

**Purchase of West Earl System by Lancaster Area Sewer Authority (LASA)
Information Packet
October 30, 2020**

Sewer Bills

How will my billing change?

Residential and Public (municipal/church/firehouse/post office) customers – LASA bills its residential customers a fixed - or flat - quarterly rate. The purchase agreement between West Earl and LASA requires the rates in place in West Earl of \$58.50 per month, or \$175.50 per quarter, to remain in place for 20 years or until LASA’s rates, currently \$99.63 per dwelling unit per quarter exceed those currently existing in West Earl.

LASA bills residential customers quarterly with bills mailed at the beginning of the quarter in March, June, September, and December. However, during this transition time, LASA will use the following schedule to transition from West Earl’s monthly billing schedule at the end of the month to LASA’s billing schedule:

<u>Bill Date</u>	<u>Period Covered</u>	<u>Amount per Dwelling Unit</u>
December 1, 2020	November and December	\$117.00
February 1, 2021	January and February	\$117.00
March 1, 2021	March, April, and May	\$175.50
Quarterly thereafter for each upcoming quarter in June, September, and December		

Commercial/Industrial customers – LASA bills its commercial customers quarterly based on water consumption. The purchase agreement between West Earl and LASA requires the rates in place in West Earl to remain in place for 20 years or until LASA’s rates exceed those currently existing in West Earl.

The flow-based charges for West Earl commercial customers will use the rates below:

<u>Quarterly Consumption in Gallons</u>	<u>Rate per 1000 gallons</u>	<u>Minimum Charge</u>
<u>From</u>	<u>To</u>	
0	21,500	\$175.50
Over 21,500		\$14.625

LASA bills commercial customers quarterly with bills mailed at the beginning of the month in March, June, September, and December for the previous quarter’s usage. During this transition time, LASA will use the following schedule to transition from West Earl’s billing schedule to LASA’s billing schedule:

<u>Bill Date</u>	<u>Billing Period</u>
March 1, 2021	November, December, and January
Quarterly thereafter in June, September, and December	

Can you guarantee my rate will not continue to go up?

Your rate will not go up until LASA’s rates exceed the current rates in West Earl. We can predict that LASA rates will increase over time due to inflation and system maintenance requirements. We cannot guarantee any certain increase amount, but can point to the history of LASA rate adjustments – which is 2.0% per year over our nearly 45 year history.

By law we must defend rates as reasonable and uniform. We cannot guarantee a certain rate because our bond holders require that LASA generates enough revenue to pay off the bonds.

I have apartments. How will I be affected?

For multi-unit facilities, LASA charges the flat rate for each unit.

LASA bills apartment owners quarterly with bills mailed at the beginning of the quarter in March, June, September, and December. However, during this transition time, LASA will use the following schedule to transition from West Earl’s billing schedule to LASA’s billing schedule:

<u>Bill Date</u>	<u>Period Covered</u>	<u>Amount per Dwelling Unit</u>
December 1, 2020	November and December	\$117.00
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I own a business in the Township. How would I be affected?

Your rates per 1,000 gallons discharged will remain unchanged. However, the minimum charge will now cover 21,500 gallons per quarter rather than 12,000 gallons per quarter. This increase in the amount of gallons covered by the minimum charge may decrease your quarterly sewer cost.

I am a resident living in Akron but my flow goes to West Earl. How would I be affected?

We have taken over the bulk agreement with Akron Borough and will charge Akron Borough customers the same rates currently charged by West Earl Sewer Authority.

Who can I contact to discuss service or my bill? What recourse do I have now that I cannot go to West Earl Township? What control does West Earl Township have over rates? What about the PUC?

You have the right to discuss your sewer service with your public officials in West Earl, who can forward the comments and concerns to the proper contact with LASA. Concerns, questions, or

comments can always be directed to LASA staff in person at our office 130 Centerville Road, through the LASA website, or by phone to LASA at 299-4843.

Concerns, questions, or comments can also be directed to the LASA Board, represented by 7 officials appointed by the 7 LASA municipalities, at any regular Board meeting the 4th Thursday of every month (except November and December, which are held on the 3rd Thursday) at 7:30 am, or anytime through the Executive Director Michael Kyle at 344-5832.

State law dictates that the Authority must set rates that are “reasonable and uniform”. The same law also dictates that Lancaster County Court of Common Pleas has exclusive jurisdiction to determine questions on rates or service.

The ultimate recourse for grievances and rate disputes is through the Court of Common Pleas. The PUC does not have any jurisdiction over the rate setting – it is the responsibility and sole authority of the LASA municipal authority to set rates.

Why are the rates remaining the same over 20 years?

The asset purchase agreement includes a 20-year period during which rates remain unchanged unless LASA’s rates exceed those of West Earl’s. The transition time affected the valuation of the system– in general the longer the transition the higher the offer price. The West Earl negotiating team chose 20 years as the optimum transition period.

Where and how do I pay my LASA bill?

LASA bills can be paid a number of ways, as follows:

- Direct debit – Each customer will receive directions on how to sign up for direct debit
- On-line – Each customer will receive directions on how to sign up to pay on-line
- By mail to PO Box 3317, Lancaster, PA 17604 or in person at 130 Centerville Road

What happens if I pay my LASA bill late?

There are penalties and interest applied to late payments, as described in the LASA Rules and Regulations. LASA will work with you to arrange a way to pay on your sewer bill in a timely fashion. However there are fees and penalties for late payment. For delinquent accounts, we file a lien against the property to guarantee payment and we have the authority to direct the water company to shut off water service for failure to pay your sewer bill.

I’m a restaurant owner; I know restaurants in the current LASA service area are sometimes surcharged due to the strength of their waste. Will I be surcharged? What will my bill be?

LASA’s Rules and Regulations allow for the collection of surcharges when a commercial facility is discharging waste that is of a higher strength than domestic waste. You may be surcharged for

the portion of your waste that exceeds domestic strength. Your surcharge bill would vary depending on the strength of the waste discharged.

When will my bill be changed?

Billing will be converted on November 1, 2020 and all new billing periods will be reflected on the first LASA bill received. You will however still receive a bill from West Earl for services they provided through the end of October 2020. There will be a transition billing period as we move from West Earl’s monthly billing schedule to LASA’s quarterly billing schedule.

Residential and Public customers – For residential and public customers (municipal / church / firehouse / post office), LASA bills are mailed at the beginning of the quarter in March, June, September, and December. During the transition time, LASA will bill on the following schedule:

<u>Bill Date</u>	<u>Period Covered</u>	<u>Amount per Dwelling Unit</u>
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February 1, 2021	January and February	\$117.00
March 1, 2021	March, April, and May	\$175.50
Quarterly thereafter for each upcoming quarter in June, September, and December		

Commercial/Industrial Customers – For commercial and industrial customers, LASA bills are mailed at the beginning of the month in March, June, September, and December for the previous quarter’s usage. During the transition time, LASA will bill on the following schedule:

<u>Bill Date</u>	<u>Billing Period</u>
March 1, 2021	November, December, and January
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The Asset Agreement and Valuation

Do we have a seat on the LASA Board? If not, why not?

The purchase agreement did not include a seat on the LASA Board for West Earl. The valuation of the system is affected by Board membership and equity in the system – and the value would have been less if West Earl desired a seat on the Board and equity in the system. During negotiations the Township made a decision to not include Board representation in the proposal.

How was the \$7.5 Million cash value calculated?

There are many different ways to value a sewer system, including depreciated book value, replacement value, and market value. But the primary method that drove the price was the Earnings Value – Debt Supported method. In this method, we look at the discounted cash flow from the system over a long period of time, which factors in the cost of operation and maintenance, capital costs, inflation, and revenues. The difference between all of the revenues and all of the costs is the amount that can be paid for the system.

LASA Operations

I'm a restaurant owner; I know restaurants in the current LASA service area have their grease traps inspected? Will I be inspected?

Since grease can have a significant impact on the collection system and treatment plant, LASA has implemented a grease trap inspection program. If your facility has a grease trap, LASA or its representatives will perform routine inspections.

I'm an industrial customer; what are your requirements for industrial users? Would I need a permit? What fees are involved?

LASA's Rules and Regulations contain a chapter on industrial waste that lists all requirements. Commercial/industrial customers are generally issued an Industrial Waste Permit if their flow exceeds 25,000 gallons per day. Permitting fees range from \$200-\$500.

What part of my service line is my responsibility?

LASA has taken responsibility for the sewer line from your curb-line out to the main in the street. It remains your responsibility to maintain the line from the curb-line to your house.

How will you handle any sewer backups that occur in my property?

We respond to all calls about a backup and provide emergency cleanup services.

If the backup is caused by the LASA sewer we will pay for all remediation necessary on a one-time basis. We will require you to install a back-flow preventer to prevent future backups. If you fail to install the backup preventer and experience another backup we will not pay to remediate that backup.

What are the hours that the LASA staff is available during the day for questions or complaints?

LASA's office staff is available in person from 8:00 am to 4:30 pm weekdays, and the maintenance department is available from 6:30 am to 3:00 pm weekdays. Of course you can always reach us through our emergency number.

How do I reach LASA personnel if I have a problem with my sewer service after the closing of the LASA office?

LASA staff is available 24/7, 365 days a year. After hours LASA works from a call center that will receive the complaint and then they will contact the LASA employee on call. To report a problem or emergency with your sewer service, contact LASA at the following numbers:

Monday – Friday 8:00 am – 4:30 pm – Call 717-299-4843, select Option 3

Evenings, Weekends, and Holidays – Call 717-396-9619 (24 hour Call Center)

What is your normal response time for a complaint?

After we receive a call from the call center, a LASA employee will contact you and ask what the complaint is in reference to and then respond. Most calls see a LASA person on site anywhere from 30 to 45 minutes.

Does your staff in the field have background checks done?

Yes, criminal background checks are done on all LASA employees. LASA employees also have identification cards that they carry, and will always be in uniform.

Does the LASA Maintenance Department do late night time work and if so would we be notified?

Yes at times to check flows, night time inspection work is performed. LASA staff will usually notify the homeowners with door hangers and also we contact the police and let them know that we will be doing work during the night.

Do I have to have my lateral inspected if I am doing a repair?

Yes, you need to call in and arrange a date and time with the LASA staff. There will also be an inspection fee of \$35.00 per visit for the inspection.