

Frequently Asked Questions: Monthly Water & Sewer Billing

Q: Why is LCA considering monthly billing for City of Allentown customers?

A: At the April 23, 2018 Lehigh County Authority (LCA) Board Meeting, we shared a report on the financial condition of the City of Allentown water and sewer system. One of the primary recommended actions from this report is to convert City of Allentown customers to monthly billing (instead of quarterly billing). This will generate additional revenues needed to pay the costs associated with the Allentown systems including operating and maintaining critical treatment systems, paying debt service amounts, and replacing aging infrastructure in the City systems.

Q: How will the additional revenue be used?

A: LCA is a non-profit, public organization – we receive no tax revenue, and do not pay shareholder profits! Therefore, your water and sewer bill goes directly into operating and maintaining the system, and to pay any associated debt expenses. Over the next 45 years, LCA has estimated more than \$1 billion in capital improvements are needed to address critical system needs to protect public health, ensure service reliability, and address environmental protection goals. Some examples:

- Replacing 100-year-old water and sewer lines throughout the City
- Replacing 50-year-old filter equipment at the water treatment plant
- Adding back-up power supply to the sewage treatment plant
- Replacing 90-year-old equipment at the water plant intake structures
- And much more!

These projects are necessary to provide reliable, safe drinking water and sewer services to Allentown residents. This is LCA's mission as your water / sewer authority!

Q: Are all LCA customers impacted by this potential change?

A: Only customers in the City of Allentown will be impacted at this time. This is because LCA's operation of the Allentown water and sewer system is financially separated from all other LCA operations in other parts of the Lehigh Valley. Revenues from Allentown water and sewer customers are used exclusively for the operation and maintenance of the Allentown water and sewer systems, and related debt expenses.

However, LCA recognizes that some Suburban customers would like to have monthly billing for their water and/or sewer services, and so we will evaluate Suburban rates and billing processes at a later date.

Q: How will the monthly rates be determined?

A: Monthly rates are already established in the LCA lease agreement with the City of Allentown. They were adopted by City Council and passed on to LCA through the lease. The full rate schedule is located on our website at www.lehighcountyauthority.org/rates.

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Q: How will my water and sewer bill be affected?

A: For most residential customers in Allentown who are currently billed quarterly with a standard 5/8-inch water meter, the monthly bill will be about \$13 per month higher than what you are currently paying. To see the rate schedule for other meter sizes, check our website at www.lehighcountyauthority.org/rates. If you have a standard 5/8-inch water meter and are being billed quarterly today, use the chart below to see what your new monthly bill would be based on your current water usage:

Average Residential Water / Sewer Bill - City of Allentown - Quarterly vs. Monthly Billing							
To use this chart, first look at your current LCA water / sewer bill to see how much water you use each quarter.							
1. If you use this much water (in gallons) per quarter...	6,000	9,000	12,000	15,000	18,000	24,000	30,000
2. Your quarterly water/sewer bill is...	\$ 74.61	\$ 93.16	\$ 111.71	\$ 130.25	\$ 148.80	\$ 185.90	\$ 222.99
3. Your monthly water usage (in gallons) would be...	2,000	3,000	4,000	5,000	6,000	8,000	10,000
4. Your monthly water/sewer bill would be...	\$ 38.28	\$ 44.46	\$ 50.65	\$ 56.83	\$ 63.01	\$ 75.38	\$ 87.74

Q: When will LCA make a decision?

A: LCA's Board of Directors is reviewing details and will make a decision in late May or early June 2018. LCA will accept public input before making this important decision!

Q: When will I start receiving monthly bills from LCA?

A: If LCA's Board approves the billing process change to monthly billing, customers will begin receiving monthly bills later this summer or early fall. You will be notified directly through the mail about your specific billing schedule.

Q: What if I am already being billed monthly?

A: Some customers in Allentown are already being billed monthly! Those customers will not be impacted by this change at all, except for possibly a minor change in the billing schedule or due date. We will notify you directly of any schedule changes.

Q: How can I submit input for consideration by LCA's Board of Directors?

A: Please visit <https://lehighcountyauthority.org/allentownrates-billing/> for instructions on how to submit public input online or at our upcoming public input meeting. You may also submit your input in writing to:

Lehigh County Authority * PO Box 3348 * Allentown, PA 18106

All public input must be received no later than May 17, 2018 to be included in the public record for our Board's review and consideration.

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Q: Why is LCA doing this now?

A: When LCA began operation of the City water and sewer systems in 2013, we could have implemented the monthly billing process at that time because the rates were adopted by City Council prior to approving the lease. However, LCA opted to use the quarterly billing cycle that customers were accustomed to until we gained experience with operating the system. Now, LCA has been operating the systems for nearly five years, and we have a clear picture of the future financial requirements to operate and maintain the systems for the next 45 years. In order to conduct our operations effectively and continue to make system improvements, increased revenue is needed.

Q: Are there any advantages to monthly billing?

A: Yes! Monthly billing is an industry best practice because it helps customers with modest income levels to budget properly. Monthly billing matches the method of most of your other household bills such as your rent or mortgage, electric bill, cable and phone bills, and more. As a result, managing the water and sewer bill as part of your regular monthly budgeting will be easier to manage. And, since the monthly bill is smaller than the quarterly bill, annual rate increases will be easier to manage as well. One of the best reasons water utilities are switching to monthly billing is to help customers identify water leaks inside the home sooner, which can lead to water loss prevention and a lower water and sewer bill!

Q: When will LCA share more information?

A: Detailed information, timing and implementation plans will be shared with customers when they are determined. The decision to move to monthly billing is not yet final, and not one we take lightly.

Q: Where can I find more information?

A: The LCA Board of Directors meeting on April 9, 2018 included an [overview of the Lease Agreement](#). In addition, the [LCA Lease Financial Study](#) was presented at the April 23, 2018 Board of Directors meeting.

Thank you!

LCA appreciates customers' participation and feedback! Please remember to visit <https://lehighcountyauthority.org/allentownrates-billing/> to submit your input online.

