

NOTICE OF RATE CHANGE

Effective January 1, 2020 Lancaster Area Sewer Authority will increase its sewer rates by 2.75%. Customers in Columbia Borough, see Columbia Borough Sewer Rate Changes section below.

Residential Customers

The quarterly flat rate of \$96.99 will increase to \$99.63 per dwelling unit (EDU). Quarterly bills mailed in November 2019 and December 2019 will be prorated at \$32.33 per month for periods before January 1st and \$33.21 per month for periods thereafter.

If you receive a bill dated November 1, 2019 the amount per EDU will be \$97.87 calculated as follows:

Billing for November, 2019	\$32.33
Billing for December, 2019	\$32.33
Billing for January, 2020	<u>\$33.21</u>
Total	\$97.87

If you receive a bill dated December 1, 2019 the amount per EDU will be \$98.75 calculated as follows:

Billing for December, 2019	\$32.33
Billing for January, 2020	\$33.21
Billing for February, 2020	<u>\$33.21</u>
Total	\$98.75

If you receive a bill dated on or after January 1, 2020 the amount per EDU will be \$99.63 calculated as follows:

Billing for January, 2020	\$33.21
Billing for February, 2020	\$33.21
Billing for March, 2020	<u>\$33.21</u>
Total	\$99.63

Direct Debit: Quarterly customer charges will increase as described above based on the month of debit. Monthly customer charges will increase to \$33.21 per EDU per month with the January, 2020 debit.

Commercial/Industrial Customers

Metered rates for commercial and industrial customers **not** in Manheim Township or Columbia Borough will increase for bills dated on or after January 1, 2020 (Commercial/Industrial customers in Columbia Borough, see Columbia Borough Sewer Rate Changes section below). The minimum consumption per quarter has been modified from 31,500 gallons to 21,500 gallons, creating a new rate tier from 21,500-31,500 gallons. The new rates are as follows:

From 0 to 21,500 gallons per quarter	\$99.63
Next 10,000 gallons per quarter	\$0.90 per 1,000 gallons

Next 1,500,000 gallons per quarter	\$4.43 per 1,000 gallons
Next 3,000,000 gallons per quarter	\$3.69 per 1,000 gallons
All over 4,531,500 gallons per quarter	\$3.17 per 1,000 gallons

The minimum consumption per quarter has been modified from 15,000 gallons to 21,500 gallons, increasing the minimum consumption from 15,000 gallons to 21,500 gallons. Metered rates for commercial and industrial customers in Manheim Township will increase for bills dated on or after January 1, 2020 as follows:

From 0 to 21,500 gallons per quarter	\$99.63
Next 78,500 gallons per quarter	\$4.50 per 1,000 gallons
Next 400,000 gallons per quarter	\$4.33 per 1,000 gallons
Next 500,000 gallons per quarter	\$3.75 per 1,000 gallons
All over 1,000,000 gallons per quarter	\$2.74 per 1,000 gallons

Columbia Borough Sewer Rate Changes

Columbia Borough residential flat rates are adjusted annually beginning in January 2016 until all customers in Columbia Borough pay the same rate as all other LASA residential customers.

If your current sewer rate is less than LASA’s current rate of \$87.85, your sewer rate will increase 10% on January 1, 2020. See chart below for new rate.

If your current sewer rate is \$96.99, your sewer rate will increase 2.75% on January 1, 2020. See chart below for new rate.

<u>Quarterly Flat Rate per Dwelling Unit Effective 1/1/2019</u>	<u>Quarterly Flat Rate per Dwelling Unit Effective 1/1/2019</u>
\$87.85	\$96.64
\$96.99	\$99.63

After five years, all customers in Columbia Borough will pay the same rate as that paid by all other LASA customers.

The rates below shall apply for all commercial customers in the Borough of Columbia effective 1/1/20.

From 0 gallons to 21,500 gallons per quarter - \$99.63

	Quarterly Rate <u>(per thousand gallons)</u>
Next 10,000 gallons per quarter	\$0.90
Next 1,500,000 gallons per quarter	\$4.43
Next 3,000,000 gallons per quarter	\$3.69
All Over 4,531,500 gallons per quarter	\$3.17

Details of Rate Increase

This rate increase is part of capital improvement plan to provide for \$75.6 million in capital projects required to rehabilitate, improve, and expand the sewage collection system and treatment facilities of the Authority.

At the existing rate, yearly net income along with current reserves and bond issue proceeds will fund \$68.6 million of the capital projects. The remaining \$7.0 million in rehabilitation will be funded through increased rates.

The capital improvements fall into four major categories:

\$51.3 million to upgrade the treatment facilities to improve biosolids handling and nutrient removal capabilities to remain in compliance with federal and state regulations, and to expand the plant capacity to handle increased flow;

\$3.7 million to upgrade existing pump stations, to add communities identified as needs areas in the Townships' Act 537 Sewerage Facilities Plan and to add new equipment to handle increased flow and avoid back-ups and overflows;

\$17.9 million to expand segments of several large interceptors to handle increased flow and avoid back-ups and overflows;

\$2.7 million to identify and remediate areas of:

deterioration of pipelines and manholes from decades of natural wear and tear;
misalignment of pipelines from subsurface instability; and
cracking and breakage from invading tree roots

For additional details about the Authority's comprehensive plan and the projects included in the plan, please see pages 19 – 26 of the [2019-20 Budget Report](#).