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December 7, 2016

Subject: Charleroi, North Charleroi, Speers, Dunlevy and Twilight Sewage Customers Rate Change due to CSO – SSO Control Project

Dear Charleroi Area Sewage Service Customer:

This letter is to inform you of upcoming changes to your bill beginning January 2017 for debt service payment for the government mandated CSO-SSO flow control project.

A major additional change to Charleroi Area sewage bills will take effect in January 2017. Bills will be revised to include a new debt service charge to pay for the Combined Sewer (CSO) and Sanitary Sewer (SSO) Overflow Control Program created by unfunded mandate of the EPA and enforced by PA DEP.

All sewage customers listed above will see a new CSO –SSO Project charge of \$32.00* per month added to their existing sewage bill. The \$32.00* per month charge will be for years 1 through 6 and will increase to \$38.00* per month in years 7 through 30. (These numbers with asterisk (*) are based on 3.5% interest rates in effect at the public presentations. Since then costs have increased from those presented in the Act 537 plan and public meetings due to increases in bond market interest rates. Final numbers will be determined at closing of Bond issue.)

The resulting bill for a minimum usage customer from the listed areas would become:

	\$11.00	Minimum monthly charge for sewage treatment (up to 2,000 gallons)
	\$11.00	Oper. and Maint., General Office and Administrative (Customer service fee)
	<u>\$32.00*</u>	Debt service charge for CSO-SSO Project (new) (CSO surcharge)
Total	\$54.00	CSO Adjusted 2017 Minimum Bill

As with the current bill, an additional charge of \$5.45 per 1,000 gallons applies for usage over 2,000 gallons.

In our ongoing effort to reduce the cost of this project, the Authority will continue to seek additional grant funding and cost saving measures as a continuing part of the CSO-SSO control project. Future savings will be applied to reduce the debt service obligation.

The Authority of the Borough of Charleroi