



MOUNT POCONO MUNICIPAL AUTHORITY

MUNICIPAL BUILDING

303 POCONO BLVD. • MT. POCONO, PA 18344

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**RE: Sewage Service Rate Increase Effective for the Quarter Beginning
January 1, 2012**

Dear Ratepayer:

The Mount Pocono Municipal Authority makes every effort to provide economical and effective quality sewage treatment services to its residential and commercial customers. Despite steadily increasing operating costs, the Authority has not raised rates since January 1, 2007 when the existing quarterly rates per equivalent dwelling unit (EDU) were established for residential users at \$112.00 and for commercial users at \$186.00.

The Authority Board Members are aware of the difficult times everyone is facing in this economy. However, a rate increase for both residential and commercial customers, effective for the quarterly billing period which begins on January 1, 2012, is necessary to begin funding the costs of settling a lawsuit filed against the Authority last year by two environmental groups: The Brodhead Watershed Association (BWA) and Citizens for Pennsylvania's Future (PennFuture). The lawsuit alleges that the Authority's discharge of treated sewage effluent into the Forest Hills Run stream, for exceeding temperature limits, has violated The Clean Water Act and The Clean Streams Law.

Over the past several months, Authority representatives have been negotiating primarily with Patricia Kennedy, President and Edith Stevens, Member, on behalf of BWA and with Brian Glass, law staff chair of PennFuture, in an effort to settle this lawsuit, and terms of a proposed settlement have finally been achieved.

Under the terms of the proposed settlement, the Authority will be required to purchase a large tract of land and to construct, in phases, a spray irrigation system that will enable the Authority to divert most of its sewage effluent from Forest Hills Run to be sprayed or land-applied on the land the Authority will acquire.

The consulting engineers for the Authority have estimated that the total cost of acquisition and construction of the land disposal project, which is aimed at improving the quality of the Forest Hills Run stream, will exceed Ten Million (\$10,000,000.00) Dollars.

Under the circumstances, during its December meeting, the Authority Board voted to increase the quarterly EDU rates payable by residential users from \$112.00 to \$143.00 per quarter; commercial users from \$186.00 per quarter to \$238.00 per quarter, and for commercial metered customers from \$186.00 per quarter per EDU plus \$.0116 per gallon to \$238.00 per quarter per EDU plus \$.0148 per gallon, effective as of January 1, 2012. Please note that there is a strong possibility that it will be necessary to increase the sewage rates periodically to cover the cost of these improvements that are necessary to settle this lawsuit.

Very truly yours,

Francis O'Boyle, Chairman
Mount Pocono Municipal Authority