

August 12 Comments

Questions related to the Water Lease:

Responses to Mr. Hahn (see questions below) on the LCA Lease from the Compliance Office:

Answer: Over the next 10 years, necessary capital projects will cost approximately \$150 Million.

Review: LCA staff submit their Five-year Capital Improvement Plan (5yrCapex) to the LCA Board of Directors for discussion at their public meeting; the public are encouraged to comment.

Office of Compliance (OoC) review: LCA staff also submit their 5yrCapex to OoC as required under the Concession Lease Agreement (CLA), Article 4. The OoC reviews these annual submissions and provides comment to LCA. Our deep scrutiny of Major Capital Improvement Projects begins when LCA submits an individual project (also in accordance with the provisions in the CLA, Article 4) at the conceptual design stage. We continue to monitor the projects from substantially complete design, through construction to project closeout.

From the Solicitor's Office:

In reply to you question this morning, the PUC does not have jurisdiction over utilities owned and operated by municipalities for the benefit of their customers who reside within their own corporate boundaries. Please see http://www.puc.pa.gov/consumer_info/water/wastewater.aspx.

The City of Bethlehem's PUC request is only for those residents who reside outside the City's municipal boundary.

New rates once approved by the PUC will be applied equally to customers both inside and outside the City. City Council sets rates for inside-city customers. Please see <https://www.bethlehem-pa.gov/News/Water-Sewer-News/2020-Water-Rate-Filing>.

Prior to the Concession Lease Agreement (the "CLA"), City Council approved the water and sewer utility rates. After the Lease to LCA went into effect, the CLA provided and continues to provide the mechanism for annual rate increases.

The Settlement Agreement which is pending before City Council, while allowing for an increase in the fixed rate, provides additional measures which will reduce the City ratepayers overall bill, including, but not limited to, the following: the Suburban Division's contribution to the cost of water production, reduction in capital costs for Water plant improvements and the reduction in equity rate of return.

Next can you explain. How under
this agreement the public can have a person or city official who represents
The public concerns of rate cost and
No place to have details of why the rate payers must pay increases

For bonds and loans that are not related to cost. Public projects that was maintained when city own the water

Now are rate hicks by LCA

So the rate payers and tax payers

Have both to pay city and county own water why are the rate payers getting the bill for maintain employment issues

That the owner the city paid for

Now become part of the rate bill

Legacy cost for ever on bill

Without and place were the public can

Complain or change the way the cost is is calculated to rate payers

This one issue overlook

And we would like to have a better agreement on the cost to rate payers

This agreement is one sided

because no one from public

was represented at the negotiation

This can be fix ! If some one or city

Wants to protect the public ?

H team

Comments from Mr. Hunsicker – three documents