



2019 RATES – ANNUAL BUDGET

LYCOMING COUNTY WATER AND SEWER AUTHORITY adopted its 2019 Budget and set rates for the 2019 calendar year at its meeting on December 5, 2018.

For the Armstrong Sewer System service area, there is an increase for 2019 of \$5 per EDU per month – with the rate increasing to \$70 per month per EDU (dwellings). An EDU refers to an Equivalent Dwelling Unit where a single EDU would be a single family dwelling unit. LCWSA uses step increases over a period of a few years for fixed monthly sewer rates in lieu of smaller annual increases - the last increase occurred in 2015. With a limited customer base of only 93 EDUs, the Armstrong Sewer System sewer rate must sustain operation and maintenance costs of the sewer collection and conveyance system together with treatment costs through Williamsport Sanitary Authority as well as conveyance through the Borough of South Williamsport. In a continuing effort to maintain the sewer system and eliminate extraneous water, repairs are also planned for 2019 to address inflow and infiltration into the system.

For the Beaver Lake Sewer System, there is no rate increase for 2019. The current rates are \$161/EDU/month (dwellings) and \$50 per month for unimproved lots. The Authority is pleased to partner with Penn Township on a long-term agreement to assist with funding capital projects for the sewer system. Our objectives are to assure compliance, maintain the system for reliability and sustainability, and plan for future improvements in a fiscally responsible manner. With available lots in the development, it is recognized that gaining customers would be beneficial to the sewer system. LCWSA will continue to participate in meetings with stakeholders to seek solutions to assure that Beaver Lake is an affordable, sustainable community to live/own property.

For the Limestone Water System, there is a rate increase of 3% across all billing tiers which will take effect with the consumption used in the first quarter of 2019. A customer using 12,000 gallons per quarter would see a \$6 quarterly increase from \$194.00 per quarter to \$200.00 per quarter. Rates have not increased since 2013 while costs have continued to increase. Additionally, a capital fund must be started to address projects, meet new compliance requirements, and replace equipment/distribution mains. Water system leaks and watermain repairs continue to demand resources – staff time and money. A capital fund will support the management of assets and long-term financial planning. Planning is currently underway for a larger scale water main replacement project. LCWSA will be preparing a scope and seeking funding over the next few years.

For the Mifflin Manor Sewer System, there is an increase in 2019 of \$10 per EDU per month – with the rate increasing to \$130 per month per EDU. On January 1, 2017, LCWSA became the owner of the Mifflin Manor Sewer System – a small sewer system serving a private development with only 34 customers. In April 2017, the sewer rate was increased from \$100 per month per EDU to \$120 per month. The sewer system has operated in a deficit and the current rate does not support a capital fund for long term planning purposes. Even with the increase, the budget anticipates less than \$200 to be set aside in 2019. With a limited customer base, it is prudent to begin building a reserve – no matter how limited – to prepare for unexpected expenses, repairs, and compliance requirements.

For the Montoursville Regional Sewer System (MRSS), there is an increase for 2019 of \$5 per EDU per month – with the rate increasing to \$70 per month per EDU (dwellings). LCWSA uses step increases for fixed monthly sewer rates in lieu of smaller annual increases. The last increase for MRSS occurred in 2016. With rising costs, continued capital planning for infrastructure needs, and relatively flat growth in the service area, an increase is necessary. However, there is potential for growth and development. With the possibility of an increase in the

customer base over the next few years, the next step increase will be evaluated as the number of customers/EDUs are monitored.

For the LCWSA Regional Water System, there is a 5.3% increase in 2019 for the Consumption Rate only which will take effect with the consumption used in the first quarter of 2019. The consumption rate will increase from \$9.50 per 1,000 gallons to \$10.00 per 1,000 gallons which equates to an increase of \$2 monthly for a typical household using 4,000 gallons of water per month. The 2019 revenue projections are conservative and a surplus in tapping fee revenue from 2018 is being utilized to assist with the 2019 budget. With principal payments beginning in 2020 on a water system construction loan, the years of 2020 and beyond indicate significant deficits assuming little to no customer growth. The situation warrants close monitoring over the next several years. LCWSA will be considering the appropriate steps to address the situation without becoming less competitive and detracting from economic growth and development which is necessary for a more reasonable rate structure.

In general, the wastewater and water industry continues to endure rising material and supply costs, more stringent regulatory requirements, and personnel challenges with limited experienced personnel available to backfill industry-wide retirements. The comprehensive budget process utilized by LCWSA allows for a realistic and long-term approach to better manage the ups and downs of the business. Asset management is critical to the budgetary planning process for all systems regardless of size. Capital Planning is integral to our budget process and used to avoid emergency repairs and major unplanned expenditures. Budgeting on a five-year basis in conjunction with personnel planning, capital planning, and strategic planning has been beneficial in understanding the challenges that are faced by our organization as well as our colleagues across Lycoming County, the Commonwealth, and our nation. We remain hopeful for a more positive economic outlook for our core service territory, but remain realistic in our budgeting process.

2019 Water and Sewer Rates are listed by operating system.

2019 SEWER RATES –ARMSTRONG

<u>Service Area</u>	<u>User Rate per EDU per Month</u>
Armstrong	\$70.00

Prepay Discounts – Armstrong Sewer

The prepay discount is **3%** for customers pre-paying twelve months in advance with payment received by **January 20th**. Past due balances must be paid in full before a customer can take advantage of the prepay discount for the 2019 calendar year.

Billing Cycle

Sewer customers will be billed monthly with payment due by the 20th of each month.

Late Fees/Penalty

As part of the Authority's rate structure, a one-time penalty of ten percent or a carrying charge on the outstanding balance of 1½ percent per month shall be added, whichever is greater. The late penalty will be applied to an account on which the payment has been received after the twentieth (20th) of the month for which the service is rendered.

2019 SEWER RATES - BEAVER LAKE – (no increase)

<u>Service Area</u>	<u>User Rate per EDU per Month</u>
EDU (Dwelling or Home)	\$161.00
Undeveloped Lot	\$50.00

Prepay Discounts – Beaver Lake Sewer

The prepay discount is **3%** for customers pre-paying twelve months in advance with payment received by **January 20th**. Past due balances must be paid in full before a customer can take advantage of the prepay discount for the 2019 calendar year.

Billing Cycle

Sewer customers will be billed monthly with payment due by the 20th of each month.

Late Fees/Penalty

As part of the Authority's rate structure, a one-time penalty of ten percent or a carrying charge on the outstanding balance of 1½ percent per month shall be added, whichever is greater. The late penalty will be applied to an account on which the payment has been received after the twentieth (20th) of the month for which the service is rendered.

2019 SEWER RATES – MIFFLIN MANOR

<u>Service Area</u>	<u>User Rate per EDU per Month</u>
Mifflin Manor	\$130.00

Prepay Discounts – Mifflin Manor Sewer

The prepay discount is **3%** for customers pre-paying twelve months in advance with payment received by **January 20th**. Past due balances must be paid in full before a customer can take advantage of the prepay discount for the 2019 calendar year.

Billing Cycle

Sewer customers will be billed monthly with payment due by the 20th of each month.

Late Fees/Penalty

As part of the Authority's rate structure, a one-time penalty of ten percent or a carrying charge on the outstanding balance of 1½ percent per month shall be added, whichever is greater. The late penalty will be applied to an account on which the payment has been received after the twentieth (20th) of the month for which the service is rendered.

2019 SEWER RATES – MRSS

<u>Service Area</u>	<u>User Rate per EDU per Month</u>
MRSS – Montoursville, Fairfield, Halls Station (portions of Muncy and Muncy Creek Townships)	\$70.00

Prepay Discounts – MRSS Sewer

The prepay discount is **3%** for customers pre-paying twelve months in advance with payment received by **January 20th**. Past due balances must be paid in full before a customer can take advantage of the prepay discount for the 2019 calendar year.

Billing Cycle

Sewer customers will be billed monthly with payment due by the 20th of each month.

Late Fees/Penalty

As part of the Authority’s rate structure, a one-time penalty of ten percent or a carrying charge on the outstanding balance of 1½ percent per month shall be added, whichever is greater. The late penalty will be applied to an account on which the payment has been received after the twentieth (20th) of the month for which the service is rendered.

2019 WATER RATES –LIMESTONE WATER

Rate Schedule – based on consumption

0 to 5,000 gallons (base rate)	\$150.00
5,001 to 20,000 gallons	\$7.25 per 1,000 gallons
20,001 to 40,000 gallons	\$7.50 per 1,000 gallons
40,001 to 100,000 gallons	\$7.75 per 1,000 gallons
100,001 to 200,000 gallons	\$8.25 per 1,000 gallons
Over 200,000 gallons	\$8.75 per 1,000 gallons

Billing Cycle

Water customers will be billed per the rate schedule noted above.

The Authority bills Limestone Water customers on a quarterly basis.

Late Fees/Penalty

As part of the Authority’s rate structure, a one-time penalty of ten percent or a carrying charge on the outstanding balance of 1½ percent per month shall be added, whichever is greater. Bills will be sent for the previous period’s consumption and related charges. Payment of entire invoiced amount is required within 20 days from the statement date.

2019 WATER RATES –LCWSA REGIONAL WATER

LCWSA Regional Water customers are billed for consumption, fixed or base rate based on meter size, and if applicable, fire protection charges.

Metered Consumptive Water Charge

All metered water customers shall pay a consumptive rate of \$10.00/1,000 gallons.

SCHEDULE A – Consumptive Rate \$10.00 per thousand

Base Customer Charge Based on Meter Size

In addition to the increase in the consumptive charge, metered water customers will be charged a **FIXED CUSTOMER CHARGE** for 2019 based on meter size per Schedule B below (no increase from prior year):

BASE CUSTOMER CHARGE BASED ON METER SIZE
SCHEDULE B –METER CHARGE

Meter Size	Size Ratio (AWWA Std)	Monthly	Quarterly	Annual
5/8"	1	\$ 20.00	\$ 60.00	\$ 240.00
3/4"	1.5	\$ 30.00	\$ 90.00	\$ 360.00
1"	2.5	\$ 50.00	\$ 150.00	\$ 600.00
1 1/2"	5	\$ 100.00	\$ 300.00	\$ 1,200.00
2"	8	\$ 160.00	\$ 480.00	\$ 1,920.00

Fire Protection Charges

The Fire Protection Charge is applicable to all customers who have water service provided for sprinkler systems, dedicated fire protection lines, and/or dedicated hose connections for fire protection. There is no increase for 2019 for these customers based on Schedule C below.

No separate charge shall be made for water used in the extinguishing of accidental fires. Water for any other purpose, other than scheduled fire protection system testing or fire extinguishing, shall not be drawn through a private fire service connection.

SCHEDULE C – Fire Protection Charge

Line Size	Size Ratio (based on cross section)	Monthly	Quarterly	Annual
6"	1	\$ 220.00	\$ 660.00	\$ 2,640.00
8"	1.78	\$ 391.60	\$ 1,174.80	\$ 4,699.20
10"	2.78	\$ 611.60	\$ 1,834.80	\$ 7,339.20
12"	4	\$ 880.00	\$ 2,640.00	\$10,560.00

Fire protection charges for additional sizes will be provided upon request and are prorated based on line size.

Billing Cycle

Regional Water customers will be billed for consumption, fixed meter charges, and if applicable, fire protection charges on a monthly basis.

Late Fees/Penalty

As part of the Authority's rate structure, a one time penalty of ten percent or a carrying charge on the outstanding balance of 1½ percent per month shall be added, whichever is greater. Bills will be sent for the previous period's consumption and related charges. Payment of entire invoiced amount is required within 20 days from the statement date.

Shared Fire Protection Charges

Where fire protection lines are shared by multiple users, the Authority will allow the proration of the fire protection fee based on square footage. The proration shall be rounded up to the nearest \$5.00 increment as is appropriate for like size spaces. Each situation may be evaluated to group like size spaces. The fees for the combined total of the shared users shall always be equal to or rounded above the charges set forth in the Authority's 2019 Rate Resolution.

2019 LCWSA Budget

Budgeting is a process that involves a number of key financial, operational, and organizational factors over periods of years - not a year-to-year approach. The 2019 LCWSA Budget is just over \$5.3M for all activities of the organization. Our process is comprehensive and necessary as we manage multiple systems and are accountable to our customers and Partners.

LCWSA offers innovative regional and shared services to achieve compliance with water, stormwater, and wastewater regulations by providing practical, sustainable, cost effective solutions through education, operation, maintenance, technical support, and management services. LCWSA provides an array of services – offering a variety of alternatives - in response to requests for assistance.

Serving 10 sewer, water, and stormwater systems in 12 municipalities throughout Lycoming County and reaching over 8,500 individual customers in varying capacities.