

Lehigh County Authority:

2020-2024

Allentown Capital Plan

*Preliminary Plan:* Board Presentation – February 11, 2019

# Capital Plan Components

- ADMINISTRATION
  - presented at the January 28 Board Meeting
- SUBURBAN DIVISION WATER AND WASTEWATER
  - presented at the January 28 Board Meeting
- ALLENTOWN DIVISION WATER AND WASTEWATER
  - presented at the February 11 Board Meeting

# 2020- 2024 Capital Plan Timeline

- Preliminary Suburban & Administrative Capital Plan Distribution (with financials) – 1/21/19
- SD Capital Plan board presentation – 1/28/19
- AD Capital Plan board presentation – 2/11/19
- AD and SD Capital Plan public comment posting – 2/11/19
- End of preliminary plan public comment period – 3/11/19
- Final Plan (AD & SD) Approval and Distribution – 3/25/19

# Allentown Division Water – 2019 and 5-Year Projects

<b>CP#</b>	<b>Project</b>	<b>2019 \$</b>	<b>2020-2024 \$</b>
AD-W-A	ANNUAL PROJECTS <i>(breakdown of projects on following slide)</i>	\$1,300,000	\$7,500,000
AD-W-9	VARIOUS WATER SYSTEM RELATED STUDIES	0	300,000
AD-W-15	ITRON/AMR METER PROJECT	145,000	45,000
<b>TOTAL</b>		<b>1,445,000</b>	<b>7,845,000</b>

# Allentown Division Annual Water Projects

- Distribution Mains – Development & Upsizing
- WFP System Improvements (SCADA in 2019)
- General Water System Improvements (D&C)
- Mobile Equipment
- New & Replacement Meter Installation
- Other Equipment
- Reservoir Rehabilitation & Maintenance
- Capital Management
- Capital Works Miscellaneous

# Allentown Division Wastewater – 2019 and 5-Year Projects

<b>CP#</b>	<b>Project</b>	<b>2019 \$</b>	<b>2020-2024 \$</b>
AD-S-A	ANNUAL PROJECTS	\$400,000	\$7,700,000
AD-S-5	WWTP ELECTRICAL SUBSTATION REPLACEMENT PHASE 1	1,500,000	0
AD-S-9	VARIOUS WASTEWATER SYSTEM RELATED STUDIES	0	300,000
AD-S-11	ADMINISTRATIVE ORDER IMPROVEMENTS	0	3,045,000
AD-S-16	WWTP INTERIM BLENDING PUMPING SYSTEM	1,500,000	1,500,000
<b>TOTAL</b>		<b>3,400,000</b>	<b>12,545,000</b>

# Allentown Division Annual Wastewater Projects

- Mobile Equipment
- Other Equipment
- Collection System - Development
- Capital Management
- Sanitary Sewer Main Replacements & Rehab
- WWTP General Improvements
- Capital Works Miscellaneous

# City Division – Financial Analysis

SOURCES	
Cash from operations and reserves	\$20,390,000
New Borrowing	\$ <u>0</u>
Total Sources	<u>\$20,390,000</u>
USES	
Capital project spending	<u>\$20,390,000</u>

- Cash from operations includes \$2,325,000 of non-operating revenues
- Project reimbursement from COA amounts to \$4,590,000 for the Administrative Order/Interim Blending Project and the AMR Project
- No borrowing for this plan



# City Division– Financial Analysis

Dollars	2020	2021	2022	2023	2024
User Charges	37,092,879.00	38,158,774.00	39,261,976.00	40,403,790.00	41,585,567.00
Other Operating Revenues	1,126,884.00	1,126,884.00	1,126,884.00	1,126,884.00	1,126,884.00
Non-Operating Revenues	2,538,600.00	1,033,400.00	813,100.00	702,000.00	926,670.00
Operating expenses	(18,337,354.00)	(18,887,473.80)	(19,454,098.72)	(20,037,722.11)	(20,638,853.29)
Debt Service - Current Debt	(15,421,170.00)	(15,901,170.00)	(16,401,170.00)	(16,916,170.00)	(17,451,170.00)
Debt Service - NEW Debt	-	-	-	-	-
Investments Converting to Cash	-	-	-	-	-
Proceeds From NEW Debt	-	-	-	-	-
Capex - Admin Paygo	-	-	-	-	-
Capex - Paygo	(4,745,000.00)	(3,245,000.00)	(3,030,000.00)	(3,920,000.00)	(5,450,000.00)
Capex - NEW Borrowing	-	-	-	-	-
<b>NET FUND FLOWS</b>	<b><u>2,254,839.00</u></b>	<b><u>2,285,414.20</u></b>	<b><u>2,316,691.28</u></b>	<b><u>1,358,781.89</u></b>	<b><u>99,097.71</u></b>
User Charge Revenue Increase %	4.5%	4.0%	3.5%	3.5%	3.5%
Operating Cash Balance	9,048,421	10,557,335	12,089,526	12,653,808	13,302,906
Days on Hand	180	180	180	180	180
Project Reserve Balance	1,169,949	1,669,949	2,169,949	2,669,949	1,869,949
DEBT SERVICE COVERAGE RATIO	1.31	1.30	1.29	1.29	1.28

# Summary

- 2019 Capital Budget
- Total 5-Year Capital Budget 2020-2024

	<u>2019</u>		<u>2020-2024</u>
Allentown Water	\$1,445,000		\$7,845,000
Allentown Wastewater	3,400,000		12,545,000
TOTAL	4,845,000		20,390,000

# Allentown Division Water – UNFUNDED Projects

CP#	Project	Priority Ranking	Budget Approved 2019 \$	2020-2024 \$
AD-W-G	GENERAL IMPROVEMENTS	3	\$0	\$1,250,000
AD-W-I	INDENTURE REPORT IMPROVEMENTS	2	0	2,500,000
AD-W-7	WATER MAIN REPLACEMENTS	*	0	24,000,000
AD-W-10	SYSTEM SERVICE AUXILIARY POWER IMPROVEMENTS	*	0	885,000
AD-W-21	FIXED-BASE METER READING SYSTEM	2	0	1,700,000
AD-W-22	FILTER UPGRADES	3	0	6,000,000
AD-W-23	INTAKE UPGRADES	3	0	2,000,000
AD-W-24	HIGH LIFT VFD/PUMP REPLACEMENTS	5	0	2,000,000
AD-W-25	TANK AND RESERVOIR REHABILITATION	2	0	1,500,000
<b>TOTAL</b>			<b>0</b>	<b>41,835,000</b>

Ranking from 1-5; 1 being low priority, 5 being high priority; \*Lease requirement and/or regulatory requirement 11

# Allentown Division Wastewater – UNFUNDED Projects

CP#	Project	Priority Ranking	Budget Approved 2019 \$	2020-2024 \$
AD-S-G	GENERAL IMPROVEMENTS	3	\$0	\$3,125,000
AD-S-I	INDENTURE REPORT IMPROVEMENTS	2	0	3,500,000
AD-S-5A	WWTP ELECTRICAL SUBSTATION REPLACEMENTS PHASE 2	5	0	3,250,000
AD-S-19	WWTP MAIN PUMP STATION IMPROVEMENTS	3	0	2,600,000
AD-S-20	WWTP SLUDGE THICKENING/DIGESTION IMPROVEMENTS	5	0	1,500,000
AD-S-21	WWTP 480V MCC REPLACEMENT	3	0	3,250,000
AD-S-22	WWTP FINAL CLARIFIER 1-4 REHABILITATION	4	0	1,800,000
<b>TOTAL</b>			<b>0</b>	<b>19,025,000</b>

Ranking from 1-5; 1 being low priority, 5 being high priority; \*Lease requirement and/or regulatory requirement

# Discussion

Questions?