



**Contact:** Susan Sampson  
[susansampson@lehighcountyauthority.org](mailto:susansampson@lehighcountyauthority.org)  
610-398-2503 X 164

## **For Immediate Release**

### **Lehigh County Authority Board Adopts New Rates for 2020**

Increases to cover preventive maintenance and infrastructure improvements.

Allentown, Pa. (November 11, 2019) – Today, the Lehigh County Authority (LCA) Board of Directors voted unanimously in favor of rate changes for 2020, which includes increases in charges for both the City of Allentown Division and Suburban Division customers.

The Board approved the 2020 LCA Budget on October 21, 2019 including increases to water and sewer rates for customers throughout the service area. The new rates will go into effect on January 1, 2020.

It is important for the public to remember that LCA is a public, nonprofit municipal authority. The revenues collected through water and sewer rates are used for the sole benefit of paying current expenses or funding future capital improvements. While LCA operates as a single organization, the water and sewer revenues collected from our customers in Suburban communities may not be used to pay for expenses associated with the Allentown Division lease agreement. Likewise, revenues from our customers in Allentown may not be used to pay for expenses associated with our Suburban Division water or sewer operations. It is clearly defined in all LCA bond documents that mixing of revenues is prohibited.

Across the nation, including in the Lehigh Valley, water and sewer utilities are facing a hidden crisis. Water and sewer infrastructure is buried underground, out of sight, where it is easy to forget or ignore. However, the pipes that deliver safe and reliable tap water to each home we serve, and the sewer systems that safely transport sewage to treatment centers for proper disposal, cannot be taken for granted. Caring for our aging infrastructure will take an estimated \$1 trillion nationwide. As a responsible service provider and member of the community we serve, LCA takes this responsibility very seriously.

Proposed changes in the Suburban customer water fixed and volume rates were calculated in the water rate study conducted by Keystone Alliance Consulting in 2018. The 2020 proposed rate follow the study's recommendations.

The 2020 rates for City of Allentown Division customers reflect increases based on the terms of the lease agreement with the City of Allentown. Such increases include an overall 4.1% increase in general rates, plus an updated calculation of the Capital Cost Recovery Charge.

As part of LCA's strategic plan, much greater emphasis has been placed on our preventive maintenance program. While the program is currently in a "catch up" phase to address prior deferred maintenance, we expect these program expenses to be closely monitored and will stabilize over the next several years as the program is fully implemented.

Through discussion with the LCA Board, the Lehigh County Commissioners, and other key stakeholders, LCA has adopted a capital financing philosophy that will reduce our reliance on debt in the future. This will take time to achieve, and phased-in rate increases over the course of several years will be required to ensure funding is available for annual rehabilitation projects.

Some examples of work planned in 2020 and funded through the new rates includes on-going maintenance and repair of valves, hydrants, and concrete water storage tanks throughout the system. There will be conversion of the Kline's Island disinfection to sodium hypochlorite, from chlorine gas. We will upgrade Sand Spring and Wynnewood wastewater treatment plants, and complete two interconnecting pump stations to improve reliability for water customers in the Central Lehigh division. Our work to collaborate with the 14 municipalities connected to the regional sewer system to address long-term capacity requirements will continue.

Detailed information about 2020 rates and a comparison of our rates with other area water/sewer utilities is available on our website at: <https://lehighcountyauthority.org/rates-2020/>. Public comments or questions about rates may be submitted prior to the effective date of 1/1/2020 by emailing LCA at [service@lehighcountyauthority.org](mailto:service@lehighcountyauthority.org) with the subject line "2020 Rates." All comments and questions become public record and will be delivered to the LCA Board for their consideration prior to implementation.

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