

## NOTICE OF RATE CHANGE

Effective January 1, 2024 Lancaster Area Sewer Authority will increase its sewer rates by 2.75% for all customers except those in the West Earl sewer district.

### Residential Customers

The quarterly flat rate of \$108.00 will increase to \$111.00 per dwelling unit (EDU). Quarterly bills mailed in November 2023 and December 2023 will be prorated at \$36.00 per month for periods before January 1<sup>st</sup> and \$37.00 per month for periods thereafter.

If you receive a bill dated **November 1, 2023** the amount per EDU will be \$109.00 calculated as follows:

Billing for November, 2023	\$ 36.00
Billing for December, 2023	\$ 36.00
Billing for January, 2024	<u>\$ 37.00</u>
Total	\$109.00

If you receive a bill dated **December 1, 2023** the amount per EDU will be \$110.00 calculated as follows:

Billing for December, 2023	\$ 36.00
Billing for January, 2024	\$ 37.00
Billing for February, 2024	<u>\$ 37.00</u>
Total	\$110.00

If you receive a bill dated on or after **January 1, 2024** the amount per EDU will be \$111.00 calculated as follows:

Billing for January, 2024	\$ 37.00
Billing for February, 2024	\$ 37.00
Billing for March, 2024	<u>\$ 37.00</u>
Total	\$111.00

**Direct Debit:** Quarterly customer charges will increase as described above based on the month of debit. Monthly customer charges will increase to \$37.00 per EDU per month with the January, 2024 debit.

### Commercial/Industrial Customers

Metered rates for commercial and industrial customers **not** in Manheim Township or West Earl will increase for bills dated on or after January 1, 2024. The new rates are as follows:

From 0 to 21,500 gallons per quarter	\$111.00
Next 10,000 gallons per quarter	\$4.50 per 1,000 gallons
Next 1,500,000 gallons per quarter	\$4.50 per 1,000 gallons
Next 3,000,000 gallons per quarter	\$4.11 per 1,000 gallons
All over 4,531,500 gallons per quarter	\$3.52 per 1,000 gallons

Metered rates for commercial and industrial customers in Manheim Township will increase for bills dated on or after January 1, 2024 as follows:

From 0 to 21,500 gallons per quarter	\$111.00
Next 78,500 gallons per quarter	\$4.50 per 1,000 gallons
Next 400,000 gallons per quarter	\$4.50 per 1,000 gallons
Next 500,000 gallons per quarter	\$4.17 per 1,000 gallons
All over 1,000,000 gallons per quarter	\$3.05 per 1,000 gallons

### **Details of Rate Increase**

This rate increase is part of capital improvement plan to provide for \$177 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 \$168 million of the capital projects. The remaining \$9 million in rehabilitation will be funded through increased rates.

The capital improvements fall into four major categories:

**\$103 million** to upgrade the treatment facilities to improve nutrient removal capabilities to remain in compliance with federal and state regulations, to expand the plant capacity to handle increased flow, and to replace equipment that has reached the end of its useful life;

**\$31 million** to upgrade existing pump stations and to add new facilities and equipment to handle increased flow and avoid back-ups and overflows, and to replace equipment that has reached the end of its useful life;

**\$41 million** to expand segments of several large interceptors to handle increased flow and avoid back-ups and overflows and to identify and remediate areas of deterioration of pipelines and manholes from decades of natural wear and tear;

**\$2 million** to upgrade information technology and replace vehicles and heavy machinery that has reached the end of its useful life.

For additional details about the Authority's comprehensive plan and the projects included in the plan, please see pages 18 – 27 of the [2023-24 Budget Report](#).