)	2,085
			Cash Flow Statement (Indirect)						
(127,675)	(134,877)	7,202	Net Income	(68,298)	(75,500)	7,202	(303,499)	(305,584)	2,085
245,832	245,833	(1)	Add: Depreciation & Amortization	983,328	983,329	(1)	2,949,997	2,950,000	(3)
0	-	0	Add: Non-Cash Interest Expense	0	(0)	0	-	-	-
406	-	406	Add: Capex Charged to Expense	840	434	406	434	-	434
-	-	-	Non-Cash Working Capital Changes	-	-	-	-	-	-
(203,145)	(204,000)	855	Principal Payments	(620,724)	(621,580)	856	(1,518,820)	(1,741,000)	222,180
-	-	-	Investments Converting To Cash	2,022,010	2,022,010	-	6,000,000	4,000,000	2,000,000
-	-	-	New Borrowing	-	-	-	-	-	-
(90,256)	(862,210)	771,954	Capital Expenditures	(610,963)	(1,382,917)	771,954	(6,246,167)	(9,296,000)	3,049,833
(174,838)	(955,254)	780,416	NET FUND CASH FLOWS	1,706,193	925,776	780,417	881,945	(4,392,584)	5,274,529
			Debt Service Coverage Ratio						
397,355	386,146	11,209	Total Cash Available For Debt Service	1,453,617	1,442,408	11,209	4,266,997	4,624,416	(357,419)
481,937	479,190	2,747	Debt Service	1,158,471	1,155,725	2,746	3,161,885	3,744,000	(582,115)
0.82	0.81	0.02	DSCR	1.25	1.25	0.01	1.35	1.24	0.11
			Cash Flow Statement (Direct)						
845,371	803,972	41,399	Operating Revenues	3,006,022	2,964,623	41,399	9,739,128	9,733,000	6,128
(460,211)	(443,826)	(16,384)	Operating Expenses (ex D&A)	(1,666,252)	(1,649,868)	(16,384)	(6,352,783)	(5,979,584)	(373,199)
(5,615)	10,000	(15,615)	Interest Income	35,942	51,557	(15,615)	126,557	125,000	1,557
379,545	370,146	9,399	Cash Available For Debt Service	1,375,712	1,366,312	9,399	3,512,902	3,878,416	(365,514)
(278,792)	(275,190)	(3,602)	Interest Payments	(537,747)	(534,145)	(3,602)	(1,643,065)	(2,003,000)	359,935
(203,145)	(204,000)	855	Principal Payments	(620,724)	(621,580)	856	(1,518,820)	(1,741,000)	222,180
(102,392)	(109,044)	6,653	Net Cash Available After Debt Service	217,240	210,587	6,653	351,017	134,416	216,601
17,810	16,000	1,810	Non-Operating Revenues	77,905	76,095	1,810	754,095	746,000	8,095
-	-	-	Project Reimbursement	-	-	-	23,000	23,000	-
-	-	-	Non-Operating Expenses	-	-	-	-	-	-
-	-	-	Non-Cash Working Capital Changes	-	-	-	-	-	-
(84,582)	(93,044)	8,463	Net Cash Available For Capital	295,146	286,683	8,463	1,128,112	903,416	224,696
-	-	-	Capital Contributions	-	-	-	-	-	-
-	-	-	Investments Converting To Cash	2,022,010	2,022,010	-	6,000,000	4,000,000	2,000,000
-	-	-	New Borrowing	-	-	-	-	-	-
(90,256)	(862,210)	771,954	Capital Expenditures	(610,963)	(1,382,917)	771,954	(6,246,167)	(9,296,000)	3,049,833
(174,838)	(955,254)	780,416	NET FUND CASH FLOWS	1,706,193	925,776	780,417	881,945	(4,392,584)	5,274,529

LEHIGH COUNTY AUTHORITY
FINANCIAL STATEMENTS - SUBURBAN WASTEWATER
APRIL 2018

MONTH			YEAR-TO-DATE			FULL YEAR			
Actual	Forecast	Variance	APRIL 2018	Actual	Forecast	Variance	Forecast	Budget	Variance
Income Statement									
1,476,308	1,467,576	8,732	Operating Revenues	5,751,262	5,742,530	8,732	19,169,817	19,197,000	(27,183)
(1,569,848)	(1,539,973)	(29,875)	Operating (Expenses)	(6,148,325)	(6,118,450)	(29,875)	(18,855,381)	(18,908,285)	52,904
(93,541)	(72,397)	(21,143)	Operating Income	(397,063)	(375,920)	(21,143)	314,436	288,715	25,721
81,725	45,000	36,725	Non-Operating Revenues	194,545	157,820	36,725	1,084,820	1,107,000	(22,180)
-	-	-	Project Reimbursement	-	-	-	-	-	-
-	-	-	Non-Operating Expenses	-	-	-	-	-	-
-	-	-	Capex Expensed	-	-	-	(301,000)	(301,000)	-
(11,816)	(27,397)	15,582	Income Before Interest Expense	(202,518)	(218,100)	15,582	1,098,256	1,094,715	3,541
284	200	84	Interest Income	1,007	923	84	5,123	5,000	123
(16,851)	(18,000)	1,149	Interest Expense	(68,027)	(69,176)	1,149	(213,176)	(216,000)	2,824
-	-	-	Capital Contributions	-	-	-	-	-	-
(28,383)	(45,197)	16,815	NET INCOME	(269,539)	(286,353)	16,815	890,203	883,715	6,488
Cash Flow Statement (Indirect)									
(28,383)	(45,197)	16,815	Net Income	(269,539)	(286,353)	16,815	890,203	883,715	6,488
397,865	398,000	(135)	Add: Depreciation & Amortization	1,591,460	1,591,595	(135)	4,775,595	4,776,000	(405)
2,501	-	2,501	Add: Non-Cash Interest Expense	10,218	7,717	2,501	7,717	-	7,717
-	-	-	Add: Capex Charged to Expense	-	-	-	301,000	301,000	-
-	-	-	Non-Cash Working Capital Changes	-	-	-	-	-	-
(40,224)	(39,500)	(724)	Principal Payments	(160,469)	(159,745)	(724)	(475,745)	(474,000)	(1,745)
-	-	-	Investments Converting To Cash	980,000	980,000	-	3,480,000	3,480,000	-
-	-	-	New Borrowing	-	-	-	-	-	-
(72,742)	(244,789)	172,047	Capital Expenditures	(257,858)	(429,905)	172,047	(3,683,605)	(11,718,000)	8,034,395
259,018	68,514	190,504	NET FUND CASH FLOWS	1,893,812	1,703,308	190,504	5,295,165	(2,751,285)	8,046,450
DEBT SERVICE COVERAGE RATIO									
386,333	370,803	15,531	Total Cash Available For Debt Service	1,389,949	1,374,418	15,531	6,179,974	6,176,715	3,259
54,573	57,500	(2,927)	Debt Service	218,278	221,205	(2,927)	681,204	690,000	(8,796)
7.08	6.45	0.63	DSCR	6.37	6.21	0.15	9.07	8.95	0.12
Cash Flow Statement (Direct)									
1,476,308	1,467,576	8,732	Operating Revenues	5,751,262	5,742,530	8,732	19,169,817	19,197,000	(27,183)
(1,171,983)	(1,141,973)	(30,010)	Operating Expenses (ex D&A)	(4,556,865)	(4,526,855)	(30,010)	(14,079,786)	(14,132,285)	52,499
284	200	84	Interest Income	1,007	923	84	5,123	5,000	123
304,608	325,803	(21,194)	Cash Available For Debt Service	1,195,404	1,216,598	(21,194)	5,095,154	5,069,715	25,439
(14,350)	(18,000)	3,650	Interest Payments	(57,809)	(61,459)	3,650	(205,459)	(216,000)	10,541
(40,224)	(39,500)	(724)	Principal Payments	(160,469)	(159,745)	(724)	(475,745)	(474,000)	(1,745)
250,035	268,303	(18,268)	Net Cash Available After Debt Service	977,126	995,393	(18,268)	4,413,950	4,379,715	34,235
81,725	45,000	36,725	Non-Operating Revenues	194,545	157,820	36,725	1,084,820	1,107,000	(22,180)
-	-	-	Project Reimbursement	-	-	-	-	-	-
-	-	-	Non-Operating Expenses	-	-	-	-	-	-
-	-	-	Non-Cash Working Capital Changes	-	-	-	-	-	-
331,760	313,303	18,457	Net Cash Available For Capital	1,171,670	1,153,213	18,457	5,498,770	5,486,715	12,055
-	-	-	Capital Contributions	-	-	-	-	-	-
-	-	-	Investments Converting To Cash	980,000	980,000	-	3,480,000	3,480,000	-
-	-	-	New Borrowing	-	-	-	-	-	-
(72,742)	(244,789)	172,047	Capital Expenditures	(257,858)	(429,905)	172,047	(3,683,605)	(11,718,000)	8,034,395
259,018	68,514	190,504	NET FUND CASH FLOWS	1,893,812	1,703,308	190,504	5,295,165	(2,751,285)	8,046,450

LEHIGH COUNTY AUTHORITY									
FINANCIAL STATEMENTS - CITY DIVISION									
APRIL 2018									
MONTH			YEAR-TO-DATE			FULL YEAR			
Actual	Forecast	Variance	APRIL 2018	Actual	Forecast	Variance	Forecast	Budget	Variance
Income Statement									
3,035,850	3,038,544	(2,694)	Operating Revenues	11,791,461	11,794,155	(2,694)	33,851,388	33,569,000	282,388
(1,839,339)	(1,884,667)	45,328	Operating (Expenses)	(7,122,280)	(7,167,609)	45,328	(22,393,941)	(22,401,990)	8,049
1,196,511	1,153,877	42,634	Operating Income	4,669,180	4,626,546	42,634	11,457,447	11,167,010	290,437
25,594	16,000	9,594	Non-Operating Revenues	150,853	141,259	9,594	443,259	452,000	(8,741)
-	-	-	Project Reimbursement	-	-	-	2,480,000	2,480,000	-
-	-	-	Non-Operating Expenses	-	-	-	-	-	-
(132,342)	(100,000)	(32,342)	Capex Expensed	(370,980)	(338,638)	(32,342)	(4,638,638)	(4,980,000)	341,362
1,089,763	1,069,877	19,887	Income Before Interest Expense	4,449,053	4,429,167	19,887	9,742,068	9,119,010	623,058
91,192	90,000	1,192	Interest Income	195,759	194,567	1,192	404,567	348,000	56,567
(1,402,734)	(1,400,000)	(2,734)	Interest Expense	(5,610,936)	(5,608,202)	(2,734)	(18,521,202)	(16,735,000)	(1,786,202)
-	-	-	Capital Contributions	-	-	-	-	-	-
(221,779)	(240,123)	18,345	NET INCOME	(966,124)	(984,469)	18,345	(8,374,567)	(7,267,990)	(1,106,577)
Cash Flow Statement (Indirect)									
(221,779)	(240,123)	18,345	Net Income	(966,124)	(984,469)	18,345	(8,374,567)	(7,267,990)	(1,106,577)
466,667	466,667	-	Add: Depreciation & Amortization	1,866,668	1,866,668	-	5,600,000	5,600,000	-
1,402,734	1,400,000	2,734	Add: Non-Cash Interest Expense	5,610,936	5,608,202	2,734	4,773,202	2,987,000	1,786,202
132,342	100,000	32,342	Add: Capex Charged to Expense	370,980	338,638	32,342	4,638,638	4,980,000	(341,362)
-	-	-	Non-Cash Working Capital Changes	-	-	-	-	-	-
-	-	-	Principal Payments	-	-	-	-	-	-
-	-	-	Cash Outlays on Lease & Lease Reserve	(255,780)	(255,780)	-	(515,560)	(512,000)	(3,560)
-	-	-	Investments Converting To Cash	-	-	-	-	-	-
-	-	-	New Borrowing	-	-	-	1,100,000	1,720,000	(620,000)
(163,006)	(343,500)	180,494	Capital Expenditures	(987,374)	(1,167,868)	180,494	(10,254,428)	(12,592,500)	2,338,072
1,616,958	1,383,044	233,915	NET FUND CASH FLOWS	5,639,306	5,405,391	233,915	(3,032,715)	(5,085,490)	2,052,775
DEBT SERVICE COVERAGE RATIO									
1,754,519	1,684,211	70,308	Net Cash Available For Debt Service	6,736,843	6,665,399	71,445	17,464,592	17,129,856	334,736
1,087,310	1,087,310	-	Debt Service	4,349,240	4,349,240	0	13,748,000	13,748,000	-
1.61	1.55	0.06	DSCR	1.55	1.53	0.02	1.27	1.25	0.02
Cash Flow Statement (Direct)									
3,035,850	3,038,544	(2,694)	Operating Revenues	11,791,461	11,794,155	(2,694)	33,851,388	33,569,000	282,388
(1,372,672)	(1,418,000)	45,328	Operating Expenses (ex D&A)	(5,255,612)	(5,300,941)	45,328	(16,793,941)	(16,801,990)	8,049
91,192	90,000	1,192	Interest Income	195,759	194,567	1,192	404,567	348,000	56,567
1,754,370	1,710,544	43,826	Cash Available For Debt Service	6,731,607	6,687,781	43,826	17,462,014	17,115,010	347,004
-	-	-	Interest Payments	-	-	-	(13,748,000)	(13,748,000)	-
-	-	-	Principal Payments	-	-	-	-	-	-
1,754,370	1,710,544	43,826	Net Cash Available For Debt Service	6,731,607	6,687,781	43,826	3,714,014	3,367,010	347,004
25,594	16,000	9,594	Non-Operating Revenues	150,853	141,259	9,594	443,259	452,000	(8,741)
-	-	-	Project Reimbursement	-	-	-	2,480,000	2,480,000	-
-	-	-	Non-Operating Expenses	-	-	-	-	-	-
-	-	-	Cash Outlays on Lease & Lease Reserve	(255,780)	(255,780)	-	(515,560)	(512,000)	(3,560)
-	-	-	Non-Cash Working Capital Changes	-	-	-	-	-	-
1,779,964	1,726,544	53,421	Net Cash Available For Capital	6,626,680	6,573,259	53,421	6,121,713	5,787,010	334,703
-	-	-	Capital Contributions	-	-	-	-	-	-
-	-	-	Investments Converting To Cash	-	-	-	-	-	-
-	-	-	New Borrowing	-	-	-	1,100,000	1,720,000	(620,000)
(163,006)	(343,500)	180,494	Capital Expenditures	(987,374)	(1,167,868)	180,494	(10,254,428)	(12,592,500)	2,338,072
1,616,958	1,383,044	233,915	NET FUND CASH FLOWS	5,639,306	5,405,391	233,915	(3,032,715)	(5,085,490)	2,052,775

Lehigh County Authority

System Operations Review - April 2018

Presented: May 21, 2018

<u>Critical Activities</u>	<u>System</u>	<u>Description</u>	<u>Apr-18</u>	<u>2018-to-Date</u>	<u>2017 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	21.22	20.44	21.16	39.0
		Schantz Spring	7.67	5.40	6.39	9.0
		Crystal Spring	3.89	3.89	3.89	4.0
		Little Lehigh Creek	9.58	11.11	10.84	30.0
		Lehigh River	0.08	0.04	0.03	28.0
	Central Lehigh	Total	9.32	9.03	9.29	19.04 MGD Avg
		Feed from Allentown	6.91	6.05	6.94	7.0 MGD Avg 10.5 MGD Max
		Well Production (CLD)	2.41	2.98	2.35	8.54 MGD Avg
		Sum of all (12) other Suburban Water Systems	0.19	0.20	0.18	1.71 Sum of all wells
Wastewater Treatment		Kline's Island	33.86	33.86	30.78	40.0
		Pretreatment Plant	4.69	4.65	4.35	5.75 (design capacity)
		Sum of all (5) other Suburban WW Systems	0.20	0.19	0.16	0.36
			<u>Apr-18</u>	<u>2018-to-Date</u>	<u>2017 Totals</u>	<u>2016 Totals</u>
Precipitation Totals (inches)			3.69	15.59	50.18	36.82
Compliance Reports Submitted to Allentown			33	119	291	269
Notices of Violation (NOVs)		(Allentown + Suburban)	0	0	3	3
Sanitary Sewer Overflows (SSOs)/Bypasses		(Allentown + Suburban)	1	9	22	16
Main Breaks Repaired		Allentown	0	19	19	19
		Suburban	1	10	12	11
Customer Service Phone Inquiries		(Allentown + Suburban)	2,288	9,885	27,313	28,099
Water Shutoffs for Non-Payment		(Allentown + Suburban)	135	654	1,577	1,685
Injury Accidents		(Allentown + Suburban)	1	3	8	10
Emergency Declarations		Allentown	0	(4) @ \$52,719	(2) @ \$51,235	(2) @ \$87,079
		Suburban	0	(1) @ \$21,197	(1) @ \$72,554	(1) @ \$33,495
<p>Significant Repairs: Park Pump Station Pump #3 is down and a new suction ring is being fabricated but it has a very long lead time. A temporary pump will be installed in early May that will act as the third pump until all of the repairs are made to the existing pump later this summer. A capital project is currently underway that will rehabilitate Park Pump Station, including all three (3) of the existing pumps. That project is expected to run into the second half of 2019.</p>						
<p>Description of NOVs and/or SSOs: There was one (1) bypass at Heidelberg Heights that lasted from 4/16/18 - 4/20/18. There were no NOVs or SSOs during April, 2018.</p>						
<p>Other Highlights: Primary Digester #2 at Kline's Island WWTP is currently in the process of being emptied and cleaned. The last time Primary #2 was cleaned was in 2010 when the cover failed and had to be replaced. Reservoir 3 was taken out of service during April so the interior could be prepped and painted. The 1,000,000 gallon storage tank project will be completed and the tank will be put back on-line in mid-May.</p>						