

NOTICE TO SLSA CUSTOMERS SEWER RATE INCREASE

Effective July 1, 2018, the SLSA billing rates will increase from \$120 per equivalent dwelling unit (EDU) per quarter to the new rate of \$125 per EDU per quarter, or \$41.67 per EDU per month for accounts billed on a monthly basis. The rate increase will be reflected in the sewer bill for the third calendar quarter of 2018 (or July 2018 for accounts billed on a monthly basis). For non-residential customers who are billed on a metered water consumption basis, the rate will increase from \$8.00 per thousand gallons to \$8.33 per thousand gallons.

The rate increase is needed to pay for capital projects at the City of Lancaster Advanced Wastewater Treatment Plant, capital projects within SLSA's collection and conveyance system, and increases in operating costs to clean grease buildup in SLSA pumping stations.

Sewage collected in the SLSA service area is transported to the City of Lancaster Advanced Wastewater Treatment Plant for treatment and disposal. In addition, sewage from SLSA is conveyed through portions of the City of Lancaster conveyance facilities (sewage pumping stations and pipe lines) to its ultimate destination at the City Plant. The City is currently involved in a number of major upgrade projects both at its treatment plant and for its conveyance facilities. A number of these projects are mandated by the ongoing Chesapeake Bay Restoration Program. SLSA is obligated to pay a portion of the costs associated with these projects based upon its flow contribution to the City's sewerage facilities.

SLSA finds it necessary to increase its billing rates due to these upcoming capital payments to the City as well as its own projected capital projects within the SLSA collection and conveyance system. These capital projects include upgrades to a number of pumping stations and sewer lines.

Over the past year, SLSA has noticed a significant increase in the amount of grease buildup in its pumping stations. Because the grease will have a detrimental effect on operations at the City Treatment Plant, SLSA is obligated to remove the grease from its pumping stations and dispose of it at licensed facilities at high costs to customers. Please refer to the enclosed billing insert on the FOG Monster for more information.

SLSA is very aware of the impact of increased billing rates on its customers and is committed to minimizing its costs and the resulting impact on its user fees. Nevertheless, certain expenditures such as those described above are unavoidable and SLSA is contractually obligated to include them in its rate structure.