

NOTICE OF RATE INCREASE

Effective January 1, 2014 Lancaster Area Sewer Authority will increase its sewer rates as described below. This will be the first rate increase for Manheim Township customers since LASA purchased the sewer system in 2003. See Manheim Township Customers section below for more details.

Residential Customers

The quarterly flat rate will increase 3% to \$84.45 per dwelling unit (EDU). Quarterly bills mailed in November 2013 and December 2013 will be prorated at \$27.33 per month for periods before January 1st and \$28.15 per month for periods thereafter.

If you receive a bill dated **November 1, 2013** the amount per EDU will be \$82.81 calculated as follows:

Billing for November, 2013	\$27.33
Billing for December, 2013	\$27.33
Billing for January, 2014	<u>\$28.15</u>
Total	\$82.81

If you receive a bill dated **December 1, 2013** the amount per EDU will be \$83.63 calculated as follows:

Billing for December, 2013	\$27.33
Billing for January, 2014	\$28.15
Billing for February, 2014	<u>\$28.15</u>
Total	\$83.63

If you receive a bill dated **January 1, 2014** the amount per EDU will be \$84.45 calculated as follows:

Billing for January, 2014	\$28.15
Billing for February, 2014	\$28.15
Billing for March, 2014	<u>\$28.15</u>
Total	\$84.45

If you receive a bill dated **after January 1, 2014** the amount per EDU will be \$84.45.

Direct Debit: Quarterly customer charges will increase as described above based on the month of debit. Monthly customer charges will increase to \$28.15 with the January, 2014 debit.

Commercial/Industrial Customers

Metered rates for commercial and industrial customers **not** in Manheim Township will increase 3% for bills dated on or after January 1, 2014 as follows:

From 0 to 31,500 gallons per quarter	\$84.45
Next 1,500,000 gallons per quarter	\$3.75 per 1,000 gallons
Next 3,000,000 gallons per quarter	\$3.13 per 1,000 gallons
All over 4,531,500 gallons per quarter	\$2.68 per 1,000 gallons

Metered rates for usage below 15,000 gallons and consumption in excess of 500,000 gallons for commercial and industrial customers in Manheim Township will increase 3% for bills dated on or after January 1, 2014 as follows:

From 0 to 15,000 gallons per quarter	\$84.45
Next 85,000 gallons per quarter	\$4.50 per 1,000 gallons
Next 400,000 gallons per quarter	\$4.10 per 1,000 gallons
Next 500,000 gallons per quarter	\$3.17 per 1,000 gallons
All over 1,000,000 gallons per quarter	\$2.32 per 1,000 gallons

Manheim Township Customers

The asset purchase agreement between LASA and Manheim Township stipulated that the sewer rental rates in Manheim Township would not increase until LASA's rates outside Manheim Township exceeded the Manheim Township rates.

With this rate increase, the residential quarterly sewer rental rate per EDU outside Manheim Township increases from \$81.99 to \$84.45, exceeding the Manheim Township rate of \$82.00. The rates for residential customers in Manheim Township and outside of Manheim Township will now be the same at \$84.45 per quarter per EDU.

The commercial sewer rental rates outside Manheim Township for consumption in excess of 500,000 gallons exceed the Manheim Township rates. The commercial sewer rental rates in Manheim Township for consumption in excess of 500,000 gallons will increase 3%, the same percentage increase for commercial rates outside Manheim Township.

Details of Rate Increase

This rate increase is part of the five-year comprehensive plan to provide for \$78.5 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 additional borrowings will fund \$51.5 million of the capital projects. The remaining \$7 million in rehabilitation, upgrades, and expansions will be funded through increased rates over the five year planning period.

The capital improvements fall into four major categories as follows:

\$64.3 million to upgrade and expand the treatment facilities to remain in compliance with federal and state regulations;

\$6.5 million to upgrade and expand existing pump stations to handle increased flow and avoid back-ups and overflows;

\$3.0 million to expand the collection system to communities identified as needs areas in the Township's Act 537 Sewerage Facilities Plan; and

\$4.7 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 five year comprehensive plan and the projects included in the plan, please see pages 18 – 28 of the 2013-14 Budget Report ([Click here](#) to be taken to our website where you can download the Budget Report).