



LCA ALLENTOWN DIVISION

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LCA Customer Notice – August 2020

LCA & City of Allentown Announce Lease Update

Lehigh County Authority (LCA) and the City of Allentown entered into a 50-year lease agreement in 2013 for the operation of the City's system. Since then, the system has been challenged by revenues being far lower than expected and much higher system improvement costs. LCA and the City have partnered to update the lease agreement, recognizing the critical importance of having a sustainable water and sewer system to serve a vibrant community and a growing economy.

On July 10, 2020, LCA and the City of Allentown jointly announced a plan to update the agreements and settle various legal disputes that have arisen over the years. This updated agreement recognizes that LCA's municipal authority structure will bring the best overall value to all customers. Revenue collected from customer rates, after expenses are paid, is returned to the system in the form of system improvements or future cost savings.

**Our Water,
Our Future!**

The Lease has been updated to ensure City customers continue to receive safe and reliable service, the system is properly maintained into the future, and costs are distributed appropriately to all users, including other municipalities that receive service from the City systems.

Allentown Customer Impact: Included in the agreement is a rate increase for City customers of about \$22 per quarter, with implementation in fourth quarter billing of 2020. Additional rate increases will be phased in over the following four years (2021-2024) to reach the full rate schedule that is included in the agreement. While we would prefer not to increase rates, it is truly necessary in order for LCA to properly maintain the system and continue providing safe and reliable service to the community. The required system upgrades are necessary to protect the public's health and the environment.

Rate Relief: A key component of the updated agreement is the opportunity for LCA to provide rate control in the future. While rate increases are necessary now, this new agreement allows LCA to freeze or reduce rates in the future once we have demonstrated financial capacity to pay for future system improvements. This is a feature of the new agreement that LCA is proud to offer to our Allentown customers.

Next Steps: The proposed agreements were approved by the LCA Board of Directors on July 27. Allentown City Council must also vote to approve (scheduled for August 12) and then LCA must complete a refinancing of the bonds in September to complete the process. More information for customers will be shared once all approvals are complete.

For more details, please visit: www.lehighcountyauthority.org/LeaseUpdate.

LCA Response & Planning – Update

Our work at LCA continues to be impacted by COVID-19, with employees working adjusted schedules, wearing masks and social distancing, and limiting our on-site customer service visits to emergencies only.



When the pandemic hit, our employees quickly responded to changes in how we do our work to deliver essential services to you. Our Pandemic Response Team and Emergency Response Plan were set in motion to respond to the rapidly changing environment.

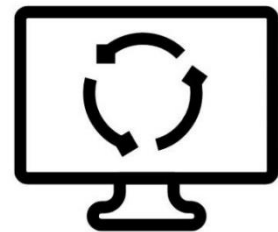
We still have many employees working remotely while our Customer Care locations remain closed. Our work to deliver safe and reliable water and wastewater service is essential, which means many of our employees could not stay home. Our field crews, plant operators and managers continued to show up daily, operating under new safety protocols to keep the water and wastewater moving. We are so proud of our employees for rising to the occasion and navigating these uncharted waters.

We don't know just yet when our offices will reopen to the public, but we continue to help customers and respond to water and sewer emergencies. Stay tuned to our social media channels and check our website for updates.

Speaking of our Website

Have you seen our new website design? In June we released a whole new look and feel, with a goal of updating the design, while making it easier for customers to find the most-used information right on the home page! The content has shifted and is user friendly on tablets and mobile devices.

Right from the home page you can pay your bill using our **FREE** online portal, tell us about a problem, start or stop service to a property, or update your contact information. Did you recently disconnect a land line or get a new phone number? While you're checking out the new site, we encourage you to take a moment and provide your up to date information so we can reach you in the event of an emergency.



Be sure to follow our Water Works blog for helpful information, topics and tips. Use the "contact us" link to find multiple ways to reach our customer care representatives. We are here to help!

Wishing you & yours a safe & healthy summer!