SAUL EWING
LLP

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February 18, 2026

Via E-File
Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105

Re: Pennsylvania PUC v. City of Lancaster
Docket No. R-2025-3057237; C-2025-3058103

Dear Secretary Homsher:

Pursuant to the ALJ Gannon's Interim Order dated February 9, 2026 ("Interim Order"), enclosed for filing is the City of Lancaster's Testimony, in the above-captioned matter, that has not previously been filed before. Accordingly, this filing contains the following evidence admitted into the record pursuant to the Interim Order:

- City of Lancaster Statement No. 1R – Rebuttal Testimony of Tina Campbell;
- City of Lancaster Statement No. 2R – Rebuttal Testimony of Stephen Campbell, including Exhibits SC-1R, SC-2R, SC-3R, SC-4R, SC-5R, SC-6R, and SC-7R.
- City of Lancaster Statement No. 3R – Rebuttal Testimony of Christine Volkay-Hilditch.
- City of Lancaster Statement No. 4R – Rebuttal Testimony of Gregory R.Herbert, including Exhibits GRH-1R, GRH-2R, GRH-3R, and GRH-4R.
- City of Lancaster Statement No. 5R – Rebuttal Testimony of John J. Spanos, including Exhibits JJS-1R, JJS-2R, and JJS-3R.
- City of Lancaster Statement No. 6R – Rebuttal Testimony of Harold Walker, III, including Exhibit HW-1R.
- City of Lancaster Statement No. 1RJ – Rejoinder Testimony of Tina Campbell, including Exhibits TC-1RJ, TC-2RJ, and TC-3RJ.
- City of Lancaster Statement No. 4RJ – Rejoinder Testimony of Gregory R. Herbert, including Exhibits GRH-1RJ.
- City of Lancaster Statement No. 5RJ – Rejoinder Testimony of John J. Spanos.
- City of Lancaster Statement No. 6RJ – Rejoinder Testimony of Harold Walker, III.

Thank you for your attention to this matter.

Respectfully submitted,

Courtney L. Schultz

cc: All Parties per Certificate of Service

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

The City of Lancaster-Bureau of Water
2025 Water Base Rate Case; R-2025-3057237

CERTIFICATE OF SERVICE

I hereby certify that I have this 18th day of February, 2026, served a true copy of the foregoing Letter on the persons listed below *via Electronic Mail:*

Via E-File Only
Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105

Honorable Erin L. Gannon
Administrative Law Judge
Pennsylvania Public Utility Commission
egannon@pa.gov

Scott B. Granger
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
sgranger@pa.gov

Harrison W. Breitman
Ryan R. Morden
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Steven Gray
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Office of Small Business Advocate
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Courtney L. Schultz

City of Lancaster Statement No. 1R
Docket No. R-2025-3057237
January 8, 2026

REBUTTAL TESTIMONY
OF
TINA CAMPBELL,
DIRECTOR OF ADMINISTRATIVE SERVICES

ON BEHALF OF
THE CITY OF LANCASTER
BUREAU OF WATER

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
CITY OF LANCASTER - BUREAU OF WATER
DOCKET NO. R-2025-3057237
REBUTTAL TESTIMONY OF TINA CAMPBELL

1. Q. Have you previously provided testimony in this case?

A. Yes. I provided Direct Testimony on behalf of the City of Lancaster – Water Bureau (the "City").

2. Q. What is the purpose of your Rebuttal Testimony?

A. The purpose of my Rebuttal Testimony is to respond to those aspects of the Direct Testimony of the Office of Consumer Advocate's ("OCA") witnesses that relate to (i) the changes created from the Home Rule Charter, effective January 1, 2025; and (ii) the City's work with low-income customers and partnership with the Community Action Partnership ("CAP") program.

3. Q. Do you agree with OCA Witness Morgan's testimony that the City did not provide documented budget justification for capital projects included in this case?

A. No. The City provided a 5-year Capital Improvement Plan, attached to the Direct Testimony of Stephen Campbell as Exhibit SC-2, which includes the 2026 Capital Budget. In accordance with the Home Rule Charter, the City Council approves the capital budget annually by September 30 of the previous year. Because the Home Rule Charter was not in effect as of September 30, 2025, the first capital budget approved under the Charter was approved for 2026.[1] The 2027 Capital Budget will be approved before September 30, 2026 to meet the annual approval requirements of the Charter.

[1] A copy of the approved budget was provided in response to discovery. *See* I&E-RB-2-D and Exhibit GRH-4R p. 59 of 72.

Importantly, this process is similar to that process that previously existed regarding budget approval. The City approves the capital budget for one-year periods. Never before has a party recommended disallowance of capital projects in the future test year or fully projected future test year on the basis of lack of budgetary approval by the City. Indeed, requiring such approval for inclusion in rate base would create an impossibility for the City, as obtaining approval for budgets beyond one year is not permitted by the Home Rule Charter.

4. Q. How does the City currently track low-income customers?

A. The City uses federal income data as a basis for collecting data related to low-income households within the municipality and within its utilities customer bases.

5. Q. Will the City consider implementing any of OCA Witness Wise's recommendations regarding low-income household tracking?

A. Possibly. In her Direct Testimony, OCA Witness Wise describes a tool through United Way called "ALICE" (Asset Limited, Income Constrained, Employed) which she says can be utilized as an alternative method of tracking. The City will research whether ALICE may be useful for future tracking of low-income households in its service territory. This tool may prove to be helpful as the City researches where the highest concentrations of ALICE households are in the City's service area.

6. Q. Has the City gleaned any information concerning the concentration of low-income households in its Outside-City (PUC Jurisdictional) customer base using available information?

A. Yes. Federal and local data indicates that low-income households would be very highly concentrated *inside* Lancaster City, and therefore, there is likely a much lower concentration of average poverty rates (and potentially the ALICE household

rates) throughout the County and in the service territory relevant to this rate increase request, *i.e.*, among Outside-City customers.

The concentration of poverty within the Lancaster City limits is further highlighted by the reference in OCA Witness Wise's Supplemental Direct Testimony to the public comment testimony of Ms. Claire Van Cleve. Ms. Van Cleve indicates that someone living on "an income of $30,000 or less in Lancaster City" would not be able to afford this increase. This increase, however, is not proposed for Inside-City customers. More importantly, Inside-City customers currently pay more than Outside-City customers, not less, as evidenced by the rate chart found on the City's website.

7. Q. OCA Witness Wise's Direct Testimony notes concerns regarding the low level of participation in the CAP program. Do you agree with those concerns?

A. No, I do not. While Ms. Wise is correct in identifying a low-level of participation in the CAP program based on information provided by the City in discovery, this data only included Outside-City customers, where low-income households are not as prevalent as for Inside-City customers. In fact, through November 30, 2025, 95 households have received support through the CAP program, which would indicate that the program is being used by Inside-City customers, where the household median income is much lower than the surrounding Lancaster County (Outside-City) area.[2]

[2] Ms. Wise correctly notes that only nine Outside-City customers were enrolled in CAP as of October 31, 2025.

8. Q. Will the City implement any of OCA Witness Wise's recommendations related to the CAP program?

A. Yes. As a way to further educate Outside-City customers about the CAP program, the City will implement OCA witness Wise's recommendation to provide information on the City's utility website regarding the CAP program.

9. Q. OCA Witness Wise also recommends that the City implement alternative payment plans and an Arrearage Management Plan ("AMP") moving forward. How does the City respond?

A. The City is creating an internal working group in 2026 to review the water utility functions including overall financial projections and individual household costs. A discount billing option for low-income customers is part of this discussion, which would help with arrearages. The City will also include in its planned review, whether it has the capacity to adopt an AMP, such as the pilot AMP program recommended by Ms. Wise. At this time, the City does not have sufficient information or resources to agree to implement the two-year pilot AMP program proposed.

10. Q. How will the City continue to show transparency to demonstrate to its customers why rate increases are needed?

A. In her Supplemental Direct Testimony, OCA Witness Wise summarized the public comment testimony of a customer, Mr. Michael Debakey, who testified regarding a need for transparency for the rate case and what the money is used for. This is an important point. While the City's Direct Testimony explains the projects for which the requested revenue will be used to support, the City will be adding a tab to its water website that includes a list of projects and the purpose of those projects to ensure that the customers understand the projects the City is doing, why they were necessary and the benefits provided by the projects.

11. Q. Can you provide additional information on the customer service issue that Mr. Debakey experienced as described in the Supplemental Direct Testimony of OCA Witness Wise?

A. Lancaster County Dispatch reported a broken hydrant on 1725 Windy Hill Rd, which is close to Mr. Debakey's residence, on November 23, 2025, the day before the Thanksgiving holiday. Transmission and Distribution staff were notified and operators fixed the hydrant that same day. The operators (who take emergency calls) received 40 plus calls from that area about the same incident, and given the volume of calls and duplication of reporting, the names and addresses of all those who called were not recorded by the operator. The City acknowledges that Mr. Debakey's call could have been missed and the City apologizes for any inconvenience he had in making a second call to the City.

12. Q. Does this conclude your Rebuttal Testimony?

A. Yes, it does.

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VERIFICATION

I, Tina Campbell, Director of Administrative Services, City of Lancaster, hereby state that the facts set forth in the foregoing City of Lancaster Statement No. 1R are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter.

I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to sworn falsification to authorities).

DocuSigned by:
Tina Campbell
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Tina Campbell

Date: 1/25/2026

City of Lancaster Statement No. 2R
Docket No. R-2025-3057237
January 8, 2026

REBUTTAL TESTIMONY
OF
STEPHEN CAMPBELL,
DIRECTOR OF PUBLIC WORKS

ON BEHALF OF
THE CITY OF LANCASTER
BUREAU OF WATER

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
CITY OF LANCASTER - BUREAU OF WATER
DOCKET NO. R-2025-3057237
REBUTTAL TESTIMONY OF STEPHEN CAMPBELL

1. Q. Have you previously provided testimony in this case?

A. Yes. I provided Direct Testimony on behalf of the City of Lancaster – Bureau of Water (the "City"). I also sponsored Exhibits SC-1 (the City's five-year capital plan for Outside-City projects) and SC-2 (the City's planned future test year ("FTY") and full projected future test year ("FPFTY") projects for the Outside-City service territory).

2. Q. What is the purpose of your Rebuttal Testimony?

A. My Rebuttal Testimony addresses several issues raised in the Direct Testimony provided by Office of Consumer Advocate ("OCA") Witness Lafayette K. Morgan, specifically relating to: capital budgets, plant additions and plant revisions.

3. Q. Are you sponsoring any exhibits with your Rebuttal Testimony?

A. Yes. I am sponsoring Exhibits SC-1R through SC-7R.

4. Q. In Mr. Morgan's Direct Testimony, he calls out the additional measures that the Home Rule Charter requires of the capital plan, but then says that it was not reviewed properly. Please respond.

A. The City has gone through changes regarding capital planning for all Lancaster City Bureaus, including the Water Bureau, with the adoption of the Home Rule Charter. With the adoption of the Home Rule Charter, there are now rigorous requirements and structures around capital planning efforts. Now, the City Council reviews the capital plans for any of the enterprise funds as well as the general fund. These plans must be presented and then voted on by the City Council. The 2026-2030 Capital Improvement Plan ("CIP") (as reflected in my Exhibit SC-1) was discussed at the

City Council meeting on July 22, 2025.[1] The City is working with this five-year CIP, while it is of course possible (as has always been the case) that the projects on this list may change, as the priorities and regulated environment changes.

5. Q. Would you like to provide any other information about the City's Capital Planning and Budgeting process?

A. Yes, I would like to provide additional information on the City's Capital Budgeting process and to summarize the City's recent change in governance, because it provides greater clarity in the City's view of Long-Term Capital Planning and its Capital Improvement Plan.

A Long-Term Capital Plan (also referred to as a Master Facilities Plan) is generally for a longer term – potentially 20 to 30 years. The Long-Term Capital Plan generally includes projects that the City knows will be necessary, based on facility conditions assessed, remaining useful life of assets, legislative mandates and/or regulatory requirements. The Long-Term Capital Plan, however, sometimes does not include a budget as estimating that far into the future is not always possible.

A CIP, pulls projects from the Long-Term Capital Plan *that will be started and/or completed in a shorter time frame, generally within the next five years.* These projects will include a budget for each project, though budgets for future years may be subject to change due to escalation from inflation, manufacturer price increases, and tariffs, among other things.

[1] All of the City Council meetings are also recorded and available on the City's YouTube channel at https://www.youtube.com/c/cityoflancasterpagov.

As stated above, the City's 5-year CIP was approved by the City Council.[2] It was provided with my Direct Testimony as Exhibit SC-1 in this case. The City Council approval was a requirement of the Home Rule Charter and was the first time such a document was presented and approved. What is now different about the capital planning process and the budgeting process is that under Home Rule Charter there will be a *higher level of rigor* in both the budgeting and planning process. Further, as an indication of the level of commitment to performance, under the Home Rule Charter, the City will publicly report to the City Council on the status of the CIP.

6. Q. Mr. Morgan commented about the City's ability to actually finish the capital projects included in the FTY and FPFTY. Can you explain why you believe the City has the capacity to complete these projects?

A. The City's past performance in living up to its forecasts for capital additions, as reflected in the reporting provided following the last water rate case, Docket No. R-2021-3026682, on the actual additions and retirements by month for the FTY and the FPFTY projects, demonstrates its commitment to completing such future projects.[3] Also, in my Direct Testimony in this case, I provided the list of projects that the City completed since the filing of the last rate case. Building on the success of those completed project, the City does anticipate that it will complete the projects listed in the FTY and the FPTY in this case.

[2] *See* I&E-RB-2-D and Exhibit GRH-4R p. 59 of 72.
[3] *See* City's October 31, 2025 Response to TUS-21, Attachment, which was originally provided to OCA, OSBA and I&E on March 10, 2023, pursuant to Paragraph 20 of the Joint Stipulation for Settlement in the last base rate case.

7. Q. In Mr. Morgan's Direct Testimony, identifies concerns related to completion of certain projects. Could you please respond as to the highlighted projects and review the City's capacity to complete these projects, as well as provide an explanation as to how it is possible that a project that has not had any money spent on it could be completed within the time constraints of the FTY and the FPFTY?

A. Certainly. There are many projects in Mr. Morgan's Direct Testimony for which he contends the City did not provide any "budget support." However, these projects are not only financially supported with borrowed funds or financing secured to complete them, but they also have adequate support from the City staff. The Deputy Director for Public Works and the Senior Project Manager are both registered Professional Engineers in the state of Pennsylvania. The City also has IT professionals that help with the execution of projects as well. Of Mr. Morgan's listed projects (beginning on p. 11 of his Direct Testimony), please consider the following additional information:

- Duke Street Water Main Replacement – This project was completed in October 2025 and is in service. The contract was closed out.

- Security Cameras and Networking at Tanks and Pump Stations – This project is underway to provide security cameras at the water tanks and pump stations. The City's IT professionals are helping to coordinate this contract and a purchase order was issued for the cameras. In addition, the networking is being done by a third party, and there is already a signed contract for this work. This project is funded by the 2022 bond issue.

- Lampeter Road Stream Restoration – This project will restore a stream crossing off Lampeter Road. The City has a signed contract with engineering firm Atlas for this project; however, the City has not received invoices on this project yet. The project estimate was developed in-house, based on past projects. This project is funded by the 2022 bond issue.

- The Millersville Water Line Replacement, Manor to Charlotte – This project will be performed in coordination with Millersville Borough. The Borough has a design engineer working with the City's engineer to create a design for this. Therefore, no money will be spent until construction is complete. Construction is expected in the FPFTY. As the Borough is

bidding the work for street restoration and utility replacement, the City will reimburse the Borough only for the water line work. The estimate is based on prior work in the Borough. This project is funded by the 2022 bond issue.

- The Vactor – This project was recently ordered through Hunter Keystone Peterbuilt. Two purchase orders were executed: PO25000670 for $412,000 for the truck body and PO25000600 for $212,000 for the chassis for a combined total of $624,080. This amount will be expended when the vactor arrives, expected in the summer of 2026, in the FPFTY. Funds were borrowed for this project and allocated in the 2025 bond issue. A budget of $750,000 was allotted for this purchase, based on prior discussions with vendors, and this was the basis of the in-house estimate for the FPFTY.

- SCADA/LIMS- The City has issued purchase orders for the Laboratory Information Management System (LIMS) and affirms that it has received invoices. However, the LIMS system is not in service, and it cannot be booked in the FTY. It will be in service in the FPFTY. Therefore, it is not double counted. Also please note a change in this project budget. The project budget has increased from $75,000 to $149,234.32. The design engineering contract with GES is $124,000. An additional $25,234.32 will also be expended for two Inductive Automation, Ignition Perspective Unlimited Licenses and software licenses - (1) Perspective Module added to license 43S-H6X (Susquehanna), with pro-rated BasicCare support and (2) Perspective Module added to license E8V-92V (Conestoga), with pro-rated BasicCare support. A purchase order was issued for these license purchases, which are needed to support the LIMS. This project is funded by the 2022 bond issue.

- Oyster Point Reservoir – The plans and specifications and the construction estimate for this project were developed in house. The project will bid in January 2026. The cleaning is needed to remove sediment in the reservoir, which will improve water quality. This project will be funded using proceeds from the 2022 bond issue.

- Susquehanna Large Diameter Transmission Main Phase 2 and 3 – While Mr. Morgan has stated that he did not believe that these projects were "adequately supported," this project is of substantial concern as it is the largest project proposed for the FPFTY. Planning for this project has been underway for years and reported in previous filings with the PUC. Four contracts were executed for design and survey as follows:
    - ARRO – Design - February 28, 2024, for $921,300;
    - Webber – Surveying of Alternate Route -December 4, 2024, for $43,000;
    - ARRO – Coordination of survey – November 30, 2023, for $15,400; and

- Light-Heigel – Surveying – November 27, 2023, for $155,893.

Design is complete and all permits were received including the PADEP permits, NPDES, Joint permit with the Corps of Engineers, two railroad crossings, and the completion of the PADEP's Uniform Environmental Review Process.

In February 2024, the City was awarded partial grant funding from COVID-19 money through the Commonwealth Fund (as noted in discovery responses in this case and which offsets correspondingly reduced the costs sought in this proceeding). Surveying started in late November 2023 before official award notification as the City recognized that engineering and financing would take time for this large project.

The City applied for PENNVEST funding for the July 2025 funding deadline, but the application was pushed to October because of permit issuance delays. A funding award is expected at the PENNVEST January 21, 2026 meeting. The City will then bid the contract as soon as possible. The project will be awarded through three separate construction projects. Note also that the project budget has substantially increased since the City initiated this rate case. To be awarded less funding than the requested rate increase will jeopardize the project, which is needed for system resiliency as the current transmission mains were constructed in the 1950s. ARRO's November Opinion of Cost is attached as Exhibit SC-1R. The construction cost opinion is now $52.6 Million, an increase of over $11 Million from the initial $41.4 Million FPFTY budget amount included in this request. This excludes construction and inspection expenses. To expedite material delivery, the City will bid in January 2026 to procure the pipe, valves, and appurtenances required for this project. Interim financing was secured and will be refinanced through PENNVEST. The City Council approved this interim financing at its November 25, 2025 Council Meeting. Please refer to Exhibit SC-2R which provides the minutes of this meeting and details on the financing package.

In view of all this work, the City believes that the SLDTM can be substantially completed by March of 2027 and the project can be included in the FPFTY.

- Hess Pump Station Upgrade – The City executed a Professional Services Agreement with ARRO on November 24, 2025, with a design budget of $62,900. The design is completed and a PADEP permit was received for the upgrade. The project is expected to be bid in February 2026 and the project cost estimates were developed by ARRO. In addition, the PADEP $10,000 permitting fee for the initial design was paid, and a second permitting fee was required by the PADEP as modifications were needed for the chlorine feed. The PADEP ruled that this change could not be added to the initial permit and

amended. This project is funded by the 2022 bond issue. Please refer to Exhibit SC-3R which provides the engineer's cost opinion for construction at $413,980. The current cost estimate is just under the $600,000 FPFTY budget as follows:

- $62,900 Design Engineering;
- $20,000 PADEP Permitting;
- $413,980 ARRO Construction Cost Opinion; and
- $82,796 Bidding assistance, shop drawing review, inspection, estimated at 20% of construction costs.

For a total $579,676 Project Cost Estimate as of December 2025.

- Conestoga Low/High Service Electrical Upgrade – The City executed a Professional Services Agreement with Keystone Engineering on March 24, 2025, for a sum of $102,350 for engineering design and bid services for the electrical upgrade. Design work continued through 2025, and final plans and specifications are expected in January 2026. Bidding is expected to follow. The City has already borrowed funds for this project, and it will be funded through the 2022 bond fund proceeds. Note also that the project budget has increased since the time of the rate filing. The engineer's opinion of cost is now $1,125,549 and is attached to my Rebuttal Testimony as Exhibit SC-4R. The budget for the rate filing was originally $825,000.

- George Street – The City only recently entered into a Professional Services Agreement with Atlas for the design of this project under its general engineering contract. The project is expected to bid in Spring 2026. The project budget was developed in house, based on previous projects. The City has already borrowed funds for this project, funded through the 2022 bond fund.

- Lafayette Tank – The City entered into a Professional Services Agreement with Entech Engineering on May 31, 2023, for $43,700 with a subsequent contract amendment September 8, 2024, for surveying for $3,850. The project will be funded with proceeds from both the 2022 and 2025 bond funds. The design is substantially complete and Entech prepared the PADEP permitting modules and expects to file them in early January 2026, following City staff review, with the accompanying $10,000 permit fee. Once the PADEP permit is received, the project will be bid. This project is a high priority for the City to reduce disinfection by products at the tank and is anticipated to be completed as estimated.

- Pipe and Valves – This project was set up to spend the remaining proceeds in 2018 bond funds for the FTY for pipe, valves and meters/AMI meter monitoring equipment (Accounts 18W21 and 18W11). An account was also set up in the 2022 bond fund (account 22W06) to fund the pipe and valve purchases for the FPFTY. The following Rebuttal Exhibits provide the expenditures already made between March 1, 2025 and December 31, 2025:
  - Exhibit SC-5R Bond Fund 18W21 for $254,016.65 for Valves,

Fittings;
- Exhibit SC-6R Bond Fund 18W11 for $57,025.59 for Metering Equipment; and
- Exhibit SC-7R Bond Fund 22W06 for $316,994.91 for Pipe, Valves.

The City has spent $628,147.15 to date.

- Ceramic Membranes – The City entered into a contract with WATEK, LLC for $97,957 to conduct the pilot testing for ceramic membranes. Pilot testing is a regulatory requirement of the PADEP when a treatment technology is to be changed. If the trial is successful, the City plans to transition to ceramic membranes, which will be a more robust and resilient membrane technology and will eliminate the replacement of the Veolia membranes every five years at the Conestoga Treatment Plant and every 10 years at the Susquehanna Treatment Plant. The permit fee of $10,000 has also been paid. The City is requesting that this be considered a FPFTY project due to the costs involved through a regulatory process. Pilot testing will start in the Spring of 2026. Funding has been secured through the 2022 bond fund proceeds.

8. Q. Is there anything you would like to say to summarize your points here?

A. Yes. Simply put, the City believes it has more than justified and adequately supported both the budgeted costs for the projects included in the FTY and FPFTY, and also the timelines for completion of those projects through my Direct Testimony, discovery in this matter, as well as in my Rebuttal Testimony and the exhibits provided herewith.

Accordingly, the City believes that the Commission should reject OCA Witness Morgan's recommendations to remove the City's FPFTY plant in service claims and one of its FTY plant in service claims (a decrease of $44.2 million) in their entirety.

9. Q. Does this conclude your Rebuttal Testimony?

A. Yes, it does.

VERIFICATION

I, Stephen Campbell, Director of Public Works, City of Lancaster, hereby state that the facts set forth in the foregoing City of Lancaster Statement No. 2R are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter.

I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to sworn falsification to authorities).

Stephen Campbell

Date: January 8, 2026

OPINION OF PROBABLE CONSTRUCTION COST
City of Lancaster
Large Diameter Water Transmission Main - Phase 2

Client: City of Lancaster
Description: LDTM Contract Split

Prepared By: DRK
Checked By:

Key to Units: *AC = Acre* *CF = Cubic Foot* *CY = Cubic Yard* *EA = Each* *LF = Linear Foot* *LS = Lump Sum* *SF = Square Foot* *SY = Square Yard* *TN = Ton* *VF = Vertical Foot*

Item No.	Description	Qty.	Unit	Unit Cost	Total Cost
CONTRACT 2A					
II-1	Traffic Control/Site Safety/Logistics	1	LS	$250,000.00	$250,000.00
II-2	Furnish and Install CL150 DIP by Open-cut:				
II-3	Field Areas:				
II-4	42" Restrained Joint Pipe	920	LF	$779.00	$716,680.00
II-5	42" Unrestrained Joint Pipe	270	LF	$643.00	$173,610.00
II-7	30" Restrained Joint Pipe	25	LF	$550.00	$13,750.00
II-10	Township/Borough Roads:				
II-11	42" Restrained Joint Pipe	1,350	LF	$880.00	$1,188,000.00
II-12	42" Unrestrained Joint Pipe	2,000	LF	$740.00	$1,480,000.00
II-10	State Roads:				
II-11	42" Restrained Joint Pipe	2,360	LF	$920.00	$2,171,200.00
II-12	42" Unrestrained Joint Pipe	8,510	LF	$780.00	$6,637,800.00
II-17	Sunoco Crossing - 72" Casing	60	LF	$4,000.00	$240,000.00
II-18	PPL Crossing - 72" Casing	380	LF	$4,000.00	$1,520,000.00
II-19	Sunrise Crossing - 72" Casing	50	LF	$4,000.00	$200,000.00
II-20	Furnish and Install DICL Fittings:				
II-21	42" 90° Bend	1	EA	$30,000.00	$30,000.00
II-21	42" 45° Bend	32	EA	$22,800.00	$729,600.00
II-22	42" 22.5° Bend	8	EA	$20,800.00	$166,400.00
II-23	42" 11.25° Bend	1	EA	$20,300.00	$20,300.00
II-30	Furnish and Install Valves and Appertenances:				
II-31	42" Butterfly w/ Bypass Valve	13	EA	$50,000.00	$650,000.00
II-35	10" Combination Air Releases w/ Inflow Preventor	3	EA	$90,000.00	$270,000.00
II-36	Blow-off Hydrant Assembly	7	EA	$11,000.00	$77,000.00
II-37	Interconnection within High Service Pump Station	0	LS	$250,000.00	$0.00
II-38	Furnish and Install Trench Plugs	38	EA	$1,700.00	$64,600.00
II-39	Stream Crossing - UNT to Strickler Run No. 1	1	EA	$26,400.00	$26,400.00
II-39	Stream Crossing - UNT to Strickler Run No. 2	1	EA	$26,400.00	$26,400.00
II-40	Stream Crossing - UNT to Strickler Run No. 3	1	EA	$26,400.00	$26,400.00
II-41	Stream Crossing - Strickler Run	1	EA	$36,900.00	$36,900.00
II-42	Stream Crossing - UNT to Strickler Run No. 4	1	EA	$26,400.00	$26,400.00
II-45	Trench Restoration:				
II-46	Township/Borough Roads:	3,400	SY	$80.00	$272,000.00
II-47	State Roads	10,900	SY	$110.00	$1,199,000.00
II-48	Seed Area	13,000	SY	$20.00	$260,000.00
II-49	Mill and Overlay:				$0.00
II-50	State Roads	23,575	SY	$24.00	$565,800.00
	Subtotal				$19,038,240.00
	Mobilization and Closeout (5%)				$951,920.00
	Bonds and Insurance (2%)				$380,770.00

OPINION OF PROBABLE CONSTRUCTION COST
City of Lancaster
Large Diameter Water Transmission Main - Phase 2

Item No.	Description	Qty.	Unit	Unit Cost	Total Cost
	Subtotal				$20,370,930.00
	Construction Contingency (5%)				$1,018,550.00
	Construction Phase Engineering, Observation & Management Services				$450,000.00
				PHASE 2 TOTAL	**$21,839,480.00**

CONTRACT 2B					
II-1	Traffic Control/Site Safety/Logistics	1	LS	$150,000.00	$150,000.00
II-2	Furnish and Install CL150 DIP by Open-cut:				
II-3	Field Areas:				
II-4	42" Restrained Joint Pipe	1,600	LF	$779.00	$1,246,400.00
II-5	42" Unrestrained Joint Pipe	420	LF	$643.00	$270,060.00
II-6	36" Restrained Joint Pipe	0	LF	$600.00	$0.00
II-7	30" Restrained Joint Pipe	0	LF	$550.00	$0.00
II-8	8" Restrained Joint Pipe	110	LF	$180.00	$19,800.00
II-9	8" Unrestrained Joint Pipe	500	LF	$180.00	$90,000.00
II-10	Township/Borough Roads:				
II-11	42" Restrained Joint Pipe	1,400	LF	$880.00	$1,232,000.00
II-12	42" Unrestrained Joint Pipe	7,340	LF	$740.00	$5,431,600.00
II-13	8" Restrained Joint Pipe	50	LF	$200.00	$10,000.00
II-9	8" Unrestrained Joint Pipe	570	LF	$225.00	$128,250.00
II-10	State Roads:				
II-11	42" Restrained Joint Pipe	1,400	LF	$920.00	$1,288,000.00
II-12	42" Unrestrained Joint Pipe	1,275	LF	$780.00	$994,500.00
II-15	SR 0030 Boring - 16" Casing	220	LF	$2,200.00	$484,000.00
II-16	SR 0030 Boring - 60" Casing	220	LF	$4,000.00	$880,000.00
II-20	Furnish and Install DICL Fittings:				
II-21	42" 90° Bend	2	EA	$30,000.00	$60,000.00
II-21	42" 45° Bend	19	EA	$22,800.00	$433,200.00
II-22	42" 22.5° Bend	10	EA	$20,800.00	$208,000.00
II-23	42" 11.25° Bend	28	EA	$20,300.00	$568,400.00
II-27	42" x 30" Reducer	1	EA	$29,300.00	$29,300.00
II-29	30" 90° Bend	1	EA	$20,200.00	$20,200.00
II-30	Furnish and Install Valves and Appertenances:				
II-31	42" Butterfly w/ Bypass Valve	7	EA	$50,000.00	$350,000.00
II-32	30" Butterfly Valve w/ Bypass Valve	1	EA	$30,200.00	$30,200.00
II-33	8" Gate Valve	1	EA	$2,500.00	$2,500.00
II-35	10" Combination Air Releases w/ Inflow Preventor	5	EA	$90,000.00	$450,000.00
II-36	Blow-off Hydrant Assembly	6	EA	$11,000.00	$66,000.00
II-38	Furnish and Install Trench Plugs	29	EA	$1,700.00	$49,300.00
II-43	Stream Crossing - West Branch Little Conestoga Creek	1	EA	$26,400.00	$26,400.00
II-44	Stream Crossing - UNT to West Branch Little Conestoga Creek	1	EA	$26,400.00	$26,400.00
II-45	Trench Restoration:				
II-46	Township/Borough Roads:	8,750	SY	$80.00	$700,000.00
II-47	State Roads	1,750	SY	$110.00	$192,500.00
II-48	Seed Area	13,000	SY	$20.00	$260,000.00
II-49	Mill and Overlay:				$0.00
II-50	State Roads	3,200	SY	$24.00	$76,800.00
	Subtotal				$15,773,810.00

OPINION OF PROBABLE CONSTRUCTION COST
City of Lancaster
Large Diameter Water Transmission Main - Phase 2

Item No.	Description	Qty.	Unit	Unit Cost	Total Cost
	Mobilization and Closeout (5%)				$788,700.00
	Bonds and Insurance (2%)				$315,480.00
	Subtotal				$16,877,990.00
	Construction Contingency (5%)				$843,900.00
	Construction Phase Engineering, Observation & Management Services				$450,000.00
				PHASE 2 TOTAL	**$18,171,890.00**

CONTRACT 3					
I-1	Traffic Control/Site Safety/Logistics	1	LS	$82,000.00	$82,000.00
I-2	Furnish and Install CL150 DIP by Open-cut				
I-3	Field Areas:				
I-4	42" Restrained Joint Pipe	450	LF	$779.00	$350,550.00
I-5	42" Unrestained Joint Pipe	430	LF	$643.00	$276,490.00
I-6	Township/Borough Roads:				
I-7	42" Restrained Joint Pipe	1,050	LF	$900.00	$945,000.00
I-8	42" Unrestained Joint Pipe	5,840	LF	$759.00	$4,432,560.00
I-9	36" Unrestrained Joint Pipe	80	LF	$590.00	$47,200.00
II-10	State Roads:				
II-11	42" Restrained Joint Pipe	40	LF	$920.00	$36,800.00
I-10	Railroad Crossing Boring - 72" Casing: NS Columbia Secondary	100	LF	$4,800.00	$480,000.00
I-11	Railroad Crossing Boring - 72" Casing: NS Enola Branch	200	LF	$4,800.00	$960,000.00
I-12	Railroad Crossing Boring - 72" Casing: Columbia & Reading	70	LF	$4,000.00	$280,000.00
I-13	Furnish and Install Flanged DIP:				
I-14	36" D.I Pipe - Flanged	2	EA	$18,125.00	$36,250.00
I-15	30" D.I Pipe - Flanged	2	EA	$13,125.00	$26,250.00
I-16	Furnish and Install DICL Fittings:				
I-17	42" 45° Bend	16	EA	$22,800.00	$364,800.00
I-18	42" 22.5° Bend	3	EA	$20,800.00	$62,400.00
I-19	42" 11.25° Bend	4	EA	$20,300.00	$81,200.00
I-20	42" Sleeve	6	EA	$22,300.00	$133,800.00
I-21	42" x 36" Reducer	4	EA	$34,500.00	$138,000.00
I-22	42" x 30" Reducer	2	EA	$29,300.00	$58,600.00
I-23	36" 90° Bend	1	EA	$20,200.00	$20,200.00
I-24	36" Cap	1	EA	$8,400.00	$8,400.00
I-25	36" Cross	1	EA	$40,000.00	$40,000.00
I-26	Furnish and Install Flanged Fittings:				
I-27	36" Blind Flange	1	EA	$10,700.00	$10,700.00
I-28	Furnish and Install Valves and Appertenances:				
I-29	42" Butterfly w/ Bypass Valve	7	EA	$45,000.00	$315,000.00
I-30	36" Butterfly Valve	4	EA	$30,200.00	$120,800.00
I-31	10" Combination Air Releases w/ Inflow Preventor	3	EA	$90,000.00	$270,000.00
I-32	Blow-off Hydrant Assembly	3	EA	$13,000.00	$39,000.00
I-33	Metering Vault	2	LS	$100,000.00	$200,000.00
I-34	Control Valve Vault	1	LS	$150,000.00	$150,000.00
I-35	Interconnection 42" Interconnection at Low Service P.S.	1	LS	$200,000.00	$200,000.00
I-36	Surge Relief Valve Modification at Low Service P.S.	1	LS	$31,250.00	$31,250.00
II-37	Interconnection within High Service Pump Station	1	LS	$250,000.00	$250,000.00
I-38	Stream Crossing - Shawnee Run	1	EA	$67,800.00	$67,800.00

OPINION OF PROBABLE CONSTRUCTION COST
City of Lancaster
Large Diameter Water Transmission Main - Phase 2

Item No.	Description	Qty.	Unit	Unit Cost	Total Cost
I-39	Furnish and Install Trench Plugs	17	EA	$2,000.00	$34,000.00
I-40	Trench Restoration				
I-41	Township/Borough Roads	5,500	SY	$80.00	$440,000.00
	State Roads	40		$110.00	$4,400.00
I-43	Seed Area	1,500	SY	$20.00	$30,000.00
I-44	Mill and Overlay				
	State Roads	185	SY	$20.00	$3,700.00
I-45	Township/Borough Roads	2,000	SY	$20.00	$40,000.00
	Subtotal				$11,067,150.00
	Mobilization and Closeout (5%)				$553,360.00
	Bonds and Insurance (2%)				$221,350.00
	Subtotal				$11,841,860.00
	Construction Contingency (5%)				$592,100.00
	Construction Phase Engineering, Observation & Management Services				$120,000.00
				PHASE 3 TOTAL	**$12,553,960.00**

Disclaimer: This opinion of probable cost prepared by ARRO represents its judgment as a design professional and is supplied for the general guidance of the Client. Since ARRO has no control over cost of labor, materials, equipment or services furnished by others, over contractors' methods of determining prices, over costs of financing, acquisition of land or rights-of-way or over competitive bidding, market or negotiating conditions, ARRO does not guarantee that this opinion of probable cost will not vary from actual costs or contractors' bids to the Client. This opinion of probable cost is valid for sixty (60) days from the most recent of the Preparation Date or Date Last Revised, unless there is a known substantive market shift or alteration in project scope affecting cost (in which case ARRO will advise the Client of such in writing), after which time the opinion of probable cost should be reviewed and revised as necessary prior to any financial decisions being made by the Client.

Assumptions. This opinion of probable cost assumes the following:

a. Project will be publicly bid (through PennBid) and PA Prevailing Minimum Wage Rates will apply.

b. Opinion includes soft costs (Construction Phase Engineering, Observation Services & Contract Administration).

c. Construction Observation Services include one (1) RPR based on 2080 hours and one (1) Project Manager based on 1040 hours.

Exclusions. This cost opinion does not include the following:

a. Rock removal (consideration within construction contingency)

STATED MEETING - CITY COUNCIL – NOVEMBER 25, 2025

A meeting of the Lancaster City Council was held on Tuesday, November 25, 2025 in Nelson M. Polite Sr. City Council Chambers of Lancaster City Hall, 120 North Duke Street, Lancaster, PA, at 6:30 p.m., with President Bakay presiding.

Present – Councilors Jaime Arroyo, Lochard Calixte, Faith Craig, John Hursh and President Amanda Bakay – 5

Excused – Councilors Ahmed Ahmed and Janet Diaz - 2

The minutes of the meeting of Council for November 9, 2025 were approved by a roll-call vote.

PUBLIC COMMENT

Tony Dastra, of the 700 block of New Holland Avenue, called for winter maintenance of bicycle lanes within the City.

REPORTS REQUESTED BY COUNCIL

Public Hearing on Zoning Amendment

President Bakay announced the opening of the public hearing.

City Chief Planner Betsy Logan said the hearing is regarding the amendment of the City Zoning Ordinance to allow self-storage facilities over 20,000 square feet and to amend the zoning map. She said the ordinance amendment creates design standards for self-storage facilities and removes self-storage as a special exception in the R3 and R4 residential zoning districts. The zoning map amendment rezones a 2.5-acre parcel of land from the C3 commercial district to the CM central manufacturing zoning district. She noted there are now no provisions for self-storage facilities larger than 20,000 square feet. With the amendment, there would be no size restrictions on self-storage facilities on lots sized between three and five acres, which do not have direct street access and were in existence prior to July 1, 2025. She noted that new design standards would be required for any building of more than 50,0000 square feet of floor area. Specific design standards for self-storage facilities will also be required.

Claudia Shenk, attorney representing property owner Oak Tree Development, addressed the zoning map amendment specific to 1031 Dillerville Road. The portion of the site slated for redevelopment with a self-storage building is currently the site of an automotive repair shop and small storage buildings. She noted other sites in the City redeveloped by Oak Tree Development. She said the property is primarily located in the C3 commercial zoning district. The applicant is asking for the property to be rezoned CM, or commercial manufacturing zoning. She noted redevelopment of the site is limited by its lack of direct road frontage. She noted the proposed changes will allow very limited development of self-storage facilities larger than 20,000 square feet. Ms. Shenk noted this proposal was presented to the Planning Commission. The commission recommended approval with minor changes which were subsequently incorporated.

Bill Swiernik, of engineering firm David Miller & Associates, said the proposed self-storage facility would be about 200-square-feet-by-200-square-feet. He noted the site is accessible to vehicles through an easement on the adjoining property. He addressed other improvements to the site, the limited need for parking and limited traffic expected to be generated by the self-storage facility.

Melissa Stiles, Storage Asset Management, addressed market demand for self-storage facilities in Lancaster.

Ms. Shenk noted the proposed use for the site is consistent with the City Comprehensive Plan and land use plans.

Ms. Logan noted this public hearing was properly advertised and posted in conformity with the Municipalities Planning Code.

President Bakay closed the public hearing.

LEGISLATIVE AGENDA

HERITAGE CONSERVATION DISTRICT

Consider the following applications and recommendations from the Historical Commission for improvements in the Heritage Conservation District:

1. John K. Hanks, owner of 239 East Chestnut Street, proposes removal of a modern concrete stoop on the building's façade, retaining the front entry steps.
2. SACA Development Corporation, owner of 470 Beaver Street, proposes construction of a two-story, freestanding house on a cleared parcel at the corner of Hazel Street.

(These applications were recommended for approval by the Historical Commission.)

Councilor Craig made a motion to approve the recommendations of the Historical Commission and grant Certificates of Appropriateness for the projects. Councilor Arroyo seconded the motion and the motion was unanimously approved by a roll-call vote of Council.

ORDINANCES FOR FINAL PASSAGE

Administration Bill No. 06-2025, (the title) was read by the City Clerk as follows:

An ordinance authorizing the incurrence of nonelectoral debt of the City of Lancaster, Lancaster County, Pennsylvania, by the issuance of a $ _____ principal amount General Obligation Note, Series A of 2025 (the "Series A Note"); the Series A Note is being issued for the purpose of providing funds for paying costs and expenses of the design and construction of improvements to the City's water system and related costs and expenses, including the fees and costs of issuing the Series A Note and construction period interest on the Series A Note; determining to sell the Series A Note at a private sale by invitation; approving the form of the Series A Note; fixing the date, interest and maturity of the Series A Note; making a covenant for the payment of the debt service on the Series A Note; pledging the full faith, credit and taxing power of this City in support of the Series A Note; providing for the filing of required documents; providing for the appointment of a sinking fund depositary for the Series A Note; and authorizing execution, sale and delivery thereof, and other necessary action.

Councilor Arroyo made a motion to approve the bill. Councilor Hursh seconded the motion.

Councilor Arroyo noted this bill was previously discussed in October. In provides $32 million to preorder essential materials for the large-diameter water main project. He said these expenses will be paid from the City's Water Fund budget.

Public Works Director Stephen Campbell said this project has been discussed for nearly eight years. The first phase of the project was performed from May 2019 through August 2022. He said materials costs are the majority of the expense for the next three phases of the project. With this funding, the materials will be ordered and construction is expected to occur from March 2026 through March 2027.

Daryl Peck, of Concord Public Finance, the City's financial advisor, said this funding will move the project forward in the most efficient and cost-effective manner. He noted this financing was discussed at the September Council committee meeting. The information being presented now includes the proposal received from the bank.

Director Campbell noted this project is included in the City's capital budget.

Mr. Peck said this project is building a second water main from the Susquehanna River water plant to the City. The City's original, existing water main was constructed about 70 years ago and is past its useful life. The overall cost of the project is $52.56 million. The City has received a grant for $3.2 million for the project. Although Pennvest is expected to finance the remaining cost of the project, this $32 million in interim financing is being secured with a bank note. These funds will allow for the purchase of materials so the work can begin. Ultimately, the interim financing will be rolled into the Pennsvest financing, which is expected to be available in late 2026. He noted that previously, the City planned to finance these costs with a bond issue. The Pennvest financing will be much more advantageous for the City. He said proposals for the interim financing were sought from 26 banks. Ultimately, five banks made proposals. The most favorable proposal is from Fulton Bank with a fixed rate of 4.33 percent. He said the note is repayable at any time without penalty. The anticipated interest expense for the interim financing is $649,500.

Councilor Arroyo, made the following motion to amend the bill:

Bond counsel has provided each of us with a black-lined version of the Ordinance authorizing and directing the issuance of the General Obligation Note, Series A of 2025 in an original principal amount equal to $32,000,000. Such Ordinance was introduced as Administrative Bill No. 06-2025 before this Council on September 23, 2025.

I hereby move to amend the Ordinance labeled Administration Bill No. 06-2025 to include the additions, deletions and other changes referenced on such black-lined version of the Ordinance, which will be re-worded with the minutes of this meeting and which can be summarized as follows:

- *In the third line of the caption, deleting "$___" and replacing it with "$32,000,000";*
- *In the third Whereas clauses, deleting "$___" and replacing it with "$32,000,000";*
- *Inserting into the fifth Whereas clause, the name Fulton Bank, National Association, the Series A Purchaser;*
- *In Section 1 of the Ordinance, deleting "$___ " and replacing it with "$32,000,000" as the amount of indebtedness authorized by the Ordinance;*
- *In Section 9 of the Ordinance adding that the rate of interest on the Series A Note will be 4.33% per annum;*
- *In Section 9 at the end of the first paragraph, adding the sentence: The not to exceed debt service schedule for the Note is attached as Exhibit "C";*
- *In the third paragraph of Section 9 of the Ordinance, inserting Fulton Bank, Lancaster, Pennsylvania as the name of the Paying Agent;*
- *In Section 10 of the Ordinance, deleting "$__" and replacing it with "$32,000,000" as the amount of the Series A Note;*
- *On Exhibit A, attaching the form of the Series A Note;*
- *On Exhibit B, attaching the Series A Note Purchase Proposal;*
- *On Exhibit C, attaching the not to exceed debt service schedule.*

Councilor Hursh seconded the motion to amend the bill.

Council approved the motion to amend the bill by a unanimous roll-call vote.

Council approved the amended bill by a unanimous roll-call vote. Administration Bill No. 06-2025 will hereafter be known as Administration Ordinance No. 10-2025.

Administration Bill No. 13-2025, (the title) was read by the City Clerk as follows:

An ordinance increasing the indebtedness of the City of Lancaster, Lancaster County, Pennsylvania, by the issue of a guaranteed revenue bond in the maximum principal amount of $756,132 for construction of new water service lines to replace lead service lines to improve the City's water conveyance system; fixing the form, dates, interest, and maturity thereof; making a covenant for the payment of the debt service on the bond; providing for the filing of the required documentation with the Department of Community and Economic Development to incur and exclude additional debt of the governmental unit; providing for the appointment of a sinking fund depository for the bond; providing for the authorized signatories and authorizing execution, sale and delivery thereof.

Councilor Arroyo made a motion to approve the bill. Councilor Craig seconded the motion.

Councilor Arroyo said this bill approves the borrowing of $756,132 for the replacement of lead water service lines. The funds are being borrowed from Pennvest at a 1 percent interest rate for the 30-year term of the loan. The total cost of the project is $1.7 million. The remaining $953,206 is being provided by Pennvest in the form of a grant.

Public Works Director Stephen Campbell noted the required replacement of lead service lines is an unfunded mandate imposed on the City. He said the funding and financing being provided by Pennvest will allow the City to replace initially identified lead water service lines.

Daryl Peck noted this action was discussed at the November 3 committee meeting. This funding will be used to replace 108 lead service lines. He said the project is slated to being in January. The City would close on the Pennvest financing on January 13. The project is expected to be completed in December 2026. Initial debt service on the loan in 2026 will be $6,680. Annual debt service on the loan from 2028 through 2057 will be $29,185.

Councilor Arroyo made the following motion to amend the bill:

Bond counsel has provided each of us with an updated version of the Ordinance authorizing and directing the issuance of the PENNVEST Guaranteed Revenue Bond, Series of 2025 in an original principal amount not to exceed $756,132.00. Such Ordinance was introduced as Administrative Bill No.13-2025 before this Council on November 11, 2025.

I hereby move to amend the Ordinance labeled Administration Bill 13-2025 to include the exhibits on such updated version of the Ordinance, which will be re-worded with the minutes of this meeting and which can be summarized as follows:

- *On Exhibit A, attaching the Form of the Bond*
- *On Exhibit B, attaching the amortization schedule;*
- *On Exhibit C, attaching the annual debt service payment schedule; and*
- *On Exhibit D, attaching the Funding Offer from PENNVEST.*

Councilor Hursh seconded the motion to amend the bill.

Council approved the motion to amend the bill by a unanimous roll-call vote.

Council approved the amended bill by a unanimous roll-call vote. Administration Bill No. 13-2025 will hereafter be known as Administration Ordinance No. 07-2025.

Administration Bill No. 14-2025, (the title) was read by the City Clerk as follows:

An ordinance of the Lancaster City Council amending Chapter 300 of the Code of the City of Lancaster to rezone a portion of the property identified as Lancaster County Tax Parcel ID No. 339-20320-0-0000 from the C3 District (Regional Commercial) to the CM District (Central Manufacturing) and to permit self-storage facilities without size restriction in the CM District (Central Manufacturing) on lots containing a minimum of three (3) acres and a maximum of five (5) acres which do not have direct access to a public street and are in existence as of July 1, 2025, subject to additional requirement; providing for the repeal of inconsistent ordinances; providing for the severability of the ordinance; and providing that the ordinance shall take effect twenty days from the date of its adoption.

Councilor Hursh made a motion to approve the bill. Councilor Craig seconded the motion.

President Bakay thanked City staff for finding a creative solution for the redevelopment of a problematic site and for providing guidance for development of large self-storage facilities.

Council approved Administration Bill No. 14-2025 by a unanimous roll-call vote. It will hereafter be known as Administration Ordinance No. 08-2025.

Administration Bill No. 15-2025, (the title) was read by the City Clerk as follows:

An ordinance of the Lancaster City Council increasing the annual compensation of the members of City Council from $8,000 per annum to $10,000 per annum; providing for the repeal of inconsistent ordinances; providing for the severability of the ordinance; and providing that the ordinance shall take effect in accordance the Charter of the City of Lancaster.

Councilor Craig made a motion to approve the bill. Councilor Hursh seconded the motion.

President Bakay noted that in an earlier version of the meeting agenda, it stated the proposed salary change would occur in 2026. It will occur in 2028.

Councilor Craig noted that it has been nearly two decades since Lancaster City Council has had an increase in salaries. She noted that comparable Pennsylvania cities have higher salaries for Council members.

President Bakay added the City's new Home Rule Charter effectively reduced the compensation for Council members by eliminating employee health benefits for the position, resulting in a decreased expense for the City despite this modest increase in pay. Further, the Council president noted the number of meetings which Council must attend and oversight had increased under the Charter.

Council approved Administration Bill No. 15-2025 by a unanimous roll-call vote. It will hereafter be known as Administration Ordinance No. 09-2025.

ORDINANCES FOR FIRST READING

Administration Bill No. 11-2025, (the title) was read by the City Clerk as follows:

An ordinance of the Council of the City of Lancaster, County of Lancaster, Commonwealth of Pennsylvania, appropriating the specific sums estimated to be required for the specific purposes of the City government, hereinafter set forth during the year 2026; allowing for a severance provision; providing for the repeal of inconsistent ordinances; and providing for an effective date.

Councilor Arroyo noted that since October, Council has held two budget hearings to review the administration's proposed budget. Department directors presented their budgets for 2026, listed their highlights for 2025 and outlined their goals for 2026. The budget has been modified through the review process. Councilor Arroyo thanked Mayor Sorace, Administrative Services Director Tina Campbell and

the other directors for responding to Council feedback. He noted this process follows adoption of the City's Home Rule Charter and its requirements for budget review. He noted the proposed 2026 budget does not include tax or fee increases.

Mayor Sorace noted that December 1 is the deadline for budget questions to be submitted by the public. A second reading and vote on the budget ordinances are scheduled for the December 9 Council meeting. She noted that several changes have been made in the proposed budget, including the elimination of $1.3 million. The mayor highlighted several aspects of the City's proposed General Fund and enterprise fund budgets. Further, the mayor noted an error that occurred in earlier budget projections and said the numbers have been corrected.

President Bakay said the elongated budget process has allowed for more collaboration and transparency. She also thanked City staff for correcting the error in the 10-year budget projections.

Councilor Hursh noted the use of reserve funds to balance the budget and the uncertainty facing the City in the coming years.

Tim Stuhldreher, of the 800 block of George Street, praised the changes in the budget process that resulted from the Home Rule Charter. Further, he noted Council's ability to amend the proposed budget and encouraged Councilors to consider several changes.

Responding to a question from President Bakay, Public Works Director Stephen Campbell addressed decreases in Water Fund revenues. Mayor Sorace and Councilor Hursh further addressed that question.

Administration Bill No. 12-2025, (the title) was read by the City Clerk as follows:

An ordinance of the Council of the City of Lancaster, County of Lancaster, Commonwealth of Pennsylvania, amending §270-26 of the Code of the City of Lancaster to levy on all persons and property within the City of Lancaster subject to taxation for the year 2026 for general revenue purposes, 12.64 mills on each dollar of assessed valuation of real estate, the same being the sum of $1.264 on each $100 of said assessed valuation, which tax, for billing purposes, is to be included in the billing of the tax levied on property for general revenue purposes; providing for the repeal of inconsistent ordinances; providing for the severability of the ordinance; and providing for an effective date (the imposition of the 12.64 millage tax rate imposes no change on the taxes imposed during the calendar year 2024).

RESOLUTIONS

Administration Resolution No. 80-2025, (the title) was read by the City Clerk as follows:

A resolution of the Council of the City of Lancaster declaring official intent to reimburse general funds used to construct new water service lines to replace lead service lines to improve the City's water conveyance system with funds received from the Pennsylvania Infrastructure Investment Authority.

Councilor Hursh made a motion to approve the resolution. Councilor Arroyo seconded the motion.

President Bakay noted that City Administrative Services Director Tina Campbell has informed Council that Pennvest requires a reimbursement resolution related to the ordinance adopted by Council earlier in the meeting. This resolution states that City General Funds will cover the costs of the project

until Pennvest funds are received. Those funds from the General Fund will be repaid to that fund. Such a resolution is standard for Pennvest loans.

Council approved Resolution No. 80-2025, as amended, by a unanimous roll-call vote.

President Bakay adjourned the meeting at 7:51 p.m.

Attest:

Amanda Bakay, Council President

Bernard W. Harris Jr., City Clerk

Approved by Council: December 9, 2025

City of Lancaster
Hess Blvd Booster Pumping Station

Client: City of Lancaster
Hess Blvd BPS Modifications
Description: Opinion of Probable Construction Cost

Prepared By: DHK
Checked By: EVA

Key to Units: *AC = Acre* *EA = Each* *SF = Square Foot* *VF = Vertical Foot* *CF = Cubic Foot* *LF = Linear Foot* *SY = Square Yard* *CY = Cubic Yard* *LS = Lump Sum* *TN = Ton*

Item No.	Description	Qty.	Unit	Unit Cost	Total Cost
	Chemical Feed Bldg Modifications				
1	New 8"DICL Chlorine Feed Bldg Bypass	52	LF	$180.00	$9,360.00
2	New 8" Bypass Riser assembley with 8" Gate Valve and Box	2	EA	$3,500.00	$7,000.00
3	Bypass Pumping (Rental Equipment - 2 Wks	1	LS	$4,000.00	$4,000.00
4	8" Gate Valve (Flanged)	1	EA	$2,000.00	$2,000.00
5	8" Gate Valve & Box	3	EA	$2,800.00	$8,400.00
6	8" x 8" Tapping Sleeve, Valve and Box	1	EA	$9,600.00	$9,600.00
7	8" Insertion Valve	1	EA	$19,500.00	$19,500.00
8	8-inch x 8-inch Tee	1	EA	$800.00	$800.00
9	Replacel 8" DICL Pipe and Gate Valve within vault area	15	LF	$120.00	$1,800.00
10	Remove and Replace 8" Dia Static Mixer	1	LS	$1,000.00	$2,000.00
11	Remove/Save (2) 320 gal. Chemical Feed Tanks	1	LS	$1,000.00	$1,000.00
12	Remove and Replace Motorized Damper on Intake Louver	1	LS	$1,000.00	$1,000.00
13	Replace Sump Pump	1	LS	$1,500.00	$1,500.00
14	Install new Flood Sensor	1	EA	$500.00	$500.00
15	New Core Drill opening for 4" Sewer Lateral	1	LS	$2,000.00	$2,000.00
16	New 2" Drain within Bldg.	12	LF	$20.00	$240.00
17	New 6" Sewer Lateral and lawn restoration	85	LF	$120.00	$10,200.00
18	Temporary and Final Road Restoration	7	SY	$80.00	$560.00
17	Cable and Conduit	1	LS	$7,500.00	$7,500.00
18	PLC Panel Modifications	1	LS	$5,000.00	$5,000.00
19	Replace Existing Exhaust Fan	1	LS	$5,000.00	$5,000.00
	SUBTOTAL				$98,960.00
	Mobilization and Closeout (5%)				$4,950.00
	Bonds and Insurance (2%)				$1,980.00
	Subtotal				$105,890.00
	Construction Contingency (15%)				$15,890.00
	TOTAL				**$121,780.00**

City of Lancaster
Hess Blvd Booster Pumping Station

Item No.	Description	Qty.	Unit	Unit Cost	Total Cost
	Existing Pump Station Modifications and Site Work				
1	16" x 8" Tapping Sleeve, Valve and Box	2	EA	$12,800.00	$25,600.00
2	8" DICL Pump Station Bypass	40	LF	$180.00	$7,200.00
3	8" Pump Bypass Standpipes	2	EA	$1,200.00	$2,400.00
4	Bypass Pumping (Rental Equipment - 2 Weeks)	1	LS	$4,200.00	$4,200.00
5	8-inch x 8-inch Tee	2	EA	$800.00	$800.00
6	Remove/replace existing booster pump (provided by City)	2	EA	$3,000.00	$6,000.00
7	Repairs to one of the three sumps	1	LS	$3,000.00	$3,000.00
8	Remove/replace sump pump & piping (1 1/2")	1	LS	$500.00	$500.00
9	Install new sump pump in one of the other sumps as backup	1	LS	$500.00	$500.00
10	Replace Flood Sensor	1	LS	$500.00	$500.00
11	Remove/replace discharge pressure switch and transmitter	2	EA	$350.00	$700.00
12	Remove/replace suction pressure switch and transmitter	3	EA	$350.00	$1,050.00
13	Remove and replace flow meter	1	EA	$5,500.00	$5,500.00
14	Improve ventilation in PS (including AC in VFD cabinets)	1	LS	$20,000.00	$350.00
15	Remove/replace 3" dia CLA surge/pressure relief valve	1	EA	$4,000.00	$4,000.00
16	New Macadam Drive way (4") with 6" Stone Base	250	SY	$78.00	$19,500.00
17	Remove/replace 6" NIBCO wafer check valves	2	EA	$1,800.00	$3,600.00
18	Cable and Conduit	1	LS	$7,500.00	$7,500.00
19	Conduit for future security cameras	1	LS	$1,800.00	$1,800.00
20	Wiring Terminations for Emergency Generator	1	LS	$2,400.00	$2,400.00
22	PLC Modifications	1	LS	$5,000.00	$5,000.00
23	Remove Existing Exhaust Fan	2	EA	$500.00	$1,000.00
24	Remove Existing Air Handler	3	EA	$750.00	$2,250.00
25	Remove Existing Dehumidifier	1	EA	$100.00	$100.00
	SUBTOTAL				**$105,450.00**
	Mobilization and Closeout (5%)				$5,280.00
	Bonds and Insurance (2%)				$2,110.00
	SUBTOTAL				$112,840.00
	Construction Contingency (15%)				$16,930.00
	TOTAL				**$129,770.00**

City of Lancaster
Hess Blvd Booster Pumping Station

Item No.	Description	Qty.	Unit	Unit Cost	Total Cost
	New Chemical Storage Building				
1	Excavation, 6" Stone Base and Seeding	1	LS	$5,000.00	$5,000.00
2	New 8' x 12' (i.d.) Precast Conc Utility Bldg Chem & Tank Pac	1	EA	$57,000.00	$57,000.00
3	Remove (2) existing 160 gal Chem. Tanks and give to City	1	LS	$1,000.00	$1,000.00
4	New 3500 gal Double Wall Chemical Tank with Piping Connec	1	LS	$4,000.00	$4,000.00
5	New Tepid Water System and piping	1	LS	$28,000.00	$28,000.00
6	Relocate Chem. feed pumps	1	LS	$1,000.00	$1,000.00
7	Install new chemical feed pump piping	1	LS	$3,000.00	$3,000.00
8	New CL17 Chlorine Analzer / Sink with dual sample ports	1	LS	$7,500.00	$7,500.00
9	Install new exhaust fan and al. louver	1	LS	$2,500.00	$2,500.00
10	Install new intake al. louver with motorized damper	1	LS	$3,000.00	$3,000.00
11	Install new double door w/ panic hardware	1	LS	$5,000.00	$5,000.00
12	Install lights, power	1	LS	$3,000.00	$3,000.00
13	Cable and Conduit	1	LS	$10,000.00	$10,000.00
14	Emergency Shower & Eyewash	1	LS	$2,000.00	$2,000.00
	SUBTOTAL				$132,000.00
	Mobilization and Closeout (5%)				$6,600.00
	Bonds and Insurance (2%)				$2,640.00
	Subtotal				$141,240.00
	Construction Contingency (15%)				$21,190.00
	TOTAL				**$162,430.00**

Disclaimer: This opinion of probable cost prepared by ARRO represents its judgment as a design professional and is supplied for the general guidance of the Client. Since ARRO has no control over cost of labor, materials, equipment or services furnished by others, over contractors' methods of determining prices, over costs of financing, acquisition of land or rights-of-way or over competitive bidding, market or negotiating conditions, ARRO does not guarantee that this opinion of probable cost will not vary from actual costs or contractors' bids to the Client. This opinion of probable cost is valid for sixty (60) days from the most recent of the Preparation Date or Date Last Revised, unless there is a known substantive market shift or alteration in project scope affecting cost (in which case ARRO will advise the Client of such in writing), after which time the opinion of probable cost should be reviewed and revised as necessary prior to any financial decisions being made by the Client.

Assumptions. This opinion of probable cost assumes the following:

a. Project will be publicly bid (through PennBid) and PA Prevailing Minimum Wage Rates will apply.
b. Opinion excludes soft costs (engineering and permitting, legal, and administrative)

Exclusions. This cost opinion does not include the following:

a. Rock removal
b. Easement acquisition costs and land purchases.
c. Soft costs (engineering, permitting, legal, bidding, and administrative)
d. Pump procurement (previously procured by the City)

NAME OF CLIENT: Lancaster, City Of
PROJECT: CONESTOGA LOW-HIGH SERVICE PS UPGRADE
DESCRIPTION: Prelim Cost Opinion
By: Keystone Engineering Group, Inc.

DATE: 06/06/2025
JOB NO.: 2025.00117
BY: DAS
Checked: BFP

Description	Qty	Units	Material	Labor	Unit cost	Extended Cost
Division 01 - General Requirements						
Mobilization	1	LS		$5,000	$5,000	$5,000
Submittals	1	LS		$3,000	$3,000	$3,000
Division 03 - Concrete						
Concrete	0	CY	$200	$800	$1,000	$0
Division 26 - Electrical						
260001 Basic Electrical Materials and Methods						
Commissioning & Testing	1	LS	$0	$5,000	$5,000	$5,000
260010 Electrical Demolition						
Demolition	1	LS	$1,000	$2,500	$3,500	$3,500
260513 Medium Voltage Cables						
MV Cable Subtotal	1	SUB			$0	$0
260519 Low-Voltage Electrical Power Conductors and Cables						
LV Cable Subtotal	1	SUB			$0	$0
260523 Control-Voltage Electrical Power Cables						
CV Cable Subtotal	1	SUB			$0	$0
Miscellaneous Electrical Power Cables						
Misc Cable Subtotal	1	SUB			$0	$0
260526 Grounding and Bonding for Electrical Systems						
Ground Rod, CU, 3/4"x10'	0	EA	$39	$100	$139	$0
Ground Test Well	0	EA	$70	$14	$84	$0
Cadwelds	0	EA	$11	$63	$74	$0
260529 Hangers and Supports for Electrical Systems (Hangers included in raceway costs)						
Strut and Misc. Supports	1	LS	$500	$500	$1,000	$1,000
260533 Raceways and Boxes for Electrical Systems					.	
Conduit Subtotal	1	SUB			$0	$0
260533 Identification for Electrical Systems						
Labels and Tags	1	LS	$0	$400	$400	$400
Trenching, 2' W, forming & backfill	0	LF	$23	$49	$72	$0
Manhole #2, 8 X 8	0	EA	$1,800	$2,000	$3,800	$0
Excavation	0	CY	$500	$60	$560	$0
Concrete Encasement	0	CY	$500	$60	$560	$0
*Deadbreak Connectors						
600A Elbow Connectors	0	EA	$170	$96	$266	$0
Elbow Racks	0	EA	$1,000	$300	$1,300	$0
261219 Pad-Mounted, Liquid Filled, Medium-Voltage Transformers						
1500kVA VPI Transformer	1	EA	$205,906	$50,000	$255,906	$255,906

261326 Medium-Voltage, Metal-Clad Switchgear						
Switchgear	1	EA	$44,092	$10,000	$54,092	$54,092
Foundation	0	EA	$25,000	$ 5,000	$30,000	$0
262213 Low-Voltage Distribution Transformers						
T-1: 15 kVA, 480V-120/240V, 1Ph	1	EA	$4,269	$714	$4,983	$4,983
262413 Switchboards						
Custom Switchboard-QED-2 SWBD	1	EA	$416,543	$100,000	$516,543	$516,543
262416 Panelboards						
H2 Panelboard	1	EA	$6,860	$1,181	$8,041	$8,041
L2 Panelboard	1	EA	$2,295	$714	$3,009	$3,009
262726 Wiring Devices					.	
Receptacles	0	EA	$1	$1	$2	$0
GFIs	0	EA	$1	$1	$2	$0
Light Switches	0	EA	$1	$1	$2	$0
Other	0	EA	$1	$1	$2	$0
Other	0	EA	$1	$1	$2	$0
Division 40 - Control						
Instruments	1	EA	$0	$0	$20,000	$20,000
Programming	1	EA	$0	$0	$12,000	$12,000
Electrical Commodities	1	EA	$0	$0	$20,000	$20,000
Subtotal						$912,474
Overhead & Profit	15%					$136,871
Contingency	20%					$182,495
Project Total						**$1,231,840**

Notes: Electrical Commodities to cover cable and conduit costs at this stage of design

Source: RS Means Electrical Cost Data, 2020
Square D

ORG	ACCOUNT	DESCRIPTION	YEAR	PER	JOURNAL	EFF DATE	POST DATE	SRC	REF1	PO/REF2	REF3	REFERENCE	AMOUNT	CHECK NO	WARRANT	VDR NAME/ITEM DESC	COMMENTS
45589400	0455-80-11-895-000-829000-18W21	Water T&D Projects	2025	10	2235	10/22/2025	10/23/2025	API	001692		183717	1450	23,203.90	239367	11062025	CORE & MAIN LP	2026 Valves
45589400	0455-80-11-895-000-829000-18W21	Water T&D Projects	2025	10	570	10/07/2025	10/08/2025	API	001655		182956	1319	1,736.00	239151	10232025	FERGUSON US HOLDINGS INC	Const 2026 Fittings
45589400	0455-80-11-895-000-829000-18W21	Water T&D Projects	2025	10	453	10/02/2025	10/08/2025	API	001692	25000565	182602	1292	127,903.58	239138	10232025	CORE & MAIN LP	T&D 2026 Valves
45589400	0455-80-11-895-000-829000-18W21	Water T&D Projects	2025	10	452	10/02/2025	10/08/2025	API	001692	25000564	182603	1292	7,700.00	239021	10162025	CORE & MAIN LP	CWTP - T&D Soft K Copper
45589400	0455-80-11-895-000-829000-18W21	Water T&D Projects	2025	9	4053	09/30/2025	10/01/2025	API	001692		182323	1271	1,083.37	239138	10232025	CORE & MAIN LP	Hymax End Cap
45589400	0455-80-11-895-000-829000-18W21	Water T&D Projects	2025	9	3122	09/23/2025	09/25/2025	API	001655		181878	1240	36,462.23	238794	10022025	FERGUSON US HOLDINGS INC	Const 2026 Fittings
45589400	0455-80-11-895-000-829000-18W21	Water T&D Projects	2025	9	3120	09/22/2025	09/25/2025	API	001692		181809	1236	1,102.44	239021	10162025	CORE & MAIN LP	Pitney Rd
45589400	0455-80-11-895-000-829000-18W21	Water T&D Projects	2025	6	1358	06/11/2025	06/16/2025	API	001692	25000221	176795	582	13,330.75	237190	06202025	CORE & MAIN LP	T&D Valves
45589400	0455-80-11-895-000-829000-18W21	Water T&D Projects	2025	5	2988	05/30/2025	06/05/2025	API	001310	25000287	176041	500	6,358.00	1065	06052025	L/B WATER SERVICE, INC	T&D Ductile Iron Pipe Push-on
45589400	0455-80-11-895-000-829000-18W21	Water T&D Projects	2025	5	2986	05/30/2025	06/05/2025	API	001310	25000288	176060	500	10,391.88	1065	06052025	L/B WATER SERVICE, INC	T&D Hydrant Supplies
45589400	0455-80-11-895-000-829000-18W21	Water T&D Projects	2025	4	1705	04/23/2025	04/23/2025	API	001692	25000221	174033	262	24,744.50	236475	05152025	CORE & MAIN LP	T&D Valves
45589400	0455-80-11-895-000-829000-18W21	Water T&D Projects	2025	2	719	02/12/2025	02/12/2025	API	001692		170652	9814	20,710.38	235324	03062025	CORE & MAIN LP	Supplies
												Total	$ 274,727.03				
													$ 20,710.38	Feb 12, 2025 purchase			
													$ 254,016.65	**Purchses March 1 through Dec 2025**			

ORG	ACCOUNT	DESCRIPTION	YEAR	PER	JOURNAL	EFF DATE	POST DATE	SRC	REF1	PO/REF2	REF3	REFERENCE	AMOUNT	CHECK NO	WARRANT	VDR NAME/ITEM DESC	COMMENTS
45589500	0455-80-11-895-000-829000-18W11	Capital Outlay	2025	9	2994	09/22/2025	09/25/2025	API	004739	25000128	181859	1236	32,029.94	238871	10022025	UNITED SYSTEMS & SOFTWARE INC	Mobile collector equipment - r
45589500	0455-80-11-895-000-829000-18W11	Capital Outlay	2025	7	461	07/02/2025	07/10/2025	API	004739	25000128	177844	718	9,558.40	237565	07102025	UNITED SYSTEMS & SOFTWARE INC	Mobile collector equipment - r
45589500	0455-80-11-895-000-829000-18W11	Capital Outlay	2025	4	2552	04/24/2025	05/01/2025	API	003311	25000239	174329	272	15,437.15	236259	05012024	ITRON, INC	Hardware Maintenance
													$ 57,025.49				

ORG	ACCOUNT	DESCRIPTION	YEAR	PER	JOURNAL	EFF DATE	POST DATE	SRC	REF1	PO/REF2	REF3	REFERENCE	AMOUNT	CHECK NO	WARRANT	VDR NAME/ITEM DESC	COMMENTS	
46589400	0465-80-11-894-000-830000-22W06	Water T&D Projects	2025	12	226	12/02/2025	12/03/2025	API	002828	25000718	185799	1791	56,154.00	239863	12112025	Exeter Supply Co , Inc	T&D Tyton Joint DI Pipe	
46589400	0465-80-11-894-000-830000-22W06	Water T&D Projects	2025	12	225	12/02/2025	12/03/2025	API	002828	25000718	185800	1791	53,072.00	239863	12112025	Exeter Supply Co , Inc	T&D Tyton Joint DI Pipe	
46589400	0465-80-11-894-000-830000-22W06	Water T&D Projects	2025	12	224	12/02/2025	12/03/2025	API	002828	25000718	185801	1791	56,154.00	239863	12112025	Exeter Supply Co , Inc	T&D Tyton Joint DI Pipe	
46589400	0465-80-11-894-000-830000-22W06	Water T&D Projects	2025	12	219	12/02/2025	12/03/2025	API	002828	25000718	185802	1791	51,395.28	239863	12112025	Exeter Supply Co , Inc	T&D Tyton Joint DI Pipe	
46589400	0465-80-11-894-000-830000-22W06	Water T&D Projects	2025	12	218	12/02/2025	12/03/2025	API	002828	25000718	185803	1791	56,154.00	239863	12112025	Exeter Supply Co , Inc	T&D Tyton Joint DI Pipe	
46589400	0465-80-11-894-000-830000-22W06	Water T&D Projects	2025	11	2052	11/26/2025	12/03/2025	API	002828		185586	1761	1,292.09	240011	12192025	Exeter Supply Co , Inc	Coupling and End Cap	
46589400	0465-80-11-894-000-830000-22W06	Water T&D Projects	2025	11	1348	11/18/2025	11/19/2025	API	001692	25000686	185230	1676	13,846.00	239568	11202025	CORE & MAIN LP	Key Corp Stop	
46589400	0465-80-11-894-000-830000-22W06	Water T&D Projects	2025	10	3105	10/28/2025	10/29/2025	API	001692	25000633	184028	1488	8,609.84	239450	11132025	CORE & MAIN LP	T&D Pipes and Valves	
46589400	0465-80-11-894-000-830000-22W06	Water T&D Projects	2025	10	2235	10/22/2025	10/23/2025	API	001692		183717	1450	20,317.70	239367	11062025	CORE & MAIN LP	2026 Valves	
46589400	0465-80-11-894-000-830000-22W06	Water T&D Projects	2025	8	316	08/07/2025	08/07/2025	GBI		40207	25470073	3614	-10,993.00	0		DEER FORD	Deer Ford Water Pit Relocation	Transferred to another account
46589400	0465-80-11-894-000-830000-22W06	Water T&D Projects	2025	2	861	02/06/2025	02/12/2025	API	001692		170351	9767	12,123.12	235184	02272025	CORE & MAIN LP	MJ RW GV OL L/ACC	
46589400	0465-80-11-894-000-830000-22W06	Water T&D Projects	2025	2	527	02/11/2025	02/11/2025	GBI		40207	25470001	3332	-10,994.00	0		DEER FORD	Deer Ford Water Meter Pit Relo	Transferred to another account
												Total	**$ 316,994.91**	Purchases March 1, 2025 through Dec 2025				
													$ 12,123.12	Not in the FTY				

City of Lancaster Statement No. 3R
Docket No. R-2025-3057237
January 8, 2026

REBUTTAL TESTIMONY
OF
CHRISTINE M. VOLKAY-HILDITCH,
DEPUTY DIRECTOR OF PUBLIC WORKS

ON BEHALF OF
THE CITY OF LANCASTER
BUREAU OF WATER

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
CITY OF LANCASTER - BUREAU OF WATER
DOCKET NO. R-2025-3057237
REBUTTAL TESTIMONY OF CHRISTINE M. VOLKAY-HILDITCH

I. INTRODUCTION

2. Q. Have you previously provided testimony in this case?

A. Yes, I provided Direct Testimony on behalf of the City of Lancaster – Bureau of Water (the "City").

3. Q. What is the purpose of your Rebuttal Testimony?

A. The purpose of my Rebuttal Testimony is to address certain statements made in the Direct Testimonies of Commission Bureau of Investigation and Enforcement ("I&E") Witness Esyan Sakaya; Office of Consumer Advocate ("OCA") Witness LeeAnn Wise; and Office of Small Business Advocate ("OSBA") Witness Jopseph Kubas.

II. RESPONSE TO I&E WITNESS SAKAYA

4. Q. In I&E Witness Sakaya's Direct Testimony, there is a recommendation that the City update GRH-1 Schedule 4 to provide actual plant in service balances and information. Does the City agree to implement this recommendation?

A. Yes. The City will provide Fully Projected Future Test Year ("FPFTY") reporting to I&E, OCA, and OSBA updating the Original Cost of Utility Plant in Service as presented in Schedule 4 of Exhibit GRH-1 to the Direct Testimony of Gregory R. Herbert (Lancaster Statement No. 4) (including actual capital expenditures, plant additions, and retirements) on a monthly basis, to the extent it is available, for the fiscal year ending March 31, 2026 by July 1, 2026, and for the fiscal year ending March 31, 2027 by July 1, 2027 to I&E, OCA, and OSBA.

5. Q. In I&E Witness Sakaya's Direct Testimony, there is a recommendation that the City remove costs related to "excess UFW," do you agree with these recommendations?

A. No, the City does not agree with the proposed monetary expense reduction proposed, which is essentially a penalty for excess Unaccounted-for Water ("UFW"). The City is currently working on two different projects to help with UFW. These projects have been in progress for a few years and are on the verge of being completed. One project is to install district metering areas throughout the City's water system. The project for the metering manholes was bid and the contract (2025-18) was awarded to Barrasso Excavation, Inc. for $249,474 on December 29, 2025. Purchase orders for the correlators ($11,886) and their installation ($1,750) were also issued to Flownetwork Inc. on December 29, 2025. This technology will notify staff when leaks are just developing/occurring by monitoring pressure changes. In addition, the City just signed a contract with Oldcastle for $119,000 to use their FIDO AI technology to perform an advanced leak detection study on a 50-mile pipe area. The City will also continue to track water use at the Susquehanna Water Treatment Plant, as noted in previous rate case testimony.

Moreover, the UFW percentage does not tell the entire story of leaks. Leak detection is complex and there are different issues that compound accounting for origin and detection. Of concern is inaccurate metering not just on the incoming meters but also meters that are too large. Further, the City's system consists of over 630 miles and from which many different fire companies use water on a frequent basis. The City has not looked into these usages, and it plans to do so. Additionally, City staff recently attended a workshop by the Susquehanna River

Basin Commission on UFW, where the staff learned that the issue of tracking lost water until a leak was repaired was noted as a significant source of UFW. This is an area of lost water that the City has not pursued and plans to review as well.

Accordingly, a recommendation that disallows legitimate chemicals and purchased power expenses due to the percentage of UFW not only penalizes the City for a problem that it is actively trying to improve, but it also would reduce revenues needed to support those leak reduction efforts, which have costs – as noted above. Thus, the City disagrees with the proposed disallowance (as further discussed in the Rebuttal Testimony of Gregory Herbert) and posits that were the Commission inclined to adopt said recommendation, it should instead allow the recovery of the expenses and require that the City earmark those dollars (the $196,606 on an annual basis) in support of its additional leak detection efforts/services, such as the Oldcastle project.

III. RESPONSE TO OCA WITNESS WISE

6. Q. In OCA Witness Wise's Direct Testimony, she recommends that the Commission include a requirement for a water quality improvement plan along with performance tracking for the City. Do you agree with these recommendations?

A. No, I do not. The City acknowledges that there was an issue with PFOA compliance for five quarters and that it timely provided this information to the Commission. However, the City was in compliance with the Pennsylvania Department of Environmental Protection ("PADEP") MCL in the last quarter of 2025.

PFOA is a relatively new contaminant and was found in the Conestoga River, one of the water sources used by the City. The City believes that this

contaminant has a higher concentration when the area is in drought condition. The City has commissioned Land Studies to perform a water quality study of the Conestoga River. When the Conestoga River experienced significant drought conditions in 2024-2025, the PFOA concentration increased, causing the violation. Prior to the drought the City was in compliance.

The City does not agree with this recommendation primarily because it is already working with PADEP to address PFOA compliance. Accordingly, a separate water quality improvement plan would be redundant and a waste of the City's resources. The City is currently working with the PADEP to negotiate a consent order and agreement to ensure that the City addresses PFOA. PFOA compliance is a significant financial issue to address, with an estimate of $108 million for a new source water transmission main, which will take years to complete.

IV. RESPONSE TO OSBA WITNESS KUBAS

7. Q. In OSBA Witness Kubas's Direct Testimony, he recommends three changes the tariff language associated with inspection fees, do you agree with these recommendations?

A. In general, yes. However, the City would propose to modify slightly the language related to the provision of information to customers and developers upon request, for clarity from that which was proposed. Thus, the City will agree to make the changes in the tariff associated with inspection fee recovery recommended as reflected below:

> 5.4 The Bureau of Water has contracted with a third-party to complete new service installation inspections. Customers and Developer shall be responsible for payment of the fee incurred by the Bureau of Water for inspection of the new service installation and shall make payment to the Bureau of

Water within thirty (30) days of Date of Presentation to the Developer. If a Customer or Developer requests documentation supporting the fee, such as a request for invoices, the City shall provide the requested information. All meters for new service installations shall be installed within thirty (30) days of receipt of the meter from the Bureau of Water.

V. CONCLUSION

8. Q. Does this conclude your Rebuttal Testimony?

A. Yes, it does.

VERIFICATION

I, Christine Volkay-Hilditch, Deputy Director of Public Works, City of Lancaster, hereby state that the facts set forth in the foregoing City of Lancaster Statement No. 3R are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter.

I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to sworn falsification to authorities).

Christine Volkay-Hilditch

Christine Volkay-Hilditch

Date: January 8, 2026

City of Lancaster Statement No. 4R
Docket No. R-2025-3057237
January 8, 2026

CITY OF LANCASTER
BUREAU OF WATER
LANCASTER, PENNSYLVANIA

REBUTTAL TESTIMONY

OF

GREGORY R. HERBERT,
PROJECT MANAGER

GANNETT FLEMING
VALUATION AND RATE CONSULTANTS, LLC

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
CITY OF LANCASTER - BUREAU OF WATER
DOCKET NO. R-2025-3057237
REBUTTAL TESTIMONY OF GREGORY R. HERBERT

I. INTRODUCTION

1. Q. State your name and business address.

A. My name is Gregory R. Herbert. My business address is 300 Sterling Parkway, Suite 200, Mechanicsburg, Pennsylvania.

2. Q. By whom are you employed?

A. I am employed by Gannett Fleming Valuation and Rate Consultants, LLC.

3. Q. Are you the same Gregory R. Herbert that submitted Direct Testimony in this proceeding?

A. Yes. On September 30, 2025, I submitted Direct Testimony, City of Lancaster Statement No. 4, which supported the City of Lancaster – Water Bureau's (the "City") pro forma revenue and expense claims for the historic test year ("HTY") ended March 31, 2025, the future test year ("FTY") ended March 31, 2026, and the fully projected future test year ("FPFTY") ending March 31, 2027, and the statement of income for the City. I also sponsored the City's cost of service allocation and rate design study and the associated filing requirements for a major water rate case. These analyses and studies were presented in Exhibits GRH-1, GRH-2, and GRH-3.

4. Q. What is the purpose of your Rebuttal Testimony in this proceeding?

A. I will address the adjustments and recommendations that were made to the operating revenues, revenue requirement, cash working capital, cost of service, and rate design by Commission Bureau of Investigation and Enforcement ("I&E") Witnesses Getachew Bedasa and Esyan Sakaya; Office of Consumer

Advocate ("OCA") Witnesses Lafayette Morgan and Jerome Mierzwa; and Office of Small Business Advocate ("OSBA") Witness Joseph Kubas.

5. Q. Are you sponsoring and exhibits with your Rebuttal Testimony?

A. Yes. I will be sponsoring Exhibit GRH-1R (Rate Study), Exhibit GRH-2R (Cost of Service Study), Exhibit GRH-3R (Comparison Summary of As-Filed to City Rebuttal Position), Exhibit GRH-4R (Interrogatories and Minimum Filing Requirements in Support of Rebuttal Testimony), and Exhibit GRH-5R (MAXIMUS – City-wide Full Indirect Cost Allocation Plan) as part of my Rebuttal Testimony.

II. DISCOVERY UPDATES

6. Q. Did you make any corrections to Exhibits GRH-1 and GRH-2 based on responses provided by the City in Discovery?

A. Yes, I did. The following outlines the corrections to Exhibit GRH-1 and Exhibit GRH-2 that have been made as indicated would be done in discovery:

- Reduction in present and proposed rate revenue due to the reclassification of billing determinants of residential customers with ¾-inch x 1-inch meter connections, which were originally classified as 1-inch metered customers.[1]
- Change to restrictive diameter squared equivalents of public fire hydrants in the City's cost of service study.[2]
- Increase to Other Water Revenues for an inadvertent sign switch to Lien Interests and Costs revenue.[3]
- Increase to Other Water Revenues – Sewer Reimbursement revenue to recover 37% of the Meter Shop FPFTY expense claim.[4]
- Removal of two Plumbing Technician positions with annual salaries of $65,000 each, as these positions were not approved by the City for the Water Fund's 2026 budget.[5]

[1] *See* Exhibit GRH-4R, TUS R-12, TUS R-15.
[2] *See* Exhibit GRH-4R, TUS R-17, TUS R-18, and TUS R-19.
[3] *See* Exhibit GRH-4R, OCA 8.16.
[4] *See* Exhibit GRH-4R, OCA 12.2.
[5] *See* Exhibit GRH-4R, I&E-RE-14-D.

- Increase rate base in response to discovery data request OCA 11.6 and the supplemental response to OCA 11.6.[6]

Corrected Exhibits are provided in my Rebuttal Testimony as Exhibit GRH-1R and Exhibit GRH-2R.

III. REVENUE REQUIREMENT: PRO FORMA O&M EXPENSES

7. Q. Please describe how the recommended adjustments attributable to outside-City customers were determined by Mr. Bedasa and Mr. Morgan.

A. Mr. Bedasa and Mr. Morgan rely on the outside-City allocations presented in Exhibit GRH-2 to calculate their recommended adjustments attributable to the jurisdictional (or outside-City) customers. My Rebuttal Testimony will only discuss recommended revenue, expense, rate base and cash working capital adjustments in terms of dollar amounts allocated to the outside-City customers.

My recommended recalculations reflect the outside-City customer allocations presented on Schedule E of Exhibit GRH-2R, which is provided in my Rebuttal Testimony.

RATE CASE EXPENSE

8. Q. In his Direct Testimony, Mr. Bedasa normalizes rate case expense over 60 months, while the City normalizes rate case expense over three years. Do you maintain that rate case expense should be normalized over three years?

A. Yes, I do. Mr. Bedasa makes a rate case expense adjustment, which is based upon the time between the City's prior rate case filings. Mr. Bedasa calculates the average duration between the City's prior four rate cases. Mr. Bedasa's 60-month normalization period results in a reduction to O&M expense in the amount of $71,733 for the jurisdictional customers.

[6] *See* Exhibit GRH-4R, OCA 11.6 and Supplemental Response to OCA 11.6.

The normalization of rate case expense over several years is appropriate as the expense for a rate case is only incurred during the period of the actual rate case but the benefits of increased rates last more than one year. A three-year normalization period is reasonable as it acknowledges that rate case expense should be spread over a period of years, but also does not penalize the City for delaying a subsequent rate case whether due to costs, requirements from the previous case, limited resources, or any other number of reasons that could cause the City to file a rate case over a period longer than planned. Therefore, the City maintains that the rate case expense should be normalized over a three-year period, instead of the significantly longer normalization periods (over 5 years) proposed by I&E.

POWER ELECTRIC EXPENSES

9. Q. Mr. Bedasa and Mr. Morgan recommend removing the entirety of the City's adjustments to Power Electric Expenses due to a claimed lack of support for the City's claim. Do you agree?

A. No, I do not. The City provided in response to I&E-RE-23-D the new delivery rate per kWh of $0.08351, and an email from the City's Director of Administrative Services confirming an increase of 54% from the prior year's rate. Before the City signed a new contract, the delivery rate per kWh was $0.05419. A sample bill of the City's present $0.05419 kWh rate was inadvertently excluded from the supplemental attachment to I&E-RE-23-D. Please see Exhibit GRH-4R at p. 53 of 72 for a sample bill reflecting the $0.05419 delivery rate. The increase from $0.05419 to $0.08351 per kWh equates to a 54% increase. The City estimates that the FPFTY kWh of electric usage will be similar to the HTY level, and therefore a 54% increase to the power expense is reasonable. For these

reasons, I respectfully reject Mr. Bedasa's and Mr. Morgan's adjustments to power expense.

METER SHOP LABOR EXPENSE AND SUBSEQUENT ADJUSTMENTS TO MEDICAL, DENTAL AND PAYROLL TAXES EXPENSES

10. Q. Mr. Bedasa recommends an adjustment to the meter shop labor expense due to two new Plumbing Technician positions planned to be filled in 2026 that were not approved by City Council. As a result of the labor expense adjustment, Mr. Bedasa makes a subsequent adjustment to payroll taxes expense claims. Please describe the adjustments made by Mr. Bedasa.

A. In response to data request, I&E-RE-14-D, it was noted that the City Council did not approve including the two Plumbing Technicians in the Water Fund's 2026 budget. These two positions each with an annual salary of $65,000 were included in the 'as-filed' Meter Shop Labor FFTY expense claim of $607,632. Mr. Bedasa has removed the two Plumbing Technicians from the meter shop labor expense in Adjustment E-11. He reduced the jurisdictional claim by $92,014, using allocation Factor 13 (outside-City allocation: 0.7078), for a recommended allowance of $338,068.

Adjustment E-11 also includes the Payroll Taxes Adjustment, and Mr. Bedasa makes the subsequent adjustment to payroll taxes for the removal of the two Plumbing Technician salaries, which further reduced the jurisdictional claim by $8,238, using allocation Factor 14 (outside-City allocation: 0.7225), for a total recommended allowance of $350,936.

11. Q. Do you agree with the removal of the two Plumbing Technician salaries and the subsequent adjustment to payroll taxes?

A. Yes, I partially agree with the adjustments to Meter Shop Labor and Payroll Taxes expenses made by Mr. Bedasa. The City accepted reducing the Meter Shop Labor expense claim by the two Plumbing Technicians' salaries as I noted earlier in my Rebuttal Testimony, which is reflected in Exhibit GRH-1R and GRH-2R. However, Mr. Bedasa uses the incorrect Factor 13 to calculate his reduction to the Meter Shop Labor expense. Exhibit GRH-2 and 2R split the Meter Shop Labor expense across "Meter Reading" using Factor 12 and "Other" meter related labor using Factor 8. Therefore, the composite of the two factors equates to a 0.6610 jurisdictional allocation for Meter Shop Labor expense, which results in a reduction to the jurisdictional claim by $85,930 ($65,000 x 2 technicians x 0.6610) and not the $92,014 recommended by Mr. Bedasa.

Mr. Bedasa used the correct Factor 14 from Exhibit GRH-2 to develop his Payroll Taxes expense adjustment, so I have no objections to the methodology he used to calculate the jurisdictional claim for Payroll Taxes.

12. Q. Mr. Bedasa makes an additional adjustment for the two Plumbing Technicians by reducing the Medical Insurance expense and Dental Insurance expense to account for the removal of these two positions. Do you agree with his adjustment?

A. No, I do not. I appreciate Mr. Bedasa's thoroughness in carrying through the reduction of the labor expense for the two Plumbing Technicians to the Medical and Dental Insurance expense claims. He counts the number of employees of the City and develops an average Medical and Dental Insurance amount per employee. He then reduces the Medical and Dental Insurance claims by the average amount per employee x2 (two Plumbing Technicians). However, the City's Medical Insurance and Dental Insurance claims for the rate case were

based on the City's 2025 budget, and the 2025 budget did not include the two Plumbing Technicians, as these hires were expected to start in 2026. Admittedly, the City should have increased the Medical and Dental Insurance claims for the additional new positions anticipated for the FPFTY, but that adjustment did not occur. Therefore, I reject Mr. Bedasa's adjustments to Medical and Dental Insurance claims, because the two Plumbing Technicians' insurance costs were already excluded from the City's FPFTY medical and dental expense claims.

OVERTIME EXPENSE

13. Q. Mr. Bedasa recommends a downward adjustment to the Overtime expense claim. Please describe.

A. The City developed a three-year average of Overtime expense based on the years ending December 31, 2023, March 31, 2024 and HTY of actual overtime expenses booked during those years. The City then adjusts the three-year average by 3% in the FTY and 3% in the FPFTY to account for the anticipated wage increases. Mr. Bedasa exclusively utilizes the three-year average as I&E's recommended allowance for Overtime expense and does not increase it for wage increases in the FTY and FPFTY for a jurisdictional allowance of $229,075 or a reduction of $13,761.

14. Q. Do you agree with Mr. Bedasa's adjustment to Overtime Expense?

A. No, I do not. Like labor expense that was adjusted by anticipated wage increases in Adjustment E-11, with which Mr. Bedasa does not have issues, the Overtime expense will absolutely be impacted by wage increases as well. Therefore, I respectfully reject Mr. Bedasa's recommendation to reduce the Overtime expense claim by only using a historical three-year average and not increasing the three-year average claim by the anticipated wage increases in the FTY and FPFTY.

ADMINISTRATION AND GENERAL – INDIRECT COSTS EXPENSE

15. Q. Mr. Bedasa recommends an adjustment to Administration and General – Admin. Indirect Costs. Please describe the adjustment made by Mr. Bedasa.

A. Mr. Bedasa recommends a jurisdictional allowance of $0 for the Administration Indirect Costs due to a lack of response for a detailed breakdown of the expenses.

16. Q. Do you agree with the adjustment made by Mr. Bedasa?

A. No, I do not. A detailed breakdown of the expenses is not available due to the methodology of how the Indirect costs are determined for each of the Lancaster City funds. The City provided its trial balance in response to I&E-RE-12-D, which shows the City's allocated portion of these shared costs, and explained what these Indirect costs are related to. The Indirect Costs account pays for support services such as administrative, legal, fringe benefits and insurance provided by Lancaster City to the City. The amount of Indirect Costs charged or allocated to the City is determined based upon the annual Lancaster City-wide Full Indirect Cost Allocation Plan that is prepared by MAXIMUS Consulting Services, Inc. and is provided in Exhibit GRH-5R. MAXIMUS uses cost data and allocation statistics to allocate these indirect costs to the various Lancaster City funds for the fiscal year. These support services are necessary for the City to operate its utility functions efficiently. First and foremost, the City would not be able to collect customer billings if it did not pay its share of these support services. The City maintains that the level of Indirect Costs will remain, at a minimum, at the level of the HTY expense claim, or (perhaps more likely based on history and recent trends) will continue to increase in the future as its FPFTY claim is based on the fiscal year 2022 MAXIMUS report. Therefore, I reject the adjustment to

Indirect Costs expense and encourage the Commission to adopt the City's level of expense for Indirect Costs expense.

POSTAGE EXPENSE

17. Q. Mr. Bedasa recommends an adjustment to Postage Expense. Please describe.

A. Mr. Bedasa claims that there is no convincing explanation that supports the drastic increase in postage expense in the HTY and that it will be ongoing at that level in the FPFTY. Mr. Bedasa averages the historical three years of booked Postage expense and then determines I&E's jurisdictional recommended allowance by multiplying the three-year average Postage expense by Allocation Factor 13.

18. Q. Do you agree with I&E's adjustment to Postage Expense?

A. No, I do not. The increase of booked Postage Expense in the HTY was mainly due to the City's lead service line identification program, which is expected to continue through October 2027 in accordance with the EPA Improved Lead and Copper Rule, which was explained in interrogatories OCA-9.11 and OCA-15.7[7]. The City is required to continue to notify customers through mailings to assist with identifying lead service lines. Additionally, the City is also required by the PADEP to provide annual public notifications regarding its PFOA and PFOS treatment efforts and these mailed public notifications are expected to be a requirement through at least the FPFTY. The City fully expects Postage Expense to be at the same level or greater in the FTY and FPFTY.

Lastly, Mr. Bedasa uses Allocation Factor 13 to develop his adjustment to Postage Expense, and the cost of service study allocates Postage Expense using Factor 11, which is the appropriate factor to use to make any Postage Expense

[7] *See* Exhibit GRH-4R.

adjustments. For these reasons, I respectfully reject Mr. Bedasa's recommendation to reduce the Postage Expense claim by utilizing a three-year average of historical expenses.

TELEPHONE EXPENSE

19. Q. Mr. Bedasa recommends reducing the City's Telephone Expense claim by using a three-year average of historic booked expenses to smooth the changes in the historic years' expense. Do you agree?

A. No, I do not. First, the booked expenses from 2023 ($118,282) to 2024 ($144,417) and 2024 to 2025 ($186,997) have been increasing each year and not fluctuating year over year. It suggests that the expense is only increasing, and therefore, smoothing out historic years' expenses is inappropriate. The City continues to add cell phones for its employees as its work force grows. Telephone expense also includes the City's internet service costs, and the City has continued to improve its cyber security by adding redundancies in its internet services to provide improved reliability with SCADA service to ensure its system is operating efficiently and safely. Maintaining the HTY level of expense for the FPFTY is actually a conservative claim, as the historic expenses suggest the FPFTY expense should be increased from the HTY. For these reasons, I respectfully reject Mr. Bedasa's reduction to the City's requested FPFTY Telephone expense claim.

UNACCOUNTED FOR WATER – EXPENSE ADJUSTMENTS

20. Q. Mr. Sakaya recommends the City adjust its chemicals and purchased power expenses downward to reflect unaccounted for water (UFW) costs. Please explain.

A. Mr. Sakaya examines the three historic years of UFW calculations that were

presented in City Exhibit CVH-3. He determines that the average UFW percentage of the three historic years equates to 28.6%. Mr. Sakaya notes that the PUC finds levels above 20% in UFW to be excessive. Mr. Sakaya determines the amount of excess UFW totaling 665,288,200 gallons, and that reducing UFW by this amount would result in the UFW percentage to reach 20% or a non-excessive level of UFW. Mr. Sakaya then determines a rate per 1,000 gallons for the chemicals and power expenses, which are costs directly related to the production of water. He multiplies the excess UFW by these rates to determine that the jurisdictional amount of chemicals expense should be reduced by $71,049 and power expense should be reduced by $125,557 for a total reduction of $196,606 for excess UFW levels.

21. Q. Do you agree with Mr. Sakaya's recommendation?

A. No, I do not. Making reductions in chemicals and power expenses when the City anticipates these expenses to be at the FPFTY levels that were claimed in this case does not place the City in a better position to make capital improvements to lower the excess UFW. I would note further that such a penalty feels in appropriate given the level of UFW, the efforts the City has and continues to undertake to reduce UFW in its system, and the fact that the referenced PUC percentage is simply a measurement value – I take issue with its use to impose a penalty here. Additionally, the inside-City system is more prone to UFW, as the inside-City has older infrastructure that is prone to more leaks than the newer, outside-City system. Furthermore, OCA Witness Morgan is recommending the removal of distribution related replacement projects in the FTY and FPFTY, which does not aid in reducing excess UFW as well. The City cannot begin to improve its UFW levels if there are losses on operating costs and the disallowance

of distribution related capital projects. For these reasons, I respectfully reject Mr. Sakaya's recommendation to reduce chemicals and power expenses due to excess UFW.

IV. DEPRECIATION EXPENSE

22. Q. Please address the City's rebuttal position regarding Depreciation Expense.

A. The adjustment made to the City's Depreciation expense is based on the adjustments discussed in the Rebuttal Testimony of John J. Spanos in Statement No. 5R and the discovery responses provided in Exhibit GRH-4R. The total jurisdictional Depreciation Expense is increased by $98,171 due to the recommended changes Mr. Spanos makes to utility plant in service as of March 31, 2026 and March 31, 2027 in relation to the interrogatories provided in Exhibit GRH-4R, and due to the jurisdictional cost allocation changes presented in Exhibit GRH-2R, resulting in a revised jurisdictional claim of $4,493,362 for the FPFTY Depreciation expense.

23. Q. Do the other parties make adjustments to depreciation expense?

A. Yes, the OCA makes significant adjustments to depreciation expense due to a change in depreciation procedure and the disallowance of anticipated FTY and FPFTY capital projects. For the reasons stated in the Rebuttal Testimonies of John J. Spanos, Stephen Campbell, and my Rebuttal Testimony (see Rate Base section below), I respectfully disagree with OCA's reductions to depreciation expense.

I&E Witness Sakaya does not recommend any changes to depreciation expense but acknowledges that depreciation expense will be updated in rebuttal testimony. The discovery responses to TUS R-12, TUS R-15, OCA 11-6, and OCA 11-6 Supplemental Response that impacted changes to depreciation

expense are included in Exhibit GRH-4R. The revised rate base is reflected in Exhibits GRH-1R and GRH-2R.

V. RATE BASE: PLANT IN SERVICE, MATERIALS AND SUPPLIES, AND CASH WORKING CAPITAL ("CWC")

24. Q. Mr. Morgan has various concerns with over a dozen capital projects that the City has planned and budgeted for in the FTY and FPFTY. Please explain.

A. Mr. Morgan accumulates approximately $44.2 million of FTY and FPFTY pro forma plant in service and believes these claims are not adequately supported based on his claims that the City has not provided budget support, has not yet made expenditures to date on some projects, or more generally stated concerns the projects will not be in service by end of the FPFTY. As a result, Mr. Morgan recommends reducing plant in service claims by $44.2 million.

25. Q. Do you agree with Mr. Morgan's adjustment?

A. No, I do not. The City has provided ample budget support for these FTY and FPFTY capital projects. Minimum filing requirement Exhibit D IX-4, pages 234 through 247 (of 247)[8] included the City's proposed 2026 – 2030 capital budget. I am resubmitting the pertinent pages of minimum filing requirement Exhibit D IX-4 in Exhibit GRH-4R. The City's schedule in the 2026 – 2030 capital budget mimics the five year capital plan supported by City Witness Stephen Campbell with his Direct Testimony in Exhibit SC-1. Exhibit SC-2 then condenses the five-year plan into the City's projected FTY and FPFTY capital projects. The City has also exceeded its plant in service projections from the prior case, which was proved out and provided in post-rate case plant in service filing requirements served upon OSBA, OCA and I&E . This schedule was also provided in response

[8] *See* Exhibit GRH-4R.

to TUS R-21 and is included in Exhibit GRH-4R. The City placed $35 million in plant in service in the prior case FTY (year ended December 31, 2021) and $16.6 million in the prior case FPFTY (year ended December 31, 2022) for a total of $51.6 million in the prior case future test periods. While Mr. Morgan claims the City's plant in service projections are excessive in this case compared to the prior case[9], the City is claiming similar levels of capital projections in this rate proceeding (projecting $55.4 million) and has proved in its last rate case (completing $51.6 million) that it can support completing this level of capital projects. Additionally, City Witness Stephen Campbell's Rebuttal Testimony outlines status updates to these FTY and FPFTY projects. Some of the updated project cost estimates outlined in Mr. Campbell's Rebuttal Testimony are now greater than the projected cost estimates of these capital projects that the City claimed in the FTY and FPFTY rate base in this proceeding. Therefore, the City's rate base claim is conservative rather than excessive or overstated as Mr. Morgan asserts. For these reasons and the reasons stated in City Witness Stephen Campbell's Rebuttal Testimony, I respectfully reject Mr. Morgan's significant $44.2 million reductions to plant in service in the FTY and FPFTY, as such reductions are not appropriate given the ample support for the plant in service claims provided by the City in this case.

26. Q. Mr. Morgan also recommends removing the City's materials and supplies claim from rate base. Do you agree?

A. I do not totally agree with Mr. Morgan's recommendation. Mr. Morgan points out that the materials and supplies claim in the FPFTY was a sum of the FTY and FPFTY materials and supplies claims. I agree that these values should be split

[9] *See* OCA Stmt. No, 1, pg. 10.

with $342,145 claimed in the FTY and $300,000 claimed in the FPFTY. Mr. Morgan lists several reasons why the materials and supplies claim should not be allowed. However, this is the City's first time claiming materials and supplies in a rate case, and the City has plans to track materials and supplies inventories going forward. Therefore, the City will begin tracking during the FTY and FPFTY. The City agrees to split these claims across the appropriate test years, track the materials and supplies in the future test periods and thus, respectfully rejects Mr. Morgan's proposal to fully remove these materials and supplies claims (which reflect legitimate expenses) from the City's rate base.

27. Q. Please address Mr. Bedasa's and Mr. Morgan's cash working capital adjustment.

A. Mr. Bedasa and Mr. Morgan accept the "rule of thumb" methodology as an appropriate method used to calculate CWC. Mr. Bedasa adjusts his CWC claim for his recommended O&M expense adjustments. As a result, Mr. Bedasa recommends a total allowance for CWC of $1,331,173, which is a total reduction to CWC of $228,087 as allocated to the jurisdictional customers. Likewise, Mr. Morgan makes an adjustment to CWC as a result of his recommended O&M and depreciation expense adjustments and he recommends a total allowance of $1,498,623 (or a reduction of $657,443 to the CWC) for the outside-City customers. However, Mr. Morgan's adjustment of $657,443 is incorrect, as he calculates his adjustment amount based on the as-filed total-City CWC claim of $2,156,056. The outside-City portion of the as-filed CWC claim was $1,559,261, so the corrected reduction to Mr. Morgan's jurisdictional portion of CWC should only be $60,638 ($1,559,261 minus $1,498,623) and not the $657,443 he states in his Direct Testimony.

28. Q. Do you agree with Mr. Bedasa's and Mr. Morgan's adjustments to CWC?

A. I would agree that the O&M expenses included in the calculation of CWC should reflect any changes to those expenses ultimately allowed in this case. In as much as I disagree with most of Mr. Bedasa's and Mr. Morgan's O&M expense and depreciation expense adjustments, I disagree with Mr. Bedasa's and Mr. Morgan's CWC adjustments.

To summarize, the City's CWC has been adjusted based on the adjustments to O&M expenses described in Rebuttal Testimony and reflected in Exhibit GRH-1R and Exhibit GRH-2R. The City's updated jurisdictional CWC claim is $1,547,892.

VI. REVENUES: OPERATING REVENUE – CUSTOMER GROWTH ADJUSTMENT

29. Q. Mr. Kubas makes an adjustment to operating revenues based on the historical gain in customers from December 31, 2020 through March 31, 2025. Do you agree with his adjustment?

A. No, I do not. Mr. Kubas recommends an adjustment to revise the operating revenue annualization adjustments by the most recent three-year compound growth factor. Mr. Kubas states that the City's methodology of using the change in customers from 2024 to 2025 to calculate adjustments R-2, R-5, R-9 and R-12 reflects too short of a time period. Mr. Kubas calculates the outside-City customer growth over 4.25 years or 51 months and makes an upward adjustment of $125,577 for Residential revenue and $45,151 for Commercial revenue to reflect the increase of outside-City customers over the HTY.

The methodology used in Exhibit GRH-1 and Exhibit GRH-1R to project the gain-loss of customers over a two-year period (from 2023 to 2024 and from

2024 to 2025) has been accepted as reasonable in prior City rate cases, and thus, I reject the adjustment Mr. Kubas makes to operating revenues.

30. Q. Mr. Kubas also makes a revenue adjustment for the reimbursement of inspection fees. Do you agree?

A. No, I do not. The City has claimed the same level of these reimbursements from inspection fees booked in the miscellaneous revenues account in the HTY as the FPFTY. In discovery, in OCA 1-7[10], part d., the City was asked if any additional revenue from these fees was reflected in its request. The City responded "no", that there were no additional reimbursement revenues claimed from inspection fees from this case. However, it was interpreted that this data request was asking if an adjustment of additional dollars was made above the reimbursements from inspection fees collected in the HTY. The City already claimed a FPFTY amount of these reimbursements based on the HTY level. Therefore, adding an additional $23,280 in revenue would be double counting the reimbursement fees collected in the HTY. For these reasons, I respectfully reject Mr. Kubas' recommendation of increasing miscellaneous revenues by $23,280.

VII. COST OF SERVICE ALLOCATION AND RATE DESIGN

31. Q. Please discuss the Direct Testimony and recommendations of OCA Witness Mierzwa with regard to cost of service and rate design.

A. Mr. Mierzwa generally agrees with the City's cost of service study but recommends the following:

1. Modifying the cost of service study, as presented in Exhibit GRH-2, with regard to the allocation of salary expenses for the water treatment plant and costs related to laboratory testing;

[10] *See* Exhibit GRH-4R.

2. Limiting the increase to the customer charge for outside City customers to the overall system average increase the Commission authorizes for outside-City customers in this proceeding; and

3. Proposing that the City implement a public fire charge on outside City municipalities to recover 25% of the cost of public fire.

32. Q. Do you agree with Item 1, changes to the allocations of salary expenses related to water treatment and laboratory testing?

A. No. Mr. Mierzwa recommends allocating these costs based on Factor 1 (or based on average demands). The City allocates these costs based on Factor 2, which allocates costs associated with facilities serving base and maximum day extra capacity. Mr. Mierzwa maintains that the cost of salaries and laboratory testing do not vary based on maximum day demand. However, in as much as the water treatment plant is designed to supply water to meet maximum day demands, the operation and maintenance of those facilities, including expenses for labor and laboratory testing, should be allocated in the same manner, based on cost causation. In addition, a treatment plant that is sized for average day demands would be much smaller than one designed to meet maximum day demands and larger facilities consequently have a larger O&M expenses associated with them. Therefore, I disagree with Mr. Mierzwa's allocation recommendation.

33. Q. Please describe Mr. Mierzwa's recommendation regarding the outside-City customer charge, Item 2.

A. Mr. Mierzwa recommends that the proposed customer charge for a 5/8-inch meter be increased by the overall system average increase that the Commission authorizes for outside-City customers in this proceeding. In addition, he assumes that 25% of the public fire costs would be recovered by revenues from the

municipalities served by the City. Mr. Mierzwa also recommends a lower increase to the customer charge based on the concept of gradualism, limiting the increase to the overall system average increase.

34. Q. Do you agree with the concept of gradualism?

A. Yes, I do. However, one also must consider the dollar magnitude of the increase. Though the City is recommending a 46.2% increase to the customer charge for outside-City customers, the overall increase is only $3.67 per month (increasing from $7.95 to $11.62 per month).

Due to the small dollar increase to the City's recommended customer charge, I recommend that the Commission reject Mr. Mierzwa's recommendation and approve the City's proposed customer charge.

35. Q. Please discuss Mr. Mierzwa's recommendation regarding Public Fire charges.

A. Presently the City does not charge the outside municipalities a hydrant, or public fire, charge. This is based on a long-standing practice that the City recover the costs related to public fire protection from its customer charge. By recovering the cost through the customer charge, the City ensures that the customers that benefit from public fire protection pay for that protection, regardless of how much water they use. Mr. Mierzwa recommends that the City implement a public fire charge that recovers 25% of the costs to provide public fire protection from the municipalities serving customers outside the City. The City assumes Mr. Mierzwa's proposal as it relates to how to determine each municipality's relative proportion of that 25% would be based on the number of hydrants in the municipality. He supports his recommendation by referring to specific provision of the Public Utility Code, 66 Pa C.S. § 1328, that allows utilities to charge up to

25% of the cost of public fire service directly to municipalities.

However, Section 1328 states:

> (a) General rule. A public utility that furnishes water to or for the public shall be allowed to recover in rates the full cost of service related to public fire hydrants.
>
> (b) Charge to municipalities and other customers of the public utility.
>
> (1) In determining the rates to be charged for public fire hydrants by a public utility that furnishes water to or for the public, the commission shall as part of a utility's general rate proceeding provide for the recovery of the costs of public fire hydrants in such a manner that the municipalities in which those public fire hydrants are located are not charged for more than 25% of the cost of service for those public fire hydrants, as such cost of service is reasonably determined by the commission.
>
> (2) The commission shall also as part of the utility's general rate proceeding provide for the recovery of the remaining cost of service for those public fire hydrants not recovered from the municipalities under paragraph (1) by assessing all customers of the public utility the remaining cost of service to the public fire hydrants. The remaining cost of service for those public fire hydrants shall be included in the public utility's fixed or service charge or minimum bill.

This section does not state that the City must recover 25% of the costs from the municipalities. It only states that the municipalities should not be charged more than 25% if costs are allocated to them, and that any portion of such costs not recovered from municipalities be recovered through the fixed customer charge.

36. Q. Does the City agree that it should charge the local municipalities for public fire protection?

A. No. The City has a long history of not charging the outside municipalities for public fire protection costs related to the City's water system. The City believes that collecting costs related to public fire protection from all customers as part of its customer charge is a fair and equitable method of recovering these costs,

particularly since the City's proposed customer charge is only $11.62 per month. Furthermore, the City does not want to jeopardize its rapport with the surrounding municipalities when the current recovery of public fire protection makes up about 25% of the 5/8-inch customer charge.

37. Q. Mr. Mierzwa states the City did not comply with the settlement terms of the prior case regarding public fire rates. Do you agree with this statement?

A. No, I do not. The City complied with the settlement terms by developing a proposed hydrant rate for public fire service based on 25% of the costs of public fire service. However, the settlement terms of the prior case did not require that the City agree to charge public fire customers these proposed rates.

That said, if the Commission were to direct the City to charge public fire rates to municipalities in this proceeding, I recommend that the implementation be phased in over two rate cases. I recommend about 10% or approximately $236,000 of public fire cost of service be recovered through public fire rates, and in the following rate case, the City propose to recover the full 25% of public fire costs of service through public fire rates to minimize the impact on municipalities of this new charge.

SCALEBACK OF RATES

38. Q. OCA Witness Mierzwa, I&E Witness Sakaya and OSBA Witness Kubas have recommendations for the scale back of rates. Please describe each scale back proposal and if the City agrees to any of these scale back proposals by the other parties.

A. Mr. Mierzwa proposes to implement public fire rates and proposes to scale back rates based on OCA's revenue allocation that incorporates public fire cost of service. For the reasons the City rejects the implementation of public fire service

rates, the City disagrees with OCA's scale back proposal. However, if the City were directed to implement fire rates, I would consider Mr. Mierzwa's scale back proposal to be reasonable with public fire rates recovering 10% of outside-City public fire cost of service and incorporating the rate adjustments described below under OSBA Witness Kubas's proposed rate design.

Mr. Sakaya recommends that each customer class is scaled back proportionally to the increases by class proposed by the City. The City does not oppose the scale back recommended by Mr. Sakaya. However, the City would also add in the proposed rate design adjustments made by OSBA first before the rates are scaled back proportionally to the increases by class proposed by the City.

Mr. Kubas suggests that a scale back of rates should incorporate the cost allocation updates that were presented in the revised cost of service provided in the response to TUS R-12. This would reduce the private fire rates to move the private fire class closer to its relative rate of return of 1.00 for a 20% increase instead of a 46.4% increase. The second adjustment would be to increase the first block volumetric rates and decrease the second block to offset the reduction to private fire rates. These alterations would bring proposed revenues closer to each class's relative rate of return of 1.00. The City does not oppose this proposal. However, the City proposes to make these adjustments based on the cost of service study provided in my Rebuttal Testimony, Exhibit GRH-2R, which incorporates the changes made to the cost of service study in response TUS R-12 and the other discovery responses provided in Exhibit GRH-4R that altered the cost allocation study. To reach the $6,941,619 overall outside-City increase shown in Exhibit GRH-1R, under Mr. Kubas' proposed rate design, the Private Fire increase is limited to 20%. However, Mr. Kubas' rate design overstates the

overall increase to be $7,087,911. Therefore, the first block should be increased to $6.0430 per thousand gallons instead of the $6.1163 per thousand gallons recommended by Mr. Kubas, and the second block rate of $4.8503 recommended by Mr. Kubas would be maintained. Lastly, the Large Industrial rate would be decreased from $4.6280 per thousand gallons to $4.5670 to align closer to cost of service shown in Exhibit GRH-2R Once the adjustment to private fire rates and the volumetric block rates are made, the City would then agree to proportionally scale back the rates to the revenue increases by class proposed by OSBA Witness Kubas to reach the authorized revenue increase allowed by the Commission.

VIII. SUMMARY & CONCLUSION

39. Q. Please summarize the City's rebuttal position.

A. I have prepared in Exhibit GRH-3R, a summary of the City's rebuttal position for revenue requirements and income statement based on the changes discussed in the City's Rebuttal Testimony. I believe that this will enable the parties and the Commission to more easily ascertain the changes made by the City in its Rebuttal Testimony, whether by adoption of another party's position or based upon revisions to the City's case since the filing of its Direct Testimony.

40. Q. Does this conclude your Rebuttal Testimony?

A. Yes, it does.

VERIFICATION

I, Gregory R. Herbert, Project Manager, Gannett Fleming Valuation and Rate Consultants, LLC, hereby state that the facts set forth in the foregoing City of Lancaster Statement No. 4R are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter.

I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to sworn falsification to authorities).

Gregory R. Herbert

Date: January 8, 2026

CITY OF LANCASTER – BUREAU OF WATER

Lancaster, Pennsylvania

REBUTTAL RATE STUDY AND DATA

IN SUPPORT OF

PROPOSED SUPPLEMENT NO. 49

TO TARIFF WATER PA P.U.C. NO. 6

GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC

Mechanicsburg, Pennsylvania

CITY OF LANCASTER - WATER FUND

STATEMENT OF THE CALCULATION OF THE RATE OF RETURN UNDER PRESENT RATES FOR THE TWELVE MONTHS ENDED MARCH 31, 2025
AND MARCH 31, 2027, AND THE ANTICIPATED RATE OF RETURN UNDER PROPOSED RATES
FOR INSIDE-CITY AND OUTSIDE-CITY CUSTOMERS

Pursuant To Subsection 53.53Exhibit D I (2-4) of Tariff Regulations

Line No.	Description	12 Months Ended 31-Mar-25	Pro Forma Historic Test Year Adjustments Ref.	Pro Forma Historic Test Year Adjustments Amount	Pro Forma Present Rates, 31-Mar-25	Pro Forma Future and FPFTY Test Year Adjustments Ref.	Pro Forma Future and FPFTY Test Year Adjustments Amount	Pro Forma Present Rates, 31-Mar-27	Under Proposed Rates, Supplement No. 49 to Tariff Water Pa-PUC No. 6 Increase	Under Proposed Rates, Supplement No. 49 to Tariff Water Pa-PUC No. 6 Pro Forma 31-Mar-27
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Operating Revenue	$ 34,672,828	Sch. 2	$ 66,083	$ 34,738,911	Sch. 2	$ 74,589	$ 34,813,500	$ 6,941,619	$ 41,755,119
2										
3	Operating Revenue Deductions:									
4	Operation and Maintenance									
5	Expenses	23,962,520	Sch. 3	(7,401,090)	16,561,430	Sch. 3	547,074	17,108,504	-	17,108,504
6	Depreciation	7,240,494	Sch. 6	(2,195,387)	5,045,107	Sch. 6	961,884	6,006,991	-	6,006,991
7										
8	Total Operating									
9	Revenue Deductions	31,203,013		(9,596,477)	21,606,537		1,508,958	23,115,495	-	23,115,495
10										
11										
12	Net Operating Income									
13	Available for Return	$ 3,469,815		$ 9,662,559	$ 13,132,374		$ (1,434,369)	$ 11,698,006	$ 6,941,619	$ 18,639,624
14										
15										
16	Original Cost Measure of Value	$ 213,700,134		$ -	$ 213,700,134		$ 52,504,817	$ 266,204,951		$ 266,204,951
17										
18	Rate of Return	1.62%			6.15%			4.39%		7.00%

CITY OF LANCASTER - WATER FUND

STATEMENT OF THE CALCULATION OF THE RATE OF RETURN UNDER PRESENT RATES FOR THE TWELVE MONTHS ENDED MARCH 31, 2025
AND MARCH 31, 2027, AND THE ANTICIPATED RATE OF RETURN UNDER PROPOSED RATES
INSIDE-CITY CUSTOMERS

Pursuant To Subsection 53.53Exhibit D I (2-4) of Tariff Regulations

Line No.	Description	12 Months Ended 31-Mar-25	Pro Forma Historic Test Year Adjustments Ref.	Pro Forma Historic Test Year Adjustments Amount	Pro Forma Present Rates, 31-Mar-25	Pro Forma Future and FPFTY Test Year Adjustments Ref.	Pro Forma Future and FPFTY Test Year Adjustments Amount	Pro Forma Present Rates, 31-Mar-27	Under Proposed Rates, Supplement No. 49 to Tariff Water Pa-PUC No. 6 Increase	Under Proposed Rates, Supplement No. 49 to Tariff Water Pa-PUC No. 6 Pro Forma 31-Mar-27
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Operating Revenue	$ 11,601,107	Sch. 2	$ 63,291	$ 11,664,399	Sch. 2	$ (7,601)	$ 11,656,797	$ (0)	$ 11,656,797
2										
3	Operating Revenue Deductions:									
4	Operation and Maintenance									
5	Expenses	6,518,061	Sch. 3	(2,013,175)	4,504,886	Sch. 3	148,810	4,653,695	-	4,653,695
6	Depreciation	1,824,444	Sch. 6	(553,189)	1,271,255	Sch. 6	242,373	1,513,629	-	1,513,629
7										
8	Total Operating									
9	Revenue Deductions	8,342,505		(2,566,364)	5,776,141		391,183	6,167,324	-	6,167,324
10										
11										
12	Net Operating Income									
13	Available for Return	$ 3,258,602		$ 2,629,656	$ 5,888,258		$ (398,785)	$ 5,489,473	$ (0)	$ 5,489,473
14										
15										
16	Original Cost Measure of Value	$54,942,163		-	$54,942,163		$13,498,953	$68,441,116		68,441,116
17										
18	Rate of Return	5.93%			10.72%			8.02%		8.02%

* Operating revenue deductions and measures of value were allocated to Inside-City and Outside-City service areas based on the cost of service allocation study.

CITY OF LANCASTER - WATER FUND

STATEMENT OF THE CALCULATION OF THE RATE OF RETURN UNDER PRESENT RATES FOR THE TWELVE MONTHS ENDED MARCH 31, 2025
AND MARCH 31, 2027, AND THE ANTICIPATED RATE OF RETURN UNDER PROPOSED RATES
OUTSIDE-CITY CUSTOMERS

Pursuant To Subsection 53.53Exhibit D I (2-4) of Tariff Regulations

Line No.	Description	12 Months Ended 31-Mar-25	Pro Forma Historic Test Year Adjustments Ref.	Pro Forma Historic Test Year Adjustments Amount	Pro Forma Present Rates, 31-Mar-25	Pro Forma Future and FPFTY Test Year Adjustments Ref.	Pro Forma Future and FPFTY Test Year Adjustments Amount	Pro Forma Present Rates, 31-Mar-27	Under Proposed Rates, Supplement No. 49 to Tariff Water Pa-PUC No. 6 Increase	Under Proposed Rates, Supplement No. 49 to Tariff Water Pa-PUC No. 6 Pro Forma 31-Mar-27
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Operating Revenue	$ 23,071,721	Sch. 2	$ 2,792	$ 23,074,513	Sch. 2	$ 82,191	$ 23,156,703	$ 6,941,619	$ 30,098,322
2										
3	Operating Revenue Deductions:									
4	Operation and Maintenance									
5	Expenses	17,444,459	Sch. 3	(5,387,914)	12,056,544	Sch. 3	398,264	12,454,808	-	12,454,808
6	Depreciation	5,416,050	Sch. 6	(1,642,198)	3,773,852	Sch. 6	719,511	4,493,362	-	4,493,362
7										
8	Total Operating									
9	Revenue Deductions	22,860,508		(7,030,112)	15,830,396		1,117,774	16,948,170	-	16,948,170
10										
11										
12	Net Operating Income									
13	Available for Return	$ 211,213		$ 7,032,904	$ 7,244,117		$ (1,035,584)	$ 6,208,533	$ 6,941,619	$ 13,150,152
14										
15										
16	Original Cost Measure of Value	$158,757,972		0	$158,757,972		$39,005,863	$197,763,835		197,763,833
17										
18	Rate of Return	0.13%			4.56%			3.14%		6.65%

* Operating revenue deductions and measures of value were allocated to Inside-City and Outside-City service areas based on the cost of service allocation study.

CITY OF LANCASTER - WATER FUND

STATEMENT OF OPERATING REVENUES FOR THE TWELVE MONTHS ENDED MARCH 31, 2025 AND MARCH 31, 2027
AND THE CALCULATION OF THE PROPOSED REVENUE INCREASE FROM INSIDE-CITY AND OUTSIDE-CITY CUSTOMERS BY CUSTOMER CLASSIFICATION

Pursuant To Subsection 53.53 Exhibit D II(2) of Tariff Regulations

Customer Classification	Revenues Per Books, 12 Months Ended 31-Mar-25	Historic Test Year Pro Forma Adjustments Under Present Rates Ref.	Historic Test Year Pro Forma Adjustments Under Present Rates Amount	Pro Forma Future and FPFTY Pro Forma, Present Rates, 31-Mar-25	Pro Forma Future and FPFTY Pro Forma Adjustments Under Present Rates Ref.	Pro Forma Future and FPFTY Pro Forma Adjustments Under Present Rates Amount	Pro Forma, Present Rates 31-Mar-27	Under Proposed Rates, Supplement No. 49 to Tariff Water Pa-PUC No. 6 Increase Percent	Under Proposed Rates, Supplement No. 49 to Tariff Water Pa-PUC No. 6 Increase Amount	Under Proposed Rates, Supplement No. 49 to Tariff Water Pa-PUC No. 6 Pro Forma, Proposed Rates 31-Mar-27
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
INSIDE-CITY										
Sales of Water										
Residential	$ 6,081,671	R1	$ -	$ 6,081,671	R4, R8	$ 861	$ 6,082,532	0.0%	$ -	$ 6,082,532
Commercial	4,639,344	R1,R3	$ 60,806	4,700,150	R4, R8	(25,587)	4,674,563	0.0%	-	4,674,563
Industrial	357,193			357,193	R4, R8	17,125	374,318	0.0%	-	374,318
Private Fire Protection	241,941	R3	2,485	244,426	R6	-	244,426	0.0%	-	244,426
Total Sales of Water	11,320,149		63,291	11,383,440		(7,601)	11,375,839	0.0%	-	11,375,839
Other Operating Revenues										
Lien Interest and Costs	300			300			300			300
Rental Income	-			-			-			-
Sewer Reimb - Meter Shop	159,687			159,687			159,687			159,687
Misc. Revenue	14,179			14,179			14,179			14,179
State Aid for Pension Expense	106,793			106,793			106,793			106,793
Total Other Revenues	280,958		-	280,958		-	280,958		-	280,958
Total Inside City	$ 11,601,107		$ 63,291	$ 11,664,399		$ (7,601)	$ 11,656,797	0.0%	$ -	$ 11,656,797

CITY OF LANCASTER - WATER FUND

STATEMENT OF OPERATING REVENUES FOR THE TWELVE MONTHS ENDED MARCH 31, 2025 AND MARCH 31, 2027
AND THE CALCULATION OF THE PROPOSED REVENUE INCREASE FROM INSIDE-CITY AND OUTSIDE-CITY CUSTOMERS BY CUSTOMER CLASSIFICATION

Pursuant To Subsection 53.53 Exhibit D II(2) of Tariff Regulations

Customer Classification	Revenues Per Books, 12 Months Ended 31-Mar-25	Historic Test Year Pro Forma Adjustments Under Present Rates* Ref.	Historic Test Year Pro Forma Adjustments Under Present Rates* Amount	Pro Forma Future and FPFTY Pro Forma, Present Rates, 31-Mar-25	Pro Forma Future and FPFTY Pro Forma Adjustments Under Present Rates Ref.	Pro Forma Future and FPFTY Pro Forma Adjustments Under Present Rates Amount	Pro Forma, Present Rates 31-Mar-27	Under Proposed Rates, Supplement No. 49 to Tariff Water Pa-PUC No. 6 Increase Percent	Under Proposed Rates, Supplement No. 49 to Tariff Water Pa-PUC No. 6 Increase Amount	Under Proposed Rates, Supplement No. 49 to Tariff Water Pa-PUC No. 6 Pro Forma, Proposed Rates 31-Mar-27
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
OUTSIDE-CITY										
Sales of Water										
Residential	$ 10,684,388	R2	$ 713	$ 10,685,101	R5	$ 43,118	$ 10,728,219	32.5%	$ 3,487,021	$ 14,215,240
Commercial	8,319,887	R2,R3	(693)	8,319,194	R5	39,073	8,358,266	29.4%	2,459,553	10,817,819
Industrial	1,531,162	R2	-	1,531,162	R5	-	1,531,162	30.6%	468,158	1,999,320
Large Industrial	1,000,202			1,000,202			1,000,202	28.3%	282,603	1,282,805
Other Water Utilities	543,555			543,555			543,555	28.5%	154,947	698,502
Private Fire Protection	443,910	R3	2,772	446,682	R7	-	446,682	20.0%	89,337	536,019
Total Sales of Water	22,523,104		2,792	22,525,896		82,191	22,608,086	30.7%	6,941,619	29,549,705
Other Operating Revenues										
Lien Interest and Costs	774			774			774			774
Rental Income	199,694			199,694			199,694			199,694
Sewer Reimb - Meter Shop	32,244			32,244			32,244			32,244
Misc. Revenue	36,606			36,606			36,606			36,606
State Aid for Pension Expense	279,298			279,298			279,298			279,298
Total Other Revenues	548,617		-	548,617		-	548,617	0.0%	-	548,617
Total Outside City	23,071,721		2,792	23,074,513		82,191	23,156,703	30.0%	6,941,619	30,098,322
Total Inside & Outside City	$ 34,672,828		$ 66,083	$ 34,738,911		$ 74,589	$ 34,813,500	19.9%	$ 6,941,619	$ 41,755,119

CITY OF LANCASTER - WATER FUND

STATEMENT OF PRO FORMA OPERATING EXPENSES FOR THE TWELVE MONTHS ENDED MARCH 31, 2025 AND MARCH 31, 2027

Pursuant To Subsection 53.53 Exhibit D III (2) of Tariff Regulations

Line No.	Account	Account Title	Per Books, 12 Months Ended 31-Mar-25	Historic Test Year Pro Forma Adjustments Appen. B	Historic Test Year Pro Forma Adjustments Amount	Pro Forma, 31-Mar-25	Fully Projected Future Test Year Pro Forma Adjustments Appen. B	Fully Projected Future Test Year Pro Forma Adjustments Amount	Pro Forma, 31-Mar-27
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1		**OPERATION AND MAINTENANCE EXPENSES**							
2									
3		**WATER TREATMENT**							
4									
5		SUSQUEHANNA TREATMENT PLANT							
6	601.3	SALARIED PERSONNEL	$ 1,179,928	E-1	$ (31,443)	$ 1,148,485	E-11	$ 144,943	$ 1,293,428
7	601.3	SALARY TEMPORARY	6,330			6,330			6,330
8	601.3	OVERTIME	189,215	E-2	5,669	194,884	E-12	11,868	206,753
9									
10		SUSQUEHANNA - SALARY/BENEFITS	1,375,473			1,349,699			1,506,510
11									
12	620.3	MAINTENANCE -BUILDING	60,492			60,492			60,492
13	620.3	MAINTENANCE-COMMUNIC.	4,820			4,820			4,820
14	620.3	MAINTENANCE-EQUIPMENT	212,422			212,422			212,422
15	620.3	MAINTENANCE-VEHICLES	16,601			16,601			16,601
16	610.3	WATER UTILITY EXPENSE	23,937			23,937			23,937
17		SLUDGE	72,670			72,670			72,670
18	615.3	POWER ELECTRIC	720,479	E-10	389,058	1,109,537			1,109,537
19	620.8	OPERATING SUPPLIES	15,149			15,149			15,149
20	618.3	CHEMICALS	699,500	E-3	(14,782)	684,718			684,718
21	616.3	GASOLINE	22,268			22,268			22,268
22	650.3	FUEL	52,586			52,586			52,586
23									
24		SUSQUEHANNA - OPERATING EXPENSES	1,900,921			2,275,198			2,275,198
25									
26	620.8	MINOR EQUIPMENT	14,937			14,937			14,937
27	650.3	VEHICLES	9,724			9,724			9,724
28		CAPITAL OUTLAY	-			-			-
29									
30		SUSQUEHANNA-CAPITAL EXPENSE	24,661			24,661			24,661
31									
32		TOTAL SUSQUEHANNA	3,301,055			3,649,558			3,806,369

CITY OF LANCASTER - WATER FUND

STATEMENT OF PRO FORMA OPERATING EXPENSES FOR THE TWELVE MONTHS ENDED MARCH 31, 2025 AND MARCH 31, 2027

Pursuant To Subsection 53.53 Exhibit D III (2) of Tariff Regulations

Line No.	Account	Account Title	Per Books, 12 Months Ended 31-Mar-25	Historic Test Year Pro Forma Adjustments Appen. B	Historic Test Year Pro Forma Adjustments Amount	Pro Forma, 31-Mar-25	Fully Projected Future Test Year Pro Forma Adjustments Appen. B	Fully Projected Future Test Year Pro Forma Adjustments Amount	Pro Forma, 31-Mar-27
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
33									
34		CONESTOGA TREATMENT PLANT							
35	601.3	SALARIED PERSONNEL	910,129	E-1	169,487	1,079,616	E-11	140,749	1,220,365
36	601.3	SALARY TEMPORARY	6,522			6,522			6,522
37	601.3	OVERTIME	56,391	E-2	5,881	62,272	E-12	3,792	66,064
38									
39		CONESTOGA - SALARY/BENEFITS	973,042			1,148,409			1,292,950
40									
41	620.3	MAINTENANCE -BUILDING	158,997			158,997			158,997
42	620.3	MAINTENANCE-EQUIPMENT	284,075			284,075			284,075
43	620.3	MAINTENANCE-VEHICLES	22,530			22,530			22,530
44	636.3	SLUDGE	61,505			61,505			61,505
45	615.3	POWER ELECTRIC	549,397	E-10	296,674	846,071			846,071
46	620.3	OPERATING SUPPLIES	17,981			17,981			17,981
47	618.3	CHEMICALS	521,372	E-3	(99,465)	421,907			421,907
48	616.3	GASOLINE	33,033			33,033			33,033
49	650.3	HEATING OIL	65,811			65,811			65,811
50									
51		CONESTOGA - OPERATING EXPENSES	1,714,701			1,911,910			1,911,910
52									
53	650.3	VEHICLES	8,429			8,429			8,429
54		CAPITAL OUTLAY	2,600			2,600			2,600
55									
56		CONESTOGA-CAPITAL EXPENSE	11,029			11,029			11,029
57									
58		TOTAL CONESTOGA	2,698,771			3,071,348			3,215,889
59									
60		LABORATORY							
61	601.3	SALARIED PERSONNEL	360,490	E-1	8,148	368,638	E-11	22,450	391,088
62	601.3	SALARY TEMPORARY	-	E-1	-	-			-
63	601.3	OVERTIME	-	E-2	4,325	4,325			4,325
64									
65		LABORATORY - SALARY/BENEFITS	360,490			372,963			395,413
66									
67	635.3	CONTRACT SERVICES	49,297			49,297			49,297
68	620.3	MAINTENANCE-EQUIPMENT	-			-			-
69	620.3	LABORATORY - SUPPLIES	60,859			60,859			60,859
70		VEHICLES	10,279			10,279			10,279
71									
72		LABORATORY - OPERATING EXPENSE	120,435			120,435			120,435
73									
74									
75		TOTAL LABORATORY	480,926			493,399			515,849

CITY OF LANCASTER - WATER FUND

STATEMENT OF PRO FORMA OPERATING EXPENSES FOR THE TWELVE MONTHS ENDED MARCH 31, 2025 AND MARCH 31, 2027

Pursuant To Subsection 53.53 Exhibit D III (2) of Tariff Regulations

Line No.	Account	Account Title	Per Books, 12 Months Ended 31-Mar-25	Historic Test Year Pro Forma Adjustments Appen. B	Historic Test Year Pro Forma Adjustments Amount	Pro Forma, 31-Mar-25	Fully Projected Future Test Year Pro Forma Adjustments Appen. B	Fully Projected Future Test Year Pro Forma Adjustments Amount	Pro Forma, 31-Mar-27
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
76									
77		TRANSMISSION/DISTRIBUTION							
78	601.5	SALARIED PERSONNEL	1,331,497	E-1	82,762	1,414,259	E-11	86,128	1,500,387
79	601.5	SALARY TEMPORARY	20,078	E-1	-	20,078	E-11	1,223	21,300
80	601.5	OVERTIME	75,687	E-2	(26,189)	49,497	E-12	3,014	52,512
81									
82		TRANS. & DISTR. - SALARY/BENEFITS	1,427,261			1,483,834			1,574,199
83									
84	620.5	MAINT. EQUIPMENT	7,205	E-8	(2,840)	4,365			4,365
85	620.5	MAINT. MAINS	130,895	E-8	18,360	149,255			149,255
86	620.5	MAINT. SERVICE LINES	120,994	E-8	(37,219)	83,775			83,775
87	650.5	MAINT. VEHICLES	113,678	E-8	(34,691)	78,986			78,986
88	636.5	PROFESSIONAL SERVICES	10,600	E-8	(5,658)	4,942			4,942
89	636.5	CONTRACT SERVICES	(197)	E-8	14,747	14,550			14,550
90	620.5	TRENCH PAVING	262,390	E-8	(16,717)	245,673			245,673
91	620.5	SIDEWALK - REPLACEMENT	-	E-8	-	-			-
92	620.5	STONE	104,545	E-8	(26,348)	78,197			78,197
93	620.5	SPOIL REMOVAL	8,702	E-8	515	9,216			9,216
94	620.5	OPERATING SUPPLIES	153,495	E-8	(39,205)	114,290			114,290
95	650.5	GASOLINE	74,121	E-8	(8,233)	65,888			65,888
96									
97		TRANS. & DISTR. - OPERATING EXPENSES	986,428			849,138			849,138
98									
99	620.5	MINOR EQUIPMENT	1,072			1,072			1,072
100	620.5	HYDRANTS	(16,139)			(16,139)			(16,139)
101	650.5	VEHICLES	-			-			-
102	650.5	VEHICLE LEASE	80,366			80,366			80,366
103		CAPITAL OUTLAY	10,542	E-8	68,915	79,457			79,457
104									
105		TRANS. & DISTR. - CAPITAL EXPENSE	75,841			144,755			144,755
106									
107		TOTAL TRANSMISSION & DISTRIBUTION	2,489,530			2,477,727			2,568,093
108									

CITY OF LANCASTER - WATER FUND

STATEMENT OF PRO FORMA OPERATING EXPENSES FOR THE TWELVE MONTHS ENDED MARCH 31, 2025 AND MARCH 31, 2027

Pursuant To Subsection 53.53 Exhibit D III (2) of Tariff Regulations

Line No.	Account	Account Title	Per Books, 12 Months Ended 31-Mar-25	Historic Test Year Pro Forma Adjustments Appen. B	Historic Test Year Pro Forma Adjustments Amount	Pro Forma, 31-Mar-25	Fully Projected Future Test Year Pro Forma Adjustments Appen. B	Fully Projected Future Test Year Pro Forma Adjustments Amount	Pro Forma, 31-Mar-27
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
109		METER SHOP							
110	601.5	SALARIED PERSONNEL	427,088	E-1	23,126	450,214	E-11	27,418	477,632
111	601.5	SALARIES - TEMPORARY		E-1	-	-			-
112	601.5	OVERTIME	960	E-2	935	1,895	E-12	115	2,010
113									
114		METER SHOP - SALARY/BENEFITS	428,048			452,109			479,643
115									
116	620.5	MAINT. METERS	(18,393)			(18,393)			(18,393)
117	620.5	MAINT. VEHICLES	5,678			5,678			5,678
118	650.5	GASOLINE	8,991			8,991			8,991
119									
120		METER SHOP - OPERATING EXPENSES	(3,725)			(3,725)			(3,725)
121									
122	620.5	METERS	42,965			42,965			42,965
123	650.5	VEHICLES	0			-			-
124	650.5	VEHICLES - LEASE PURCHASE	(150)			(150)			(150)
125									
126		METER SHOP - CAPITAL EXPENSE	42,815			42,815			42,815
127									
128		TOTAL METER SHOP	467,139			491,200			518,733
129									
130		ADMINISTRATION							
131	601.8	SALARY BUREAU CHIEF	211,540	E-1	9,658	221,198	E-11	13,471	234,669
132	601.8	SALARY PERSONNEL	590,710	E-1	-	590,710	E-11	35,974	626,684
133	601.8	OVERTIME	-	E-2	3	3			3
134	604.8	SICK LEAVE BONUS AND VESTED ABSENSES	59,281			59,281			59,281
135	604.8	OPEB ARC EXPENSE	416,904	E-9	83,096	500,000			500,000
136	604.8	OPEB GASB 75 EXPENSE	(1,395,444)	E-9	218,488	(1,176,957)			(1,176,957)
137	604.8	OPEB GASB 67 PENSION EXPENSE	(1,771,960)	E-9	1,087,738	(684,222)			(684,222)
138	604.8	EDUCATIONAL INCENTIVE	33,515			33,515			33,515
139	604.8	MEDICAL INSURANCE	2,578,345	E-5	133,035	2,711,380			2,711,380
140	604.8	DENTAL INSURANCE	41,493	E-5	12,007	53,500			53,500
141	604.8	PAYROLL TAXES	425,084	E-1	23,222	448,305	E-11	38,877	487,182
142	604.8	LIFE INSURANCE	13,861			13,861			13,861
143	604.8	PENSION CONTRIBUTION	466,551	E-9	5,468	472,019			472,019
144	604.8	UNEMPLOYMENT COMPENSATION	14,895			14,895			14,895
145	658.8	WORKERS COMP	101,031			101,031			101,031
146									
147		ADMINISTRATION - SALARY/BENEFITS	1,785,807			3,358,521			3,446,843

CITY OF LANCASTER - WATER FUND

STATEMENT OF PRO FORMA OPERATING EXPENSES FOR THE TWELVE MONTHS ENDED MARCH 31, 2025 AND MARCH 31, 2027

Pursuant To Subsection 53.53 Exhibit D III (2) of Tariff Regulations

Line No.	Account	Account Title	Per Books, 12 Months Ended 31-Mar-25	Historic Test Year Pro Forma Adjustments Appen. B	Historic Test Year Pro Forma Adjustments Amount	Pro Forma, 31-Mar-25	Fully Projected Future Test Year Pro Forma Adjustments Appen. B	Fully Projected Future Test Year Pro Forma Adjustments Amount	Pro Forma, 31-Mar-27
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
148									
149	642.8	SPACE RENTAL				-			-
150	642.8	PC LEASE	31,417			31,417			31,417
151	641.8	RENTAL OF PARKING LOT	7,799			7,799			7,799
152	642.8	RENTAL OF UNIFORMS	26,973			26,973			26,973
153	620.8	MAINTENANCE OF EQUIPMENT	9,545			9,545			9,545
154	660.8	ADVERTISING	-			-			-
155	620.8	POSTAGE	267,568			267,568			267,568
156	620.8	PRINTING	9,966			9,966			9,966
157	675.8	TELEPHONE	186,997			186,997			186,997
158	675.8	TRAVEL	3,560			3,560			3,560
159	675.8	MISC. EXPENSES	8,631			8,631			8,631
160	631.8	PROFESSIONAL SERVICES	403,299		-	403,299			403,299
161	631.8	RATE CASE EXPENSE	-	E-6	179,333	179,333			179,333
162	675.8	BANK SERVICE CHARGES	29,734			29,734			29,734
163	675.8	CREDIT CARD FEES	37,216			37,216			37,216
164	636.8	CONTRACT SERVICES	41,006		-	41,006			41,006
165	675.8	TRAINING - SCHOOL	38,444			38,444			38,444
166	620.8	OFFICE SUPPLIES	2,345			2,345			2,345
167	657, 659	INSURANCE PACKAGE	268,861			268,861			268,861
168									
169		ADMINISTRATION - OPERATING EXPENSES	1,373,361			1,552,694			1,552,694
170									
171	620.8	MINOR EQUIPMENT	9,447			9,447			9,447
172	620.8	SAFETY EQUIPMENT	6,024			6,024			6,024
173	620.8	COMPUTER APPLICATIONS	25,778			25,778			25,778
174									
175		ADMINISTRATION-CAPITAL EXPENSE	41,249			41,249			41,249
176									
177		ADMIN. INDIRECT COSTS	1,121,485			1,121,485			1,121,485
178		REVENUE TRANSFER TO THE CITY	2,500,000	E-4	(2,500,000)	-			-
179	636.8	PAYING AGENT	1,664			1,664			1,664
180		BOND ISSUANCE COST	242,204	E-4	(242,204)	-			-
181		DEFERRED LOSS REFINANCING	361,948	E-4	(361,948)	-			-
182		BOND INTEREST PAYMENT	6,845,922	E-4	(6,845,922)	-			-
183		BOND PRINCIPAL EXPENSE	62	E-4	(62)	-			-
184									
185		ADMINISTRATION - INTERGOVERNMENTAL	11,073,285			1,123,149			1,123,149
186									
187		TOTAL ADMINISTRATION	14,273,701			6,075,613			6,163,935

CITY OF LANCASTER - WATER FUND

STATEMENT OF PRO FORMA OPERATING EXPENSES FOR THE TWELVE MONTHS ENDED MARCH 31, 2025 AND MARCH 31, 2027

Pursuant To Subsection 53.53 Exhibit D III (2) of Tariff Regulations

Line No.	Account	Account Title	Per Books, 12 Months Ended 31-Mar-25	Historic Test Year Pro Forma Adjustments Appen. B	Historic Test Year Pro Forma Adjustments Amount	Pro Forma, 31-Mar-25	Fully Projected Future Test Year Pro Forma Adjustments Appen. B	Fully Projected Future Test Year Pro Forma Adjustments Amount	Pro Forma, 31-Mar-27
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
188									
189		GROUNDS MAINTENANCE							
190	601.8	SALARY BUREAU CHIEF	-			-			-
191	601.8	SALARIED PERSONNEL	198,456	E-1	50,817	249,273	E-11	16,796	266,068
192	601.8	SALARY TEMPORARY	26,518			26,518			26,518
193	601.8	OVERTIME	3,811	E-2	372	4,183	E-12	255	4,438
194									
195		GROUNDS MAINT. - SALARY/BENEFITS	228,785			279,974			297,024
196									
197	642.8	RENTALS OF UNIFORMS	90			90			90
198	620.8	MAINTENANCE -BUILDING	6,889			6,889			6,889
199	620.8	MAINT. EQUIPMENT	2			2			2
200	650.8	MAINT. VEHICLES	6,395			6,395			6,395
201	620.8	OPERATING SUPPLIES	97			97			97
202	620.8	GASOLINE	5,757			5,757			5,757
203									
204		GROUNDS MAINT. - OPERATING EXPENSES	19,229			19,229			19,229
205									
206	620.8	MINOR EQUIPMENT	-			-			-
207	620.8	VEHICLE LEASE PURCHASE	3,384			3,384			3,384
208									
209		GROUNDS MAINT. - CAPITAL EXPENSE	3,384			3,384			3,384
210									
211		TOTAL GROUNDS MAINTENANCE	251,398			302,586			319,637
212									
213									
214		TOTAL OPERATING AND MAINTENANCE	$ 23,962,520		$ (7,401,090)	$ 16,561,430		$ 547,074	$ 17,108,504

CITY OF LANCASTER - WATER FUND

ORIGINAL COST MEASURE OF VALUE

	As of 31-Mar-25	As of 31-Mar-26	As of 31-Mar-27
Original Cost of Utility Plant in Service	$ 327,139,990	$ 334,060,708	$ 386,941,038
Less: Accumulated Depreciation	104,123,908	108,787,115	112,065,658
Subtotal	$ 223,016,082	$ 225,273,593	$ 274,875,380
Deduct:			
Customers Advances for Construction	544,557	544,557	544,557
Less: Accrued Depreciation	256,704	262,204	267,704
Subtotal	287,853	282,353	276,853
Contributions in Aid of Construction	14,390,926	14,390,926	14,390,926
Less: Accrued Depreciation	3,224,268	3,392,019	3,558,786
Subtotal	11,166,658	10,998,907	10,832,140
Net Utility Plant	211,561,571	213,992,333	263,766,388
Add:			
Materials and Supplies	$ -	$ 342,144	$ 300,000
Cash Working Capital	$ 2,138,563	$ 2,138,563	$ 2,138,563
Total Original Cost Measure of Value	$ 213,700,134	$ 216,473,040	$ 266,204,951

CITY OF LANCASTER - WATER FUND
HISTORIC TEST YEAR

PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation	HTY Adjustment Increase (Decrease)

R1 To annualize Inside-City Operating Revenues for the net gain or loss in the number of customers during the twelve months ended 3/31/2025 under present rates.

Customer Classification	Number of Customers 31-Mar-24	31-Mar-25	Customer Gain/(Loss)	Annual Bill, Present Rates	HTY Annualized Revenue Adjustment (Half Year)	
(1)	(2)	(3)	(4)	(5)	(6)	
Residential	14,960	14,960	-	$ 430.26	$ -	$ -
Commercial	1,872	1,864	(8)	2,558.70	$ (10,235)	(10,235)
Industrial	41	41	-	8,562.48	-	-
Total	16,873	16,865	(8)		(10,235)	

R2 To annualize Outside-City Operating Revenues for the net gain or loss in the number of customers during the twelve months ended 3/31/2025 under present rates.

Customer Classification	Number of Customers 31-Mar-24	31-Mar-25	Average Customer Gain/(Loss)	Average Annual Bill, Present Rates	Annualized Revenue Adjustment (Half Year)	
(1)	(2)	(3)	(4)	(5)	(6)	
Residential	29,659	29,663	4	$ 356.35	$ 713	$ 713
Commercial	1,893	1,892	(1)	4,341.40	(2,171)	(2,171)
Industrial	69	69	-	20,762.69	-	-
Total	31,621	31,624	3		(1,458)	

CITY OF LANCASTER - WATER FUND
HISTORIC TEST YEAR

PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation	HTY Adjustment Increase (Decrease)
R3	To impute Inside-City and Outside-City operating revenues for City-owned properties, not recorded by the City under present rates.	

Customer Classification	Number of Bills	Usage, 1,000 Gals.	Present Rates	Revenue	
INSIDE-CITY - Commercial					
5/8" Monthly	295		$ 9.10	$ 2,685	
3/4" Monthly	22		$ 9.10	200	
1" Monthly	44		$ 24.18	1,064	
1-1/2" Monthly	12		$ 37.96	456	
2" Monthly	39		$ 59.28	2,312	
3" Monthly	112		$ 117.26	13,133	
4" Monthly	11		$ 183.04	2,013	
6" Monthly	33		$ 364.00	12,012	
Consumption					
First Block		4,692	6.8400	32,093	
Second Block		890	5.7000	5,073	
Subtotal	568	5,582		71,041	$ 71,041
INSIDE-CITY - Fire					
4" Monthly	24		32.14	771	
6" Monthly	12		52.30	628	
8" Monthly	12		90.46	1,086	
Subtotal	48	-		2,485	2,485
Total	616	5,582		73,526	
OUTSIDE-CITY - Commercial					
2" Monthly	22		51.90	1,142	
Consumption					
First Block		70	4.796	336	
Second Block		-	3.949	-	
Subtotal	22	70		1,478	1,478
OUTSIDE-CITY - Fire					
12" Monthly	12		231.01	2,772	2,772
	34	70		4,250	
Total Historic Test Year, Pro Forma Operating Revenue Adjustments Under Present Rates					$ 66,083

CITY OF LANCASTER WATER FUND
FULLY PROJECTED FUTURE TEST YEAR

PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation	FPFTY Adjustment Increase (Decrease)

R4 To adjust Inside-City Operating Revenues for the projected gain in the number of customers through March 31, 2027

Customer Classification	Gain in Number of Customers, 12 Months Ended 31-Mar-24	31-Mar-25	Annual Average Gain/Loss in Customers	FPFTY Gain/Loss in Customers	Average Annual Bill, Present Rates	FPFTY Revenue Adjustment		
Residential	2	-	1.0	2.0	$ 430.26	$ 861	$	861
Commercial	(2)	(8)	(5.0)	(10.0)	2,558.70	(25,587)		(25,587)
Industrial	2	-	1.0	2.0	8,562.48	17,125		17,125
Total	2	(8)	(3.0)	(6.0)		(7,601)		

R5 To adjust Outside-City Operating Revenues for the projected gain in the number of customers through March 31, 2027

Customer Classification	Gain in Number of Customers, 12 Months Ended 31-Mar-24	31-Mar-25	Annual Average Gain/Loss in Customers	FPFTY Gain/Loss in Customers	Average Annual Bill, Present Rates	FPFTY Revenue Adjustment		
Residential	117	4	60.5	121.0	$ 356.35	$ 43,118	$	43,118
Commercial	10	(1)	4.5	9.0	4,341.40	39,073		39,073
Industrial	-	-	-	-	20,762.69	-		-
Total	127	3	65.0	130.0		82,191		

CITY OF LANCASTER WATER FUND
FULLY PROJECTED FUTURE TEST YEAR

PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation	FPFTY Adjustment Increase (Decrease)
R6	To adjust Inside-City Operating Revenues for projected gain in the number of private fire lines.	

INSIDE-CITY - Private Fire Protection:

Size	Number of Units, 31-Mar-24	Number of Units, 31-Mar-25	Change in Units	FPFTY Change in Units	Present Rates	FPFTY Revenue Adjustment
Monthly						
1-inch	2.0	2.0	-	-	$ 2.46	$ -
2-inch	1.0	1.0	-	-	9.80	$ -
3-inch	2.0	2.0	-	-	22.06	$ -
4-Inch	93.0	93.0	-	-	32.14	-
6-Inch	182.0	182.0	-	-	52.30	-
8-Inch	71.0	71.0	-	-	90.46	-
10-Inch	7.0	7.0	-	-	121.40	-
12-Inch	1.0	1.0	-	-	252.63	-
Total	356.0	356.0	0.0	0.0		$ -

$ -

CITY OF LANCASTER WATER FUND
FULLY PROJECTED FUTURE TEST YEAR

PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation	FPFTY Adjustment Increase (Decrease)

To adjust Outside-City Operating Revenues for projected gain in the number of private fire lines.

R7	OUTSIDE-CITY	Change in Number of Units, 31-Mar-24	31-Mar-25	Change in Units	FPFTY Change in Units	Present Rates	FPFTY Revenue Adjustment
	Size						
	Monthly						
	2-inch	1	1	-	-	$ 12.92	-
	4-Inch	37.0	37.0	-	-	42.34	-
	6-Inch	251.0	251.0	-	-	68.90	-
	8-Inch	125.0	125.0	-	-	119.15	-
	10-Inch	15.0	15.0	-	-	159.91	-
	12-Inch	3.0	3.0	-	-	231.01	-
	Total	431.0	431.0	0.0	0.0		0

Total Future Test Year, Pro Forma Operating Revenue Adjustments Under Present Rates	$ 74,589

CITY OF LANCASTER - WATER FUND
HISTORIC TEST YEAR

PRO FORMA OPERATING EXPENSE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation	HTY Adjustment Increase (Decrease)
E-1	To adjust actual test year salaries and wages and Social Security expense to reflect pro forma labor expense at wage rates effective January 1, 2025, and the total number of employees.	

Account	Test Year	Pro Forma 2025	Increase (Decrease)	
Susquehanna Treatment Plant	$ 1,179,928	$ 1,148,485	$ (31,443)	$ (31,443)
Conestoga Treatment Plant	910,129	1,079,616	169,487	169,487
Laboratory	360,490	368,638	8,148	8,148
Laboratory - Temporary	-	-	-	-
Transmission/Distribution	1,331,497	1,414,259	82,762	82,762
Transmission/Distribution - Temporary	20,078	20,078	-	-
Meter Shop	427,088	450,214	23,126	23,126
Meter Shop - Temporary	-	-	-	-
Admin - Salary Bureau Chief	211,540	221,198	9,658	9,658
Admin - Personnel	590,710	590,710	-	-
Grounds Maintenance	224,974	275,791	50,817	50,817
Total	$ 5,256,433	$ 5,568,988	$ 312,555	
Payroll Tax Adjustment	$ 425,084	$ 426,028	$ 23,910	$ 23,910

E-2 To adjust actual test year overtime expense to adjust overtime expense to the average overtime for three years and adjusted for the wage increase as of 1/1/2025.

Account	Test Year	Pro Forma 3-Yr Avg	Increase (Decrease)	
Susquehanna Treatment Plant	$ 189,215	$ 194,884	$ 5,669	$ 5,669
Conestoga Treatment Plant	56,391	62,272	5,881	5,881
Transmission/Distribution	75,687	49,497	(26,189)	(26,189)
Laboratory	-	4,325	4,325	4,325
Administration	-	3	3	3
Grounds Maintenance	3,811	4,183	372	372
Meter Shop	960	1,895	935	935
Total	$ 326,065	$ 317,060	$ (9,004)	
Payroll Tax Adjustment	$ 24,944	$ 24,255	$ (689)	$ (689)

CITY OF LANCASTER - WATER FUND
HISTORIC TEST YEAR

PRO FORMA OPERATING EXPENSE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation	HTY Adjustment Increase (Decrease)
E-3	To adjust chemical expense to reflect the projected annual usage of chemicals at the treatment plants and current unit prices.	

Susquehanna Water Treatment Plant

Chemical	Projected Annual Quantity	Units	2025 Unit Cost	Pro Forma Cost
Cl - 15% Sodium Hypochlorite - Bulk	125,490	gals	1.7449	218,968
Fluoride (23.8% acid)	124,494	lbs.	0.2600	32,368
Soda, caustic, 25%	106,875	gals	1.1651	124,520
Sodium Bisulfite, 38%	2,991	gals	4.0200	12,024
Sulfuric Acid, 93%	38,995	gals	2.6500	103,336
DelPac 20/20 - polyaluminum chloride	48,360	gals	2.9636	143,320
Citric acid	2,853	gals	8.1700	23,309
Orthophosphate	27,705	lbs.	0.9700	26,874
Total Proforma Chemical Expense				$ 684,718
Less: Test Year Chemical Expense				699,500
Adjustment to Susquehanna Treatment Plant Expense				$ (14,782)

$ (14,782)

Conestoga Water Treatment Plant

Chemical	Projected Annual Quantity	Units	2025 Unit Cost	Pro Forma Cost
Cl - 15% Sodium Hypochlorite - Bulk	60,680	gals	1.7449	105,881
Fluoride (23.8% acid)	55,441	lbs.	0.2600	14,415
Soda, caustic, 25%	11,965	gals	1.1651	13,940
Sodium Bisulfite, 38%	2,474	gals	4.0200	9,945
Sulfuric Acid, 93%	21,455	gals	2.6500	56,856
DelPac 20/20 - polyaluminum chloride	61,437	gals	2.9636	182,075
Citric acid	3,152	gals	8.1700	25,752
Orthophosphate	13,447	lbs.	0.9700	13,044
Total Proforma Chemical Expense				$ 421,907
Less: Test Year Chemical Expense				521,372
Adjustment to Conestoga Treatment Plant Expense				$ (99,465)

$ (99,465)

CITY OF LANCASTER - WATER FUND
HISTORIC TEST YEAR

PRO FORMA OPERATING EXPENSE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation	HTY Adjustment Increase (Decrease)
E-4	To eliminate the following test year expenses for ratemaking purposes.	

Description	Test Year Amount	
Revenue Transfer to the City	2,500,000	$ (2,500,000)
Bond Interest Payment	6,845,984	(6,845,984)
Bond Issuance Cost	242,204	(242,204)
Deferred Loss Refinancing	361,948	(361,948)
	9,950,136	

E-5 To Adjust Medical Insurance Expense to reflect the Pro Forma Expense

	Pro Forma Amount	
Medical Insurance Expense	$ 2,711,380	
Less: Medical Insurance Expense Per Books	2,578,345	
Adjustment		$ 133,035

	Pro Forma Amount	
Dental Insurance Expense Pro Forma	$ 53,500	
Less: Dental Insurance Expense Per Books	41,493	
Adjustment		$ 12,007

CITY OF LANCASTER - WATER FUND
HISTORIC TEST YEAR

PRO FORMA OPERATING EXPENSE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation			HTY Adjustment Increase (Decrease)
E-6	To normalize operating expenses for the estimated cost of this rate case over three years.			
	Revenue Requirement, Rate Base, Depreciation, Rate of Return, Rate Design and Application	253,000		
	Legal Fees	275,000		
	Customer Notice and Postage	10,000		
	Total Additional Costs	$ 538,000		
	Normalized Amount (Divided by 3 years)		179,333	
	Less: Test Year Rate Case Expense		-	
	Adjustment			$ 179,333
E-7	To adjust depreciation expense as of March 31, 2025			
	Annual Depreciation Expense as of March 31, 2025 - Exhibit No. JJS-1	$ 5,045,107		
	Less: Depreciation Expense as of March 31, 2025	7,240,494		
	Adjustment			$ (2,195,387)
E-8	To adjust Transmission and Distribution Operating Costs to three year average.			

	Per Books 31-Mar-25	Three Year Average Expense	Adjustment		
T&D MAINT. EQUIPMENT	$ 7,205	$ 4,365	$ (2,840)		$ (2,840)
T&D MAINT. MAINS	130,895	149,255	18,360		18,360
T&D MAINT. SERVICE LINES	120,994	83,775	(37,219)		(37,219)
T&D MAINT. VEHICLES	113,678	78,986	(34,691)		(34,691)
T&D PROFESSIONAL SERVICES	10,600	4,942	(5,658)		(5,658)
T&D CONTRACT SERVICES	(197)	14,550	14,747		14,747
T&D TRENCH PAVING	262,390	245,673	(16,717)		(16,717)
T&D SIDEWALK - REPLACEMENT	-	-	-		-
T&D STONE	104,545	78,197	(26,348)		(26,348)
T&D SOIL REMOVAL	8,702	9,216	515		515
T&D OPERATING SUPPLIES	153,495	114,290	(39,205)		(39,205)
T&D GASOLINE	74,121	65,888	(8,233)		(8,233)
T&D CAPITAL OUTLAY - T&D	10,542	79,457	68,915		68,915
	$ 996,970	$ 928,595	$ (68,376)		

E-9	To Adjust OPEB GASB 75 and Pension Expense for a one-time credit.			
		Pro Forma Amount		
	Pension Expense	$ 472,019		
	Less: Expense Per Books		466,551	
	Adjustment			$ 5,468
	OPEB GASB 67 Pension Expense (3yr Average)	(684,222)		
	Less: Expense Per Books		(1,771,960)	
	Adjustment			$ 1,087,738
	OPEB GASB 75 Expense (Actuarial Stmt)	(1,176,957)		
	Less: Expense Per Books		(1,395,444)	
	Adjustment			218,488

CITY OF LANCASTER - WATER FUND
HISTORIC TEST YEAR

PRO FORMA OPERATING EXPENSE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation			HTY Adjustment Increase (Decrease)
	OPEB Arc Expense	500,000		
	Less: Expense Per Books		416,904	
	Adjustment			83,096
E-10	To Adjust Power Expense for City's new contracted electricity rates.			
	Power Electric - Susquehanna	1,109,537		
	Less: Expense Per Books		720,479	
	Adjustment			389,058
	Power Electric - Conestoga	846,071		
	Less: Expense Per Books		549,397	
	Adjustment			296,674
	Total Historic Test Year Adjustments			$ (9,596,477)

CITY OF LANCASTER - WATER FUND
FULLY PROJECTED FUTURE TEST YEAR

PRO FORMA OPERATING EXPENSE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation	FPFTY Adjustment Increase (Decrease)

E-11 To adjust pro forma salaries and wages and Social Security expense to reflect pro forma labor expense at wage rates effective January 1, 2027, and the total number of employees.

Account	Pro Forma 2025 (E-1)	Pro Forma 1/1/2026		Pro Forma 1/1/2027		Increase (Decrease)	FPFTY Adjustment Increase (Decrease)
Susquehanna Treatment Plant	$ 1,148,485	$ 1,182,940		$ 1,293,428	*	$ 144,943	$ 144,943
Conestoga Treatment Plant	1,079,616	1,112,004		1,220,365	*	140,749	140,749
Laboratory	368,638	379,697		391,088		22,450	22,450
Laboratory - Temporary							
Transmission/Distribution	1,414,259	1,456,687		1,500,387		86,128	86,128
Transmission/Distribution - Temporary	20,078	20,680		21,300		1,223	1,223
Meter Shop	450,214	463,720		477,632	*	27,418	27,418
Meter Shop - Temporary	-	-		-		-	-
Admin - Salary Bureau Chief	221,198	227,834		234,669		13,471	13,471
Admin - Personnel	590,710	608,431	*	626,684		35,974	35,974
Grounds Maintenance	275,791	284,065		292,587		16,796	16,796
Total	$ 5,568,988	$ 5,736,058		$ 6,058,140		$ 489,151	
Payroll Tax adjustment	426,028	$ 438,808		$ 463,448		$ 37,420	$ 37,420

*Labor increases reflect a new Chief Operator position at each treatment plant, and two new Plumping Technician positions in the Meter Shop in the FPFTY.

E-12 To adjust actual test year overtime expense to reflect overtime expense at wage rates effective January 1, 2026 and 2027, and the three year average of overtime hours.

Account	Proforma HTY (E-2)	Pro Forma as of 1/1/2026	Pro Forma as of 1/1/2027	Increase (Decrease)	FPFTY Adjustment Increase (Decrease)
Susquehanna Treatment Plant	$ 194,884	$ 200,731	$ 206,753	$ 11,868	$ 11,868
Conestoga Treatment Plant	62,272	64,140	66,064	3,792	3,792
Transmission/Distribution	49,497	50,982	52,512	3,014	3,014
Grounds Maintenance	4,183	4,308	4,438	255	255
Meter Shop	1,895	1,952	2,010	115	115
Total	$ 312,731	$ 322,113	$ 331,777	$ 19,045	
Payroll Tax Adjustment	$ 23,924	$ 24,642	$ 25,381	$ 1,457	1,457

CITY OF LANCASTER - WATER FUND
FULLY PROJECTED FUTURE TEST YEAR

PRO FORMA OPERATING EXPENSE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation		FPFTY Adjustment Increase (Decrease)
E-13	To adjust depreciation expense as of December 31, 2026		
	Annual Depreciation Expense as of March 31, 2027 - Exhibit No. JJS-3	$ 6,006,991	
	Less: Depreciation Expense as of December 31, 2020	5,045,107	
	Adjustment		$ 961,884
	Total Fully Projected Future Test Year Adjustments		$ 1,508,958

CITY OF LANCASTER - BUREAU OF WATER

SUMMARY OF APPLICATION OF PRESENT AND PROPOSED RATES TO CONSUMPTION ANALYSIS AS OF 3/31/2025
AND PRO FORMA REVENUES UNDER PROPOSED RATES AS OF 3/31/2027

Customer Classification	Revenues Per Books, 31-Mar-25	Application of Present Rates to Bill Analysis	Adjustment Factor	Application of Proposed Rates to Bill Analysis	Adjusted Revenues at Proposed Rates	Historic Test Year Pro Forma Adjustments Under Proposed Rates*		Pro Forma, Proposed Rates, 31-Mar-25	Future Test Year Pro Forma Adjustments Under Proposed Rates*		Pro Forma, Proposed Rates 31-Mar-27
						Ref.	Amount		Ref.	Amount	
(1)	(2)	(3)	(4)=(2)/(3)	(5)	(6)=(5)X(4)	(7)	(8)	(9)	(10)	(11)	(12)
INSIDE-CITY											
Residential	$ 6,081,671	$ 6,062,335	1.003190	$ 6,062,335	$ 6,081,671	R8	$ -	$ 6,081,671	R11	$ 861	$ 6,082,532
Commercial	4,639,344	4,624,594	1.003190	4,624,594	4,639,344	R8,R10	60,806	4,700,150	R11	(25,587)	4,674,563
Industrial	357,193	356,057	1.003191	356,057	357,193			357,193	R11	17,125	374,318
Private Fire	241,941	241,172	1.003188	241,172	241,941	R10	2,485	244,426	R13	-	244,426
Total Inside	11,320,149	11,284,158		11,284,158	11,320,149		63,291	11,383,440		(7,601)	11,375,839
OUTSIDE-CITY											
Residential	$ 10,684,388	$ 10,650,419	1.003189	$ 14,112,635	$ 14,157,647	R9,R10	$ 936	$ 14,158,583	R12	$ 56,657	$ 14,215,240
Commercial	8,319,887	8,293,434	1.003190	10,734,540	10,768,779	R9,R10	(670)	10,768,109	R12	49,710	10,817,819
Industrial	1,531,162	1,526,294	1.003190	1,992,963	1,999,320	R9	-	1,999,320	R12	-	1,999,320
Large Industrial	1,000,202	997,022	1.003190	1,278,726	1,282,805			1,282,805			1,282,805
Other Water Utilities	543,555	541,826	1.003190	696,281	698,502			698,502			698,502
Private Fire	443,910	442,500	1.003187	531,000	532,692	R10	3,327	536,019	R14	-	536,019
Total Outside	22,523,104	22,451,494		29,346,146	29,439,746	-	3,592	29,443,338		106,367	29,549,705
Total Sale of Water	$ 33,843,253	$ 33,735,652		$ 40,630,303	$ 40,759,895	$ -	$ 66,884	$ 40,826,779		$ 98,765	$ 40,925,544

CITY OF LANCASTER - WATER FUND
HISTORIC TEST YEAR

PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PROPOSED RATES

Adj. Ref.	Explanation	HTY Adjustment Increase (Decrease)

R8 To annualize Inside-City Operating Revenues for the net gain or loss in the number of customers during the twelve months ended 3/31/2025, under proposed rates.

	Number of Customers		Customer	Average Annual Bill, Proposed	Annualized Revenue Adjustment	
	31-Mar-24	31-Mar-25	Gain/(Loss)	Rates	(Half Year)	
	(2)	(3)	(4)	(5)	(6)	
Residential	14,960	14,960	-	$ 430.26	$ -	$ -
Commercial	1,872	1,864	(8)	2,558.70	(10,235)	(10,235)
Industrial	41	41	-	8,562.48	-	-
						-
Total	16,873	16,865	(8)		(10,235)	

R9 To annualize Outside-City Operating Revenues for the net gain or loss in the number of customers during the twelve months ended 12/31/2024, under proposed rates.

Customer	Number of Customers		Customer	Average Annual Bill, Proposed	Annualized Revenue Adjustment	
Classification	31-Mar-24	31-Mar-25	Gain/(Loss)	Rates	(Half Year)	
(1)	(2)	(3)	(4)	(5)	(6)	
Residential	29,659	29,663	4	$ 468.24	$ 936	$ 936
Commercial	1,893	1,892	(1)	5,523.34	(2,762)	(2,762)
Industrial	69	69	-	25,692.55	-	-
Total	31,621	31,624	3		(1,826)	

CITY OF LANCASTER - WATER FUND
HISTORIC TEST YEAR

PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PROPOSED RATES

Adj. Ref.	Explanation	HTY Adjustment Increase (Decrease)
R10	To impute Inside-City and Outside-City operating revenues for City-owned properties not recorded by the City under proposed rates.	

Customer Classification	Number of Bills	Usage, 1,000 Gals.	Proposed Rates	Revenue	
INSIDE-CITY - Commercial					
5/8" Monthly	295		$ 9.10	$ 2,685	
3/4" Monthly	22		$ 9.10	200	
1" Monthly	44		$ 24.18	1,064	
1-1/2" Monthly	12		$ 37.96	456	
2" Monthly	39		$ 59.28	2,312	
3" Monthly	112		$ 117.26	13,133	
4" Monthly	11		$ 183.04	2,013	
6" Monthly	33		$ 364.00	12,012	
Consumption					
First Block		4,692	6.8400	32,093	
Second Block		890	5.7000	5,073	
Subtotal	568	5,582		71,041	$ 71,041
INSIDE-CITY - Fire					
4" Monthly	24		32.14	771	
6" Monthly	12		52.30	628	
8" Monthly	12		90.46	1,086	2,485
				2,485	
Total	1,184	5,582		73,526	
OUTSIDE-CITY - Commercial					
2" Monthly	22		75.86	1,669	
Consumption					
First Block		70	6.0430	423	
Second Block		-	4.8503	0	
Subtotal	22	70		2,092	2,092
OUTSIDE-CITY - Fire					
12" Monthly	12		277.21	3,327	3,327
Total	34	70		5,418	
Total Historic Test Year, Pro Forma Operating Revenue Adjustments Under Proposed Rates					$ 66,884

CITY OF LANCASTER WATER FUND
FULLY PROJECTED FUTURE TEST YEAR

PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PROPOSED RATES

Adj. Ref.	Explanation	FPFTY Adjustment Increase (Decrease)

R11 To adjust Inside-City Operating Revenues for the projected gain in the number of customers through March 31, 2027

Customer Classification	Gain in Number of Customers, 12 Months Ended 31-Mar-24	31-Mar-25	Annual Average Gain in Customers	FPFTY Gain/Loss in Customers	Average Annual Bill, Proposed Rates	FPFTY Revenue Adjustment	
Residential	2	-	1.0	2.0	$ 430.26	$ 861	$ 861
Commercial	(2)	(8)	(5.0)	(10.0)	2,558.70	(25,587)	(25,587)
Industrial	2	-	1.0	2.0	8,562.48	17,125	17,125
Public		-	-		-	-	-
Total	2	(8)	(3.0)	(6.0)		(7,601)	

R12 To adjust Outside-City Operating Revenues for the projected gain in the number of customers through March 31, 2027

Customer Classification	Gain in Number of Customers, 12 Months Ended 31-Mar-24	31-Mar-25	Annual Average Gain in Customers	FPFTY Gain/Loss in Customers	Average Annual Bill, Proposed Rates	Annualized Revenue Adjustment	
Residential	117	4	60.5	121.0	$ 468.24	$ 56,657	$ 56,657
Commercial	10	(1)	4.5	9.0	5,523.34	49,710	49,710
Industrial	-	-	-	-	25,692.55	-	-
Total	127	3	65.0	130.0		106,367	

CITY OF LANCASTER WATER FUND
FULLY PROJECTED FUTURE TEST YEAR

PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PROPOSED RATES

Adj. Ref.	Explanation	FPFTY Adjustment Increase (Decrease)
R13	To adjust Inside-City Operating Revenues for projected gain in the number of private fire lines under proposed rates.	

INSIDE-CITY - Private Fire Protection:

Size	Number of Units, 31-Mar-24	Number of Units, 31-Mar-25	Change in Units	FPFTY Gain/Loss in Customers	Proposed Rates	Revenue
Monthly						
1-inch	2.0	2.0	-	-	$ 2.46	$ -
2-inch	1.0	1.0	-	-	9.80	-
3-inch	2.0	2.0	-	-	22.06	-
4-Inch	93.0	93.0	-	-	32.14	-
6-Inch	182.0	182.0	-	-	52.30	-
8-Inch	71.0	71.0	-	-	90.46	-
10-Inch	7.0	7.0	-	-	121.40	-
12-Inch	1.0	1.0	-	-	252.63	-
Total	359.0	359.0	0.0	0.0		$ -

$ -

CITY OF LANCASTER WATER FUND
FULLY PROJECTED FUTURE TEST YEAR

PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PROPOSED RATES

Adj. Ref.	Explanation	FPFTY Adjustment Increase (Decrease)

R14 To adjust Outside-City Operating Revenues for projected gain in the number of private fire lines, under proposed rates.

OUTSIDE-CITY	Number of Units, 31-Mar-24	Number of Units, 31-Mar-25	Change in Units	FPFTY Gain/Loss in Customers	Proposed Rates	Revenue
Size						
Monthly						
2-inch	1.0	1.0	-	-	$ 15.50	$ -
4-Inch	37.0	37.0	-	-	50.81	-
6-Inch	251.0	251.0	-	-	82.68	-
8-Inch	125.0	125.0	-	-	142.98	-
10-Inch	15.0	15.0	-	-	191.89	-
12-Inch	3.0	3.0	-	-	277.21	-
Total	432.0	432.0	0.0	0.0		$ -

Total Future Test Year, Pro Forma Operating Revenue Adjustments Under Proposed Rates	$ 98,765

CITY OF LANCASTER - BUREAU OF WATER
INSIDE THE CITY

APPLICATION OF PRESENT RATES AND PROPOSED RATES TO CONSUMPTION ANALYSIS
YEAR ENDED MARCH 31, 2025

Rate Block 1000 Gallons	Number Of Bills	Present Consumption	Present Rate	Revenue	Proposed Consumption	Proposed Rate	Proposed Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			Residential - Monthly				
Service Charge							
5/8"	154,902	-	$ 9.10	$ 1,409,608	-	$ 9.10	$ 1,409,608
3/4"	11,382	-	9.10	103,576	-	9.10	103,576
1"	1,823	-	24.18	44,080	-	24.18	44,080
1 1/2"	178	-	37.96	6,757	-	37.96	6,757
2"	66	-	59.28	3,912	-	59.28	3,912
3"			117.26	-		117.26	-
4"			183.04	-		183.04	-
6"	-		364.00	-		364.00	-
Total - Service Charge	168,351	-		1,567,934	-		1,567,934
First 25	-	649,862	$ 6.8400	$ 4,445,056	649,862	$ 6.8400	$ 4,445,056
Next 575	-	8,657	5.7000	49,345	8,657	5.7000	49,345
Over 600	-	-	4.5000	-	-	4.5000	-
	-	658,519		4,494,401	658,519		4,494,401
Total Residential	168,351	658,519		$ 6,062,335	658,519		$ 6,062,335
			Commercial - Monthly				
Service Charge							
5/8"	8,226	-	$ 9.10	$ 74,857	-	$ 9.10	$ 74,857
3/4"	4,500	-	9.10	40,950	-	9.10	40,950
1"	3,397	-	24.18	82,139	-	24.18	82,139
1 1/2"	1,736	-	37.96	65,899	-	37.96	65,899
2"	2,798	-	59.28	165,865	-	59.28	165,865
3"	270	-	117.26	31,660	-	117.26	31,660
4"	566	-	183.04	103,601	-	183.04	103,601
6"	193	-	364.00	70,252	-	364.00	70,252
8"	102	-	576.42	58,795	-	576.42	58,795
10"	47	-	762.58	35,841	-	762.58	35,841
Total - Service Charge	21,835	-		$ 729,859	-		$ 729,859
First 25	-	204,885	$ 6.8400	$ 1,401,413	204,885	$ 6.8400	$ 1,401,413
Next 575	-	323,214	5.7000	1,842,320	323,214	5.7000	1,842,320
Over 600	-	144,667	4.5000	651,002	144,667	4.5000	651,002
	-	672,766		3,894,735	672,766		3,894,735
Total Commercial	21,835	672,766		4,624,594	672,766		4,624,594

CITY OF LANCASTER - BUREAU OF WATER
INSIDE THE CITY

APPLICATION OF PRESENT RATES AND PROPOSED RATES TO CONSUMPTION ANALYSIS
YEAR ENDED MARCH 31, 2025

Rate Block 1000 Gallons	Number Of Bills	Present Consumption	Present Rate	Revenue	Proposed Consumption	Proposed Rate	Proposed Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			Industrial - Monthly				
Service Charge							
5/8"	44	-	$ 9.10	$ 400.40	-	$ 9.10	$ 400.40
3/4"	53		9.10	$ 482.30		9.10	482
1"	11	-	24.18	266	-	24.18	266
1 1/2"	79	-	37.96	2,999	-	37.96	2,999
2"	190	-	59.28	11,263	-	59.28	11,263
3"	22	-	117.26	2,580	-	117.26	2,580
4"	34	-	183.04	6,223	-	183.04	6,223
6"	12	-	364.00	4,368	-	364.00	4,368
8"	-	-	576.42	-	-	576.42	-
10"	47	-	762.58	35,841	-	762.58	35,841
Total - Service Charge	492	-		64,423	-		64,423
First 25	-	6,590	$ 6.8400	$ 45,076	6,590	$ 6.8400	$ 45,076
Next 575	-	27,629	5.7000	157,485	27,629	5.7000	157,485
Over 600	-	19,794	4.5000	89,073	19,794	4.5000	89,073
	-	54,013		291,634	54,013		291,634
Total Industrial	492	54,013		356,057	54,013		356,057
			Private Fire - Monthly				
Service Charge							
1"	24		$ 5.52	$ 132		$ 5.52	$ 132
2"	12		9.80	118		9.80	118
3"	24		22.06	529		22.06	529
4"	1,116		32.14	35,868		32.14	35,868
6"	2,184		52.30	114,223		52.30	114,223
8"	852		90.46	77,072		90.46	77,072
10"	84		121.40	10,198		121.40	10,198
12"	12		252.63	3,032		252.63	3,032
Total Private Fire	4,272			241,172			241,172
Total Inside	194,950	1,385,298		$ 11,284,158	1,385,298		$ 11,284,158

CITY OF LANCASTER - BUREAU OF WATER
OUTSIDE THE CITY

APPLICATION OF PRESENT RATES AND PROPOSED RATES TO CONSUMPTION ANALYSIS
YEAR ENDED MARCH 31, 2025

Rate Block 1000 Gallons	Number Of Bills	Present Consumption	Present Rate	Revenue	Proposed Consumption	Proposed Rate	Proposed Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			Residential - Monthly				
Service Charge							
5/8"	223,681	-	$ 7.95	$ 1,778,264	-	$ 11.62	$ 2,599,173
3/4"	33,148	-	9.30	308,276	-	13.59	450,481
3/4" x 1"	56,462		16.70	942,915		24.41	1,378,237
1"	18,020	-	21.10	380,222	-	30.84	555,737
1 1/2"	521	-	33.20	17,297	-	48.53	25,284
2"	237	-	51.90	12,300	-	75.86	17,979
3"	-		102.40	-		149.67	-
4"	11		159.90	1,759		233.72	2,571
6"	11		318.00	3,498		464.80	5,113
8"	31		503.60	15,612		736.08	22,818
Total - Service Charge	332,122	-		3,460,144	-		5,057,394
First 25	-	1,468,322	$ 4.7960	$ 7,042,072	1,468,322	$ 6.0430	$ 8,873,070
Next 575	-	37,112	3.9490	146,555	37,112	4.8503	180,004
Over 600	-	444	3.7100	1,647	444	4.8810	2,167
	-	1,505,878		7,190,275	1,505,878		9,055,241
Total Residential	332,122	1,505,878		$ 10,650,419	1,505,878		$ 14,112,635
			Commercial - Monthly				
Service Charge							
5/8"	3,871	-	$ 7.95	$ 30,774	-	$ 11.62	$ 44,981
3/4"	2,019	-	9.30	18,777	-	13.59	27,438
1"	5,265	-	21.10	111,092	-	30.84	162,373
1 1/2"	2,746	-	33.20	91,167	-	48.53	133,263
2"	6,353	-	51.90	329,721	-	75.86	481,939
3"	395	-	102.40	40,448	-	149.67	59,120
4"	749	-	159.90	119,765	-	233.72	175,056
6"	1,018	-	318.00	323,724	-	464.80	473,166
8"	649	-	503.60	326,836	-	736.08	477,716
10"	138	-	666.20	91,936	-	973.74	134,376
Total - Service Charge	23,203	-		1,484,240	-		2,169,428
First 25		270,050	$ 4.7960	$ 1,295,160	270,050	$ 6.0430	$ 1,631,912
Next 575		930,788	3.9490	3,675,682	930,788	4.8503	4,514,601
Over 600		495,513	3.7100	1,838,353	495,513	4.8810	2,418,599
	-	1,696,351		6,809,195	1,696,351		8,565,112
Total Commercial	23,203	1,696,351		8,293,434	1,696,351		10,734,540

CITY OF LANCASTER - BUREAU OF WATER
OUTSIDE THE CITY

APPLICATION OF PRESENT RATES AND PROPOSED RATES TO CONSUMPTION ANALYSIS
YEAR ENDED MARCH 31, 2025

Rate Block 1000 Gallons	Number Of Bills	Present Consumption	Present Rate	Revenue	Proposed Consumption	Proposed Rate	Proposed Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			Industrial - Monthly				
Service Charge							
5/8"	67	-	$ 7.95	$ 533	-	$ 11.62	$ 779
3/4"	33		9.30	307		13.59	448
1"	121	-	21.10	2,553	-	30.84	3,732
1 1/2"	81	-	33.20	2,689	-	48.53	3,931
2"	309	-	51.90	16,037	-	75.86	23,441
3"	12	-	102.40	1,229	-	149.67	1,796
4"	101	-	159.90	16,150	-	233.72	23,606
6"	69	-	318.00	21,942	-	464.80	32,071
8"	59	-	503.60	29,712	-	736.08	43,429
10"	34	-	666.20	22,651	-	973.74	33,107
Total - Service Charge	886	-		$ 113,803	-		$ 166,339
First 25	-	12,391	$ 4.7960	$ 59,427	12,391	$ 6.0430	$ 74,879
Next 575	-	82,259	3.9490	324,841	82,259	4.8503	398,981
Over 600	-	277,149	3.7100	1,028,223	277,149	4.8810	1,352,764
	-	371,799		1,412,491	371,799		1,826,624
Subtotal	886	371,799		1,526,294	371,799		1,992,963
			Large Industrial - Monthly				
Service Charge							
8"	12		$ 503.60	$ 6,043		$ 736.08	$ 8,833
10"	12		666.20	7,994		973.74	11,685
	24	-		14,038	-		20,518
All Usage		275,500	3.5680	$ 982,984	275,500	4.5670	$ 1,258,209
Subtotal	24	275,500		997,022	275,500		1,278,726
Total Industrial	910	647,299		2,523,315	647,299		3,271,689

CITY OF LANCASTER - BUREAU OF WATER
OUTSIDE THE CITY

APPLICATION OF PRESENT RATES AND PROPOSED RATES TO CONSUMPTION ANALYSIS
YEAR ENDED MARCH 31, 2025

Rate Block 1000 Gallons	Number Of Bills	Present Consumption	Present Rate	Revenue	Proposed Consumption	Proposed Rate	Proposed Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			Sales for Resale - Monthly				
Service Charge							
4"	24	-	$ 159.90	$ 3,838	-	$ 233.72	$ 5,609
6"	36	-	318.00	11,448	-	464.80	16,733
Total - Service Charge	60	-		15,286	-		22,342
All Usage	-	140,112	$ 3.758	$ 526,541	140,112	$ 4.810	$ 673,939
	-	140,112		526,541	140,112		673,939
Subtotal	60	140,112		$ 541,826	140,112		$ 696,281
			Private Fire - Monthly				
Service Charge							
2"	12		$ 29.06	$ 349		$ 34.87	$ 418
4"	444		42.34	18,799		50.81	22,560
6"	3,012		68.90	207,527		82.68	249,032
8"	1,500		119.15	178,725		142.98	214,470
10"	180		159.91	28,784		191.89	34,540
12"	36		231.01	8,316		277.21	9,980
Total Private Fire	5,172			442,500			531,000
Total Outside	361,467	3,989,640		$ 22,451,494	3,989,640		$ 29,346,146

CITY OF LANCASTER – BUREAU OF WATER

Lancaster, Pennsylvania

REBUTTAL COST OF SERVICE ALLOCATION STUDY

FOR THE FULLY PROJECTED FUTURE TEST YEAR ENDED

MARCH 31, 2027

GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC

Mechanicsburg, Pennsylvania

CITY OF LANCASTER - BUREAU OF WATER

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED MARCH 31, 2027

Customer Classification	Cost of Service		Revenue Present Rates		Revenue Proposed Rates		Proposed Increase	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent Increase
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Inside the City								
Residential	$ 6,220,346	15.2%	$ 6,082,532	17.9%	$ 6,082,532	14.9%	$ -	0.0%
Commercial	4,461,136	10.9%	4,674,563	13.8%	4,674,563	11.4%	-	0.0%
Industrial	334,024	0.8%	374,318	1.1%	374,318	0.9%	-	0.0%
Private Fire	360,332	0.9%	244,426	0.7%	244,426	0.6%	-	0.0%
Total Inside the City	11,375,839	27.8%	11,375,839	33.5%	11,375,839	27.8%	$ -	0.0%
Outside the City								
Residential	14,273,326	34.8%	10,728,219	31.6%	14,215,240	34.8%	3,487,021	32.5%
Commercial	10,796,810	26.4%	8,358,266	24.6%	10,817,819	26.4%	2,459,553	29.4%
Industrial	1,985,882	4.9%	1,531,162	4.5%	1,999,320	4.9%	468,158	30.6%
Large Industrial	1,281,650	3.1%	1,000,202	2.9%	1,282,805	3.1%	282,603	28.3%
Other Water Utilities	686,764	1.7%	543,555	1.6%	698,502	1.7%	154,947	28.5%
Private Fire	525,273	1.3%	446,682	1.3%	536,019	1.3%	89,337	20.0%
Total Outside the City	29,549,705	72.2%	22,608,086	66.5%	29,549,705	72.2%	$ 6,941,619	30.7%
Total Sales	$ 40,925,544	100.0%	$ 33,983,925	100.0%	$ 40,925,544	100.0%	$ 6,941,619	20.4%
Other Revenues								
Inside the City	280,958		255,963		280,958		24,996	9.8%
Outside the City	548,617		541,570		548,617		7,047	1.3%
Total	$ 41,755,119		$ 34,781,458		$ 41,755,119		$ 6,973,661	20.0%

CITY OF LANCASTER - BUREAU OF WATER

PROJECTED COST OF SERVICE FOR THE TWELVE MONTHS ENDING MARCH 31, 2027
ALLOCATED TO RESIDENTIAL, COMMERCIAL, INDUSTRIAL, OTHER WATER UTILITIES AND FIRE SERVICE CUSTOMER CLASSIFICATIONS

ACCOUNT (1)	FACTOR REF (2)	COST OF SERVICE (3)	INSIDE-CITY RESIDENTIAL (4)	INSIDE-CITY COMMERCIAL (5)	INSIDE-CITY INDUSTRIAL (6)	INSIDE-CITY PRIVATE FIRE (7)	INSIDE-CITY PUBLIC FIRE (8)	OUTSIDE - CITY RESIDENTIAL (9)	OUTSIDE - CITY COMMERCIAL (10)	OUTSIDE - CITY INDUSTRIAL (11)	OUTSIDE - CITY LARGE INDUSTRIAL (12)	OUTSIDE - CITY OTHER UTILITITIES (13)	OUTSIDE - CITY PRIVATE FIRE (14)	OUTSIDE - CITY PUBLIC FIRE (15)
OPERATION AND MAINTENANCE EXPENSES														
WATER TREATMENT														
SUSQUEHANNA TREATMENT PLANT														
SALARIED PERSONNEL	2	$ 1,299,758	$ 167,669	$ 158,700	$ 12,478	$ 520	$ 1,170	$ 384,598	$ 405,005	$ 82,145	$ 54,070	$ 28,595	$ 780	$ 4,029
OVERTIME	2	206,753	26,671	25,245	1,985	83	186	61,178	64,424	13,067	8,601	4,549	124	641
SUSQUEHANNA - SALARY/BENEFITS		1,506,510	194,340	183,945	14,463	603	1,356	445,776	469,429	95,211	62,671	33,143	904	4,670
MAINTENANCE -BUILDING	2	60,492	7,803	7,386	581	24	54	17,899	18,849	3,823	2,516	1,331	36	188
MAINTENANCE-COMMUNIC.	2	4,820	622	589	46	2	4	1,426	1,502	305	201	106	3	15
MAINTENANCE-EQUIPMENT	2	212,422	27,402	25,937	2,039	85	191	62,856	66,191	13,425	8,837	4,673	127	659
MAINTENANCE-VEHICLES	2	26,324	3,396	3,214	253	11	24	7,789	8,203	1,664	1,095	579	16	82
WATER UTILITY EXPENSE	2	23,937	3,088	2,923	230	10	22	7,083	7,459	1,513	996	527	14	74
SLUDGE	1	72,670	8,822	8,946	756	44	94	20,260	22,826	4,978	3,692	1,875	58	320
POWER ELECTRIC	1	1,109,537	134,698	136,584	11,539	666	1,442	309,339	348,506	76,003	56,364	28,626	888	4,882
OPERATING SUPPLIES	2	15,149	1,954	1,850	145	6	14	4,482	4,720	957	630	333	9	47
MINOR EQUIPMENT	2	14,937	1,927	1,824	143	6	13	4,420	4,654	944	621	329	9	46
CHEMICALS	1	684,718	83,125	84,289	7,121	411	890	190,899	215,070	46,903	34,784	17,666	548	3,013
GASOLINE	2	22,268	2,873	2,719	214	9	20	6,589	6,939	1,407	926	490	13	69
FUEL	2	52,586	6,784	6,421	505	21	47	15,560	16,386	3,323	2,188	1,157	32	163
CAPITAL OUTLAY	10	-	-	-	-	-	-	-	-	-	-	-	-	-
SUSQUEHANNA - OPERATING EXPENSES		2,299,859	282,493	282,680	23,572	1,293	2,817	648,604	721,303	155,246	112,850	57,691	1,753	9,557
TOTAL SUSQUEHANNA		3,806,369	476,833	466,625	38,035	1,896	4,173	1,094,380	1,190,732	250,457	175,521	90,834	2,657	14,227
CONESTOGA TREATMENT PLANT														
SALARIED PERSONNEL	2	1,226,886	158,268	149,803	11,778	491	1,104	363,036	382,298	77,539	51,038	26,992	736	3,803
OVERTIME	2	66,064	8,522	8,066	634	26	59	19,548	20,586	4,175	2,748	1,453	40	205
CONESTOGA - SALARY/BENEFITS		1,292,950	166,791	157,869	12,412	517	1,164	382,584	402,883	81,714	53,787	28,445	776	4,008
MAINTENANCE -BUILDING	2	158,997	20,511	19,414	1,526	64	143	47,047	49,544	10,049	6,614	3,498	95	493
MAINTENANCE-EQUIPMENT	2	284,075	36,646	34,686	2,727	114	256	84,058	88,518	17,954	11,818	6,250	170	881
MAINTENANCE-VEHICLES	2	22,530	2,906	2,751	216	9	20	6,667	7,020	1,424	937	496	14	70
SLUDGE	1	61,505	7,467	7,571	640	37	80	17,148	19,319	4,213	3,124	1,587	49	271
POWER ELECTRIC	1	846,071	102,713	104,151	8,799	508	1,100	235,885	265,751	57,956	42,980	21,829	677	3,723
OPERATING SUPPLIES	2	17,981	2,320	2,195	173	7	16	5,321	5,603	1,136	748	396	11	56
CHEMICALS	1	421,907	51,220	51,937	4,388	253	548	117,628	132,521	28,901	21,433	10,885	338	1,856
MEMBRANES	2	-	-	-	-	-	-	-	-	-	-	-	-	-

CITY OF LANCASTER - BUREAU OF WATER

PROJECTED COST OF SERVICE FOR THE TWELVE MONTHS ENDING MARCH 31, 2027
ALLOCATED TO RESIDENTIAL, COMMERCIAL, INDUSTRIAL, OTHER WATER UTILITIES AND FIRE SERVICE CUSTOMER CLASSIFICATIONS

			INSIDE-CITY					OUTSIDE - CITY						
ACCOUNT	FACTOR REF	COST OF SERVICE	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	PRIVATE FIRE	PUBLIC FIRE	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	LARGE INDUSTRIAL	OTHER UTILITITIES	PRIVATE FIRE	PUBLIC FIRE
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
GASOLINE	2	33,033	4,261	4,033	317	13	30	9,774	10,293	2,088	1,374	727	20	102
HEATING OIL	2	65,811	8,490	8,036	632	26	59	19,474	20,507	4,159	2,738	1,448	39	204
CAPITAL OUTLAY	10	11,029	1,863	755	46	192	194	3,819	2,145	353	225	128	302	1,006
CONESTOGA - OPERATING EXPENSES		1,922,938	238,395	235,529	19,464	1,223	2,447	546,819	601,220	128,232	91,992	47,242	1,715	8,661
TOTAL CONESTOGA		3,215,889	405,186	393,398	31,877	1,740	3,610	929,403	1,004,103	209,946	145,778	75,687	2,491	12,669
LABORATORY														
SALARIED PERSONNEL	2	391,088	50,450	47,752	3,754	156	352	115,723	121,863	24,717	16,269	8,604	235	1,212
SALARY TEMPORARY	2	-	-	-	-	-	-	-	-	-	-	-	-	-
OVERTIME	2	4,325	558	528	42	2	4	1,280	1,348	273	180	95	3	13
LABORATORY - SALARY/BENEFITS		395,413	51,008	48,280	3,796	158	356	117,003	123,211	24,990	16,449	8,699	237	1,226
CONTRACT SERVICES	2	49,297	6,359	6,019	473	20	44	14,587	15,361	3,116	2,051	1,085	30	153
VEHICLES	2	10,279	1,326	1,255	99	4	9	3,042	3,203	650	428	226	6	32
LABORATORY - SUPPLIES/EQUIPMENT	2	60,859	7,851	7,431	584	24	55	18,008	18,964	3,846	2,532	1,339	37	189
LABORATORY - OPERATING EXPENSE		120,435	15,536	14,705	1,156	48	108	35,637	37,528	7,612	5,010	2,650	72	373
TOTAL LABORATORY		515,849	66,544	62,985	4,952	206	464	152,640	160,738	32,602	21,459	11,349	310	1,599
TRANSMISSION/DISTRIBUTION														
SALARIED PERSONNEL	10	1,521,688	257,013	104,236	6,391	26,477	26,782	526,960	295,968	48,694	31,042	17,652	41,694	138,778
OVERTIME	10	52,512	8,869	3,597	221	914	924	18,185	10,214	1,680	1,071	609	1,439	4,789
TRANS. & DISTR. - SALARY/BENEFITS		1,574,199	265,882	107,833	6,612	27,391	27,706	545,145	306,182	50,374	32,114	18,261	43,133	143,567
MAINT. EQUIPMENT	10	4,365	737	299	18	76	77	1,512	849	140	89	51	120	398
MAINT. MAINS	6	149,255	12,418	10,717	746	2,179	5,075	39,672	37,224	6,493	4,224	2,403	4,463	23,642
MAINT. SERVICE LINES	9	83,775	23,851	3,694	126	1,516	-	47,777	4,725	226	8	17	1,835	-
MAINT. VEHICLES	10	78,986	13,341	5,411	332	1,374	1,390	27,353	15,363	2,528	1,611	916	2,164	7,204
PROFESSIONAL SERVICES	10	4,942	835	339	21	86	87	1,711	961	158	101	57	135	451
CONTRACT SERVICES	10	14,550	2,458	997	61	253	256	5,039	2,830	466	297	169	399	1,327
TRENCH PAVING	6	245,673	20,440	17,639	1,228	3,587	8,353	65,300	61,271	10,687	6,953	3,955	7,346	38,915
SIDEWALK - REPLACEMENT - INSIDE	9A	44,314	36,200	5,615	191	2,309	-	-	-	-	-	-	-	-
SIDEWALK - REPLACEMENT - OUTSIDE	9B	43,100	-	-	-	-	-	37,716	3,732	181	9	13	1,448	-
OPERATING SUPPLIES/GASOLINE	10	114,290	19,304	7,829	480	1,989	2,012	39,579	22,229	3,657	2,332	1,326	3,132	10,423
MINOR EQUIPMENT	10	1,072	181	73	5	19	19	371	209	34	22	12	29	98
HYDRANTS	7	(16,139)	-	-	-	-	(3,751)	-	-	-	-	-	-	(12,389)
CAPITAL OUTLAY	10	159,823	26,994	10,948	671	2,781	2,813	55,347	31,086	5,114	3,260	1,854	4,379	14,576
GASOLINE	10	65,888	11,128	4,513	277	1,146	1,160	22,817	12,815	2,108	1,344	764	1,805	6,009
TRANS. & DISTR. - OPERATING EXPENSES		993,893	167,886	68,073	4,155	17,315	17,490	344,193	193,294	31,792	20,249	11,537	27,254	90,653
TOTAL TRANSMISSION & DISTRIBUTION		2,568,093	433,768	175,906	10,767	44,706	45,196	889,339	499,476	82,166	52,363	29,798	70,388	234,220

CITY OF LANCASTER - BUREAU OF WATER

PROJECTED COST OF SERVICE FOR THE TWELVE MONTHS ENDING MARCH 31, 2027
ALLOCATED TO RESIDENTIAL, COMMERCIAL, INDUSTRIAL, OTHER WATER UTILITIES AND FIRE SERVICE CUSTOMER CLASSIFICATIONS

			INSIDE-CITY					OUTSIDE - CITY						
ACCOUNT	FACTOR REF	COST OF SERVICE	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	PRIVATE FIRE	PUBLIC FIRE	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	LARGE INDUSTRIAL	OTHER UTILITITIES	PRIVATE FIRE	PUBLIC FIRE
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
METER SHOP														
SALARIED PERSONNEL														
METER READING	12	301,997	92,381	15,190	544	-	-	174,403	18,512	876	30	60	-	-
OTHER	8	175,635	36,725	15,790	1,300	-	-	84,516	34,021	2,617	299	369	-	-
OVERTIME	12	2,010	615	101	4	-	-	1,161	123	6	0	0	-	-
METER SHOP - SALARY/BENEFITS		479,643	129,721	31,081	1,847	-	-	260,080	52,656	3,499	329	430	-	-
MAINT. METERS	8	(18,393)	(3,846)	(1,654)	(136)	-	-	(8,851)	(3,563)	(274)	(31)	(39)	-	-
METERS	8	42,965	8,984	3,863	318	-	-	20,675	8,322	640	73	90	-	-
MAINT. VEHICLES	12	5,528	1,691	278	10	-	-	3,192	339	16	1	1	-	-
GASOLINE	12	8,991	2,750	452	16	-	-	5,192	551	26	1	2	-	-
METER SHOP - OPERATING EXPENSES		39,091	9,579	2,939	208	-	-	20,209	5,650	408	43	55	-	-
TOTAL METER SHOP		518,733	139,300	34,020	2,055	-	-	280,288	58,306	3,907	372	484	-	-
ADMINISTRATION														
SALARY BUREAU CHIEF	13	234,669	40,574	20,745	1,455	1,830	1,713	85,584	52,378	9,504	6,078	3,309	2,793	8,706
SALARY PERSONNEL														
BILLING AND COLLECTING	11	144,514	43,730	5,665	130	1,113	-	86,260	6,026	231	-	14	1,344	-
OTHER ADMINSTRATION	13	482,171	83,367	42,624	2,989	3,761	3,520	175,848	107,620	19,528	12,488	6,799	5,738	17,889
OVERTIME	13	3	1	0	0	0	0	1	1	0	0	0	0	0
SICK LEAVE BONUS AND VESTED ABSENSES	14	59,281	9,503	5,774	421	350	350	20,422	14,678	2,751	1,773	954	539	1,767
OPEB ARC EXPENSE	14	500,000	80,150	48,700	3,550	2,950	2,950	172,250	123,800	23,200	14,950	8,050	4,550	14,900
OPEB GASB 75 AND 67 EXPENSE	14	(1,861,178)	(298,347)	(181,279)	(13,214)	(10,981)	(10,981)	(641,176)	(460,828)	(86,359)	(55,649)	(29,965)	(16,937)	(55,463)
EDUCATIONAL INCENTIVE	14	33,515	5,372	3,264	238	198	198	11,546	8,298	1,555	1,002	540	305	999
MEDICAL INSURANCE	14	2,711,380	434,634	264,088	19,251	15,997	15,997	934,070	671,338	125,808	81,070	43,653	24,674	80,799
DENTAL/VISION	14	53,500	8,576	5,211	380	316	316	18,431	13,247	2,482	1,600	861	487	1,594
PAYROLL TAXES	14	487,182	78,095	47,452	3,459	2,874	2,874	167,834	120,626	22,605	14,567	7,844	4,433	14,518
LIFE INSURANCE	14	13,861	2,222	1,350	98	82	82	4,775	3,432	643	414	223	126	413
PENSION CONTRIBUTION	14	472,019	75,665	45,975	3,351	2,785	2,785	162,611	116,872	21,902	14,113	7,600	4,295	14,066
UNEMPLOYMENT COMPENSATION	14	14,895	2,388	1,451	106	88	88	5,131	3,688	691	445	240	136	444
WORKERS COMP	14	101,031	16,195	9,840	717	596	596	34,805	25,015	4,688	3,021	1,627	919	3,011
ADMINISTRATION - SALARY/BENEFITS		3,446,843	582,125	320,860	22,931	21,958	20,487	1,238,393	806,192	149,230	95,872	51,748	33,402	103,642
SPACE RENTAL	13	-	-	-	-	-	-	-	-	-	-	-	-	-
PC LEASE	13	31,417	5,432	2,777	195	245	229	11,458	7,012	1,272	814	443	374	1,166
RENTAL OF PARKING LOT	13	7,799	1,348	689	48	61	57	2,844	1,741	316	202	110	93	289
RENTAL OF UNIFORMS	13	26,973	4,664	2,384	167	210	197	9,837	6,020	1,092	699	380	321	1,001
MAINTENANCE OF EQUIPMENT	13	9,545	1,650	844	59	74	70	3,481	2,131	387	247	135	114	354
ADVERTISING	13	-	-	-	-	-	-	-	-	-	-	-	-	-
POSTAGE	11	267,568	80,966	10,489	241	2,060	-	159,711	11,158	428	-	27	2,488	-
PRINTING	13	9,966	1,723	881	62	78	73	3,635	2,224	404	258	141	119	370
TELEPHONE	13	186,997	32,332	16,531	1,159	1,459	1,365	68,198	41,738	7,573	4,843	2,637	2,225	6,938
TRAVEL	13	3,560	615	315	22	28	26	1,298	795	144	92	50	42	132
MISC. EXPENSES	13	8,631	1,492	763	54	67	63	3,148	1,927	350	224	122	103	320
PROFESSIONAL SERVICES	13	403,299	69,730	35,652	2,500	3,146	2,944	147,083	90,016	16,334	10,445	5,687	4,799	14,962
PROFESSIONAL SERVICES - RATE CASE EXPENSE	18	179,333	-	-	-	-	-	71,590	60,202	11,298	7,353	4,017	4,161	20,713
BANK SERVICE CHARGES	13	29,734	5,141	2,629	184	232	217	10,844	6,637	1,204	770	419	354	1,103
CREDIT CARD FEES	13	37,216	6,435	3,290	231	290	272	13,573	8,307	1,507	964	525	443	1,381
CONTRACT SERVICES	13	41,006	7,090	3,625	254	320	299	14,955	9,152	1,661	1,062	578	488	1,521
TRAINING - SCHOOL	13	38,444	6,647	3,398	238	300	281	14,020	8,581	1,557	996	542	457	1,426
OFFICE SUPPLIES	13	2,345	405	207	15	18	17	855	523	95	61	33	28	87
INSURANCE PACKAGE	13	268,861	46,486	23,767	1,667	2,097	1,963	98,054	60,010	10,889	6,963	3,791	3,199	9,975
ADMINISTRATION - OPERATING EXPENSES		1,552,694	272,158	108,241	7,097	10,685	8,072	634,584	318,173	56,511	35,993	19,636	19,808	61,738
MINOR EQUIPMENT	13	9,447	1,633	835	59	74	69	3,445	2,109	383	245	133	112	350
SAFETY EQUIPMENT	13	6,024	1,042	533	37	47	44	2,197	1,345	244	156	85	72	223
COMPUTER APPLICATIONS	13	25,778	4,457	2,279	160	201	188	9,401	5,754	1,044	668	363	307	956
ADMINISTRATION-EQUIPMENT		41,249	7,132	3,646	256	322	301	15,043	9,207	1,671	1,068	582	491	1,530

CITY OF LANCASTER - BUREAU OF WATER

PROJECTED COST OF SERVICE FOR THE TWELVE MONTHS ENDING MARCH 31, 2027
ALLOCATED TO RESIDENTIAL, COMMERCIAL, INDUSTRIAL, OTHER WATER UTILITIES AND FIRE SERVICE CUSTOMER CLASSIFICATIONS

			INSIDE-CITY					OUTSIDE - CITY						
ACCOUNT	FACTOR REF	COST OF SERVICE	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	PRIVATE FIRE	PUBLIC FIRE	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	LARGE INDUSTRIAL	OTHER UTILITITIES	PRIVATE FIRE	PUBLIC FIRE
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
ADMIN. INDIRECT COSTS														
COLLECTION	11	239,337	72,423	9,382	215	1,843	-	142,860	9,980	383	-	24	2,226	-
HUMAN RESOURCES	14	129,607	20,776	12,624	920	765	765	44,649	32,091	6,014	3,875	2,087	1,179	3,862
OTHER	13	752,541	130,114	66,525	4,666	5,870	5,494	274,452	167,967	30,478	19,491	10,611	8,955	27,919
PAYING AGENT	13	1,664	288	147	10	13	12	607	371	67	43	23	20	62
ADMINISTRATION - INTERGOVERNMENTAL		1,123,149	223,601	88,677	5,812	8,490	6,270	462,568	210,410	36,942	23,409	12,745	12,380	31,843
TOTAL ADMINISTRATION		6,163,935	1,085,016	521,425	36,096	41,456	35,131	2,350,589	1,343,981	244,353	156,342	84,710	66,081	198,754
GROUNDS MAINTENANCE														
SALARY BUREAU CHIEF	13	-	-	-	-	-	-	-	-	-	-	-	-	-
SALARIED PERSONNEL	13	266,068	46,003	23,520	1,650	2,075	1,942	97,035	59,386	10,776	6,891	3,752	3,166	9,871
SALARY TEMPORARY	13	26,518	4,585	2,344	164	207	194	9,671	5,919	1,074	687	374	316	984
OVERTIME	13	4,438	767	392	28	35	32	1,618	990	180	115	63	53	165
GROUNDS MAINT. - SALARY/BENEFITS		297,024	51,356	26,257	1,842	2,317	2,168	108,325	66,296	12,029	7,693	4,188	3,535	11,020
RENTALS OF UNIFORMS	13	90	16	8	1	1	1	33	20	4	2	1	1	3
MAINT. EQUIPMENT & BUILDING	13	6,890	1,191	609	43	54	50	2,513	1,538	279	178	97	82	256
MAINT. VEHICLES	13	6,395	1,106	565	40	50	47	2,332	1,427	259	166	90	76	237
OPERATING SUPPLIES	13	97	17	9	1	1	1	35	22	4	2	1	1	4
GASOLINE	13	5,757	995	509	36	45	42	2,099	1,285	233	149	81	69	214
GROUNDS MAINT. - OPERATING EXPENSES		19,229	3,325	1,700	119	150	140	7,013	4,292	779	498	271	229	713
MINOR EQUIPMENT & VEHICLES	13	3,384	585	299	21	26	25	1,234	755	137	88	48	40	126
TOTAL GROUNDS MAINTENANCE		319,637	55,265	28,256	1,982	2,493	2,333	116,572	71,343	12,945	8,279	4,507	3,804	11,859
TOTAL OPERATING AND MAINTENANCE		17,108,504	2,661,913	1,682,615	125,763	92,497	90,907	5,813,210	4,328,679	836,377	560,115	297,369	145,730	473,328

CITY OF LANCASTER - BUREAU OF WATER

PROJECTED COST OF SERVICE FOR THE TWELVE MONTHS ENDING MARCH 31, 2027
ALLOCATED TO RESIDENTIAL, COMMERCIAL, INDUSTRIAL, OTHER WATER UTILITIES AND FIRE SERVICE CUSTOMER CLASSIFICATIONS

			INSIDE-CITY					OUTSIDE - CITY						
ACCOUNT	FACTOR REF	COST OF SERVICE	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	PRIVATE FIRE	PUBLIC FIRE	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	LARGE INDUSTRIAL	OTHER UTILITITIES	PRIVATE FIRE	PUBLIC FIRE
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
DEPRECIATION EXPENSE														
COLLECTING AND IMPOUNDING RESERVOIRS	2	107	14	13	1	0	0	32	33	7	4	2	0	0
LAKE, RIVER & OTHER INTAKES	2	10,603	1,368	1,295	102	4	10	3,137	3,304	670	441	233	6	33
POWER AND PUMPING STRUCTURES														
WILLOW ST. BOOSTER STATION - OUTSIDE	3B	61,804	-	-	-	-	-	20,618	21,693	4,394	2,880	1,527	1,700	8,992
KISSEL HILL BOOSTER STATION - OUTSIDE	3B	2,168	-	-	-	-	-	723	761	154	101	54	60	315
SUSQUEHANNA RIVER INTAKE & H.S. - JOINT	3	19,634	2,103	1,993	157	273	636	4,828	5,085	1,033	679	359	395	2,093
CONESTOGA PUMP STATION - JOINT	3	78,962	8,457	8,015	632	1,098	2,558	19,417	20,451	4,153	2,732	1,445	1,587	8,417
HESS BLVD STATION - OUTSIDE	3B	33,281	-	-	-	-	-	11,103	11,682	2,366	1,551	822	915	4,842
CONESTOGA STRAINER BUILDING	3	28,519	3,054	2,895	228	396	924	7,013	7,386	1,500	987	522	573	3,040
DELP ROAD PUMP STATION	3B	21,888	-	-	-	-	-	7,302	7,683	1,556	1,020	541	602	3,185
WILLOW VALLEY PUMP STATION	3B	53,553	-	-	-	-	-	17,865	18,797	3,808	2,496	1,323	1,473	7,792
SOUTH TANK PUMP STATION	3A	29,410	12,002	11,408	906	1,529	3,564	-	-	-	-	-	-	-
SOUTH TANK PUMP STATION	3B	16,543	-	-	-	-	-	5,519	5,807	1,176	771	409	455	2,407
EAST PUMP STATION	3B	22,384	-	-	-	-	-	7,467	7,857	1,592	1,043	553	616	3,257
PURIFICATION BUILDINGS	2	2,074,454	267,605	253,291	19,915	830	1,867	613,831	646,400	131,105	86,297	45,638	1,245	6,431
DISTRIBUTION RESERVOIR AND STANDPIPES														
UNDERGROUND STORAGE RESERVOIR - JOINT	5	203,623	23,294	19,079	1,242	3,319	7,738	53,492	48,686	8,104	5,253	3,054	4,806	25,555
WILLOW ST. STANDPIPE - OUTSIDE	5B	11,459	-	-	-	-	-	4,130	3,746	619	400	234	369	1,962
LAFAYETTE STANDPIPE - OUTSIDE	5B	148,361	-	-	-	-	-	53,469	48,499	8,011	5,178	3,027	4,777	25,399
LAMPETER ELEVATED TANK - OUTSIDE	5B	2,376	-	-	-	-	-	856	777	128	83	48	77	407
NEFFSVILLE TANK - OUTSIDE	5B	3,032	-	-	-	-	-	1,093	991	164	106	62	98	519
BLOSSOM HILL STANDPIPE - OUTSIDE	5B	-	-	-	-	-	-	-	-	-	-	-	-	-
PAINTING - OUTSIDE	5B	-	-	-	-	-	-	-	-	-	-	-	-	-
FENCING - JOINT	5	-	-	-	-	-	-	-	-	-	-	-	-	-
SOUTH TANK	5A	126,229	53,458	44,155	2,916	7,738	17,962	-	-	-	-	-	-	-
SOUTH TANK	5B	71,004	-	-	-	-	-	25,590	23,211	3,834	2,478	1,448	2,286	12,156
OFFICE BUILDING	13	217,134	37,542	19,195	1,346	1,694	1,585	79,189	48,464	8,794	5,624	3,062	2,584	8,056
STORES, SHOP & GARAGE BUILDINGS	13	6,715	1,161	594	42	52	49	2,449	1,499	272	174	95	80	249
MISC. STRUCTURES AND IMPROVEMENTS	13	6,736	1,165	595	42	53	49	2,457	1,503	273	174	95	80	250
ELECTRIC PUMPING EQUIPMENT	6	429,525	35,736	30,840	2,148	6,271	14,604	114,168	107,124	18,684	12,156	6,915	12,843	68,037
TREATMENT PLANT EQUIPMENT - JOINT	2	102,557	13,230	12,522	985	41	92	30,347	31,957	6,482	4,266	2,256	62	318
WILLOW ST. CHLORINE BOOSTER STATION	2B	-	-	-	-	-	-	-	-	-	-	-	-	-
LABORATORY EQUIPMENT	2	627	81	77	6	0	1	186	195	40	26	14	0	2
MAINS AND ACCESSORIES														
CAST IRON, 4" AND UNDER - INSIDE	4A	109	43	36	2	8	20	-	-	-	-	-	-	-
CAST IRON, 4" AND UNDER - OUTSIDE	4B	7,504	-	-	-	-	-	2,523	2,287	378	244	143	306	1,622
CAST IRON, 6" AND 8" - INSIDE	4A	-	-	-	-	-	-	-	-	-	-	-	-	-
CAST IRON, OVER 8" - INSIDE	3A	275,313	112,355	106,794	8,480	14,316	33,368	-	-	-	-	-	-	-
CAST IRON, 6" AND 8" - OUTSIDE	4B	-	-	-	-	-	-	-	-	-	-	-	-	-
CAST IRON, OVER 8"- OUTSIDE	3B	809,912	-	-	-	-	-	270,187	284,279	57,585	37,742	20,005	22,273	117,842
CAST IRON, 6" AND 8"- JOINT	4	-	-	-	-	-	-	-	-	-	-	-	-	-
CAST IRON, OVER 8" - JOINT	3	23,195	2,484	2,354	186	322	752	5,704	6,008	1,220	803	424	466	2,473
MANHOLES - INSIDE	3A	2,640	1,077	1,024	81	137	320	-	-	-	-	-	-	-
MANHOLES - OUTSIDE	3B	14,951	-	-	-	-	-	4,988	5,248	1,063	697	369	411	2,175
MANHOLES - JOINT	3	741	79	75	6	10	24	182	192	39	26	14	15	79
VALVES AND VALVE BOXES - INSIDE	3A	31,447	12,834	12,198	969	1,635	3,811	-	-	-	-	-	-	-
VALVES AND VALVE BOXES - OUTSIDE	3B	172,288	-	-	-	-	-	57,475	60,473	12,250	8,029	4,256	4,738	25,068
VALVES AND VALVE BOXES - JOINT	3	1,800	193	183	14	25	58	443	466	95	62	33	36	192
STEEL - OUTSIDE	3B	14,085	-	-	-	-	-	4,699	4,944	1,001	656	348	387	2,049
STEEL - JOINT	3	3,113	333	316	25	43	101	765	806	164	108	57	63	332
PLASTIC - OUTSIDE	4B	1,048	-	-	-	-	-	352	319	53	34	20	43	227
LANCASTER METER PIT - OUTSIDE	4B	-	-	-	-	-	-	-	-	-	-	-	-	-
RELINING	4	89,337	9,532	7,808	509	1,840	4,288	21,896	19,922	3,314	2,144	1,251	2,662	14,169
SERVICES - INSIDE	9A	53,144	43,413	6,733	229	2,769	-	-	-	-	-	-	-	-
SERVICES - OUTSIDE	9B	250,855	-	-	-	-	-	219,523	21,724	1,054	50	75	8,429	-

CITY OF LANCASTER - BUREAU OF WATER

PROJECTED COST OF SERVICE FOR THE TWELVE MONTHS ENDING MARCH 31, 2027
ALLOCATED TO RESIDENTIAL, COMMERCIAL, INDUSTRIAL, OTHER WATER UTILITIES AND FIRE SERVICE CUSTOMER CLASSIFICATIONS

			INSIDE-CITY					OUTSIDE - CITY						
ACCOUNT	FACTOR REF	COST OF SERVICE	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	PRIVATE FIRE	PUBLIC FIRE	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	LARGE INDUSTRIAL	OTHER UTILITITIES	PRIVATE FIRE	PUBLIC FIRE
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
METERS - INSIDE	8A	7,975	5,442	2,341	191	-	-	-	-	-	-	-	-	-
METERS - OUTSIDE	8B	1,284	-	-	-	-	-	891	358	28	3	4	-	-
HYDRANTS - INSIDE	7A	22,304	-	-	-	-	22,304	-	-	-	-	-	-	-
HYDRANTS - OUTSIDE	7B	26,203	-	-	-	-	-	-	-	-	-	-	-	26,203
OFFICE FURNITURE	13	65,115	11,258	5,756	404	508	475	23,747	14,534	2,637	1,686	918	775	2,416
TRANSPORTATION EQUIPMENT	13	216,569	37,445	19,145	1,343	1,689	1,581	78,983	48,338	8,771	5,609	3,054	2,577	8,035
STORES EQUIPMENT	13	137	24	12	1	1	1	50	31	6	4	2	2	5
SHOP EQUIPMENT	13	-	-	-	-	-	-	-	-	-	-	-	-	-
TOOLS AND WORK EQUIPMENT	13	60,789	10,510	5,374	377	474	444	22,170	13,568	2,462	1,574	857	723	2,255
COMMUNICATION EQUIPMENT	13	70,758	12,234	6,255	439	552	517	25,805	15,793	2,866	1,833	998	842	2,625
MISCELLANEOUS EQUIPMENT	13	1,687	292	149	10	13	12	615	377	68	44	24	20	63
TOTAL DEPRECIATION		6,006,991	719,820	582,519	43,931	47,643	119,715	1,827,277	1,573,259	303,973	198,268	106,588	82,454	401,544
UTILITY INCOME AVAILABLE FOR RETURN -INSIDE	16A	5,489,473	2,500,455	2,038,241	150,412	225,068	575,297	-	-	-	-	-	-	-
UTILITY INCOME AVAILABLE FOR RETURN -OUTSIDE	16B	13,150,152	-	-	-	-	-	5,249,540	4,414,506	828,460	539,156	294,563	305,084	1,518,843
TOTAL COST OF SERVICE		41,755,119	5,882,188	4,303,376	320,105	365,209	785,919	12,890,027	10,316,444	1,968,809	1,297,539	698,521	533,268	2,393,714
LESS OTHER OPERATING REVENUE														
LIEN INTERESTS AND COST	17	1,073	151	111	8	9	20	331	265	51	33	18	14	61
RENTAL INCOME	17B	199,694	-	-	-	-	-	85,529	68,455	13,060	8,607	4,633	3,535	15,876
SEWER REIMB - METER READING INSIDE	11A	98,048	84,674	10,981	245	2,147	-	-	-	-	-	-	-	-
SEWER REIMB - METER READING OUTSIDE	11B	19,798	-	-	-	-	-	18,189	1,271	49	2	4	283	-
SEWER REIMB - METER REPAIRS INSIDE	8A	61,639	42,063	18,097	1,479	-	-	-	-	-	-	-	-	-
SEWER REIMB - METER REPAIRS OUTSIDE	8B	12,446	-	-	-	-	-	8,635	3,475	268	31	37	-	-
MISC. REVENUE	17	50,785	7,156	5,236	391	442	955	15,672	12,549	2,397	1,579	848	650	2,910
STATE AID FOR PENSION EXPENSE	14	386,091	61,890	37,605	2,741	2,278	2,278	133,008	95,596	17,915	11,544	6,216	3,513	11,506
TOTAL OTHER OPERATING REVENUE		829,575	195,934	72,030	4,865	4,876	3,253	261,365	181,612	33,739	21,797	11,756	7,995	30,353
TOTAL COST OF SERVICE RELATED TO SALE OF WATER		40,925,544	5,686,254	4,231,345	315,240	360,332	782,666	12,628,663	10,134,832	1,935,069	1,275,742	686,764	525,273	2,363,361
REALLOCATION OF PUBLIC FIRE - INSIDE	19		534,092	229,791	18,784	-	(782,666)							
REALLOCATION OF PUBLIC FIRE - OUTSIDE	20							1,644,663	661,977	50,812	5,908	-	-	(2,363,361)
TOTAL		$ 40,925,544	$ 6,220,346	$ 4,461,136	$ 334,024	$ 360,332	$ -	$ 14,273,326	$ 10,796,810	$ 1,985,882	########	$ 686,764	$ 525,273	$ -

CITY OF LANCASTER - BUREAU OF WATER

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS

FACTOR 1 AND 1B. ALLOCATION OF COSTS WHICH VARY WITH THE AMOUNT OF WATER CONSUME

Factors are based on the pro forma test year average daily consumption for each customer classification.

Customer Classification	Average Daily Consumption, 1000 Gallons	Allocation Factor	Factor 1B Allocation Factor
(1)	(2)	(3)	(4)
Inside - City			
Residential	1,804	0.1214	
Commercial	1,829	0.1231	
Industrial	155	0.0104	
Private Fire Protection	8	0.0006	
Public Fire Protection	20	0.0013	
Total			
Outside - City			
Residential	4,144	0.2788	0.3752
Commercial	4,668	0.3141	0.4226
Industrial	1,019	0.0685	0.0922
Large Industrial	755	0.0508	0.0683
Other Water Utilities	384	0.0258	0.0347
Private Fire Protection	12	0.0008	0.0011
Public Fire Protection	65	0.0044	0.0059
Total	14,863	1.0000	1.0000

CITY OF LANCASTER - BUREAU OF WATER

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS

FACTOR 2. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM DAY EXTRA CAPACITY FUNCTIONS.

Factors are based on the weighting of the factors for average daily consumption (Factor 1) and the factors derived from maximum day extra capacity demand for each customer classification, as follows:

	Average Daily Consumption		Maximum Day Extra Capacity		
Customer Classification	Allocation Factor 1	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)=(2)x	(4)	(5)=(4)x	(6)=(3)+(5)
		0.7143		0.2857	
Inside - City					
Residential	0.1214	0.0868	0.1475	0.0422	0.1290
Commercial	0.1231	0.0879	0.1196	0.0342	0.1221
Industrial	0.0104	0.0074	0.0076	0.0022	0.0096
Private Fire Protection	0.0006	0.0004			0.0004
Public Fire Protection	0.0013	0.0009			0.0009
Outside - City					
Residential	0.2788	0.1992	0.3389	0.0967	0.2959
Commercial	0.3141	0.2244	0.3053	0.0872	0.3116
Industrial	0.0685	0.0489	0.0500	0.0143	0.0632
Large Industrial	0.0508	0.0363	0.0185	0.0053	0.0416
Other Water Utilities	0.0258	0.0184	0.0126	0.0036	0.0220
Private Fire Protection	0.0008	0.0006		0.0000	0.0006
Public Fire Protection	0.0044	0.0031		0.0000	0.0031
Total	1.0000	0.7143	1.0000	0.2857	1.0000

The derivation of the maximum day extra capacity factors in column 4 and the basis for the column 3 and column 5 weightings are presented on the following page.

CITY OF LANCASTER - BUREAU OF WATER

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 2 AND 2B. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM DAY EXTRA CAPACITY FUNCTIONS, cont.

Customer Classification	Average Daily Consumption, 1000 Gallons	Maximum Day Extra Capacity Factor*	Maximum Day Extra Capacity Rate of Flow, 1000 Gallons Per Day	Factor 2 Allocation Factor	Factor 2A, 2B Allocation Factor for Outside-City
(1)	(2)	(3)	(4)=(2)x(3)	(5)	
Inside - City					
Residential	1,804	1.00	1,804.4	0.1475	0.5369
Commercial	1,829	0.80	1,463.2	0.1196	0.4354
Industrial	155	0.60	93.0	0.0076	0.0277
					1.0000
Outside - City					
Residential	4,144	1.00	4,144.0	0.3389	0.4673
Commercial	4,668	0.80	3,734.4	0.3053	0.4210
Industrial	1,019	0.60	611.2	0.0500	0.0689
Large Industrial	755	0.30	226.4	0.0185	0.0255
Other Water Utilities	384	0.40	153.5	0.0126	0.0173
Total	14,758		12,230.1	1.0000	1.0000

The weighting of the factors is based on the maximum day ratio of 1.40, based on a review of historic maximum day ratios.

	Maximum Day Ratio	Weight
Average Day	1.00	0.7143
Maximum Day Extra Capacity	0.40	0.2857
Total	1.40	1.0000

* Ratio of maximum day to average day minus 1.0.

CITY OF LANCASTER - BUREAU OF WATER

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS

FACTOR 2B. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM DAY EXTRA CAPACITY FUNCTIONS FOR OUTSIDE CITY CUSTOMERS ONLY

Factors are based on the weighting of the factors for average daily consumption (Factor 1) and the factors derived from maximum day extra capacity demand for each customer classification, as follows:

Customer Classification	Average Daily Consumption Allocation Factor 1B	Average Daily Consumption Weighted Factor	Maximum Day Extra Capacity Allocation Factor	Maximum Day Extra Capacity Weighted Factor	Allocation Factor
(1)	(2)	(3)=(2)x	(4)	(5)=(4)x	(6)=(3)+(5)
		0.7143		0.2857	
Outside - City					
Residential	0.3752	0.2679	0.4673	0.1335	0.4014
Commercial	0.4226	0.3019	0.4210	0.1203	0.4222
Industrial	0.0922	0.0659	0.0689	0.0197	0.0856
Large Industrial	0.0683	0.0488	0.0255	0.0073	0.0561
Other Water Utilities	0.0347	0.0248	0.0173	0.0049	0.0297
Private Fire Protection	0.0011	0.0008			0.0008
Public Fire Protection	0.0059	0.0042			0.0042
Total	1.0000	0.7143	1.0000	0.2857	1.0000

The derivation of the maximum day extra capacity factors in column 4 and the basis for the column 3 and column 5 weightings are presented on the following page.

CITY OF LANCASTER - BUREAU OF WATER

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 3. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE, MAXIMUM DAY EXTRA CAPACITY AND FIRE PROTECTION FUNCTIONS.

Factors are based on the weighting of the average daily consumption, the maximum day extra capacity demand, and the fire protection demand for each customer classification.

	Average Daily Consumption			Max Day Extra Capacity		Fire Protection		
Customer Classification	1000 Gals.	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)	(4)=(3)x 0.5937	(5)	(6)=(5)x 0.2375	(7)	(8)=(7)x 0.1688	(9)=(4)+ (6)+(8)
Inside - City								
Residential	1,804	0.1214	0.0721	0.1475	0.0350			0.1071
Commercial	1,829	0.1231	0.0731	0.1196	0.0284			0.1015
Industrial	155	0.0104	0.0062	0.0076	0.0018			0.0080
Private Fire Protection	8	0.0006	0.0004			0.0802	0.0135	0.0139
Public Fire Protection	20	0.0013	0.0008			0.1867	0.0316	0.0324
Outside - City								
Residential	4,144	0.2788	0.1654	0.3389	0.0805			0.2459
Commercial	4,668	0.3141	0.1865	0.3053	0.0725			0.2590
Industrial	1,019	0.0685	0.0407	0.0500	0.0119			0.0526
Large Industrial	755	0.0508	0.0302	0.0185	0.0044			0.0346
Other Water Utilities	384	0.0258	0.0153	0.0126	0.0030			0.0183
Private Fire Protection	12	0.0008	0.0005			0.1164	0.0196	0.0201
Public Fire Protection	65	0.0044	0.0026			0.6167	0.1040	0.1066
	14,863	1.0000	0.5938	1.0000	0.2375	1.0000	0.1687	1.0000

CITY OF LANCASTER - BUREAU OF WATER

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 3A. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE, MAXIMUM DAY EXTRA CAPACITY AND FIRE PROTECTION FUNCTIONS FOR INSIDE THE CITY CUSTOMER CLASSES.

Factors are based on the weighting of the average daily consumption, the maximum day extra capacity demand, and the fire protection demand for each customer classification.

	Average Daily Consumption			Max Day Extra Capacity		Fire Protection		
Customer Classification	1000 Gals.	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)	(4)=(3)x 0.5937	(5)	(6)=(5)x 0.2375	(7)	(8)=(7)x 0.1688	(9)=(4)+ (6)+(8)
Inside - City								
Residential	1,804	0.4729	0.2806	0.5369	0.1275			0.4081
Commercial	1,829	0.4792	0.2845	0.4354	0.1034			0.3879
Industrial	155	0.0407	0.0242	0.0277	0.0066			0.0308
Private Fire Protection	8	0.0022	0.0013			0.3005	0.0507	0.0520
Public Fire Protection	20	0.0052	0.0031			0.6995	0.1181	0.1212
	3,817	1.0002	0.5937	1.0000	0.2375	1.0000	0.1688	1.0000

CITY OF LANCASTER - BUREAU OF WATER

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 3B. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE, MAXIMUM DAY EXTRA CAPACITY AND FIRE PROTECTION FUNCTIONS FOR OUTSIDE THE CITY CUSTOMER CLASSES.

Factors are based on the weighting of the average daily consumption, the maximum day extra capacity demand, and the fire protection demand for each customer classification.

	Average Daily Consumption			Max Day Extra Capacity		Fire Protection		
Customer Classification	1000 Gals.	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)	(4)=(3)x 0.5937	(5)	(6)=(5)x 0.2375	(7)	(8)=(7)x 0.1688	(9)=(4)+ (6)+(8)
Outside - City								
Residential	4,144	0.3751	0.2227	0.4673	0.1109			0.3336
Commercial	4,668	0.4226	0.2510	0.4210	0.1000			0.3510
Industrial	1,019	0.0922	0.0547	0.0689	0.0164			0.0711
Large Industrial	755	0.0683	0.0405	0.0255	0.0061			0.0466
Other Water Utilities	384	0.0347	0.0206	0.0173	0.0041			0.0247
Private Fire Protection	12	0.0011	0.0007			0.1587	0.0268	0.0275
Public Fire Protection	65	0.0059	0.0035			0.8413	0.1420	0.1455
	11,047	0.9999	0.5937	1.0000	0.2375	1.0000	0.1688	1.0000

CITY OF LANCASTER - BUREAU OF WATER

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 3, 3A AND 3B. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM DAY EXTRA CAPACITY AND FIRE PROTECTION FUNCTIONS, cont.

The weighting of the factors is based on the potential demand of general and fire protection service. The bases for the potential demand of general service are a maximum day to average day ratio of 1.40 and the average daily send-out during the test year ending 12/31/2020 of 20.25 mgd. The system demand for the fire protection is 10,000 gpm for 10 hours.

	Ratio	Rate of Flow, (GPD)	Weight
Average Day	1.00	21,100,000	0.5937
Maximum Day Extra Capacity	0.40	8,440,000	0.2375
Subtotal	1.40	29,540,000	0.8312
Fire Protection		6,000,000	0.1688
Total		35,540,000	1.0000

The public and private fire protection allocation factors in column 7 on the previous page are based on relative potential demands. (See Schedule E).

CITY OF LANCASTER - BUREAU OF WATER

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 4. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM HOUR EXTRA CAPACITY FUNCTIONS.

Factors are based on the weighting of the average hourly consumption, the maximum hour extra capacity demand, and the fire protection demand for each customer classification.

	Average Hourly Consumption			Max Hour Extra Capacity		Fire Protection		
Customer Classification	1000 Gals.	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)	(4)=(3)x 0.3728	(5)	(6)=(5)x 0.3728	(7)	(8)=(7)x 0.2544	(9)=(4) +(6)+(8)
Inside - City								
Residential	75.2	0.1214	0.0453	0.1648	0.0614			0.1067
Commercial	76.2	0.1230	0.0459	0.1113	0.0415			0.0874
Industrial	6.5	0.0105	0.0039	0.0047	0.0018			0.0057
Private Fire Protection	0.4	0.0006	0.0002			0.0802	0.0204	0.0206
Public Fire Protection	0.8	0.0013	0.0005			0.1867	0.0475	0.0480
Outside - City								
Residential	172.7	0.2789	0.1040	0.3786	0.1411			0.2451
Commercial	194.5	0.3141	0.1171	0.2842	0.1059			0.2230
Industrial	42.4	0.0685	0.0255	0.0310	0.0116			0.0371
Large Industrial	31.4	0.0507	0.0189	0.0138	0.0051			0.0240
Other Water Utilities	16.0	0.0258	0.0096	0.0117	0.0044			0.0140
Private Fire Protection	0.5	0.0008	0.0003			0.1164	0.0295	0.0298
Public Fire Protection	2.7	0.0044	0.0016			0.6167	0.1570	0.1586
	619.3	1.0000	0.3728	1.0001	0.3728	1.0000	0.2544	1.0000

The maximum hour extra capacity factors in column 5 are determined on the following page.

CITY OF LANCASTER - BUREAU OF WATER

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 4A. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM HOUR EXTRA CAPACITY FUNCTIONS FOR INSIDE THE CITY CUSTOMER CLASSES.

Factors are based on the weighting of the average hourly consumption, the maximum hour extra capacity demand, and the fire protection demand for each customer classification.

	Average Hourly Consumption			Max Hour Extra Capacity		Fire Protection		
Customer Classification	1000 Gals.	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)	(4)=(3)x 0.3728	(5)	(6)=(5)x 0.3728	(7)	(8)=(7)x 0.2544	(9)=(4) +(6)+(8)
Inside - City								
Residential	75.2	0.4727	0.1763	0.5867	0.2187			0.3950
Commercial	76.2	0.4789	0.1785	0.3964	0.1478			0.3263
Industrial	6.5	0.0409	0.0152	0.0169	0.0063			0.0215
Private Fire Protection	0.4	0.0025	0.0009			0.3005	0.0764	0.0773
Public Fire Protection	0.8	0.0050	0.0019			0.6995	0.1780	0.1799
	159.1	1.0000	0.3728	1.0000	0.3728	1.0000	0.2544	1.0000

The maximum hour extra capacity factors in column 5 are determined on the following page.

CITY OF LANCASTER - BUREAU OF WATER

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 4B. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM HOUR EXTRA CAPACITY FUNCTIONS FOR OUTSIDE THE CITY CUSTOMER CLASSES.

Factors are based on the weighting of the average hourly consumption, the maximum hour extra capacity demand, and the fire protection demand for each customer classification.

	Average Hourly Consumption			Max Hour Extra Capacity		Fire Protection		
Customer Classification	1000 Gals.	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)	(4)=(3)x 0.3728	(5)	(6)=(5)x 0.3728	(7)	(8)=(7)x 0.2544	(9)=(4) +(6)+(8)
Outside - City								
Residential	172.7	0.3753	0.1400	0.5263	0.1962			0.3362
Commercial	194.5	0.4226	0.1575	0.3952	0.1473			0.3048
Industrial	42.4	0.0921	0.0343	0.0431	0.0161			0.0504
Large Industrial	31.4	0.0682	0.0254	0.0191	0.0071			0.0325
Other Water Utilities	16.0	0.0348	0.0130	0.0163	0.0061			0.0191
Private Fire Protection	0.5	0.0011	0.0004			0.1587	0.0404	0.0408
Public Fire Protection	2.7	0.0059	0.0022			0.8413	0.2140	0.2162
	460.2	1.0000	0.3728	1.0000	0.3728	1.0000	0.2544	1.0000

The maximum hour extra capacity factors in column 5 are determined on the following page.

CITY OF LANCASTER - BUREAU OF WATER

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 4, 4A AND 4B. ALLOCATION OF COSTS ASSOCIATED WITH FACILITIES SERVING BASE AND MAXIMUM HOUR EXTRA CAPACITY FUNCTIONS, cont.

The weighting of the factors is based on the potential demand of general and fire protection service. The bases for the potential demand of general service are a maximum hour to average hour ratio of 2.30 and the average daily send-out during the test year ending 12/31/2024 of 20.25 mgd. The system demand for the fire protection is 10,000 gpm.

	Ratio	Rate of Flow, (GPM)	Weight
Average Hour	1.00	14,653	0.3728
Maximum Hour Extra Capacity	1.00	14,653	0.3728
Subtotal	2.00	29,306	0.7456
Fire Protection		10,000	0.2544
Total		39,306	1.0000

Customer Classification	Average Hourly Consumption 1000 Gals	Maximum Hour Extra Capacity Factor	Maximum Hour Extra Capacity Rate, 1000 gal/hr	Maximum Hour Extra Capacity Allocation Factor
(1)	(2)	(3)	(4)=(2)x(3)	(5)
Inside - City				
Residential	75.2	3.0	225.6	0.1648
Commercial	76.2	2.0	152.4	0.1113
Industrial	6.5	1.0	6.5	0.0047
Outside - City				
Residential	172.7	3.0	518.1	0.3786
Commercial	194.5	2.0	389.0	0.2842
Industrial	42.4	1.0	42.4	0.0310
Large Industrial	31.4	0.6	18.8	0.0138
Other Water Utilities	16.0	1.0	16.0	0.0117
Total	614.9		1,368.8	1.0001

The public and private fire protection allocation factors in column 7 on the previous page are based on relative potential demands. (See Schedule E).

CITY OF LANCASTER - BUREAU OF WATER

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 5. ALLOCATION OF COSTS ASSOCIATED WITH STORAGE FACILITIES.

Factors are based on the weighting of the average hourly consumption, the maximum hour extra capacity demand, and the fire protection demand for each customer classification.

Customer Classification	Average Hourly Consumption 1000 Gals.	Average Hourly Consumption Allocation Factor	Average Hourly Consumption Weighted Factor	Maximum Hour Extra Capacity Allocation Factor	Maximum Hour Extra Capacity Weighted Factor	Fire Protection Allocation Factor	Fire Protection Weighted Factor	Allocation Factor
(1)	(2)	(3)	(4)=(3)x 0.3997	(5)	(6)=(5)x 0.3997	(7)	(8)=(7)x 0.2006	(9)=(4) +(6)+(8)
Inside - City								
Residential	75.2	0.1214	0.0485	0.1648	0.0659			0.1144
Commercial	76.2	0.1230	0.0492	0.1113	0.0445			0.0937
Industrial	6.5	0.0105	0.0042	0.0047	0.0019			0.0061
Private Fire Protection	0.4	0.0006	0.0002			0.0802	0.0161	0.0163
Public Fire Protection	0.8	0.0013	0.0005			0.1867	0.0375	0.0380
Outside -City								
Residential	172.7	0.2789	0.1115	0.3786	0.1512			0.2627
Commercial	194.5	0.3141	0.1255	0.2842	0.1136			0.2391
Industrial	42.4	0.0685	0.0274	0.0310	0.0124			0.0398
Large Industrial	31.4	0.0507	0.0203	0.0138	0.0055			0.0258
Other Water Utilities	16.0	0.0258	0.0103	0.0117	0.0047			0.0150
Private Fire Protection	0.5	0.0008	0.0003			0.1164	0.0233	0.0236
Public Fire Protection	2.7	0.0044	0.0018			0.6167	0.1237	0.1255
Total	619.3	1.0000	0.3997	1.0001	0.3997	1.0000	0.2006	1.0000

The weighting of the factors is based on the ratio of the capacity required for a 10-hour demand of fire flow, as related to total storage capacity. The calculation is shown on the following page.

CITY OF LANCASTER - BUREAU OF WATER

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 5A. ALLOCATION OF COSTS ASSOCIATED WITH STORAGE FACILITIES FOR OUTSIDE OF THE CITY CUSTOMER CLASSES

Factors are based on the weighting of the average hourly consumption, the maximum hour extra capacity demand, and the fire protection demand for each customer classification.

	Average Hourly Consumption			Maximum Hour Extra Capacity		Fire Protection		
Customer Classification	1000 Gals.	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)	(4)=(3)x 0.3997	(5)	(6)=(5)x 0.3997	(7)	(8)=(7)x 0.2006	(9)=(4) +(6)+(8)
Inside City								
Residential	75.2	0.4727	0.1890	0.5867	0.2345			0.4235
Commercial	76.2	0.4789	0.1914	0.3964	0.1584			0.3498
Industrial	6.5	0.0409	0.0163	0.0169	0.0068			0.0231
Private Fire Protection	0.4	0.0025	0.0010			0.3005	0.0603	0.0613
Public Fire Protection	0.8	0.0050	0.0020			0.6995	0.1403	0.1423
Total	159.1	1.0000	0.3997	1.0000	0.3997	1.0000	0.2006	1.0000

The weighting of the factors is based on the ratio of the capacity required for a 10-hour demand of fire flow, as related to total storage capacity. The calculation is shown on the following page.

CITY OF LANCASTER - BUREAU OF WATER

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 5B. ALLOCATION OF COSTS ASSOCIATED WITH STORAGE FACILITIES FOR OUTSIDE OF THE CITY CUSTOMER CLASSES

Factors are based on the weighting of the average hourly consumption, the maximum hour extra capacity demand, and the fire protection demand for each customer classification.

	Average Hourly Consumption			Maximum Hour Extra Capacity		Fire Protection		
Customer Classification	1000 Gals.	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor	Weighted Factor	Allocation Factor
(1)	(2)	(3)	(4)=(3)x 0.3997	(5)	(6)=(5)x 0.3997	(7)	(8)=(7)x 0.2006	(9)=(4) +(6)+(8)
Outside -City								
Residential	172.7	0.3754	0.1500	0.5263	0.2104			0.3604
Commercial	194.5	0.4226	0.1689	0.3952	0.1580			0.3269
Industrial	42.4	0.0921	0.0368	0.0431	0.0172			0.0540
Large Industrial	31.4	0.0682	0.0273	0.0191	0.0076			0.0349
Other Water Utilities	16.0	0.0348	0.0139	0.0163	0.0065			0.0204
Private Fire Protection	0.5	0.0011	0.0004			0.1587	0.0318	0.0322
Public Fire Protection	2.7	0.0059	0.0024			0.8413	0.1688	0.1712
Total	460.2	1.0001	0.3997	1.0000	0.3997	1.0000	0.2006	1.0000

The weighting of the factors is based on the ratio of the capacity required for a 10-hour demand of fire flow, as related to total storage capacity. The calculation is shown on the following page.

CITY OF LANCASTER - BUREAU OF WATER

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 5 AND 5B. ALLOCATION OF COSTS ASSOCIATED WITH STORAGE FACILITIES.

The weighting of the factors is based on the ratio of the capacity required for a 10-hour demand of fire flow, as related to total storage capacity.

Fire Protection Weight = $\frac{\text{10,000 GPM X 60 Min. X 10 Hours}}{\text{29,900,000 Gallons}}$ = 0.2006

General Service Weight = 1.0000 - 0.2006 = 0.7994

The weighting of the average hourly consumption and maximum hour extra demand for general service is based on the maximum hour ratio, as follows.

	Maximum Hour Ratio	Percent	Weight
Average Hour	1.00	50.00	0.3997
Extra Capacity Maximum Hour	1.00	50.00	0.3997
Total	2.00	100.00	0.7994

CITY OF LANCASTER - BUREAU OF WATER

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 6. ALLOCATION OF COSTS ASSOCIATED WITH TRANSMISSION AND DISTRIBUTION MAINS TO INSIDE AND OUTSIDE THE CITY CUSTOMERS

Factors are based on the weighting of the maximum daily consumption, Factor 3A and 3B, and maximum hourly consumption, Factors 4A and 4B, and length of distribution mains and transmission mains.

	Maximum Daily Consumption w/ Fire - Inside		Maximum Daily Consumption w/ Fire - Outside		Maximum Hourly Consumption - Inside		Maximum Hourly Consumption - Outside		
Customer Classification	Allocation Factor 3A	Weighted Factor	Allocation Factor 3B	Weighted Factor	Allocation Factor 4A	Weighted Factor	Allocation Factor 4B	Weighted Factor	Allocation Factor
(1)	(2)	(3)=(2)X	(2)	(3)=(2)X	(4)	(5)=(4)X	(4)	(5)=(4)X	(6)=(3)+(5)
		0.0597		0.1793		0.1489		0.6121	
Inside - City									
Residential	0.4081	0.0244			0.3950	0.0588			0.0832
Commercial	0.3879	0.0232			0.3263	0.0486			0.0718
Industrial	0.0308	0.0018			0.0215	0.0032			0.0050
Private Fire Protection	0.0520	0.0031			0.0773	0.0115			0.0146
Public Fire Protection	0.1212	0.0072			0.1799	0.0268			0.0340
Outside - City									
Residential			0.3336	0.0600			0.3362	0.2058	0.2658
Commercial			0.3510	0.0628			0.3048	0.1866	0.2494
Industrial			0.0711	0.0127			0.0504	0.0308	0.0435
Large Industrial			0.0466	0.0084			0.0325	0.0199	0.0283
Other Water Utilities			0.0247	0.0044			0.0191	0.0117	0.0161
Private Fire Protection			0.0275	0.0049			0.0408	0.025	0.0299
Public Fire Protection			0.1455	0.0261			0.2162	0.1323	0.1584
	1.0000	0.0597	1.0000	0.1793	1.0000	0.1489	1.0000	0.6121	1.0000

The weighting of the factors is based on the length of transmission mains and distribution mains, as follows:

Inside the City	Length of Mains (Feet)	Weight
8-inch and Under	505,730	0.1489
Larger than 8 Inch	202,644	0.0597
Outside the City		
8-inch and Under	2,079,404	0.6121
Larger than 8 Inch	609,053	0.1793
Total	3,396,831	1.0000

CITY OF LANCASTER - BUREAU OF WATER

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 7. ALLOCATION OF COSTS ASSOCIATED WITH FIRE HYDRANTS.

Fire hydrant costs are assigned directly to public fire protection, in each service area based on the number of hydrants.

Customer Classification	Number of Hydrants	Allocation Factor	Factors 7A and 7B
(1)	(2)	(3)	(4)
Inside - City			
Public Fire Protection	1,265	0.2324	1.0000
Outside - City			
Public Fire Protection	4,179	0.7676	1.0000
Total	5,444	1.0000	

CITY OF LANCASTER - BUREAU OF WATER

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 8. ALLOCATION OF COSTS ASSOCIATED WITH METERS.

Factors are based on the relative size of meters by size and customer classification, as developed on the following pages and summarized below.

Customer Classification	5/8" Equivalents	Allocation Factor
(1)	(2)	(3)
Inside - City		
Residential	14,794	0.2091
Commercial	6,365	0.0899
Industrial	521	0.0074
Outside - City		
Residential	34,057	0.4812
Commercial	13,706	0.1937
Industrial	1,053	0.0149
Large Industrial	121	0.0017
Other Water Utilities	148	0.0021
Total	70,765	1.0000

FACTOR 8A. ALLOCATION OF COSTS ASSOCIATED WITH METERS INSIDE THE CITY.

Factors are based on the relative size of meters by size and customer classification, as developed on the following pages and summarized below.

Customer Classification	5/8" Equivalents	Allocation Factor
(1)	(2)	(3)
Inside - City		
Residential	14,794	0.6824
Commercial	6,365	0.2936
Industrial	521	0.0240
Total	21,680	1.0000

CITY OF LANCASTER - BUREAU OF WATER

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 8B. ALLOCATION OF COSTS ASSOCIATED WITH METERS OUTSIDE THE CITY.

Factors are based on the relative size of meters by size and customer classification, as developed on the following pages and summarized below.

Customer Classification	5/8" Equivalents	Allocation Factor
(1)	(2)	(3)
Outside - City		
Residential	34,057	0.6938
Commercial	13,706	0.2792
Industrial	1,053	0.0215
Large Industrial	121	0.0025
Other Water Utilities	148	0.0030
Total	49,085	1.0000

CITY OF LANCASTER - BUREAU OF WATER

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 9. ALLOCATION OF COSTS ASSOCIATED WITH SERVICES.

Factors are based on the relative size of services by size and customer classification, as developed on the following pages and summarized below.

Customer Classification	3/4" Equivalents	Allocation Factor
(1)	(2)	(3)
Inside - Borough		
Residential	14,050	0.2847
Commercial	2,179	0.0441
Industrial	74	0.0015
Private Fire Protection	896	0.0181
Outside - Borough		
Residential	28,155	0.5703
Commercial	2,787	0.0564
Industrial	134	0.0027
Large Industrial	7	0.0001
Other Water Utilities	11	0.0002
Private Fire Protection	1,082	0.0219
Total	49,375	1.0000

FACTOR 9A. ALLOCATION OF COSTS ASSOCIATED WITH SERVICES INSIDE THE CITY

Factors are based on the relative size of services by size and customer classification, as developed on the following pages and summarized below.

Customer Classification	3/4" Equivalents	Allocation Factor
(1)	(2)	(3)
Inside - Borough		
Residential	14,050	0.8169
Commercial	2,179	0.1267
Industrial	74	0.0043
Private Fire Protection	896	0.0521
Total	17,199	1.0000

CITY OF LANCASTER - BUREAU OF WATER

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

INSIDE - CITY

Meter Size	5/8" Dollar Equivalent	Residential Number of Meters	Residential Weighting	Commercial/Public Number of Meters	Commercial/Public Weighting	Industrial Number of Meters	Industrial Weighting	Total Number of Meters	Total Weighting
(1)	(2)	(3)	(4)=(2)x(3)	(5)	(6)=(2)x(5)	(7)	(8)=(2)x(7)	(9)	(10)=(2)x(9)
5/8"x3/4"	1.00	12,911	12,911	664	664	6	6	13,580	13,581
3/4"	1.53	949	1,453	375	575	4	7	1,328	2,035
1"	2.26	152	343	283	639	1	2	436	984
1-1/2"	3.82	15	57	145	552	7	25	166	634
2"	5.38	6	30	233	1,254	16	85	255	1,369
3"	14.91	0	0	23	335	2	27	24	362
4"	23.12	0	0	47	1,090	3	65	50	1,155
6"	34.04	0	0	16	547	1	34	17	581
8"	51.63	0	0	9	439	0	0	9	439
10"	68.84	0	0	4	270	4	270	8	540
Total		14,031	14,794	1,798	6,365	43	521	15,872	21,680

CITY OF LANCASTER - BUREAU OF WATER

BASIS FOR ALLOCATING METER COSTS TO CUSTOMER CLASSIFICATIONS

OUTSIDE - CITY

Meter Size	5/8" Dollar Equiv.	Residential Number of Meters	Residential Weighting	Commercial/Public Number of Meters	Commercial/Public Weighting	Industrial Number of Meters	Industrial Weighting	Large Industrial Number of Meters	Large Industrial Weighting	Other Water Utilities Number of Meters	Other Water Utilities Weighting	Total Number of Meters	Total Weighting
(1)	(2)	(3)	(4)=(2)x(3)	(5)	(6)=(2)x(5)	(7)	(8)=(2)x(7)	(9)	(10)=(2)x(9)	(11)	(12)=(2)x(11)	(13)	(14)=(2)x(13)
5/8"x3/4"	1.00	18,767	18,767	330	330	6	6	0	0	0	0	19,103	19,103
3/4"	1.53	7,468	11,443	168	258	3	4	0	0	0	0	7,639	11,705
1"	2.26	1,502	3,390	439	990	10	23	0	0	0	0	1,951	4,403
1-1/2"	3.82	43	166	229	874	7	26	0	0	0	0	279	1,066
2"	5.38	20	106	529	2,848	26	139	0	0	0	0	575	3,093
3"	14.91	0	0	33	491	1	15	0	0	0	0	34	506
4"	23.12	1	21	62	1,443	8	195	0	0	2	46	74	1,705
6"	34.04	1	31	85	2,888	6	196	0	0	3	102	95	3,217
8"	51.63	3	133	54	2,792	5	254	1	52	0	0	63	3,231
10"	68.84	0		12	792	3	195	1	69	0	0	15	1,056
Total		27,804	34,057	1,941	13,706	74	1,053	2	121	5	148	29,826	49,085

CITY OF LANCASTER - BUREAU OF WATER

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 9B. ALLOCATION OF COSTS ASSOCIATED WITH SERVICES OUTSIDE THE CITY

Factors are based on the relative size of services by size and customer classification, as developed on the following pages and summarized below.

Customer Classification	3/4" Equivalents	Allocation Factor
(1)	(2)	(3)
Outside - Borough		
Residential	28,155	0.8751
Commercial	2,787	0.0866
Industrial	134	0.0042
Large Industrial	7	0.0002
Other Water Utilities	11	0.0003
Private Fire Protection	1,082	0.0336
Total	32,176	1.0000

CITY OF LANCASTER - BUREAU OF WATER

BASIS FOR ALLOCATING SERVICE COSTS TO CUSTOMER CLASSIFICATIONS

INSIDE - CITY

		Residential		Commercial		Industrial		Fire Protection		Total	
Service Size	3/4" Equivalent	Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting
(1)	(2)	(3)	(4)=(2)x(3)	(5)	(6)=(2)x(5)	(7)	(8)=(2)x(7)	(9)	(10)=(2)x(9)	(11)	(12)=(2)x(11)
3/4"	1.00	13,859	13,859	1,039	1,039	10	10	0	0	14,908	14,908
1"	1.05	152	160	283	297	1	1	0	0	436	458
1-1/2"	1.48	15	22	145	214	7	10	0	0	166	246
2"	1.63	6	9	233	380	16	26	0	0	255	415
3"	2.12	0	0	23	48	2	4	2	4	26	56
4"	2.72	0	0	47	128	3	8	95	258	145	394
6"	2.07	0	0	16	33	1	2	183	378	200	413
8"	3.21	0	0	9	27	0	0	72	231	81	258
10"	3.21	0	0	4	13	4	13	7	22	15	48
12"	3.21	0	0	0	0	0	0	1	3	1	3
Total		14,031	14,050	1,798	2,179	43	74	360	896	16,232	17,199

CITY OF LANCASTER - BUREAU OF WATER

BASIS FOR ALLOCATING SERVICE COSTS TO CUSTOMER CLASSIFICATIONS

OUTSIDE - CITY

		Residential		Commercial		Industrial		Large Industrial		Other Water Utilities		Fire Protection		Total	
Service Size	3/4" Equiv.	Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting	Number of Services	Weighting
(1)	(2)	(3)	(4)=(2)x(3)	(5)	(6)=(2)x(5)	(7)	(8)=(2)x(7)	(9)	(10)=(2)x(9)	(11)	(12)=(2)x(11)	(13)	(14)=(2)x(13)	(15)	(16)=(2)x(15)
3/4"	1.00	21,530	21,530	498	498	8	8	0	0	0	0	0	0	22,036	22,036
1"	1.05	6,207	6,517	439	461	10	11	0	0	0	0	0	0	6,656	6,989
1-1/2"	1.48	43	64	229	339	7	10	0	0	0	0	0	0	279	413
2"	1.63	20	32	529	863	26	43	0	1	0	0	0	0	575	939
3"	2.12	0	0	33	70	1	2	0	0	0	0	0	0	34	72
4"	2.72	1	2	62	170	8	23	0	0	2	5	37	101	111	301
6"	2.07	1	2	85	175	6	12	0	0	3	6	251	519	346	714
8"	3.21	3	8	54	174	5	16	1	3	0	0	125	401	188	602
10"	3.21	0	0	12	37	3	9	1	3	0	0	15	48	30	97
12"	3.21	0	0									4	13	4	13
Total		27,804	28,155	1,941	2,787	74	134	2	7	5	11	432	1,082	30,258	32,176

CITY OF LANCASTER - BUREAU OF WATER

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 10. ALLOCATION OF TRANSMISSION AND DISTRIBUTION SUPERVISION AND ENGINEERING AND OTHER DEPARTMENTAL EXPENSES.

Factors are based on transmission and distribution expenses other than those being allocated, as follows:

Customer Classification	Transmission and Distribution Expenses	Allocation Factor
(1)	(2)	(3)
Inside - City		
Residential	$92,909	0.1689
Commercial	37,665	0.0685
Industrial	2,291	0.0042
Private Fire Protection	9,591	0.0174
Public Fire Protection	9,677	0.0176
Outside - City		
Residential	190,465	0.3463
Commercial	106,952	0.1945
Industrial	17,587	0.0320
Large Industrial	11,193	0.0204
Other Water Utilities	6,388	0.0116
Private Fire Protection	15,091	0.0274
Public Fire Protection	50,168	0.0912
Total	$549,977	1.0000

CITY OF LANCASTER - BUREAU OF WATER

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 11. ALLOCATION OF BILLING AND COLLECTING COSTS.

Factors are based on the pro forma number of bills.

Customer Classification	Pro Forma Number of Bills	Allocation Factor
(1)	(2)	(3)
Inside - City		
Residential	168,351	0.3026
Commercial	21,835	0.0392
Industrial	492	0.0009
Private Fire Protection	4,272	0.0077
Outside - City		
Residential	332,122	0.5969
Commercial	23,203	0.0417
Industrial	886	0.0016
Large Industrial	24	0.0000
Other Water Utilities	60	0.0001
Private Fire Protection	5,172	0.0093
Total	556,417	1.0000

FACTOR 11A. ALLOCATION OF BILLING AND COLLECTING COSTS FOR INSIDE THE CITY CUSTOMERS

Factors are based on the pro forma number of bills.

Customer Classification	Pro Forma Number of Bills	Allocation Factor
(1)	(2)	(3)
Inside - City		
Residential	168,351	0.8636
Commercial	21,835	0.1120
Industrial	492	0.0025
Private Fire Protection	4,272	0.0219
Total	194,950	1.0000

CITY OF LANCASTER - BUREAU OF WATER

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 11B. ALLOCATION OF BILLING AND COLLECTING COSTS FOR OUTSIDE THE CITY CUSTOMERS

Factors are based on the pro forma number of bills.

Customer Classification	Pro Forma Number of Bills	Allocation Factor
(1)	(2)	(3)
Outside - City		
Residential	332,122	0.9187
Commercial	23,203	0.0642
Industrial	886	0.0025
Large Industrial	24	0.0001
Other Water Utilities	60	0.0002
Private Fire Protection	5,172	0.0143
Total	361,467	1.0000

FACTOR 12. ALLOCATION OF METER READING COSTS.

Factors are based on the pro forma number of meter readings by customer classification as follows:

Customer Classification	Pro Forma Number of Readings	Allocation Factor
(1)	(2)	(3)
Inside - City		
Residential	168,351	0.3059
Commercial	21,835	0.0503
Industrial	492	0.0018
Outside - City		
Residential	332,122	0.5775
Commercial	23,203	0.0613
Industrial	886	0.0029
Large Industrial	24	0.0001
Other Water Utilities	60	0.0002
Total	546,973	1.0000

CITY OF LANCASTER - BUREAU OF WATER

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 13. ALLOCATION OF ADMINISTRATIVE AND GENERAL EXPENSES.

Factors are based on the allocation of all other operation and maintenance expenses excluding power and fuel purchased, chemicals and sludge expense.

Customer Classification	Operation & Maintenance Expenses	Allocation Factor
(1)	(2)	(3)
Inside - City		
Residential	$1,136,367	0.1729
Commercial	581,047	0.0884
Industrial	40,566	0.0062
Private Fire Protection	51,044	0.0078
Public Fire Protection	47,931	0.0073
Outside - City		
Residential	2,397,947	0.3647
Commercial	1,467,099	0.2232
Industrial	265,955	0.0405
Large Industrial	170,445	0.0259
Other Water Utilities	92,607	0.0141
Private Fire Protection	78,442	0.0119
Public Fire Protection	243,981	0.0371
Total	$6,573,432	1.0000

CITY OF LANCASTER - BUREAU OF WATER

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 14. ALLOCATION OF LABOR RELATED TAXES AND BENEFITS.

Factors are based on the allocation of operation and maintenance direct labor expense to customer classifications.

Customer Classification	Direct Labor Expense	Allocation Factor
(1)	(2)	(3)
Inside - City		
Residential	$1,026,770	0.1603
Commercial	624,299	0.0974
Industrial	45,545	0.0071
Private Fire Protection	37,690	0.0059
Public Fire Protection	37,983	0.0059
Outside - City		
Residential	2,206,606	0.3445
Commercial	1,586,682	0.2476
Industrial	297,082	0.0464
Large Industrial	191,609	0.0299
Other Water Utilities	103,288	0.0161
Private Fire Protection	58,459	0.0091
Public Fire Protection	191,086	0.0298
Total	$6,407,097	1.0000

FACTOR 15. ALLOCATION OF OTHER RATE BASE ELEMENTS.

Factors are based on the allocation of the original cost less depreciation other than those items being allocated, as follows:

Customer Classification	Original Cost Less Depreciation	Allocation Factor
(1)	(2)	(3)
Inside - City		
Residential	$30,789,984	0.1168
Commercial	25,171,934	0.0954
Industrial	1,859,356	0.0070
Private Fire Protection	2,788,888	0.0106
Public Fire Protection	7,157,423	0.0271
Outside - City		
Residential	78,107,447	0.2962
Commercial	65,797,297	0.2495
Industrial	12,342,145	0.0468
Large Industrial	8,028,098	0.0304
Other Water Utilities	4,380,761	0.0166
Private Fire Protection	4,572,165	0.0173
Public Fire Protection	22,770,889	0.0863
Total	$263,766,387	1.0000

CITY OF LANCASTER - BUREAU OF WATER

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 16. ALLOCATION OF INCOME AVAILABLE FOR RETURN.

The factors are based on the allocation of the original cost measure of value rate base as shown on the following pages and summarized below

Customer Classification	Original Cost Measure of Value	Allocation Factor	Factor 16 A and 16 B
(1)	(2)	(3)	
Inside - City			Factor 16A
Residential	$31,180,154	0.1171	0.4555
Commercial	25,408,962	0.0954	0.3713
Industrial	1,876,914	0.0071	0.0274
Private Fire Protection	2,803,519	0.0105	0.041
Public Fire Protection	7,171,567	0.0269	0.1048
			1.0000
Outside - City			Factor 16B
Residential	78,944,850	0.2967	0.3992
Commercial	66,397,915	0.2494	0.3357
Industrial	12,457,489	0.0468	0.063
Large Industrial	8,105,644	0.0304	0.041
Other Water Utilities	4,421,972	0.0166	0.0224
Private Fire Protection	4,594,356	0.0173	0.0232
Public Fire Protection	22,841,607	0.0858	0.1155
Total	$266,204,949	1.0000	1.0000

FACTOR 17. ALLOCATION OF OTHER WATER REVENUES.

The factors are based on the allocation of the total cost of service, excluding those items being allocated.

Customer Classification	Total Cost of Service	Allocation Factor	Factor 17 A and 17 B
(1)	(2)	(3)	
Inside - City			Factor 17A
Residential	$5,882,188	0.1409	0.5046
Commercial	4,303,376	0.1031	0.3692
Industrial	320,105	0.0077	0.0275
Private Fire Protection	365,209	0.0087	0.0313
Public Fire Protection	785,919	0.0188	0.0674
			1.0000
Outside - City			Factor 17B
Residential	12,890,027	0.3086	0.4283
Commercial	10,316,444	0.2471	0.3428
Industrial	1,968,809	0.0472	0.0654
Large Industrial	1,297,539	0.0311	0.0431
Other Water Utilities	698,521	0.0167	0.0232
Private Fire Protection	533,268	0.0128	0.0177
Public Fire Protection	2,393,714	0.0573	0.0795
Total	$41,755,119	1.0000	1.0000

CITY OF LANCASTER - BUREAU OF WATER

PROJECTED COST OF SERVICE FOR THE TWELVE MONTHS ENDING FEBRUARY 29, 2016
ALLOCATED TO RESIDENTIAL, COMMERCIAL, INDUSTRIAL, OTHER WATER UTILITIES AND FIRE SERVICE CUSTOMER CLASSIFICATIONS

			INSIDE-CITY					OUTSIDE - CITY						
ACCOUNT	FACTOR REF	COST OF SERVICE	RESIDENTIAL	COMMERCIAL & PUBLIC	INDUSTRIAL	PRIVATE FIRE	PUBLIC FIRE	RESIDENTIAL	COMMERCIAL & PUBLIC	INDUSTRIAL	LARGE INDUSTRIAL	OTHER UTILITIES	PRIVATE FIRE	PUBLIC FIRE
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
LAND AND LAND RIGHTS	15	6,978,292	815,064	665,729	48,848	73,970	189,112	2,066,970	1,741,084	326,584	212,140	115,840	120,724	602,227
COLLECTING AND IMPOUNDING RESERVOIRS	2	2,472	319	302	24	1	2	731	770	156	103	54	1	8
LAKE, RIVER & OTHER INTAKES	2	216,990	27,992	26,494	2,083	87	195	64,207	67,614	13,714	9,027	4,774	130	673
POWER AND PUMPING STRUCTURES														
WILLOW STREET BOOSTER STATION - OUTSIDE C	3B	2,114,436	0	0	0	0	0	705,376	742,167	150,336	98,533	52,227	58,147	307,650
KISSEL HILL BOOSTER STATION - OUTSIDE	3B	33,738	0	0	0	0	0	11,255	11,842	2,399	1,572	833	928	4,909
SUSQUEHANNA RIVER INTAKE & H.S. - JOINT	3	240,722	25,781	24,433	1,926	3,346	7,799	59,194	62,347	12,662	8,329	4,405	4,839	25,661
CONESTOGA PUMP STATION - JOINT	3	899,609	96,348	91,310	7,197	12,505	29,147	221,214	232,999	47,319	31,126	16,463	18,082	95,898
HESS BLVD STATION - OUTSIDE	3B	587,167	0	0	0	0	0	195,879	206,096	41,748	27,362	14,503	16,147	85,433
CONESTOGA STRAINER BUILDING	3	807,937	86,530	82,006	6,463	11,230	26,177	198,672	209,256	42,497	27,955	14,785	16,240	86,126
DELP ROAD PUMP STATION	3B	659,275	0	0	0	0	0	219,934	231,406	46,874	30,722	16,284	18,130	95,925
WILLOW VALLEY PUMP STATION	3B	2,122,851	0	0	0	0	0	708,183	745,121	150,935	98,925	52,434	58,378	308,875
SOUTH TANK PUMP STATION	3A	1,209,046	493,412	468,989	37,239	62,870	146,536	0	0	0	0	0	0	0
SOUTH TANK PUMP STATION	3B	680,089	0	0	0	0	0	226,878	238,711	48,354	31,692	16,798	18,702	98,953
EAST PUMP STATION	3B	980,421	0	0	0	0	0	327,068	344,128	69,708	45,688	24,216	26,962	142,651
PURIFICATION BUILDINGS	2	70,926,377	9,149,503	8,660,111	680,893	28,371	63,834	20,987,115	22,100,659	4,482,547	2,950,537	1,560,380	42,556	219,872
DISTRIBUTION RESERVOIR AND STANDPIPES														
UNDERGROUND STORAGE RESERVOIR - JOINT	5	8,602,641	984,142	806,067	52,476	140,223	326,900	2,259,914	2,056,891	342,385	221,948	129,040	203,022	1,079,631
WILLOW ST. STANDPIPE - OUTSIDE	5B	193,893	0	0	0	0	0	69,879	63,384	10,470	6,767	3,955	6,243	33,194
LAFAYETTE STANDPIPE - OUTSIDE	5B	3,384,907	0	0	0	0	0	1,219,920	1,106,526	182,785	118,133	69,052	108,994	579,496
LAMPETER ELEVATED TANK - OUTSIDE	5B	5,096	0	0	0	0	0	1,837	1,666	275	178	104	164	872
NEFFSVILLE TANK - OUTSIDE	5B	15,476	0	0	0	0	0	5,578	5,059	836	540	316	498	2,649
	5B	-	0	0	0	0	0	0	0	0	0	0	0	0
PAINTING - OUTSIDE	5B	-	0	0	0	0	0	0	0	0	0	0	0	0
FENCING - JOINT	5	-	0	0	0	0	0	0	0	0	0	0	0	0
SOUTH TANK	5A	6,043,852	2,559,571	2,114,139	139,613	370,488	860,040	0	0	0	0	0	0	0
SOUTH TANK	5B	3,399,666	0	0	0	0	0	1,225,240	1,111,351	183,582	118,648	69,353	109,469	582,023
WATER ADMINISTRATION BUILDING	13	8,302,953	1,435,581	733,981	51,478	64,763	60,612	3,028,087	1,853,219	336,270	215,046	117,072	98,805	308,040
STORES, SHOP & GARAGE BUILDINGS	13	133,786	23,132	11,827	829	1,044	977	48,792	29,861	5,418	3,465	1,886	1,592	4,963
MISC. STRUCTURES AND IMPROVEMENTS	13	95,245	16,468	8,420	591	743	695	34,736	21,259	3,857	2,467	1,343	1,133	3,534
ELECTRIC PUMPING EQUIPMENT	6	9,478,114	788,579	680,529	47,391	138,380	322,256	2,519,283	2,363,842	412,298	268,231	152,598	283,396	1,501,333
TREATMENT PLANT EQUIPMENT - JOINT	2	3,782,284	487,915	461,817	36,310	1,513	3,404	1,119,178	1,178,560	239,040	157,343	83,210	2,269	11,725
WILLOW ST. CHLORINE BOOSTER STATION	2B	-	0	0	0	0	0	0	0	0	0	0	0	0
LABORATORY EQUIPMENT	2	5,314	686	649	51	2	5	1,572	1,656	336	221	117	3	16
MAINS AND ACCESSORIES														
CAST IRON, 4" AND UNDER - INSIDE	4A	5,162	2,039	1,684	111	399	929	0	0	0	0	0	0	0
CAST IRON, 4" AND UNDER - OUTSIDE	4B	389,883	0	0	0	0	0	131,079	118,836	19,650	12,671	7,447	15,907	84,293
CAST IRON, 6" AND 8" - INSIDE	4A	11,399,272	4,502,712	3,719,582	245,084	881,164	2,050,729	0	0	0	0	0	0	0
CAST IRON, OVER 8" - INSIDE	3A	12,257,703	5,002,369	4,754,763	377,537	637,401	1,485,634	0	0	0	0	0	0	0
CAST IRON, 6" AND 8" - OUTSIDE	4B	41,367,468	0	0	0	0	0	13,907,743	12,608,804	2,084,920	1,344,443	790,119	1,687,793	8,943,647
CAST IRON, OVER 8"- OUTSIDE	3B	27,430,655	0	0	0	0	0	9,150,867	9,628,160	1,950,320	1,278,269	677,537	754,343	3,991,160
CAST IRON, 6" AND 8"- JOINT	4	836,740	89,280	73,131	4,769	17,237	40,163	205,085	186,593	31,043	20,082	11,714	24,935	132,707
CAST IRON,OVER 8" - JOINT	3	614,541	65,817	62,376	4,916	8,542	19,911	151,116	159,166	32,325	21,263	11,246	12,352	65,510
MANHOLES - INSIDE	3A	137,194	55,989	53,218	4,226	7,134	16,628	0	0	0	0	0	0	0
MANHOLES - OUTSIDE	3B	824,477	0	0	0	0	0	275,046	289,391	58,620	38,421	20,365	22,673	119,961
MANHOLES - JOINT	3	17,498	1,874	1,776	140	243	567	4,303	4,532	920	605	320	352	1,865
VALVES AND VALVE BOXES - INSIDE	3A	1,568,664	640,172	608,485	48,315	81,571	190,122	0	0	0	0	0	0	0
VALVES AND VALVE BOXES - OUTSIDE	3B	8,432,664	0	0	0	0	0	2,813,137	2,959,865	599,562	392,962	208,287	231,898	1,226,953
VALVES AND VALVE BOXES - JOINT	3	57,332	6,140	5,819	459	797	1,858	14,098	14,849	3,016	1,984	1,049	1,152	6,112
STEEL - OUTSIDE	3B	812,517	0	0	0	0	0	271,056	285,193	57,770	37,863	20,069	22,344	118,221
STEEL - JOINT	3	40,884	4,379	4,150	327	568	1,325	10,053	10,589	2,150	1,415	748	822	4,358
PLASTIC - OUTSIDE	4B	22,773	0	0	0	0	0	7,656	6,941	1,148	740	435	929	4,924
LANCASTER METER PIT - OUTSIDE	4B	-	0	0	0	0	0	0	0	0	0	0	0	0

CITY OF LANCASTER - BUREAU OF WATER

PROJECTED COST OF SERVICE FOR THE TWELVE MONTHS ENDING FEBRUARY 29, 2016
ALLOCATED TO RESIDENTIAL, COMMERCIAL, INDUSTRIAL, OTHER WATER UTILITIES AND FIRE SERVICE CUSTOMER CLASSIFICATIONS

			INSIDE-CITY					OUTSIDE - CITY						
ACCOUNT	FACTOR REF	COST OF SERVICE	RESIDENTIAL	COMMERCIAL & PUBLIC	INDUSTRIAL	PRIVATE FIRE	PUBLIC FIRE	RESIDENTIAL	COMMERCIAL & PUBLIC	INDUSTRIAL	LARGE INDUSTRIAL	OTHER UTILITITIES	PRIVATE FIRE	PUBLIC FIRE
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
RELINING	4	3,284,076	350,411	287,028	18,719	67,652	157,636	804,927	732,349	121,839	78,818	45,977	97,865	520,854
SERVICES - INSIDE	9A	2,759,145	2,253,946	349,584	11,864	143,751	0	0	0	0	0	0	0	0
SERVICES - OUTSIDE	9B	12,888,662	0	0	0	0	0	11,278,868	1,116,158	54,132	2,578	3,867	433,059	0
METERS - INSIDE	8A	138,777	94,701	40,745	3,331	0	0	0	0	0	0	0	0	0
METERS - OUTSIDE	8B	25,591	0	0	0	0	0	17,755	7,145	550	64	77	0	0
HYDRANTS - INSIDE	7A	1,123,446	0	0	0	0	1,123,446	0	0	0	0	0	0	0
HYDRANTS - OUTSIDE	7B	1,211,532	0	0	0	0	0	0	0	0	0	0	0	1,211,532
OFFICE FURNITURE	13	187,975	32,501	16,617	1,165	1,466	1,372	68,554	41,956	7,613	4,869	2,650	2,237	6,974
TRANSPORTATION EQUIPMENT	13	2,460,447	425,411	217,504	15,255	19,191	17,961	897,325	549,172	99,648	63,726	34,692	29,279	91,283
STORES EQUIPMENT	13	309	53	27	2	2	2	113	69	13	8	4	4	11
SHOP EQUIPMENT	13	-	0	0	0	0	0	0	0	0	0	0	0	0
TOOLS AND WORK EQUIPMENT	13	718,541	124,236	63,519	4,455	5,605	5,245	262,052	160,378	29,101	18,610	10,131	8,551	26,658
COMMUNICATION EQUIPMENT	13	820,590	141,880	72,540	5,088	6,401	5,990	299,269	183,156	33,234	21,253	11,570	9,765	30,444
MISCELLANEOUS EQUIPMENT	13	29,220	5,052	2,583	181	228	213	10,657	6,522	1,183	757	412	348	1,084
TOTAL PLANT IN SERVICE		263,766,387	30,789,984	25,171,934	1,859,356	2,788,888	7,157,423	78,107,447	65,797,297	12,342,145	8,028,098	4,380,761	4,572,165	22,770,889
OTHER RATE BASE ITEMS														
MATERIALS AND SUPPLIES	21	300,000	48,000	29,160	2,160	1,800	1,740	103,020	73,890	14,190	9,540	5,070	2,730	8,700
CASH WORKING CAPITAL	21	2,138,563	342,170	207,868	15,398	12,831	12,404	734,383	526,728	101,154	68,006	36,142	19,461	62,018
TOTAL RATE BASE		266,204,949	31,180,154	25,408,962	1,876,914	2,803,519	7,171,567	78,944,850	66,397,915	12,457,489	8,105,644	4,421,972	4,594,356	22,841,607

CITY OF LANCASTER - BUREAU OF WATER

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 18. ALLOCATION OF REGULATORY COMMISSION EXPENSES

The factors are based on the allocation of the total Outside - City cost of service, excluding those items being allocated.

Customer Classification	Outside City Total Cost of Service	Allocation Factor
(1)	(2)	(3)
Outside - City		
Residential	$78,944,850	0.3992
Commercial	66,397,915	0.3357
Industrial	12,457,489	0.0630
Large Industrial	8,105,644	0.0410
Other Water Utilities	4,421,972	0.0224
Private Fire Protection	4,594,356	0.0232
Public Fire Protection	22,841,607	0.1155
Total	$197,763,833	1.0000

FACTOR 19. REALLOCATION OF PUBLIC FIRE - INSIDE THE CITY

The factors are based on the allocation of the meter equivalents.

Customer Classification	Inside - City Meter Equivalents	Allocation Factor
(1)	(2)	(3)
Inside - City		
Residential	14,794	0.6824
Commercial	6,365	0.2936
Industrial	521	0.0240
Total	21,680	1.0000

FACTOR 20. REALLOCATION OF PUBLIC FIRE - OUTSIDE THE CITY

The factors are based on the allocation of the meter equivalents.

Customer Classification	Outside - City Meter Equivalents	Allocation Factor
(1)	(2)	(3)
Outside - City		
Residential	34,057	0.6959
Commercial	13,706	0.2801
Industrial	1,053	0.0215
Large Industrial	121	0.0025
Total	48,937	1.0000

CITY OF LANCASTER - BUREAU OF WATER

FACTORS FOR ALLOCATING COST OF SERVICE TO CUSTOMER CLASSIFICATIONS, cont.

FACTOR 21. ALLOCATION OF CASH WORKING CAPITAL AND PREPAID EXPENSES

Factors are based on the allocation of operation and maintenance expenses excluding rate case expense.

Customer Classification	Operation & Maintenance Expenses	Allocation Factor
(1)	(2)	(3)
Inside - City		
Residential	$2,467,573	0.1600
Commercial	1,498,670	0.0972
Industrial	111,300	0.0072
Private Fire Protection	91,895	0.0060
Public Fire Protection	89,551	0.0058
Outside - City		
Residential	5,295,844	0.3434
Commercial	3,799,048	0.2463
Industrial	729,867	0.0473
Large Industrial	490,091	0.0318
Other Water Utilities	260,209	0.0169
Private Fire Protection	140,666	0.0091
Public Fire Protection	447,944	0.0290
Total	$15,422,660	1.0000

CITY OF LANCASTER - BUREAU OF WATER

BASIS FOR ALLOCATION OF DEMAND-RELATED COSTS OF FIRE SERVICE TO PRIVATE AND PUBLIC FIRE PROTECTION

Description	Restrictive Diameter(s) Squared	Number of Units	Relative Demand	Percent of Total Fire Protection	Percent of Service Area Fire Protection
(1)	(2)	(3)	(4)	(5)	(6)
INSIDE CITY					
Private Fire Protection					
1 -Inch Fire Line	1.00	2	2		
2 -Inch Fire Line	6.00	1	6		
3 -Inch Fire Line	9.00	2	18		
4 -Inch Fire Line	16.00	95	1,520		
6 -Inch Fire Line	36.00	183	6,588		
8 -Inch Fire Line	64.00	72	4,608		
10 -Inch Fire Line	100.00	7	700		
12 -Inch Fire Line	144.00	1	144		
Total Private Fire Protection		363	13,586	0.0802	0.3005
Public Fire Protection					
Service Nozzles					
4" Hydrants 2-2 1/2",1-4 1/2"	25.00	1,265	31,625		
Total Public Fire Protection		1,265	31,625	0.1867	0.6995
Total Inside City Fire Protection		1,628	45,211	0.2669	1.0000

CITY OF LANCASTER - BUREAU OF WATER

BASIS FOR ALLOCATION OF DEMAND-RELATED COSTS OF FIRE SERVICE TO PRIVATE AND PUBLIC FIRE PROTECTION

Description	Restrictive Diameter(s) Squared	Number of Units	Relative Demand	Percent of Total Fire Protection	Percent of Service Area Fire Protection
(1)	(2)	(3)	(4)	(5)	(6)
OUTSIDE CITY					
Private Fire Protection					
2 -Inch Fire Line	6.00	1	6		
4 -Inch Fire Line	16.00	37	592		
6 -Inch Fire Line	36.00	251	9,036		
8 -Inch Fire Line	64.00	125	8,000		
10 -Inch Fire Line	100.00	15	1,500		
12 -Inch Fire Line	144.00	4	576		
Total Private Fire Protection		433	19,710	0.1164	0.1587
Public Fire Protection					
Service Nozzles					
4" Hydrants 2-2 1/2",1-4 1/2"	25.00	4,179	104,475		
Total Public Fire Protection		4,179	104,475	0.6167	0.8413
Total Outside City Fire Protection		4,612	124,185	0.7331	1.0000
Total Fire Protection		6,240	169,396	1.0000	

CITY OF LANCASTER
BUREAU OF WATER

SUMMARY OF PRESENT AND PROPOSED RATES

			2024 Present Rates		Proposed Rates			
						Inside		Outside
			Inside	Outside	Inside	% increase	Outside	% increase
Customer Charges:								
Monthly								
5/8"			9.10	7.95	9.10	0.0%	11.62	46.2%
3/4"			9.10	9.30	9.10	0.0%	13.59	46.1%
3/4x1"				16.70			24.41	46.2%
1"			24.18	21.10	24.18	0.0%	30.84	46.2%
1 1/2"			37.96	33.20	37.96	0.0%	48.53	46.2%
2"			59.28	51.90	59.28	0.0%	75.86	46.2%
3"			117.26	102.40	117.26	0.0%	149.67	46.2%
4"			183.04	159.90	183.04	0.0%	233.72	46.2%
6"			364.00	318.00	364.00	0.0%	464.80	46.2%
8"			576.42	503.60	576.42	0.0%	736.08	46.2%
10"			762.58	666.20	762.58	0.0%	973.74	46.2%
12"				1,004.55			1,468.29	46.2%
Consumption Charges per 1,000 gallons								
	Monthly							
First 25	25,000		$ 6.8400	$ 4.7960	6.8400	0.0%	6.0430	26.0%
Next 575	575,000		5.7000	3.9490	5.7000	0.0%	4.8503	22.8%
Over 600	600,000		4.5000	3.7100	4.5000	0.0%	4.8810	31.6%
Large Industrial	All Usage	All Usage		3.5680	NA		4.5670	28.0%

CITY OF LANCASTER
BUREAU OF WATER

SUMMARY OF PRESENT AND PROPOSED RATES

	2024 Present Rates		Proposed Rates			
			Inside		Outside	
	Inside	Outside	Inside	% increase	Outside	% increase
Sales for Resale						
Customer Charges:						
Monthly						
4"		$ 159.90			$ 233.72	46.2%
6"		318.00			464.80	46.2%
8"		503.60			736.08	46.2%
10"		666.20			973.74	46.2%
Consumption Charges per 1,000 gallons						
Monthly						
All Usage		$ 3.7580			4.8100	28.0%
Private Fire						
Monthly						
1"	$ 2.46	$ 3.23	$ 2.46	0.0%	$ 3.88	20.1%
1 1/2"	5.52	7.27	5.52	0.0%	8.72	19.9%
2"	9.80	12.92	9.80	0.0%	15.50	20.0%
3"	22.06	29.06	22.06	0.0%	34.87	20.0%
4"	32.14	42.34	32.14	0.0%	50.81	20.0%
6"	52.30	68.90	52.30	0.0%	82.68	20.0%
8"	90.46	119.15	90.46	0.0%	142.98	20.0%
10"	121.40	159.91	121.40	0.0%	191.89	20.0%
12"	252.63	231.01	252.63	0.0%	277.21	20.0%

CITY OF LANCASTER
BUREAU OF WATER

COMPARATIVE BILLS AT PRESENT AND PROPOSED RATES
OUTSIDE THE CITY
RESIDENTIAL MONTHLY - 5/8" METER

Consumption (Gallons)	Present Rates	Proposed Rates	Dollar Difference	Percentage Difference
-	7.95	11.62	3.67	46.2%
1,000	12.75	17.66	4.91	38.5%
2,000	17.54	23.71	6.17	35.2%
3,000	22.34	29.75	7.41	33.2%
4,000	27.13	35.79	8.66	31.9%
4,500	29.53	38.81	9.28	31.4%
5,000	31.93	41.84	9.91	31.0%
6,000	36.73	47.88	11.15	30.4%
7,000	41.52	53.92	12.40	29.9%
8,000	46.32	59.96	13.64	29.4%
9,000	51.11	66.01	14.90	29.2%
10,000	55.91	72.05	16.14	28.9%
11,000	60.71	78.09	17.38	28.6%
13,000	70.30	90.18	19.88	28.3%
13,600	73.18	93.80	20.62	28.2%
14,600	77.97	99.85	21.88	28.1%
20,000	103.87	132.48	28.61	27.5%
25,000	127.85	162.70	34.85	27.3%
30,000	147.60	186.95	39.35	26.7%

CITY OF LANCASTER
BUREAU OF WATER

COMPARATIVE BILLS AT PRESENT AND PROPOSED RATES
OUTSIDE THE CITY
COMMERCIAL MONTHLY -2" METER

Consumption (Gallons)	Present Rates	Proposed Rates	Dollar Difference	Percentage Difference
-	51.90	75.86	23.96	46.2%
1,000	56.70	81.90	25.21	44.5%
2,000	61.49	87.95	26.45	43.0%
3,000	66.29	93.99	27.70	41.8%
4,000	71.08	100.03	28.95	40.7%
5,000	75.88	106.08	30.20	39.8%
6,000	80.68	112.12	31.44	39.0%
7,000	85.47	118.16	32.69	38.2%
8,000	90.27	124.20	33.94	37.6%
9,000	95.06	130.25	35.18	37.0%
10,000	99.86	136.29	36.43	36.5%
20,000	147.82	196.72	48.90	33.1%
30,000	191.55	251.19	59.64	31.1%
35,000	211.29	275.44	64.15	30.4%
40,000	231.04	299.69	68.65	29.7%
50,000	270.53	348.19	77.67	28.7%
60,000	310.02	396.70	86.68	28.0%
73,100	361.75	460.23	98.49	27.2%
80,000	389.00	493.70	104.71	26.9%
90,000	428.49	542.20	113.72	26.5%
95,000	448.23	566.46	118.23	26.4%
96,000	452.18	571.31	119.13	26.3%
100,000	467.98	590.71	122.73	26.2%
200,000	862.88	1,075.74	212.86	24.7%
201,000	866.82	1,080.59	213.76	24.7%
300,000	1,257.78	1,560.77	302.99	24.1%
400,000	1,652.68	2,045.80	393.12	23.8%
500,000	2,047.58	2,530.83	483.25	23.6%
600,000	2,442.48	3,015.86	573.38	23.5%
700,000	2,813.48	3,503.96	690.48	24.5%
800,000	3,184.48	3,992.06	807.58	25.4%
900,000	3,555.48	4,480.16	924.68	26.0%
1,000,000	3,926.48	4,968.26	1,041.78	26.5%
1,500,000	5,781.48	7,408.76	1,627.28	28.1%
2,000,000	7,636.48	9,849.26	2,212.78	29.0%
2,500,000	9,491.48	12,289.76	2,798.28	29.5%
3,000,000	11,346.48	14,730.26	3,383.78	29.8%
3,500,000	13,201.48	17,170.76	3,969.28	30.1%
4,000,000	15,056.48	19,611.26	4,554.78	30.3%
4,500,000	16,911.48	22,051.76	5,140.28	30.4%
5,000,000	18,766.48	24,492.26	5,725.78	30.5%
5,500,000	20,621.48	26,932.76	6,311.28	30.6%
6,000,000	22,476.48	29,373.26	6,896.78	30.7%
6,500,000	24,331.48	31,813.76	7,482.28	30.8%
7,000,000	26,186.48	34,254.26	8,067.78	30.8%
7,500,000	28,041.48	36,694.76	8,653.28	30.9%
8,000,000	29,896.48	39,135.26	9,238.78	30.9%
8,500,000	31,751.48	41,575.76	9,824.28	30.9%
9,000,000	33,606.48	44,016.26	10,409.78	31.0%
9,500,000	35,461.48	46,456.76	10,995.28	31.0%
10,000,000	37,316.48	48,897.26	11,580.78	31.0%

CITY OF LANCASTER
BUREAU OF WATER

COMPARATIVE BILLS AT PRESENT AND PROPOSED RATES
OUTSIDE THE CITY
INDUSTRIAL MONTHLY - 2" METER

Consumption (Gallons)	Present Rates	Proposed Rates	Dollar Difference	Percentage Difference
-	51.90	75.86	23.96	46.2%
1,000	56.70	81.90	25.21	44.5%
2,000	61.49	87.95	26.45	43.0%
3,000	66.29	93.99	27.70	41.8%
4,000	71.08	100.03	28.95	40.7%
5,000	75.88	106.08	30.20	39.8%
6,000	80.68	112.12	31.44	39.0%
7,000	85.47	118.16	32.69	38.2%
8,000	90.27	124.20	33.94	37.6%
9,000	95.06	130.25	35.18	37.0%
10,000	99.86	136.29	36.43	36.5%
100,000	467.98	590.71	122.73	26.2%
200,000	862.88	1,075.74	212.86	24.7%
300,000	1,257.78	1,560.77	302.99	24.1%
350,000	1,455.23	1,803.28	348.06	23.9%
419,600	1,730.08	2,140.86	410.79	23.7%
500,000	2,047.58	2,530.83	483.25	23.6%
600,000	2,442.48	3,015.86	573.38	23.5%
650,000	2,627.98	3,259.91	631.93	24.0%
750,000	2,998.98	3,748.01	749.03	25.0%
850,000	3,369.98	4,236.11	866.13	25.7%
950,000	3,740.98	4,724.21	983.23	26.3%
1,096,000	4,282.64	5,436.83	1,154.20	27.0%
1,050,000	4,111.98	5,212.31	1,100.33	26.8%
1,150,000	4,482.98	5,700.41	1,217.43	27.2%
1,250,000	4,853.98	6,188.51	1,334.53	27.5%
1,350,000	5,224.98	6,676.61	1,451.63	27.8%
1,450,000	5,595.98	7,164.71	1,568.73	28.0%
1,550,000	5,966.98	7,652.81	1,685.83	28.3%
1,650,000	6,337.98	8,140.91	1,802.93	28.4%

CITY OF LANCASTER
BUREAU OF WATER

COMPARATIVE BILLS AT PRESENT AND PROPOSED RATES
OUTSIDE THE CITY
LARGE INDUSTRIAL MONTHLY - 8" AND 10" METER

Consumption (Gallons)	Present Rates	Proposed Rates	Dollar Difference	Percentage Difference
1,000,000	4,737.80	6,276.82	1,539.02	32.5%
1,500,000	6,521.80	8,560.32	2,038.52	31.3%
2,000,000	8,305.80	10,843.82	2,538.02	30.6%
2,500,000	10,089.80	13,127.32	3,037.52	30.1%
3,000,000	11,873.80	15,410.82	3,537.02	29.8%
3,500,000	13,657.80	17,694.32	4,036.52	29.6%
4,000,000	15,441.80	19,977.82	4,536.02	29.4%
4,500,000	17,225.80	22,261.32	5,035.52	29.2%
5,000,000	19,009.80	24,544.82	5,535.02	29.1%
5,500,000	20,793.80	26,828.32	6,034.52	29.0%
6,000,000	22,577.80	29,111.82	6,534.02	28.9%
6,500,000	24,361.80	31,395.32	7,033.52	28.9%
7,000,000	26,145.80	33,678.82	7,533.02	28.8%
7,500,000	27,929.80	35,962.32	8,032.52	28.8%
8,000,000	29,713.80	38,245.82	8,532.02	28.7%
8,500,000	31,497.80	40,529.32	9,031.52	28.7%
9,000,000	33,281.80	42,812.82	9,531.02	28.6%
9,500,000	35,065.80	45,096.32	10,030.52	28.6%
10,000,000	36,849.80	47,379.82	10,530.02	28.6%
15,000,000	54,689.80	70,214.82	15,525.02	28.4%
20,000,000	72,529.80	93,049.82	20,520.02	28.3%
20,958,000	75,947.94	97,425.01	21,477.06	28.3%
30,000,000	108,209.80	138,719.82	30,510.02	28.2%
40,000,000	143,889.80	184,389.82	40,500.02	28.1%

CITY OF LANCASTER
BUREAU OF WATER

COMPARATIVE BILLS AT PRESENT AND PROPOSED RATES
OUTSIDE THE CITY
SALES FOR RESALE MONTHLY - 6" METER

Consumption (Gallons)	Present Rates	Proposed Rates	Dollar Difference	Percentage Difference
100,000	693.80	945.80	252.00	36.3%
500,000	2,197.00	2,869.80	672.80	30.6%
1,000,000	4,076.00	5,274.80	1,198.80	29.4%
1,200,000	4,827.60	6,236.80	1,409.20	29.2%
1,400,000	5,579.20	7,198.80	1,619.60	29.0%
1,600,000	6,330.80	8,160.80	1,830.00	28.9%
1,800,000	7,082.40	9,122.80	2,040.40	28.8%
2,000,000	7,834.00	10,084.80	2,250.80	28.7%
2,200,000	8,585.60	11,046.80	2,461.20	28.7%
2,335,000	9,092.93	11,696.15	2,603.22	28.6%
2,600,000	10,088.80	12,970.80	2,882.00	28.6%
2,800,000	10,840.40	13,932.80	3,092.40	28.5%
3,000,000	11,592.00	14,894.80	3,302.80	28.5%
3,225,000	12,437.55	15,977.05	3,539.50	28.5%
3,500,000	13,471.00	17,299.80	3,828.80	28.4%
3,700,000	14,222.60	18,261.80	4,039.20	28.4%
4,000,000	15,350.00	19,704.80	4,354.80	28.4%

CITY OF LANCASTER – BUREAU OF WATER

Lancaster, Pennsylvania

SUMMARY OF

CITY REBUTTAL POSITION

AND

COMPARISON OF

CITY FILED POSITION AND CITY REBUTTAL POSITION

GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC

Mechanicsburg, Pennsylvania

CITY OF LANCASTER - BUREAU OF WATER
OUTSIDE CITY - SUMMARY OF REBUTTAL POSITION

Description	City Filed	Exhibit and Schedule Ref.	Adj. Ref.	Exhibit GRH-2R Outside-City Allocation	Adjustments	City Rebuttal
Operating Revenue Deductions:						
Operation and Maintenance						
Filed Expenses	$ 12,545,807					$ 12,545,807
Adj. Meter Shop Personnel - Plubming Technicians		Ex. GRH-1R, Sch. 6	E-10	0.6610	$ (45,547)	(45,547)
Adj. Payroll Tax for Plubming Technicians		Ex. GRH-1R, Sch. 6	E-10	0.7234	(6,747)	(6,747)
Other Allocation Changes				Various	(38,705) *	(38,705)
Total Expenses Including Adjustments	12,545,807				(90,999)	12,454,808
Depreciation	4,395,191			Various	98,171 *	4,493,362
Total Operating Revenue Deductions	16,940,998				7,172	16,948,170
Net Operating Available for Return	13,296,901				-	13,150,152
Total Operating Revenue (Under Proposed Rates)	30,237,900					30,237,900
Adj. to Reclassification of Billing Determinants, Other Water Revenue	-	Ex. GRH-1R, Sch. 8		1.0000	(139,578)	(139,578)
Total Proposed Revenue Including Adjustments	30,237,900				(139,578)	30,098,322
Less Present Operating Revenue	23,232,683					23,232,683
Adj. to Reclassification of Billing Determinants, Other Water Revenue		Ex. GRH-1R, Sch. 8		1.0000	(75,980)	(75,980)
Less Present Revenue Including Adjustments	23,232,683				(75,980)	23,156,703
Allowable Increase	**7,005,217**					**6,941,619**
Percentage Increase	30.15%					29.88%
Original Cost of Measure	$ 190,353,958					$ 190,353,958
Adj. South Tank Pump Station		Ex. GRH-2R, Sch. E		1.0000	$ 327,137	327,137
Adj. East Pump Station		Ex. GRH-2R, Sch. E		1.0000	(908,714)	(908,714)
Adj. Purification Buildings		Ex. GRH-2R, Sch. E		0.7380	6,465	4,771
Adj. Treatment Plant Equipment - Joint		Ex. GRH-2R, Sch. E		0.7380	199,160	146,980
Adj. CAST IRON, 6" AND 8" - Outside		Ex. GRH-2R, Sch. E		1.0000	3,363,284	3,363,284
Adj. CAST IRON, OVER 8"- Outside		Ex. GRH-2R, Sch. E		1.0000	2,230,184	2,230,184
Adj. Valves and Valve Boxes - Outside		Ex. GRH-2R, Sch. E		1.0000	796,577	796,577
Adj. Services - Outside		Ex. GRH-2R, Sch. E		1.0000	1,596,286	1,596,286
Adj. Materials and Supplies		Ex. GRH-2R, Sch. E		0.7238	(342,144)	(247,644)
Adj. CWC		Ex. GRH-2R, Sch. E		0.7238	(17,493)	(12,662)
Other Allocation Changes		Ex. GRH-2R, Sch. E		Various	113,675 *	113,675
Original Cost of Measure Including Adjustments	$ 190,353,958				$ 7,364,417	$ 197,763,833
Rate of Return	6.99%					6.65%

*Includes the effect of reallocation costs.

CITY OF LANCASTER - WATER FUND

STATEMENT OF THE CALCULATION OF THE RATE OF RETURN UNDER PROPOSED RATES FOR THE TWELVE MONTHS ENDED MARCH 31, 2027

FOR INSIDE-CITY AND OUTSIDE-CITY CUSTOMERS

COMPARISON OF AS FILED AND REBUTTAL

Line No.	Description	As Filed Under Proposed Rates	Rebuttal Under Proposed Rates	Difference	Reference
	(1)				
1	Operating Revenue	$ 41,786,673	$ 41,755,119	-31,554	Adjustment to revenue - see Statement 4R.
2					
3	Operating Revenue Deductions:				
4	Operation and Maintenance				
5	Expenses	17,248,449	17,108,504	(139,945)	Adjustment to payroll - see Statement 4R.
6	Depreciation	5,893,325	6,006,991	113,666	Adjustment to Rate Base - see Statements 4R and 5R
7					
8	Total Operating				
9	Revenue Deductions	23,141,774	23,115,495	(26,279)	
10					
11					
12	Net Operating Income				
13	Available for Return	$ 18,644,900	$ 18,639,624	$ (5,275)	
14					
15					
16	Original Cost Measure of Value	$ 258,372,631	$ 266,204,951	$ 7,832,320	Adjustment to Rate Base - see Statements 4R and 5R
17					
18	Rate of Return	7.22%	7.00%	-0.21%	

CITY OF LANCASTER - WATER FUND

STATEMENT OF THE CALCULATION OF THE RATE OF RETURN UNDER PROPOSED RATES FOR THE TWELVE MONTHS ENDED MARCH 31, 2027

INSIDE-CITY CUSTOMERS

COMPARISON OF AS FILED AND REBUTTAL

Line No.	Description	As Filed Under Proposed Rates	Rebuttal Under Proposed Rates	Difference	Reference
	(1)				
1	Operating Revenue	$ 11,548,774	$ 11,656,797	108,023	Adjustment to revenue - see Statement 4R.
2					
3	Operating Revenue Deductions:				
4	Operation and Maintenance				
5	Expenses	4,702,641	4,653,695	(48,946)	Adjustment to payroll - see Statement 4R.
6	Depreciation	1,498,134	1,513,629	15,495	Adjustment to Rate Base - see Statements 4R and 5R
7					
8	Total Operating				
9	Revenue Deductions	6,200,775	6,167,324	(33,451)	
10					
11					
12	Net Operating Income				
13	Available for Return	$ 5,347,999	$ 5,489,473	$ 141,474	
14					
15					
16	Original Cost Measure of Value	$ 68,018,673	$ 68,441,116	$ 422,443	Adjustment to Rate Base - see Statements 4R and 5R
17					
18	Rate of Return	7.86%	8.02%	0.16%	

CITY OF LANCASTER - WATER FUND

STATEMENT OF THE CALCULATION OF THE RATE OF RETURN UNDER PROPOSED RATES FOR THE TWELVE MONTHS ENDED MARCH 31, 2027

OUTSIDE-CITY CUSTOMERS

COMPARISON OF AS FILED AND REBUTTAL

Line No.	Description	As Filed Under Proposed Rates	Rebuttal Under Proposed Rates	Difference	Reference
1	Operating Revenue	$ 30,237,900	$ 30,098,322	(139,578)	Adjustment to revenue - see Statement 4R.
2					
3	Operating Revenue Deductions:				
4	Operation and Maintenance				
5	Expenses	12,545,807	12,454,808	(90,999)	Adjustment to payroll - see Statement 4R.
6	Depreciation	4,395,191	4,493,362	98,171	Adjustment to Rate Base - see Statements 4R and 5R
7					
8	Total Operating				
9	Revenue Deductions	16,940,998	16,948,170	7,172	
10					
11					
12	Net Operating Income				
13	Available for Return	$ 13,296,901	$ 13,150,151	$ (146,750)	
14					
15					
16	Original Cost Measure of Value	$ 190,353,958	$ 197,763,833	$ 7,409,875	Adjustment to Rate Base - see Statements 4R and 5R
17					
18	Rate of Return	6.99%	6.65%	-0.34%	

CITY OF LANCASTER - WATER FUND

CALCULATION OF RATE BASE FOR THE TWELVE MONTHS ENDED MARCH 31, 2027

FOR INSIDE-CITY AND OUTSIDE-CITY CUSTOMERS

COMPARISON OF AS FILED AND REBUTTAL

Line No.	Description	Inside City	Outside City	Total	Reference
	(1)				
1	Rate Base as Filed	68,018,673	190,353,958	258,372,631	
2					
3	Adjustment from Discovery				
4	Total Adjustments	422,443	7,409,875	7,832,318	Adjustment to Rate Base - see Statements 4R and 5R
5	Total				
6					
7	Adjustment for Materials and Supplies	(94,886)	(247,259)	(342,144)	
8	Adjustment for Cash Working Capital	(6,125)	(11,368)	(17,493)	See Statement 4R
9					
10					
11	Other Adjustment due to Other Allocaton Factors	101,011	258,627	359,638	See Exhibit GRH-2R, Statement 4R.
12					
13	Rate Base - Rebuttal	$ 68,441,116	$ 197,763,833	$ 266,204,949	

TUS Request No. 12:

Lancaster's Joint Petition for Settlement for its last base rate case at Docket No. R-2021- 3026682 (2021 Rate Case Settlement), Appendix B, Page 15 included a proof of revenue that identified approximately 4,608 residential customers (18,430 quarterly bills/year/4 quarters) and approximately 1,363 residential customers (5,451 quarterly bills/year/4 quarters) would be billed service charges for 3/4x1-inch meters and for one-inch meters, respectively. Also, Lancaster's Tariff Supplement Filing, Exhibit GRH-1, Schedule 8 included a proof of revenue that did not identify any service charge revenues for customers with 3/4x1-inch meters and that identified approximately 6,207 residential customers (74,482 monthly bills/year/12 months) with one-inch meters. Please explain the apparent discrepancy regarding the 1,363 residential customers with one-inch meters identified in the 2021 Rate Case Settlement and the 6,207 residential customers with one- inch meters identified in Exhibit GRH-1, Schedule 8.

RESPONSE:

Please see TUS-R-12 Attachment, which is being provided in Excel file format only and which updates Exhibit GRH-1 to reflect the residential 3/4x1-inch metered bills. These 3/4x1-inch customers were marked as "1x" in the City's billing records and were inadvertently coded as 1-inch meter customers in Exhibit GRH-1. There are 4,705 customers with 3/4x1-inch meters in the PUC jurisdictional service territory and 1,502 1-inch meter customers. As a result of this adjustment, pro forma operating revenues under present rates for the outside-City Residential customers reduces from the as-filed amount $10,897,517 to the updated amount of $10,728,219, and pro forma revenues under proposed rates reduces from the as-filed amount of $14,315,200 to the updated amount of $14,055,990. The updates to outside-City Residential revenues also reduces the ROR from 6.99% to 6.91%.

RESPONSIBLE WITNESS: Gregory Herbert

TUS Request No. 13:

Please explain why Exhibit GRH-1, Schedule 8 does not reflect any service charge revenue for customers with 3/4x1-inch meters.

RESPONSE:

Please see the Response to TUS-R-12.

RESPONSIBLE WITNESS: Gregory Herbert

TUS Request No. 14:

Please confirm that service charge data in Exhibit GRH-1, Schedule 8 for customers with 3/4x1-inch meters and one-inch meters is correct or provide a revised Exhibit GRH-1 with corrected service charge data for all meter sizes.

RESPONSE:

Please see the Response to TUS-R-12.

RESPONSIBLE WITNESS: Gregory Herbert

TUS Request No. 15:

Please confirm that meter size data in the Tariff Supplement Filing's Exhibit GRH-2, Schedule. E, Page 22 for customers with 3/4-inch meters and one-inch meters is correct or provide a revised Exhibit GRH-2 with corrected meter size data for all meter sizes.

RESPONSE:

Please see TUS-R-15 Attachment, which is being provided in Excel file format only and which updates Exhibit GRH-2 to reflect the corrected number of 3/4x1-inch meters and 1-inch meters to correct for the inadvertent misallocation detailed in the Response to TUS-R-12. Additionally, the service lines have been corrected to reflect the correction detailed in the Response to TUS-R-12.

RESPONSIBLE WITNESS: Gregory Herbert

TUS Request No. 16:

Lancaster's Tariff Supplement Filing, Exhibit GRH-2, Schedule F indicated that all public fire protection service lines are four-inch pipe. Please confirm that public fire protection service line data in Exhibit GRH-2, Schedule F is correct or provide a revised Exhibit GRH-2 with corrected service line size data for public fire protection service lines.

RESPONSE:

The City does not keep records of the service line connection sizes for public hydrants. However, to the best of the City Staff's knowledge of the system, there is a mix of four-inch and six-inch service lines for public fire hydrants. In the updated Exhibit GRH-2, provided in Response to TUS-R-15, Schedule F has been updated such that the restrictive diameter squared equivalents have been changed from 16 to 25 to account for the believed mix of four-inch and six-inch service line connections.

RESPONSIBLE WITNESS: Gregory Herbert

TUS Request No. 17:

Please reconfirm the number of public fire hydrants with four-inch diameter service lines that are located outside of Lancaster's corporate limits and explain whether Lancaster intends to continue to use four-inch diameter pipe when Lancaster installs replacement public fire hydrants and related service lines.

RESPONSE:

The number of public fire hydrants for outside-City customers is provided in Table 2 of Statement No. 4, the Direct Testimony of Gregory Herbert. The City anticipates that it will continue to install a mix of four-inch and six-inch connections for replacement fire hydrants and related service lines, as appropriate.

RESPONSIBLE WITNESS: Gregory Herbert

TUS Request No. 18:

Please explain how any corrections to meter size and public fire protection service line size data in Exhibit GRH-2 affect the allocation of costs between customers within Lancaster's corporate limits and customers outside of Lancaster's corporate limits (e.g., allocation factors 8, 8B, and 20, etc.).

RESPONSE:

Please see TUS-R-18 Attachment, which compares the as-filed Exhibit GRH-2 allocation of costs compared to the updated Exhibit GRH-2 provided in the Response to TUS-R-15.

RESPONSIBLE WITNESS: Gregory Herbert

TUS Request No. 19:

Please explain how any corrections to meter size and public fire protection service line size data in Exhibit GRH-2 affect cost allocations between customer classes (e.g., residential, commercial, reallocation of public fire protection costs, etc.) and within customer classes (i.e., costs for different meter sizes) for customers outside of Lancaster's corporate limits.

RESPONSE:

Please see the Response to TUS-R-18.

RESPONSIBLE WITNESS: Gregory Herbert

TUS Request No. 17:

Please reconfirm the number of public fire hydrants with four-inch diameter service lines that are located outside of Lancaster's corporate limits and explain whether Lancaster intends to continue to use four-inch diameter pipe when Lancaster installs replacement public fire hydrants and related service lines.

RESPONSE:

The number of public fire hydrants for outside-City customers is provided in Table 2 of Statement No. 4, the Direct Testimony of Gregory Herbert. The City anticipates that it will continue to install a mix of four-inch and six-inch connections for replacement fire hydrants and related service lines, as appropriate.

RESPONSIBLE WITNESS: Gregory Herbert

TUS Request No. 18:

Please explain how any corrections to meter size and public fire protection service line size data in Exhibit GRH-2 affect the allocation of costs between customers within Lancaster's corporate limits and customers outside of Lancaster's corporate limits (e.g., allocation factors 8, 8B, and 20, etc.).

RESPONSE:

Please see TUS-R-18 Attachment, which compares the as-filed Exhibit GRH-2 allocation of costs compared to the updated Exhibit GRH-2 provided in the Response to TUS-R-15.

RESPONSIBLE WITNESS: Gregory Herbert

TUS Request No. 19:

Please explain how any corrections to meter size and public fire protection service line size data in Exhibit GRH-2 affect cost allocations between customer classes (e.g., residential, commercial, reallocation of public fire protection costs, etc.) and within customer classes (i.e., costs for different meter sizes) for customers outside of Lancaster's corporate limits.

RESPONSE:

Please see the Response to TUS-R-18.

RESPONSIBLE WITNESS: Gregory Herbert

Pa. PUC v. City of Lancaster – Bureau of Water
Docket No. R-2025-3057237
Interrogatories of the Office of Consumer Advocate
OCA Set 8 to the City of Lancaster

Responsible Witness: Gregory Herbert

OCA-8-16. Refer to Exhibit GRH-1, Schedule 2, pages 1 and 2. Please explain why Lien Interest and Costs is a negative (or debit) amount.

RESPONSE: There was a signage error in the model for Lien Interest and Costs. The total amount should be positive $1,073.28.

Pa. PUC v. City of Lancaster – Bureau of Water
Docket No. R-2025-3057237
Interrogatories of the Office of Consumer Advocate
OCA Set 12 to the City of Lancaster

Responsible Witness: Greogry Herbert

OCA-12-2. Refer to the response to TUS R-20 Attachment.

a. Please show the derivation, including supporting documentation, of the $162,034 in Excel Cell E17.

b. The response to TUS Request No. 20 acknowledges that the Meter Shop costs increased from $467,139 to $648,733 in the FPFTY, and TUS R-20 Attachment shows that both Meter Reading and Meter Repairs are included in the sewer reimbursement amount. Please explain how it is possible for the Meter Costs to increase in the FPFTY, but the sewer reimbursement remains unchanged from the HTY.

RESPONSE:

a. Please see the response to OCA-8-15. The Sewer department is responsible for covering 37% of the Water Fund's meter shop budget.

b. Yes, the Reimbursement revenue from the Sewer Fund should be increased with the projected increases with the Meter Shop budget. However, there was a correction made to the Meter Shop labor expense claim in response to I&E-RE-14. Therefore, the reimbursement revenues will be corrected and increased by applying 37% of the corrected Water Fund Meter Shop FPFTY O&M projections in rebuttal testimony.

Pa. PUC v. City of Lancaster – Bureau of Water
Docket No. R-2025-3057237
Interrogatories of the Office of Consumer Advocate
OCA Set 11 to the City of Lancaster

Responsible Witness: John Spanos

OCA-11-6. Refer to Exhibit D V-12 Attachment and Exhibit SC-2. The cost of some of the projects is not the same on the two schedules. Please explain why that happened and identify the amounts included in rate base for each project.

RESPONSE: There are a few discrepancies between SC-2 and Exhibit D V-12, which were updated via Attachment TUS-R-11 and are as follows:

1. In Exhibit SC-2, on the FPTY there are Valves and Pipe – 2025 Purchase for Inventory and Meters – Purchase for inventory, and on the FPFTY, there is Pipes and Valves – Inventory. These 3 items for a total of $642,144 are accounted for in the 'Other Rate Base Items' – Materials and Supplies claim.

2. In Exhibit SC-2 there is an additional project Conestoga Maintenance Storage Roof Replacement. The Conestoga Maintenance Storage Roof Replacement project was completed in the last half of 2025 therefore is part of the future test year. The amount was $14,975. Please see the schedules at Attachments OCA-11-6-1 and 2 which set forth the change to the annual depreciation accrual rate and expense for the future test year and fully projected future test year.

3. In Exhibit SC-2 the membrane pilot is listed as $450,000 and in Exhibit D V-12 as $250,000. The original budget was $250,000, however, the final budget included more up to date pricing which approximates the $450,000 amount. This amount was included as a project in the fully projected future test year. Additionally, there was a reclassification of costs to the Conestoga treatment plant instead of the Susquehanna treatment plant during the future test year. The amount was $382,000. Both of these changes are reflected in the schedules at Attachments OCA-11-6-1 and 2.

4. In Exhibit SC-2 The Lead Service Line Replacement in the City is listed at $1,709,338. Exhibit D V-12 has it as $756,132. The city applied for a PENNVEST grant for this project. It received funding for the total project of $1,709,338. The amount of grant funding is $953,206, the balance will be a PENNVEST loan of $756,132. SC-2 took the entire amount for the project, whereas Exhibit D V-12 was just the loan amount.

Pa. PUC v. City of Lancaster – Bureau of Water
Docket No. R-2025-3057237
Interrogatories of the Office of Consumer Advocate
OCA Set 11 to the City of Lancaster

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SUPPLEMENTAL 12/15/25 RESPONSE: In addition to the changes to the depreciation schedules provided in the original response to Nos. 2 and 3 above (i.e., Attachments OCA-11-6-1 and OCA-11-6-2), the City recently received an updated cost estimate for its Susquehanna Large Diameter Main project, which will be completed in the FPFTY. The new cost estimate increases the original cost of the project by a total of $8,030,015. Please see Attachment OCA-11-6-3 for a copy of the cost estimate from ARRO. Please also see Attachments OCA-11-6-4 through OCA-11-6-6 for the revised FPFTY Tables 1, 2 and 3 of Exhibit JJS-3, which include the updated original cost of the Susquehanna Large Diameter Main project and the additional projects

Pa. PUC v. City of Lancaster – Bureau of Water
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from the original response to Nos. 2 and 3, above.

OPINION OF PROBABLE PROJECT COST
City of Lancaster
Large Diameter Phases 2 and 3 Transmission Mains

Key to Units: *AC = Acre* *EA = Each* *SF = Square Foot* *VF = Vertical Foot*
CF = Cubic Foot *LF = Linear Foot* *SY = Square Yard*
CY = Cubic Yard *LS = Lump Sum* *TN = Ton*

Item No.	Description	Qty.	Unit	Unit Cost	Total Cost
PHASE 2 - FINISHED WATER TRANSMISSION MAIN					
II-1	Traffic Control/Site Safety/Logistics	1	LS	$211,000.00	$211,000.00
II-2	Furnish and Install 42-inch CL150 DIP by Open-cut				
II-3	Field Areas	2,941	LF	$600.00	$1,764,600.00
II-4	State Roads	17,705	LF	$700.00	$12,393,500.00
II-5	Township/Borough Roads	9,978	LF	$700.00	$6,984,600.00
II-6	Furnish and Install 42-inch BFV w/ Bypass Valve	15	EA	$29,000.00	$435,000.00
II-7	Interconnection within High Service Pump Station	1	LS	$200,000.00	$200,000.00
II-8	Furnish and Install 42-inch Combination Air Releases	12	EA	$40,100.00	$481,200.00
II-9	Furnish and Install Blow-off Hydrant Assembly	11	EA	$11,000.00	$121,000.00
II-10	Furnish and Install Trench Plugs	60	EA	$1,700.00	$102,000.00
II-11	Furnish and Install 42-inch CL150 DIP by Boring				
II-12	Route 30 Crossing	220	LF	$4,000.00	$880,000.00
II-13	Stream Crossing - UNT to Strickler Run No. 1	1	EA	$36,900.00	$36,900.00
II-14	Stream Crossing - UNT to Strickler Run No. 2	1	EA	$26,400.00	$26,400.00
II-15	Stream Crossing - UNT to Strickler Run No. 3	1	EA	$26,400.00	$26,400.00
II-16	Stream Crossing - Strickler Run	1	EA	$42,200.00	$42,200.00
II-17	Stream Crossing - UNT to Strickler Run No. 4	1	EA	$26,400.00	$26,400.00
II-17	Mill and Overlay				
II-18	State Roads	23,607	SY	$24.00	$566,568.00
II-19	Township/Borough Roads	13,304	SY	$17.00	$226,168.00
	Subtotal				$24,523,936.00
	Mobilization and Closeout (5%)				$1,226,200.00
	Bonds and Insurance (2%)				$490,480.00
	Subtotal				$26,240,616.00
	Design and Construction Contingency (20%)				$5,248,130.00
	Design Phase Engineering & Permitting/Legal/Admin.*				$1,130,000.00
	Bidding Phase Engineering & Legal/Admin.				$12,000.00
	Construction Phase Engineering & Permitting/Legal/Admin.				$1,312,040.00
				PHASE 2 TOTAL	**$33,942,786.00**

** General breakdown includes $100,000 for legal fees, $200,000 for Administrative fees (permits, overhead, etc.), $130,000 in easement costs; remainder ($700,000) for design engineering.*

OPINION OF PROBABLE PROJECT COST
City of Lancaster
Large Diameter Phases 2 and 3 Transmission Mains

Item No.	Description	Qty.	Unit	Unit Cost	Total Cost
PHASE 3 - RAW WATER TRANSMISSION MAIN					
I-1	Traffic Control/Site Safety/Logistics	1	LS	$79,100.00	$79,100.00
I-2	Furnish and Install 42-inch CL150 DIP by Open-cut				
I-3	Field Areas	669	LF	$600.00	$401,400.00
I-4	State Roads	46	LF	$700.00	$32,200.00
I-5	Township/Borough Roads	6,971	LF	$700.00	$4,879,700.00
I-6	Furnish and Install 42-inch CL150 DIP by Boring				
I-7	Railroad Crossing - NS Columbia Secondary	65	LF	$4,000.00	$260,000.00
I-8	Railroad Crossing - NS Enola Branch	150	LF	$4,000.00	$600,000.00
I-9	Railroad Crossing - Columbia & Reading Railway	65	LF	$4,000.00	$260,000.00
I-10	Mill Street Streetscape Reconstruction	1	EA	$316,500.00	$316,500.00
I-11	Stream Crossing - Shawnee Run	1	EA	$63,300.00	$63,300.00
I-12	Furnish and Install 42-inch BFV w/ Bypass Valve	3	EA	$29,000.00	$87,000.00
I-13	Interconnection 42-inch Tapping Sleeve and Valves	2	EA	$158,300.00	$316,600.00
I-14	Furnish and Install 42-inch Combination Air Releases	2	EA	$40,100.00	$80,200.00
I-15	Furnish and Install Blow-off Hydrant Assembly	4	EA	$11,000.00	$44,000.00
I-16	Furnish and Install Trench Plugs	15	EA	$1,700.00	$25,500.00
I-17	Mill and Overlay				
I-18	State Roads	56	SY	$24.00	$1,344.00
I-19	Township/Borough Roads	9,295	SY	$17.00	$158,015.00
	Subtotal				$7,604,859.00
	Mobilization and Closeout (5%)				$380,250.00
	Bonds and Insurance (2%)				$152,100.00
	Subtotal				$8,137,209.00
	Design and Construction Contingency (20%)				$1,627,450.00
	Design Phase Engineering & Permitting/Legal/Admin.*				$411,000.00
	Bidding Phase Engineering & Legal/Admin.				$10,000.00
	Construction Phase Engineering & Permitting/Legal/Admin.				$406,870.00
				PHASE 3 TOTAL	**$10,592,529.00**

** General breakdown includes $50,000 for legal fees, $100,000 for Administrative fees (permits, overhead, etc.), $40,000 in easement costs; remainder ($221,000) for design engineering.*

Disclaimer: This opinion of probable cost prepared by ARRO represents its judgment as a design professional and is supplied for the general guidance of the Client. Since ARRO has no control over cost of labor, materials, equipment or services furnished by others, over contractors' methods of determining prices, over costs of financing, acquisition of land or rights-of-way or over competitive bidding, market or negotiating conditions, ARRO does not guarantee that this opinion of probable cost will not vary from actual costs or contractors' bids to the Client. This opinion of probable cost is valid for sixty (60) days from the most recent of the Preparation Date or Date Last Revised, unless there is a known substantive market shift or alteration in project scope affecting cost (in which case ARRO will advise the Client of such in writing), after which time the opinion of probable cost should be reviewed and revised as necessary prior to any financial decisions being made by the Client.

Assumptions. This opinion of probable cost assumes the following:

a. Project will be publicly bid (through PennBid) and PA Prevailing Minimum Wage Rates will apply.
b. Opinion includes soft costs (engineering and permitting, legal, and administrative) as a percentage of anticipated construction cost.

Exclusions. This cost opinion does not include the following:

a. Rock removal (consideration within construction contingency)
b. Land purchases (consideration within design-phase services)

BUREAU OF INVESTIGATION AND ENFORCEMENT DATA REQUESTS

CITY OF LANCASTER – BUREAU OF WATER

Docket No. R-2025-3057237

Witness: Gregory Herbert

I&E-RE-12-D Reference Lancaster Exhibit GRH-1, Schedule 3, p. 5 concerning Administration – Intergovernmental:

A. Provide a breakdown of the Admin. Indirect Costs expense, $1,121,485.

B. Provide a similar breakdown for this account for fiscal years ended March 31, 2023 and March 31, 2024.

RESPONSE:

A. Please see the response to OCA-7-8.

B. Please see Attachment I&E-RE-12-D.

ACCOUNT TRIAL BALANCE FOR FY22/JAN TO DEC

FUND 0562

ACCOUNT / ACCOUNT NAME / PER JNL SRC EFF DATE REFERENCE	BEG. BALANCE	DEBITS	CREDITS	NET CHANGE	END BALANCE
56289000 911000 Indirect Costs	.00				
4 732 GEN 04/01/22 April WST - April		67,916.67	.00		271,666.68
5 568 GEN 05/01/22 W/S/T Admin - May		67,916.67	.00		339,583.35
6 1878 GEN 06/01/22 W/S/T Admin - June		67,916.67	.00		407,500.02
7 983 GEN 07/01/22 W/S/T Admin - July		67,916.67	.00		475,416.69
7 983 GEN 07/01/22 W/S/T Admin - July		333,333.33	.00		808,750.02
8 1934 GEN 08/01/22 W/S/T Admin - August		67,916.67	.00		876,666.69
9 694 GEN 09/01/22 W/S/T Admin - September		67,916.67	.00		944,583.36
9 699 GEN 09/01/22 W/S/T Admin - July Correctio		.00	333,333.33		611,250.03

ACCOUNT TRIAL BALANCE FOR FY22/JAN TO DEC

FUND 0562

ACCOUNT / ACCOUNT NAME / PER	JNL	SRC	EFF DATE	REFERENCE	BEG. BALANCE	DEBITS	CREDITS	NET CHANGE	END BALANCE
10	1440	GEN	10/01/22	W/S/T Admin - October		67,916.67	.00	679,166.70	
11	797	GEN	11/01/22	W/S/T Admin - November		67,916.67	.00	747,083.37	
12	230	GEN	12/01/22	W/S/T Admin - December		67,916.67	.00	815,000.04	

ACCOUNT TRIAL BALANCE FOR FY23/JAN TO EOY

FUND 0562

ACCOUNT / ACCOUNT NAME / PER JNL SRC EFF DATE REFERENCE		BEG. BALANCE	DEBITS	CREDITS	NET CHANGE	END BALANCE
56289000 911000						
Indirect Costs		.00				
1 1054 GEN 01/01/23	W/S/T Admin - January		86,311.92	.00	86,311.92	
2 1246 GEN 02/01/23	W/S/T Admin - February		86,311.92	.00	172,623.84	
3 682 GEN 03/01/23	W/S/T Admin - March		86,311.92	.00	258,935.76	

ACCOUNT TRIAL BALANCE FOR FY23/APR TO EOY

FUND 0562

ACCOUNT / ACCOUNT NAME / PER JNL SRC EFF DATE REFERENCE		BEG. BALANCE	DEBITS	CREDITS	NET CHANGE	END BALANCE
56289000 911000						
Indirect Costs		258,935.76				
4 1374 GEN 04/01/23	W/S/T Admin - April		86,311.92	.00	86,311.92	
5 114 GEN 05/01/23	W/S/T Admin - May		86,311.92	.00	172,623.84	
6 1112 GEN 06/01/23	W/S/T Admin - June		86,311.92	.00	258,935.76	
7 371 GEN 07/01/23	W/S/T Admin - July		86,311.92	.00	345,247.68	
8 109 GEN 08/01/23	W/S/T Admin - August		86,311.92	.00	431,559.60	
9 276 GEN 09/01/23	W/S/T Admin - September		86,311.92	.00	517,871.52	
10 1549 GEN 10/01/23	W/S/T Admin - October		86,311.92	.00	604,183.44	
11 359 GEN 11/01/23	W/S/T Admin - November		86,311.92	.00	690,495.36	
12 241 GEN 12/01/23	W/S/T Admin - December		86,311.88	.00	776,807.24	
56289000-911000		258,935.76	776,807.24	.00	776,807.24	1,035,743.00

ACCOUNT TRIAL BALANCE FOR FY24/JAN TO MAR

FUND 0562

ACCOUNT / ACCOUNT NAME / PER JNL SRC EFF DATE REFERENCE		BEG. BALANCE	DEBITS	CREDITS	NET CHANGE	END BALANCE
Indirect Costs		.00				
1 1323 GEN 01/01/24	W/S/T Admin - January		87,449.08	.00	87,449.08	
2 1527 GEN 02/01/24	W/S/T Admin - February		87,449.08	.00	174,898.16	
3 783 GEN 03/01/24	W/S/T Admin - March		87,449.08	.00	262,347.24	
56289000-911000		.00	262,347.24	.00	262,347.24	262,347.24
56289000 913400						

BUREAU OF INVESTIGATION AND ENFORCEMENT DATA REQUESTS

CITY OF LANCASTER – BUREAU OF WATER

Docket No. R-2025-3057237

Witness: Gregory Herbert

I&E-RE-14-D Reference Lancaster Exhibit GRH-1, Schedule 6, p. 1 concerning salaries and wages shown on Adjustment E-1:

A. Provide the number of employees, by operating function, by year for the fiscal years ended March 31, 2023, March 31, 2024, and March 31, 2025, and year-to-date through the most recent month available for the fiscal year ending March 31, 2026.

B. Identify the vacant positions by month in the Water Department from April 1, 2022 through the most recent month available.

C. Identify the current vacant positions and provide a copy of the posting of the vacancies, to include salary range information.

D. For each of the vacancies identified in response to Part B above, state whether the vacancy is a newly created position or not; and

1. If not, provide the date the position became vacant; and

2. If so, provide the reason for creating the position along with the date it was approved to fill.

RESPONSE:

A. Please see Attachment I&E-RE-14-D for the staffing schedules by calendar year for 2023, 2024, 2025, and 2026.

B. From April 1, 2022 through the end of the HTY, the City did not have any vacant positions. However, the City budgeted for and intends to hire two Chief Operators—one for each treatment plant—and two Plumbing Technicians for the Meter Shop in 2026. The annual salary for each Chief Operator is $75,000, and for each Plumbing Technician is $65,000.

Since the filing on September 30, 2025, the various City Funds have been seeking approval for their 2026 budgets. The Water Fund will experience a deficit in 2025, and as a result the Plumbing Technician positions were not approved. The Water Fund still plans to hire the Chief Operators. However, the Plumbing Technicians will be removed from the Labor Expense Adjustment E-11 in rebuttal testimony.

C. See the response to part B of this Request.
D. The new positions described in part B of this Request are expected to be hired by the FPFTY. Therefore, those new position salaries were added to the FPFTY in Adjustment E-11.

CITY OF LANCASTER

STAFFING SCHEDULE

2023 BUDGET

APPROPRIATION CODE		FTE	POSTION	SALARY
BUREAU OF WATER: ADMINISTRATION				
56289000	611000	0.50	DEP DIR UTILITIES	69,613
56289000	611000	0.48	DEP DIR ENGINEERING	69,572
56289000	611000	0.48	DEP DIRECTOR PW CONS	68,692
TOTAL 611000 EMPLOYEES		**1.46**		**207,877**
56289000	611500	0.43	BUREAU CHIEF TREASURY	38,700
56289000	611500	0.43	BILLING COORD 2	21,606
56289000	611500	0.43	BILLING COORD 2	20,926
56289000	611500	0.43	BILLING COORD 2	18,148
56289000	611500	0.43	CASHIER SERV CLERK	18,148
56289000	611500	0.43	CASHIER SERV CLERK	18,148
56289000	611500	0.43	CASHIER SERV CLERK	18,148
56289000	611500	0.43	CASHIER SERV CLERK	18,148
56289000	611500	0.27	COMM. MANAGER	15,577
56289000	611500	0.43	CUSTOMER CARE COORD	24,830

CITY OF LANCASTER

STAFFING SCHEDULE

2023 BUDGET

APPROPRIATION CODE		FTE	POSTION	SALARY
56289000	611500	0.43	CUSTOMER CARE COORD	22,957
56289000	611500	0.43	CUSTOMER CARE COORD	21,606
56289000	611500	0.43	CUSTOMER CARE COORD	24,830
56289000	611500	0.43	CUSTOMER CARE COORD	25,000
56289000	611500	0.43	CUSTOMER CARE SUP	36,592
56289000	611500	0.25	JR ENGINEER	15,450
56289000	611500	0.43	MAIL PRINT OPERATOR	17,157
56289000	611500	0.43	REVENUE CLERK	20,705
56289000	611500	0.43	REVENUE CLERK	21,534
56289000	611500	0.50	SECRETARY 1	24,731
56289000	611500	1.00	SEN PROJ MGR UTILITY	93,359
56289000	611500	1.00	UTILITY ENGINEER	86,994
56289000	611500	1.00	TREATMENT MANAGER	98,133
			Available for Merit - AFSCME	32,000
TOTAL 611500 EMPLOYEES		**11.33**		**753,427**
TOTAL EMPLOYEES		**12.79**		**961,304**

CITY OF LANCASTER

STAFFING SCHEDULE

2023 BUDGET

APPROPRIATION CODE		FTE	POSTION	SALARY
BUREAU OF WATER: SUSQUEHANNA TREATMENT PLANT				
56289100	611500	1.00	INSTRUMENT TECH	56,997
56289100	611500	1.00	PLANT MAINT MECH 3	62,944
56289100	611500	1.00	PLANT MAINT MECH 3	62,944
56289100	611500	1.00	PLANT MAINT MECH 3	56,963
56289100	611500	1.00	PLANT MAINT MECH 3	57,000
56289100	611500	1.00	PLANT MAINT SUPERVISOR	72,454
56289100	611500	1.00	WATER PLANT OP 2	62,944
56289100	611500	1.00	WATER PLANT OP 2	60,523
56289100	611500	1.00	WATER PLANT OP 2	60,523
56289100	611500	1.00	WATER PLANT OP 2	60,523
56289100	611500	1.00	WATER PLANT OP 2	60,523
56289100	611500	1.00	WATER PLANT OP 2	56,963
56289100	611500	1.00	WATER PLANT OP 2	56,963
56289100	611500	1.00	WATER PLANT OP 2	65,462
56289100	611500	1.00	WATER PLANT OP 2	56,963

CITY OF LANCASTER

STAFFING SCHEDULE

2023 BUDGET

APPROPRIATION CODE		FTE	POSTION	SALARY
56289100	611500	1.00	WATER PLANT OP 2	65,462
56289100	611500	1.00	WATER PLANT SUPERVIS	85,233
TOTAL 611500 EMPLOYEES		**17.00**		**1,061,384**

CITY OF LANCASTER

STAFFING SCHEDULE

2023 BUDGET

APPROPRIATION CODE		FTE	POSTION	SALARY
BUREAU OF WATER: CONESTOGA TREATMENT PLANT				
56289200	611500	1.00	WATER PLANT SUPERVISOR	85,233
56289200	611500	1.00	INSTRUMENT TECHNICIAN	62,527
56289200	611500	1.00	LABORER	45,372
56289200	611500	1.00	PLANT MAINT MECH 3	60,523
56289200	611500	1.00	PLANT MAINT MECH 3	55,170
56289200	611500	1.00	PLANT MAINT MECH 3	65,462
56289200	611500	1.00	PLANT MAINT MECHANIC	59,729
56289200	611500	1.00	PLANT MAINT SUPERVISOR	72,454

CITY OF LANCASTER

STAFFING SCHEDULE

2023 BUDGET

APPROPRIATION CODE		FTE	POSTION	SALARY
56289200	611500	1.00	WATER PLANT OP 2	62,944
56289200	611500	1.00	WATER PLANT OP 2	60,523
56289200	611500	1.00	WATER PLANT OP 2	60,523
56289200	611500	1.00	WATER PLANT OP 2	56,963
56289200	611500	1.00	WATER PLANT OP 2	51,974
56289200	611500	1.00	WATER PLANT OP 2	51,974
56289200	611500	1.00	WATER PLANT OP 2	51,974
56289200	611500	1.00	WATER PLANT OP 2	52,000
56289200	611500	1.00	WATER PLANT OP 2	52,000
TOTAL 611500 EMPLOYEES		**17.00**		**1,007,345**

CITY OF LANCASTER

STAFFING SCHEDULE

2023 BUDGET

APPROPRIATION CODE		FTE	POSTION	SALARY
BUREAU OF WATER: TRANSMISSION & DISTRIBUTION				
56289400	611500	1.00	CONSTRUCTION FOREMAN	83,811
56289400	611500	1.00	EO 1	53,710
56289400	611500	1.00	EO 1	45,266
56289400	611500	1.00	EO 1	53,710
56289400	611500	1.00	EO 2	56,915
56289400	611500	1.00	EO 2	56,915
56289400	611500	0.25	GIS ANALYST	15,239
56289400	611500	0.25	GIS COORDINATOR	19,188

CITY OF LANCASTER

STAFFING SCHEDULE

2023 BUDGET

APPROPRIATION CODE		FTE	POSTION	SALARY
56289400	611500	1.00	LABOR SUPERVISOR 1	73,547
56289400	611500	1.00	LABOR SUPERVISOR 1	73,547
56289400	611500	1.00	LABOR SUPERVISOR 2	75,631
56289400	611500	1.00	LABORER	41,359
56289400	611500	1.00	MAINTENANCE WORKER	49,921
56289400	611500	1.00	MAINTENANCE WORKER	49,921
56289400	611500	1.00	MAINTENANCE WORKER	43,756
56289400	611500	1.00	MAINTENANCE WORKER	45,178
56289400	611500	0.25	PW CONSTRUCTION INSP	20,341
56289400	611500	0.75	PW CONSTRUCTION SUPE	66,439

CITY OF LANCASTER

STAFFING SCHEDULE

2023 BUDGET

APPROPRIATION CODE		FTE	POSTION	SALARY
56289400	611500	0.25	PW PROJECT MANAGER	20,210
56289400	611500	1.00	UTILITY LOCATOR	57,432
56289400	611500	1.00	UTILITY LOCATOR	59,729
56289400	611500	1.00	WTR DIST SUPERVISOR	90,826
56289400	611500	0.25	MANAGER IN TRAINING	22,500
56289400	611500	1.00	PIPEFITTER	55,000
56289400	611500	0.50	UTILITY ENGINEERING TECH	40,000
56289400	611500	1.00	EO 1	45,266
56289400	611500	1.00	EO 1	49,658
56289400	611500	1.00	EO 2	52,620
TOTAL 611500 EMPLOYEES		**23.50**		**1,417,635**

CITY OF LANCASTER

STAFFING SCHEDULE

2023 BUDGET

APPROPRIATION CODE		FTE	POSTION	SALARY
BUREAU OF WATER: METER SHOP				
56289500	611500	1.00	ASST WATER METER SUP	56,790
56289500	611500	0.70	UTILITY SERV COORD	32,275
56289500	611500	1.00	WATER ACCNT ANALYST	54,943
56289500	611500	1.00	WATER METER SUPER	74,467
56289500	611500	1.00	WATER METER TECH	51,441
56289500	611500	1.00	WATER METER TECH	51,441
56289500	611500	1.00	WATER METER TECH	51,441
56289500	611500	1.00	WATER METER TECH	51,441
56289500	611500	1.00	WATER METER TECH	51,500
56289500	611500	1.00	WATER SERVICE CLERK	54,943
56289500	611500	1.00	BACKFLOW/CROSS CONNECTION	60,000
TOTAL 611500 EMPLOYEES		**10.70**		**590,682**

CITY OF LANCASTER

STAFFING SCHEDULE

2023 BUDGET

APPROPRIATION CODE		FTE	POSTION	SALARY
BUREAU OF WATER: GROUNDS MAINTENANCE				
56289600	611500	0.60	UTILITY OPERATOR	29,677
56289600	611500	1.00	LABORER	42,703
56289600	611500	0.60	LABORER	24,816
56289600	611500	1.00	LABORER	41,359
56289600	611500	1.00	LABORER	41,359
56289600	611500	1.00	LABORER	41,359
56289600	611500	0.30	LABOR SUPERVISOR 1	20,299
56289600	611500	0.40	UTILITY OPERATOR	21,399
TOTAL 611500 EMPLOYEES		**5.90**		**262,971**

CITY OF LANCASTER

STAFFING SCHEDULE

2023 BUDGET

APPROPRIATION CODE		FTE	POSTION	SALARY
BUREAU OF WATER: LABORATORY				
56289800	611500	1.00	WATER QUALITY ANALYST	62,869
56289800	611500	1.00	WATER QUALITY SUPERVISOR	76,077
56289800	611500	1.00	WATER QUALITY ANALYST	62,869
56289800	611500	1.00	WATER LAB TECH 1	59,729
56289800	611500	1.00	WTR PLANT OP 1	59,729
TOTAL 611500 EMPLOYEES		**5.00**		**321,273**

CITY OF LANCASTER
STAFFING SCHEDULE

2024 BUDGET

APPROPRIATION CODE	FTE	POSITION	SALARY
BUREAU OF WATER: ADMINISTRATION			
56289000 611000	0.48	DEP DIRECTOR PW CONS	71,998
56289000 611000	0.48	DEP DIR ENGINEERING	68,904
56289000 611000	0.50	DEP DIR UTILITIES	73,853
TOTAL 611000 EMPLOYEES	**1.46**		**214,755**
56289000 611500	0.43	BUREAU CHIEF OF TREASURY	37,690
56289000 611500	0.25	JR ENGINEER	15,914
56289000 611500	1.00	SEN PROJ MGR UTILITY	96,160
56289000 611500	1.00	UTILITY ENGINEER	89,604
56289000 611500	1.00	WTR TREATMNT ENGNEER	101,077
56289000 611500	0.27	COMM. MANAGER	16,045
56289000 611500	0.43	CUSTOMER CARE SUP	27,313
56289000 611500	0.25	PW CONSTRUCTION INSP	20,951
56289000 611500	0.43	CASHIER SERV CLERK	18,783
56289000 611500	0.43	CASHIER SERV CLERK	18,783
56289000 611500	0.43	CASHIER SERV CLERK	18,783
56289000 611500	0.43	CASHIER SERV CLERK	20,606
56289000 611500	0.43	ADMIN SUPPORT CLERK	17,758
56289000 611500	0.43	CUSTOMER CARE COORD	21,659
56289000 611500	0.43	CUSTOMER CARE COORD	22,363
56289000 611500	0.43	CUSTOMER CARE COORD	23,761
56289000 611500	0.43	CUSTOMER CARE COORD	21,659
56289000 611500	0.43	CUSTOMER CARE COORD	21,659
56289000 611500	0.43	BILLING COORD 2	21,659
56289000 611500	0.43	BILLING COORD 2	21,659
56289000 611500	0.43	BILLING COORD 2	21,659
56289000 611500	0.50	SECRETARY 1	25,597
56289000 611500	0.43	REVENUE CLERK	22,288
56289000 611500	0.43	REVENUE CLERK	21,430
		Bonus & Merit Pay -AFSCME	8,426
TOTAL 611500 EMPLOYEES	**11.58**		**753,286**
TOTAL EMPLOYEES	**13.04**		**968,041**

CITY OF LANCASTER
STAFFING SCHEDULE
2024 BUDGET

APPROPRIATION CODE		FTE	POSITION	SALARY
BUREAU OF WATER: SUSQUEHANNA TREATMENT PLANT				
56289100	611500	1.00	PLANT MAINT SUPERVIS	74,628
56289100	611500	1.00	WATER PLANT SUPERVIS	87,790
56289100	611500	1.00	INSTRUMENT TECH	58,992
56289100	611500	1.00	PLANT MAINT MECHANIC	49,462
56289100	611500	1.00	PLANT MAINT MECH 3	62,857
56289100	611500	1.00	PLANT MAINT MECH 3	66,007
56289100	611500	1.00	PLANT MAINT MECH 3	65,362
56289100	611500	1.00	WATER PLANT OP 2	62,642
56289100	611500	1.00	WATER PLANT OP 2	62,642
56289100	611500	1.00	WATER PLANT OP 2	62,642
56289100	611500	1.00	WATER PLANT OP 2	62,642
56289100	611500	1.00	WATER PLANT OP 2	62,642
56289100	611500	1.00	WATER PLANT OP 2	65,148
56289100	611500	1.00	WATER PLANT OP 2	62,642
56289100	611500	1.00	WATER PLANT OP 2	67,754
56289100	611500	1.00	WATER PLANT OP 2	58,957
56289100	611500	1.00	WATER PLANT OP 2	55,447
			Bonus & Merit Pay -AFSCME	19,523
TOTAL 611500 EMPLOYEES		**17.00**		**1,107,779**

CITY OF LANCASTER
STAFFING SCHEDULE

2024 BUDGET

APPROPRIATION CODE	FTE	POSITION	SALARY
BUREAU OF WATER: CONESTOGA TREATMENT PLANT			
56289200 611500	1.00	PLANT MAINT SUPERVIS	75,000
56289200 611500	1.00	WATER PLANT SUPERVIS	87,790
56289200 611500	1.00	LABORER	46,961
56289200 611500	1.00	INSTRUMENT TECH	64,716
56289200 611500	1.00	PLANT MAINT MECHANIC	62,679
56289200 611500	1.00	PLANT MAINT MECH 3	68,613
56289200 611500	1.00	PLANT MAINT MECH 3	59,172
56289200 611500	1.00	PLANT MAINT MECH 3	62,857
56289200 611500	1.00	WATER PLANT OP 2	58,957
56289200 611500	1.00	WATER PLANT OP 2	65,148
56289200 611500	1.00	WATER PLANT OP 2	62,642
56289200 611500	1.00	WATER PLANT OP 2	53,794
56289200 611500	1.00	WATER PLANT OP 2	57,101
56289200 611500	1.00	WATER PLANT OP 2	55,447
56289200 611500	1.00	WATER PLANT OP 2	62,642
56289200 611500	1.00	WATER PLANT OP 2	55,447
56289200 611500	1.00	WATER PLANT OP 2	53,701
		Bonus & Merit Pay -AFSCME	19,073
TOTAL 611500 EMPLOYEES	**17.00**		**1,071,740**

CITY OF LANCASTER
STAFFING SCHEDULE

2024 BUDGET

APPROPRIATION CODE		FTE	POSITION	SALARY
BUREAU OF WATER: TRANSMISSION & DISTRIBUTION				
56289400	611500	1.00	MGR WATER DISTRIBUTION	92,700
56289400	611500	0.25	GIS ANALYST	15,696
56289400	611500	0.25	GIS COORDINATOR	19,763
56289400	611500	0.50	UTILITY ENGINEERING TECHNICIAN/GIS	40,000
56289400	611500	0.50	PRKS MTN AND CON. SU	32,808
56289400	611500	1.00	LABOR SUPERVISOR 1	83,329
56289400	611500	1.00	LABOR SUPERVISOR 1	79,541
56289400	611500	1.00	LABOR SUPERVISOR 2	77,900
56289400	611500	1.00	CONSTRUCTION FOREMAN	86,326
56289400	611500	0.75	PW CONSTRUCTION SUPE	68,432
56289400	611500	0.25	PW PROJECT MANAGER	20,816
56289400	611500	1.00	PIPELAYER	46,666
56289400	611500	1.00	LABORER	42,807
56289400	611500	1.00	MAINTENANCE WORKER	45,288
56289400	611500	1.00	MAINTENANCE WORKER	53,737
56289400	611500	1.00	MAINTENANCE WORKER	46,760
56289400	611500	1.00	MAINTENANCE WORKER	46,760
56289400	611500	1.00	UTILITY LOCATOR	59,443
56289400	611500	1.00	UTILITY LOCATOR	61,820
56289400	611500	1.00	EO 1	47,096
56289400	611500	1.00	EO 1	46,666
56289400	611500	1.00	EO 1	46,666
56289400	611500	1.00	EO 1	55,586
56289400	611500	1.00	EO 1	51,624
56289400	611500	1.00	EO 1	46,666
56289400	611500	1.00	EO 2	59,764
56289400	611500	1.00	EO 2	59,549
			Bonus & Merit Pay -AFSCME	18,691
TOTAL 611500 EMPLOYEES		**23.50**		**1,452,900**

CITY OF LANCASTER
STAFFING SCHEDULE
2024 BUDGET

APPROPRIATION CODE		FTE	POSITION	SALARY
BUREAU OF WATER: METER SHOP				
56289500	611500	1.00	WATER METER SUPER	69,000
56289500	611500	1.00	PW PROJECT MANAGER - LEAD LINE ADMINISTRAT	65,000
56289500	611500	1.00	WATER SERVICE CLERK	56,867
56289500	611500	1.00	WATER ACCNT ANALYST	56,867
56289500	611500	1.00	COORDINATOR-- BACKFLOW CROSS-CONNECTION	55,000
56289500	611500	1.00	WATER METER TECH	53,242
56289500	611500	1.00	WATER METER TECH	53,242
56289500	611500	1.00	WATER METER TECH	53,242
56289500	611500	1.00	WATER METER TECH	53,242
56289500	611500	0.70	UTILITY SERV COORD	33,405
56289500	611500	0.70	UTILITY SERV COORD	-
			Bonus & Merit Pay -AFSCME	8,038
TOTAL 611500 EMPLOYEES		**10.40**		**557,145**

CITY OF LANCASTER
STAFFING SCHEDULE
2024 BUDGET

APPROPRIATION CODE	FTE	POSITION	SALARY
BUREAU OF WATER: GROUNDS MAINTENANCE			
56289600 611500	0.30	LABOR SUPERVISOR 1	20,908
56289600 611500	1.00	UTILITY OPERATOR	48,183
56289600 611500	0.40	UTILITY OPERATOR	22,149
56289600 611500	1.00	LABORER	42,807
56289600 611500	1.00	LABORER	42,807
56289600 611500	1.00	LABORER	42,807
56289600 611500	1.00	LABORER	42,807
		Bonus & Merit Pay -AFSCME	5,882
TOTAL 611500 EMPLOYEES	**5.70**		**268,350**

CITY OF LANCASTER
STAFFING SCHEDULE
2024 BUDGET

APPROPRIATION CODE	FTE	POSITION	SALARY
BUREAU OF WATER: LABORATORY			
56289800 611500	1.00	WATER QUALITY SUP	78,359
56289800 611500	1.00	WATER QUALITY ANALYS	60,180
56289800 611500	1.00	WATER QUALITY ANALYS	64,755
56289800 611500	1.00	WATER LAB TECH 1	61,820
56289800 611500	1.00	WTR PLT OP 1	61,820
		Bonus & Merit Pay -AFSCME	2,606
TOTAL 611500 EMPLOYEES	**5.00**		**329,540**

CITY OF LANCASTER
STAFFING SCHEDULE

APPROPRIATION CODE		POSITION	2025 Budget Positions		SALARY
BUREAU OF WATER: ADMINISTRATION					
56289000	611000	DEP DIR ENGINEERING	0.48		70,971
56289000	611000	DEP DIRECTOR PW CONS	0.48		74,159
56289000	611000	DEP DIR UTILITIES	0.5		76,069
	TOTAL 611000 EMPLOYEES		**1.46**		**221,198**
56289000	611500	COMMUNICATIONS MANAGER - GENERALIST	0.15		10,558
56289000	611500	COMMUNICATIONS MANAGER - MARKETING	0.15		10,661
56289000	611500	ENGINEER	0.25		21,579
56289000	611500	JR ENGINEER	0.25		18,025
56289000	611500	SEN PROJ MGR UTILITY	1		99,045
56289000	611500	UTILITY ENGINEER	1		92,292
56289000	611500	ADMINISTRATIVE ASSISTANT - UTILITIES	0.5		26,832
56289000	611500	UTILITIES SENIOR MANAGER	1		99,405
	TOTAL 611500 EMPLOYEES			**4.3**	**378,398**
	TOTAL EMPLOYEES		**5.76**		**599,596**

APPROPRIATION CODE		POSITION	2025 Budget Positions		SALARY
BUREAU OF WATER: SUSQUEHANNA TREATMENT PLANT					
56289100	611500	PLANT MAINT SUPERVIS	1		83,811
56289100	611500	WATER PLANT SUPERVIS	1		91,155
56289100	611500	INSTRUMENT TECH	1		60,762
56289100	611500	PLANT MAINT MECHANIC	1		52,602
56289100	611500	PLANT MAINT MECH 3	1		67,310
56289100	611500	PLANT MAINT MECH 3	1		67,934
56289100	611500	PLANT MAINT MECH 3	1		69,995
56289100	611500	WATER PLANT OP 2	1		64,522
56289100	611500	WATER PLANT OP 2	1		67,102
56289100	611500	WATER PLANT OP 2	1		67,102
56289100	611500	WATER PLANT OP 2		1	67,102
56289100	611500	WATER PLANT OP 2		1	55,408
56289100	611500	WATER PLANT OP 2	1		69,787
56289100	611500	WATER PLANT OP 2		1	67,102
56289100	611500	WATER PLANT OP 2	1		72,578
56289100	611500	WATER PLANT OP 2	1		67,102
56289100	611500	WATER PLANT OP 2	1		57,110
	TOTAL 611500 EMPLOYEES		**17**		**1,148,485**
	TOTAL EMPLOYEES		**17**		**1,148,485**

APPROPRIATION CODE		POSITION	2025 Budget Positions		SALARY
BUREAU OF WATER: CONESTOGA TREATMENT PLANT					
56289200	611500	PLANT MAINT SUPERVIS	1		81,370
56289200	611500	WATER PLANT SUPERVIS	1		91,155
56289200	611500	LABORER		1	50,305
56289200	611500	INSTRUMENT TECH		1	66,658
56289200	611500	PLANT MAINT MECHANIC	1		50,946
56289200	611500	PLANT MAINT MECH 3		1	73,618
56289200	611500	PLANT MAINT MECH 3	1		67,310
56289200	611500	PLANT MAINT MECH	1		50,946
56289200	611500	WATER PLANT OP 2	1		64,522
56289200	611500	WATER PLANT OP 2	1		67,102
56289200	611500	WATER PLANT OP 2	1		64,522
56289200	611500	WATER PLANT OP 2	1		55,408
56289200	611500	WATER PLANT OP 2	1		60,726
56289200	611500	WATER PLANT OP 2	1		57,110
56289200	611500	WATER PLANT OP 2	1		67,102
56289100	611500	WATER PLANT OP 2	1		55,408
56289200	611500	WATER PLANT OP 2	1		55,408
	TOTAL 611500 EMPLOYEES			**17**	**1,079,616**
	TOTAL EMPLOYEES			**17**	**1,079,616**

APPROPRIATION CODE		POSITION	2025 Budget Positions	SALARY
BUREAU OF WATER: TRANSMISSION & DISTRIBUTION				
56289400	611500	MGR WATER DISTRIBUTION	1	95,481
56289400	611500	PRKS MTN AND CON. SU	0.5	33,791
56289400	611500	LABOR SUPERVISOR 1	1	78,026
56289400	611500	LABOR SUPERVISOR 1	1	78,026
56289400	611500	LABOR SUPERVISOR 2	1	84,153
56289400	611500	CONSTRUCTION FOREMAN	1	66,950
56289400	611500	PW CONSTRUCTION SUPE	0.75	72,416
56289400	611500	PW PROJECT MANAGER	0.25	21,441
56289400	611500	PIPELAYER	1	58,815
56289400	611500	MAINTENANCE WORKER	1	48,163
56289400	611500	MAINTENANCE WORKER	1	55,349
56289400	611500	MAINTENANCE WORKER	1	51,173
56289400	611500	MAINTENANCE WORKER	1	55,349
56289400	611500	UTILITY LOCATOR	1	66,222
56289400	611500	UTILITY LOCATOR	1	66,222
56289400	611500	EO 1	1	50,669
56289400	611500	EO 1	1	57,449
56289400	611500	EO 1	1	59,523
56289400	611500	EO 1	1	55,256
56289400	611500	EO 2	1	61,491
56289400	611500	EO 2	1	50,294
56289400	611500	EO 2	1	63,909
56289400	611500	LABORER	1	44,092
56289400	611500	UTILITY ENGINEERING TECHNICIAN	0.5	40,000
	TOTAL 611500 EMPLOYEES		**22**	**1,414,259**
	TOTAL EMPLOYEES		**22**	**1,414,259**

APPROPRIATION CODE		POSITION	2025 Budget Positions		SALARY
BUREAU OF WATER: METER SHOP					
56289500	611500	WATER METER SUPER	1		68,959
56289500	611500	UTILITY SERV COORD	0.7		35,678
56289500	611500	WATER SERVICE CLERK	1		60,916
56289500	611500	WATER METER TECH	1		54,840
56289500	611500	WATER METER TECH	1		57,033
56289500	611500	WATER METER TECH	1		57,033
56289500	611500	WATER METER TECH	1		54,840
56289500	611500	WATER ACCNT ANALYST	1		60,916
	TOTAL 611500 EMPLOYEES		**7.7**		**450,214**
	TOTAL EMPLOYEES			**7.7**	**450,214**

APPROPRIATION CODE		POSITION	2025 Budget Positions		SALARY
BUREAU OF WATER: GROUNDS MAINTENANCE					
56289600	611500	LABOR SUPERVISOR 1	0.3		21,535
56289600	611500	UTILITY OPERATOR	1		52,730
56289600	611500	UTILITY OPERATOR	0.4		23,726
56289600	611500	LABORER	1		44,092
56289600	611500	LABORER	1		44,092
56289600	611500	LABORER	1		45,524
56289600	611500	LABORER	1		44,092
	TOTAL 611500 EMPLOYEES		**5.7**		**275,791**
	TOTAL EMPLOYEES			**5.7**	**275,791**

APPROPRIATION CODE		POSITION	2025 Budget Positions	SALARY
BUREAU OF WATER: LABORATORY				
56289800	611500	WATER QUALITY ANALYS	1	59,410
56289800	611500	WATER QUALITY ANALYS	1	66,698
56289800	611500	WATER QUALITY ANALYS	1	59,410
56289800	611500	UTILITY LAB COMP MANAGER	0.5	50,676
56289800	611500	WATER LAB TECH 1	1	66,222
56289800	611500	WTR PLT OP 1	1	66,222
	TOTAL 611500 EMPLOYEES		**5.5**	**368,638**
	TOTAL EMPLOYEES		**5.5**	**368,638**

CITY OF LANCASTER
STAFFING SCHEDULE

2026

APPROPRIATION CODE		POSITION	BU	FT/PT	COUNT	SALARY
BUREAU OF WATER: ADMINISTRATION						
56289000	611000	DEP DIR ENGINEERING	2000	FT	0.05	7,615
56289000	611000	DEP DIRECTOR PW CONS	2000	FT	0.30	47,740
56289000	611000	DEP DIR UTILITIES	2000	FT	0.50	78,351
TOTAL 611000 EMPLOYEES					**0.85**	**133,706**
56289000	611500	PW ENGINEER	2000	FT	0.07	5,800
56289000	611500	SEN PROJ MGR UTILITY	2000	FT	1.00	105,930
56289000	611500	UTILITY ENGINEER	2000	FT	1.00	83,000
56289000	611500	WATER UTILITY TREATMENT MANAGER	2000	FT	1.00	104,375
56289000	611500	Water Programs Coordinator	2000	FT	1.00	56,650
56289000	611500	ADMINISTRATIVE ASSISTANT - UTILITIES	6000	FT	0.50	27,728
56289000	611500	MAINTENANCE PLANNER	2000	FT	0.50	43,500
56289000	611500	BONUS	6000			500
TOTAL 611500 EMPLOYEES					**5.07**	**427,483**
TOTAL EMPLOYEES					**5.92**	**561,189**

CITY OF LANCASTER
STAFFING SCHEDULE

2026

APPROPRIATION CODE		POSITION	BU	FT/PT	COUNT	SALARY
BUREAU OF WATER: SUSQUEHANNA TREATMENT PLANT						
56289100	611500	PLANT MAINT SUPERVIS	2000	FT	1.00	86,325
56289100	611500	WATER PLANT SUPERVIS	2000	FT	1.00	93,136
56289100	611500	CHIEF OPERATOR	2000	FT	1.00	75,000
56289100	611500	INSTRUMENT TECH	6000	FT	1.00	66,188
56289100	611500	PLANT MAINT MECHANIC	6000	FT	1.00	55,495
56289100	611500	PLANT MAINT MECH 3	6000	FT	1.00	68,290
56289100	611500	PLANT MAINT MECH 3	6000	FT	1.00	74,503
56289100	611500	PLANT MAINT MECH 3	6000	FT	1.00	71,012
56289100	611500	WATER PLANT OP 2	6000	FT	1.00	66,415
56289100	611500	WATER PLANT OP 2	6000	FT	1.00	68,987
56289100	611500	WATER PLANT OP 2	6000	FT	1.00	66,884
56289100	611500	WATER PLANT OP 2	6000	FT	1.00	66,660
56289100	611500	WATER PLANT OP 2	6000	FT	1.00	23,888
56289100	611500	WATER PLANT OP 2	6000	FT	1.00	69,876
56289100	611500	WATER PLANT OP 2	6000	FT	1.00	66,864
56289100	611500	WATER PLANT OP 2	6000	FT	1.00	72,671
56289100	611500	WATER PLANT OP 2	6000	FT	1.00	66,275
56289100	611500	WATER PLANT OP 2	6000	FT	1.00	57,347
56289100	611500	BONUS	6000			15,000
TOTAL 611500 EMPLOYEES					**18.00**	**1,230,816**
TOTAL EMPLOYEES					**18.00**	**1,230,816**

CITY OF LANCASTER
STAFFING SCHEDULE

2026

APPROPRIATION CODE		POSITION	BU	FT/PT	COUNT	SALARY
BUREAU OF WATER: CONESTOGA TREATMENT PLANT						
56289200	611500	PLANT MAINT SUPERVIS	2000	FT	1.00	83,811
56289200	611500	WATER PLANT SUPERVIS	2000	FT	1.00	93,136
56289200	611500	CHIEF OPERATOR	2000	FT	1.00	75,000
56289200	611500	LABORER (change to Plant Maint worker)	6000	FT	1.00	49,912
56289200	611500	INSTRUMENT TECH	6000	FT	1.00	70,324
56289200	611500	PLANT MAINT MECHANIC	6000	FT	1.00	53,749
56289200	611500	PLANT MAINT MECH 3	6000	FT	1.00	77,667
56289200	611500	PLANT MAINT MECH 3	6000	FT	1.00	71,012
56289200	611500	PLANT MAINT MECH 1	6000	FT	1.00	53,749
56289200	611500	WATER PLANT OP 2	6000	FT	1.00	57,347
56289200	611500	WATER PLANT OP 2	6000	FT	1.00	69,877
56289200	611500	WATER PLANT OP 2	6000	FT	1.00	66,800
56289200	611500	WATER PLANT OP 2	6000	FT	1.00	59,107
56289200	611500	WATER PLANT OP 2	6000	FT	1.00	59,566
56289200	611500	WATER PLANT OP 2	6000	FT	1.00	60,631
56289200	611500	WATER PLANT OP 2	6000	FT	1.00	69,302
56289200	611500	WATER PLANT OP 2	6000	FT	1.00	56,750
56289200	611500	WATER PLANT OP 2	6000	FT	1.00	57,672
56289200	611500	BONUS	6000			15,000
TOTAL 611500 EMPLOYEES					**18.00**	**1,200,412**
TOTAL EMPLOYEES					**18.00**	**1,200,412**

CITY OF LANCASTER
STAFFING SCHEDULE

2026

APPROPRIATION CODE		POSITION	BU	FT/PT	COUNT	SALARY
BUREAU OF WATER: TRANSMISSION & DISTRIBUTIONS						
56289400	611500	MGR WATER DISTRIBUTION	2000	FT	1.00	98,345
56289400	611500	PRKS MTN AND CON. SU	2000	FT	0.50	34,804
56289400	611500	LABOR SUPERVISOR 1	2000	FT	1.00	70,490
56289400	611500	LABOR SUPERVISOR 1	2000	FT	1.00	80,241
56289400	611500	LABOR SUPERVISOR 2	2000	FT	1.00	87,691
56289400	611500	CONSTRUCTION FOREMAN	2000	FT	1.00	68,959
56289400	611500	PW CONSTRUCTION SUPE	2000	FT	0.75	74,588
56289400	611500	PIPELAYER	6000	FT	1.00	62,057
56289400	611500	LABORER	600	FT	1.00	46,517
56289400	611500	MAINTENANCE WORKER	6000	FT	1.00	49,213
56289400	611500	MAINTENANCE WORKER	6000	FT	1.00	58,393
56289400	611500	MAINTENANCE WORKER	6000	FT	1.00	49,213
56289400	611500	MAINTENANCE WORKER	6000	FT	1.00	58,393
56289400	611500	UTILITY LOCATOR	6000	FT	1.00	65,800
56289400	611500	UTILITY LOCATOR	6000	FT	1.00	68,432
56289400	611500	EO 1	6000	FT	1.00	56,070
56289400	611500	EO 1	6000	FT	1.00	60,609
56289400	611500	EO 1	6000	FT	1.00	62,796
56289400	611500	EO 1	6000	FT	1.00	56,070
56289400	611500	EO 1	6000	FT	1.00	51,149
56289400	611500	EO 1	6000	FT	1.00	50,930
56289400	611500	EO 2	6000	FT	1.00	54,627
56289400	611500	EO 2	6000	FT	1.00	67,424
56289400	611500	BONUS	6000			14,000
TOTAL 611500 EMPLOYEES					**22.25**	**1,446,809**
TOTAL EMPLOYEES					**22.25**	**1,446,809**

CITY OF LANCASTER
STAFFING SCHEDULE

2026

APPROPRIATION CODE		POSITION	BU	FT/PT	COUNT	SALARY
BUREAU OF WATER: METER SHOP						
56289500	611500	WATER METER SUPER	2000	FT	1.00	71,028
56289500	611500	WATER SERVICE CLERK	6000	FT	1.00	62,946
56289500	611500	WATER METER TECH	6000	FT	1.00	57,544
56289500	611500	WATER METER TECH	6000	FT	1.00	56,670
56289500	611500	WATER METER TECH	6000	FT	1.00	56,476
56289500	611500	WATER METER TECH	6000	FT	1.00	56,670
56289500	611500	WATER ACCNT ANALYST	6000	FT	1.00	62,949
56289500	611500	BONUS	6000			6,000
TOTAL 611500 EMPLOYEES					**7.00**	**430,283**
TOTAL EMPLOYEES					**7.00**	**430,283**

CITY OF LANCASTER
STAFFING SCHEDULE

2026

APPROPRIATION CODE		POSITION	BU	FT/PT	COUNT	SALARY
BUREAU OF WATER: GROUND MAINTENANCE						
56289600	611500	LABOR SUPERVISOR 1	2000	FT	0.20	15,768
56289600	611500	UTILITY OPERATOR	6000	FT	0.40	21,796
56289600	611500	UTILITY OPERATOR	6000	FT	0.40	24,556
56289600	611500	LABORER	6000	FT	0.40	18,254
56289600	611500	LABORER	6000	FT	0.40	18,254
56289600	611500	LABORER	6000	FT	0.40	18,254
56289600	611500	BONUS	6000			2,000
TOTAL 611500 EMPLOYEES					**2.20**	**118,882**
TOTAL EMPLOYEES					**2.20**	**118,882**

CITY OF LANCASTER
STAFFING SCHEDULE

2026

APPROPRIATION CODE		POSITION	BU	FT/PT	COUNT	SALARY
BUREAU OF WATER: LABORATORY						
56289800	611500	UTILITIES LABORATORY AND COMPLIANCE M	2000	FT	0.50	55,088
56289800	611500	WATER QUALITY ANALYS	2000	FT	1.00	63,845
56289800	611500	WATER QUALITY ANALYS	2000	FT	1.00	76,915
56289800	611500	WATER QUALITY ANALYS	2000	FT	1.00	61,098
56289800	611500	WATER LAB TECH 1	6000	FT	1.00	68,432
56289800	611500	WTR PLT OP 1	6000	FT	1.00	68,772
56289800	611500	BONUS	6000			2,000
TOTAL 611500 EMPLOYEES					**5.50**	**396,150**
TOTAL EMPLOYEES					**5.50**	**396,150**

BUREAU OF INVESTIGATION AND ENFORCEMENT DATA REQUESTS

CITY OF LANCASTER – BUREAU OF WATER

Docket No. R-2025-3057237

Witness: Gregory Herbert

I&E-RE-23-D Reference Lancaster Exhibit GRH-1, Schedule 6, p.5, Adjustment E-10 concerning power expense:

A. Provide all source documentation used to determine the power expense of $1,109,537 for Susquehanna.
B. Provide historic yearly amounts for Susquehanna power expense for fiscal years ended March 31, 2023 and March 31, 2025, and confirm that the amount of $720,479 represents the fiscal year ended March 31, 2025. If not, provide the March 31, 2025 amount.
C. Provide all source documentation used to determine the power expense of $846,071 for Conestoga.
D. Provide historic yearly amounts for Conestoga power expense for fiscal years ended March 31, 2023 and March 31, 2025, and confirm that the amount of $549,397 represents the fiscal year ended March 31, 2025. If not, provide the March 31, 2025 amount.

RESPONSE:

A. Please see Attachment I&E-RE-23-D for documentation of the increase to power expense of 54%.
B. Yes, the $720,479 represents the HTY ended March 31, 2025 power expense for the Susquehanna Plant. Please see the response to I&E-RE-2 for booked historical expenses.
C. See the response to Part A of the Request.
D. Yes, the $549,397 represents the HTY ended March 31, 2025 power expense for the Conestoga Plant. Please see the response to I&E-RE-2 for booked historical expenses.

Retail Electricity Purchasing

// City of Lancaster

provident
A LEGENCE Company

Start Date
December 2025

Annual Volume
40,170,000 kWH

	Terms			Fixed Pricing ($/kWh) w/o GRT
	Period	Months	RECs	Total
WGL	Dec '25 - Dec '26	12	100%	$0.08379
	Dec '25 - Dec '27	24	100%	$0.08351
	Dec '25 - Dec '28	36	100%	$0.08256
bp	Dec '25 - Dec '26	12	100%	$0.08436
	Dec '25 - Dec '27	24	100%	$0.08399
	Dec '25 - Dec '28	36	100%	$0.08318
freepoint ENERGY SOLUTIONS	Dec '25 - Dec '26	12	100%	$0.08507
	Dec '25 - Dec '27	24	100%	$0.08463
	Dec '25 - Dec '28	36	100%	$0.08359
DYNEGY	Dec '25 - Dec '26	12	100%	$0.08454
	Dec '25 - Dec '27	24	100%	$0.08616
	Dec '25 - Dec '28	36	100%	$0.08684
Constellation.	Dec '25 - Dec '26	12	100%	$0.08648
	Dec '25 - Dec '27	24	100%	$0.08633
	Dec '25 - Dec '28	36	100%	$0.08621
smartestenergy	Dec '25 - Dec '26	12	100%	$0.09038
	Dec '25 - Dec '27	24	100%	$0.09041
	Dec '25 - Dec '28	36	100%	$0.08950

Campbell, Tina <TiCampbell@cityoflancasterpa.gov>
To Herbert, Gregory R.; Volkay_Hilditch, Christine M; Handwerger, Barry; Metzler, Matt
Cc Patel, Kruti B.; Busch, Michelle; Bingaman, Mallori L.; Schultz, Courtney L.; Spanos, John J.

Reply | Reply All | Forward
Tue 9/9/2025 4:30 PM

You replied to this message on 9/10/2025 8:41 AM.

City of Lancaster_Initial Elec Pricing Results_03SEP2025.pdf
234 KB

[EXTERNAL EMAIL]: This email originated from outside the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Greg,

We are likely going with the highlighted amount in the attachment (we may do the three year term which won't be much change, but we are still confirming the contract terms for that.) It is about a 54% increase from last year.

Tina Campbell (she/her) | Director of Administrative Services
Administrative Services
120 N. Duke Street, Lancaster, PA 17602
Mobile - (717) 693-3566
ticampbell@cityoflancasterpa.gov | cityoflancasterpa.gov

CITY OF LANCASTER

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2465

PPL Electric Utilities

We deliver.

1-888-220-9991
For hours of operation and to pay/manage your account, visit pplelectric.com.
businessaccounts@pplweb.com

1388#4
56289200-752000

Page 1

Meter **301292107** Account **76120-98000**
122024

Due Date	Amount Due
1/21/25	**$27,464.32**

Billing Details on Back

Service to:
CITY OF LANCASTER
CONESTOGA FILTER PLANT
150 PITNEY RD
LANCASTER, PA 17601

Supply $25,119.74

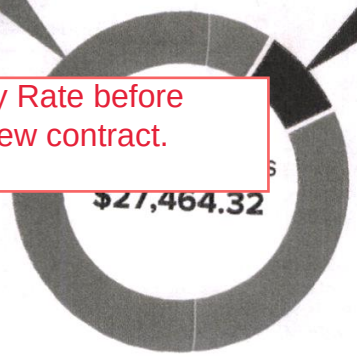
Constellation NewEnergy (7)
1-844-636-3749

Effective Date
9/14/18

436200 kWh @ $.05419

Delivery Rate before City's new contract.

Usage from Nov 14 - Dec 17



$2,344.58 Delivery

PPL Electric Utilities

Consider making a monthly pledge to Operation HELP to assist those in need to heat their homes.

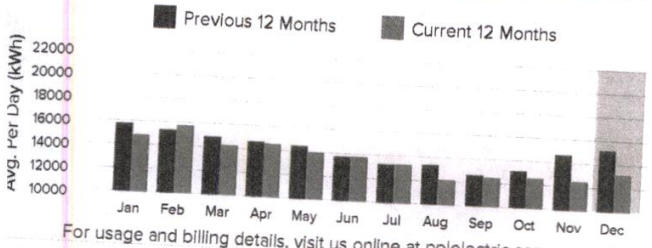
WANT TO SAVE?
Be sure your HVAC unit is the correct size and operating at maximum energy efficiency.

SHOP FOR ELECTRICITY

Visit PAPowerSwitch.com or www.oca.state.pa.us
If you're shopping, know your contract expiration date.
Account Number: **76120-98000**
The price to compare is updated June 1st and December 1st.
Rate: LP4. View schedule at pplelectric.com/rates

018960 1/1

Usage Summary



For usage and billing details, visit us online at pplelectric.com

December

Electricity Usage (kWh)		Demand (KW)		Avg. Temperature	
-8%		-19%		-2°	
472800	436200	832	**673**	41°	**39°**
2023	**2024**	2023	**2024**	2023	**2024**

Questions/concerns? Contact us by 1/21/25

1-888-220-9991
Visit pplelectric.com for hours of operation.

Correspondence to:
PPL Customer Service
827 Hausman Road
Allentown, PA 18104-9392

Sign back of bill stub to enroll in auto bill pay.

Account Number	Due Date	Amount Due
76120-98000	**1/21/25**	**$27,464.32**

AV 01 018960 35125H 73 A**5DGT

CITY OF LANCASTER
CONESTOGA FILTER PLANT
56289237520 %AUDREY
150 PITNEY RD
LANCASTER, PA 17601-5625

Amount Enclosed:

Please make check payable to: PPL ELECTRIC UTILITIES
PO BOX 419054
ST LOUIS, MO 63141-9054

1 81002746432100274643237612098000

kWh Delivered (to Customer)					
Meter Number	Reading Dates	Meter Reading	kWh Difference	Meter Constant	Kilowatt-Hours
301292107	Dec 17	36995	00727	600	436200
	Nov 14	36268			
Days Billed: 33		Avg. kWh/Day: 13218		Total Delivered: 436200	

Next meter reading on or about: Jan 17, 2025.
State taxes this bill: About $22.74. **PA Gross Receipts Tax:** About $138.33.

Supply Details

Constellation NewEnergy (7)

Generation & Transmission Charges for Nov 14-Dec 17

436200 kWh @ $.05419	23,637.68
Gross Receipts Tax	1,482.06
State Sales Tax	0.00
Total Constellation NewEnergy (7) Charges	**$25,119.74**

For questions on these charges, please contact this supplier at:

1-844-636-3749

Constellation NewEnergy (7)
Customer Services
1310 Point Street
Baltimore, MD 21231

General information: Generation prices and charges are set by the electric generation supplier you have chosen. The Public Utility Commission regulates distribution rates and services. The Federal Energy Regulatory Commission regulates transmission prices and services.

Understanding Your Bill

Act 129 Compliance Rider - Monthly charge to recover costs for energy efficiency and conservation programs approved by the PUC.
Competitive Enhancement Rider - Monthly charge to recover costs to support shopping for retail electricity supply.
Customer Charge - The basic service charge to partially cover costs for billing, meter reading, equipment and service line maintenance. If you select a new supplier, the name, address and telephone number for both your distribution and supplier company will appear on your bill.
Distribution Charge (Delivery) - Part of the basic service charges on every customer's bill for delivering electricity from the electric distribution company to your home or business. The distribution charge is regulated by the Public Utility Commission. This charge will vary according to how much electricity you use.

Billing Summary

Previous Balance	$23,152.65
Payment Received Dec 18, 2024 - Thank You!	-$23,152.65
Balance as of Dec 19, 2024	$0.00
Total Supply Charges	$25,119.74
Total Delivery Charges	$2,344.58
Amount Due By 1/21/25	**$27,464.32**
Account Balance	$27,464.32

Delivery Details

PPL Electric Utilities

Distribution Charges
General Service Rate: LP4 for Nov 14 - Dec 17

Customer Charge	169.80
673.0 kW at $2.547 per kW	1,714.13
Tax Cut and Jobs Act Credit at -7.67%	-144.50
Smart Meter Rider - Phase 1	65.10
Competitive Enhancement Rider	0.05
Storm Damage Expense Rider / Customer	9.13
System Improvement Charge at 5.00%	111.88
Act 129 Compliance Rider	423.88
PA Tax Adj Surcharge at -0.208%	-4.89
Total Delivery Charges	**$2,344.58**

Understanding Your Bill

Kilowatt-hour (kWh) - The basic unit of electric energy for which most customers are charged in cents per kilowatt-hour. A kilowatt-hour is the equivalent of using ten 100-watt light bulbs for one hour.
kWh Delivered – The amount of electricity we delivered to you for your use.
Storm Damage Expense Rider - Monthly charge to recover certain costs to make repairs after major storms.
System Improvement Charge - Monthly charge to recover costs for improving, repairing and replacing equipment that delivers electricity to your home or business.
Smart Meter Rider - Monthly charge to recover costs associated with the smart meter programs approved by the PUC.
State Tax Adjustment Surcharge - Monthly charge or credit to reflect changes in various state taxes. The surcharge may vary by bill component.
Tax Cut and Jobs Act Credit - Monthly adjustment for federal tax changes.
Type(s) of Meter Readings:
Actual - Measures your monthly electricity use based on an actual reading.
***Federal I.D. 23-0959590**

Enroll in Automatic Bill Pay

Enroll in Automatic Bill Pay (ABP) and your monthly electric payment will be automatically deducted from your bank checking account. To enroll, sign and date this form and return your check payment (voided check not required). Money orders, cashier and foreign checks do not qualify for enrollment.

I authorize PPL Electric Utilities to automatically deduct from the checking account as shown on my enclosed check, all future payments for the PPL Electric Utility bill account number listed on this payment stub. I will notify PPL Electric Utilities if I decide to cancel this authorization.

To enroll in automatic bill payment, Checking Account holder sign here _____ Date _____

Note: To enroll a savings account in automatic bill pay visit pplelectric.com/autopay.

$27,464.32

Exhibit D IX-4

CITY OF LANCASTER
WATER UTILITIES

RESPONSES TO QUALITY OF SERVICE
FILING REQUIREMENTS

4. Provide a discussion of the company's policy, or provide a copy of the policy if in written form, on tracking and responding to customer complaints.
   a. Provide a summary report demonstrating the company's compliance with 52 Pa. Code, § 65.3 regarding the full and prompt investigation of service or facility complaints and the recordkeeping requirements of such complaints.

RESPONSE

Included is a copy of the City of Lancaster's standard operating procedure for investigating and correcting drinking water complaints.

To demonstrate compliance with recordkeeping requirements, included are Drinking Water Complaint records for 2022-2024.

CITY OF
LANCASTER

Proposed 2026-2030 Capital Budget

General Fund
Stormwater Management Fund
Sewer Fund
Water Fund

Danene Sorace
Mayor

2026 to 2030 Capital Improvement Plan
City of Lancaster, PA

Introduction

We are pleased to present the first official 5-year Capital Improvement Plan for the City of Lancaster. This plan outlines Capital Improvement Projects from 2026 to 2030 that are necessary for all functions of the City. It encompasses four City funds; The General Fund, the Stormwater Fund, the Water Fund and the Sewer Fund.

This Five-year plan includes 144 projects within these funds for a total of approximately $300 million. These projects consist largely of maintenance or replacement of current infrastructure to ensure that all services provided by the City are functioning as effectively as possible for residents and customers. The projects range from ensuring safe streets for pedestrians and cyclists to a replacement of a major Water Main Transmission Pipe which is a once-in-a-generation project.

All individual projects in this plan include an expense budget, the expenses estimated each year of the plan, and confirmed and potential funding sources for each project.

As part of the Home Rule Charter, the City Administration will present a 5-year plan annually for approval through City Council. Additionally, we will report to Council quarterly for updates on the plan. Should a newly constructed or acquired facility be completed within the previous quarter, City Administration will also report on estimated annual costs for running and maintaining that facility.

Additionally, throughout the quarterly reporting process, the City Administration will provide any updates related to annual amortization costs as additional debt is incurred. The plan includes funding from the current approved General Obligation Bonds and current approved Pennvest loan financing. The current debt payments for each fund, which have already been approved through ordinance, are charted at the end of this Capital Improvement Plan.

Within this 5-year budget, there are some expenses that are not yet funded and may need debt financing as we move toward the later years of the plan. As the amount of this funding becomes finalized, City Administration will report the amortization costs of this debt in the quarterly updates to Council.

As with any plan, these projects will continue to evolve once they begin or as they continue. More precise estimates and funding sources will be included in future Capital Improvement Plans as we move closer to the start of some of the later projects. We look forward to providing these updates quarterly.

Projects by Fund – 144 Total

- General Fund – 39 projects
- Sewer – 49 projects
- Stormwater – 11 projects
- Water – 45 projects

**updated June 30, 2025 to reflect two additional sewer projects*

City of Lancaster - Bureau of Water
Docket No. R-2025-3057237
Exhibit D IX-4 Attachment
Page 230 of 247
Exhibit GRH-4R
Page 61 of 72

2026 – 2030 Capital Improvement Plan – Projects

Capital Costs By Department FY 2026 - FY 2030

PARKS (5%)	$15,475,000.00
PW ADMIN (5%)	$15,579,140.00
SEWER (31%)	$94,282,574.00
STORMWATER MANAGEMENT (5%)	$13,638,205.00
STREETS (18%)	$54,143,000.00
WATER (36%)	$108,364,218.00
TOTAL	**$301,482,137.00**

**updated June 30, 2025 to reflect two additional sewer projects*

CITY OF LANCASTER

PUBLIC WOR

Capital Improvement Plan by Enterprise Fund

- $85.2 million for General Fund (29%)
- $13.6 million for Stormwater Fund (5%)
- $108.4 million for Water Fund (36%)
- $94.2 million for Sewer Fund (31%)

**updated June 30, 2025 to reflect two additional sewer projects*

2026 to 2030 CIP – Funding Sources

2016 Bond (0%)	$1,340,000.00
2018 Bond (1%)	$3,303,392.00
2022 Bond (4%)	$11,576,145.00
2025 Bond (12%)	$35,434,403.00
2028 Bond (8%)	$24,378,576.00
Committed Grants 1 (13%)	$39,275,454.00
Committed Grants 2 (1%)	$3,545,713.00
Committed Grants 3 (1%)	$3,950,000.00
PENNVEST (36%)	$107,431,430.00
Sewer Partner Funds (15%)	$43,773,328.00
Unfunded (9%)	$27,473,696.00
TOTAL	**$301,482,137.00**

**updated June 30, 2025 to reflect two additional sewer projects*

CITY OF LANCASTER

PUBLIC WOR

2026 to 2030 CIP Funding Sources

- Committed Bond Funds - $51.7 million
- Committed Grants - $46.7 million
- Sewer Partners - $43.7 million
- Future Debt Financing - $159.3 million
  - 2028 Bond or other financing - $51.9 million
  - Pennvest (enterprise funds only) - $107.4 million

**updated June 30, 2025 to reflect two additional sewer projects*

Project Title	FY2026	FY2027	FY2028	FY2029	FY2030	Total	Funded	2016 Bond	2018 Bond	2022 Bond	2025 Bond	Grants 1	Grants 2	Grants 3	Sewer Partners	Total Unfunded	PENNVEST (unfunded)	2028 Bond (unfunded)	Other unfunded
General Fund																			
Parks																			
Buchanan Park Upper Restroom Restoration	$ 30,000	$ 120,000	$ -	$ -	$ -	$ 150,000	$ 150,000	$ 150,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Conestoga Pines Connection	$ 400,000	$ -	$ -	$ -	$ -	$ 400,000	$ 400,000	$ -	$ -	$ 400,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Conestoga Pines Park Renovation	$ 50,000	$ -	$ -	$ 250,000	$ 2,000,000	$ 2,300,000	$ 50,000	$ -	$ -	$ -	$ 50,000	$ -	$ -	$ -	$ -	$ 2,250,000	$ -	$ -	$ 2,250,000
Culliton Park - Phase 2	$ -	$ -	$ -	$ 500,000	$ 1,000,000	$ 1,500,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,500,000	$ -	$ 1,500,000	$ -
Duke Street Mall/Linear Park	$ 100,000	$ 100,000	$ 100,000	$ -	$ -	$ 300,000	$ 300,000	$ -	$ -	$ -	$ 300,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Implementation of Parks Master Plan	$ 100,000	$ 150,000	$ 50,000	$ -	$ -	$ 300,000	$ 300,000	$ -	$ -	$ -	$ 300,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Joe Jackson Tot Lot /Ewell Gantz Renovations	$ 2,000,000	$ -	$ -	$ -	$ -	$ 2,000,000	$ 2,000,000	$ -	$ -	$ -	$ 750,000	$ 1,000,000	$ -	$ 250,000	$ -	$ -	$ -	$ -	$ -
Municipal Pool	$ -	$ 50,000	$ -	$ -	$ 450,000	$ 500,000	$ 50,000	$ -	$ -	$ -	$ 50,000	$ -	$ -	$ -	$ -	$ 450,000	$ -	$ -	$ 450,000
Reservoir Park Renovations & Master Plan	$ 250,000	$ 2,500,000	$ 2,500,000	$ -	$ -	$ 5,250,000	$ 250,000	$ -	$ -	$ -	$ 250,000	$ -	$ -	$ -	$ -	$ 5,000,000	$ -	$ -	$ 5,000,000
Rodney Park Sr. Center Roof Replacement	$ 25,000	$ -	$ -	$ -	$ -	$ 25,000	$ 25,000	$ 25,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
South End Park Improvements	$ 2,750,000	$ -	$ -	$ -	$ -	$ 2,750,000	$ 2,600,000	$ -	$ -	$ -	$ 100,000	$ 2,500,000	$ -	$ -	$ -	$ 150,000	$ -	$ -	$ 150,000
Total Parks	**$ 5,705,000**	**$ 2,920,000**	**$ 2,650,000**	**$ 750,000**	**$ 3,450,000**	**$ 15,475,000**	**$ 6,125,000**	**$ 175,000**	**$ -**	**$ 500,000**	**$ 4,150,000**	**$ 1,050,000**	**$ -**	**$ 250,000**	**$ -**	**$ 9,350,000**	**$ -**	**$ 1,500,000**	**$ 7,850,000**
Public Works Admin																			
Capital Projects for outyears based on FCA	$ 185,000	$ 195,000	$ 750,000	$ 750,000	$ 750,000	$ 2,630,000	$ 380,000	$ -	$ -	$ -	$ 380,000	$ -	$ -	$ -	$ -	$ 2,250,000	$ -	$ -	$ 2,250,000
City Hall Facade Cleaning and Sealing	$ 50,000	$ -	$ -	$ -	$ -	$ 50,000	$ 50,000	$ 50,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City-wide Telephone Platform Replacement	$ 61,380	$ 61,380	$ 61,380	$ -	$ -	$ 184,140	$ 184,140	$ -	$ -	$ 184,140	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
LPD Station Roof Replacement	$ -	$ 300,000	$ -	$ -	$ -	$ 300,000	$ 300,000	$ 300,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
On-Site Solar Generation	$ 2,500,000	$ -	$ -	$ -	$ -	$ 2,500,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,500,000	$ -	$ -	$ 2,500,000
Ops Center Expansion (archives, warehousing, eq. storage, etc)	$ 3,900,000	$ 3,000,000	$ -	$ -	$ -	$ 6,900,000	$ 6,900,000	$ 500,000	$ -	$ -	$ 3,400,000	$ 3,000,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Recycling Center Boiler Replacement	$ 15,000	$ -	$ -	$ -	$ -	$ 15,000	$ 15,000	$ 15,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Salt Shed	$ 500,000	$ 1,000,000	$ -	$ -	$ -	$ 1,500,000	$ 1,500,000	$ 300,000	$ -	$ 1,200,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Welcome Center Renovation	$ 1,500,000	$ -	$ -	$ -	$ -	$ 1,500,000	$ 1,500,000	$ -	$ -	$ -	$ 1,500,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Public Works Admin	**$ 8,711,380**	**$ 4,556,380**	**$ 811,380**	**$ 750,000**	**$ 750,000**	**$ 15,579,140**	**$ 10,829,140**	**$ 1,165,000**	**$ -**	**$ 1,384,140**	**$ 5,280,000**	**$ 3,000,000**	**$ -**	**$ -**	**$ -**	**$ 4,750,000**	**$ -**	**$ -**	**$ 4,750,000**
Streets																			
Ann/Juniata Streetscape	$ 1,900,000	$ -	$ -	$ -	$ -	$ 1,900,000	$ 1,900,000	$ -	$ -	$ -	$ 950,000	$ 500,000	$ 450,000	$ -	$ -	$ -	$ -	$ -	$ -
Chesapeake and Broad Bike Facilities	$ 1,200,000	$ 2,600,000	$ -	$ -	$ -	$ 3,800,000	$ 3,800,000	$ -	$ -	$ 475,000	$ 950,000	$ 2,375,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Chrystian Street - Phase 3	$ -	$ -	$ -	$ 150,000	$ 1,550,000	$ 1,700,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,700,000	$ -	$ -	$ 1,700,000
Church Street Improvements	$ 1,500,000	$ 1,500,000	$ -	$ -	$ -	$ 3,000,000	$ 3,000,000	$ -	$ -	$ -	$ -	$ 3,000,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
EB Connector - Phase 2	$ 250,000	$ 680,000	$ -	$ -	$ -	$ 930,000	$ 930,000	$ -	$ -	$ 230,000	$ 500,000	$ 200,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Future Traffic Signal Upgrade Projects	$ 923,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 800,000	$ 4,723,000	$ 4,723,000	$ -	$ -	$ -	$ 723,000	$ 4,000,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Implement Vision Zero Plan	$ -	$ 150,000	$ 210,000	$ -	$ -	$ 360,000	$ 360,000	$ -	$ -	$ -	$ 360,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Implementation of Active Transportation Plan	$ 200,000	$ 300,000	$ -	$ 1,150,000	$ 1,150,000	$ 2,800,000	$ 500,000	$ -	$ -	$ -	$ 500,000	$ -	$ -	$ -	$ -	$ 2,300,000	$ -	$ -	$ 2,300,000
Longfellow/Tennyson Drive Traffic Calming	$ -	$ -	$ -	$ 50,000	$ -	$ 50,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 50,000	$ -	$ -	$ 50,000
NE Greenway Walkway	$ 250,000	$ 1,150,000	$ 3,000,000	$ 1,000,000	$ -	$ 5,400,000	$ 5,357,337	$ -	$ -	$ 400,000	$ -	$ 3,651,624	$ 1,305,713	$ -	$ -	$ 42,663	$ -	$ 42,663	$ -
Pearl Street	$ 50,000	$ 150,000	$ -	$ -	$ -	$ 200,000	$ 200,000	$ -	$ -	$ -	$ 200,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pedestrian Signal Upgrades	$ 800,000	$ -	$ -	$ -	$ -	$ 800,000	$ 800,000	$ -	$ -	$ -	$ 160,000	$ 640,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Queen/Farnum RRFB	$ 280,000	$ -	$ -	$ -	$ -	$ 280,000	$ 280,000	$ -	$ -	$ 280,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Race/Marietta replacement, Race/Buchanan removal	$ 235,000	$ -	$ -	$ -	$ -	$ 235,000	$ 235,000	$ -	$ -	$ -	$ -	$ -	$ 235,000	$ -	$ -	$ -	$ -	$ -	$ -
South Duke Street	$ 1,565,000	$ -	$ -	$ -	$ -	$ 1,565,000	$ 1,565,000	$ -	$ -	$ -	$ 600,000	$ 10,000	$ 255,000	$ 700,000	$ -	$ -	$ -	$ -	$ -
SSAA Projects	$ 3,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ -	$ 15,000,000	$ 15,000,000	$ -	$ -	$ 800,000	$ 2,300,000	$ 11,900,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Street Paving (2025-2027)/ADA ramps	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 750,000	$ 3,750,000	$ 1,050,000	$ -	$ -	$ -	$ 1,050,000	$ -	$ -	$ -	$ -	$ 2,700,000	$ -	$ 2,700,000	$ -
Traffic Signal Network Single Mode Fiber	$ 500,000	$ 500,000	$ -	$ -	$ -	$ 1,000,000	$ 1,000,000	$ -	$ -	$ 200,000	$ 800,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Water Street Bike Boulevard - North and South	$ 3,100,000	$ 3,550,000	$ -	$ -	$ -	$ 6,650,000	$ 6,650,000	$ -	$ -	$ 100,000	$ -	$ 3,100,000	$ 450,000	$ 3,000,000	$ -	$ -	$ -	$ -	$ -
Total Streets	**$ 16,503,000**	**$ 16,330,000**	**$ 8,960,000**	**$ 8,100,000**	**$ 4,250,000**	**$ 54,143,000**	**$ 47,350,337**	**$ -**	**$ -**	**$ 2,485,000**	**$ 9,093,000**	**$ 29,376,624**	**$ 2,695,713**	**$ 3,700,000**	**$ -**	**$ 6,792,663**	**$ -**	**$ 2,742,663**	**$ 4,050,000**
Total General Fund	**$ 30,919,380**	**$ 23,806,380**	**$ 12,421,380**	**$ 9,600,000**	**$ 8,450,000**	**$ 85,197,140**	**$ 64,304,477**	**$ 1,340,000**	**$ -**	**$ 4,369,140**	**$ 18,523,000**	**$ 33,426,624**	**$ 2,695,713**	**$ 3,950,000**	**$ -**	**$ 20,892,663**	**$ -**	**$ 4,242,663**	**$ 16,650,000**
Sewer																			
Chlorine Contact Tank Upgrades: Drives, Flyghts and Chains Replacement; Con	$ 140,000	$ 1,540,000	$ -	$ -	$ -	$ 1,680,000	$ 1,680,000	$ -	$ -	$ -	$ 832,440	$ -	$ -	$ -	$ -	$ 847,560	$ -	$ -	$ -
Annual Escrow - Special & Emergency Improvements (scheduled to be paid Sep	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 2,500,000	$ 1,756,750	$ -	$ -	$ -	$ 495,500	$ -	$ -	$ -	$ -	$ 1,261,250	$ 743,250	$ 743,250	$ -
AWWTP Site Paving	$ 100,000	$ 1,173,000	$ -	$ -	$ -	$ 1,273,000	$ 691,778	$ -	$ 49,550	$ -	$ -	$ -	$ -	$ -	$ -	$ 642,228	$ 581,222	$ 581,222	$ -
Broad Street Sewer Separation	$ 413,073	$ 1,500,000	$ 650,000	$ -	$ -	$ 2,563,073	$ 413,073	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 413,073	$ 2,150,000	$ 2,150,000	$ -
Chemical Feed System Study/Design	$ 192,000	$ -	$ -	$ -	$ -	$ 192,000	$ 192,000	$ -	$ -	$ -	$ 95,136	$ -	$ -	$ -	$ -	$ 96,864	$ -	$ -	$ -
Chlorination Facilities Improvements - Scrubber, Flyghts and Chains, Scrubber,	$ 3,960,000	$ -	$ -	$ -	$ -	$ 3,960,000	$ 1,997,820	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,997,820	$ 1,962,180	$ 1,962,180	$ -
Chlorination System Crane	$ -	$ -	$ -	$ 29,000	$ -	$ 29,000	$ 15,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 15,000	$ 14,000	$ -	$ 14,000
Chlorination System Study	$ 192,000	$ -	$ -	$ -	$ -	$ 192,000	$ 192,000	$ -	$ -	$ -	$ 95,136	$ -	$ -	$ -	$ -	$ 96,864	$ -	$ -	$ -
Collections Facility/Space	$ 270,000	$ -	$ -	$ -	$ -	$ 270,000	$ 270,000	$ -	$ -	$ -	$ 235,153	$ -	$ -	$ -	$ -	$ 34,847	$ -	$ -	$ -
Collections System Improvement - placeholder in 30 year capital plan for next t	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ -	$ -	$ 3,000,000	$ 3,000,000	$ -	$ -	$ -	$ 3,000,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Conestoga Gardens Interceptor Condition Assessment and Interceptor Rehabilit	$ 1,051,000	$ 3,450,000	$ 3,450,000	$ -	$ -	$ 7,951,000	$ 7,951,000	$ -	$ -	$ -	$ 405,501	$ -	$ -	$ -	$ -	$ 7,545,499	$ -	$ -	$ -
Conestoga Gardens PS - Instrumentation and Controls	$ -	$ -	$ -	$ 106,000	$ -	$ 106,000	$ 99,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 99,000	$ 7,000	$ -	$ 7,000
Conestoga Gardens PS Wet Well Coating Inspection	$ 15,000	$ -	$ -	$ -	$ -	$ 15,000	$ 15,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 15,000	$ -	$ -	$ -
Conestoga Gardens Pumping Station Wet Well Coatings	$ -	$ 25,000	$ -	$ -	$ -	$ 25,000	$ 25,000	$ -	$ -	$ -	$ 2,000	$ -	$ -	$ -	$ -	$ 23,000	$ -	$ -	$ -
Dewatering Crane	$ -	$ -	$ 16,000	$ -	$ -	$ 16,000	$ 16,000	$ -	$ -	$ -	$ 7,928	$ -	$ -	$ -	$ -	$ 8,072	$ -	$ -	$ -
General Structural Rehab and Piping System Upgrades (A/O deck handrail, Nort	$ 2,381,000	$ -	$ -	$ -	$ -	$ 2,381,000	$ 1,201,214	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,201,214	$ 1,179,786	$ 1,179,786	$ -
Grofftown PS Pump (replace 1 pump, other 2 replaced)	$ 22,000	$ -	$ -	$ -	$ -	$ 22,000	$ 22,000	$ -	$ -	$ -	$ -	$ 22,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lime Stabilization - Biofilter Odor Control System	$ -	$ -	$ 976,000	$ -	$ -	$ 976,000	$ 492,392	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 492,392	$ 483,608	$ -	$ 483,608
Lime Stabilization - Odor Control Fans	$ -	$ -	$ 353,000	$ -	$ -	$ 353,000	$ 178,089	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 178,089	$ 174,911	$ -	$ 174,911
Lime Stabilization - Odor control System Pumps	$ -	$ -	$ 100,000	$ -	$ -	$ 100,000	$ 50,450	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 50,450	$ 49,550	$ -	$ 49,550
Maintenance Bldg - Hoist/Electric Trolley	$ -	$ 68,000	$ -	$ -	$ -	$ 68,000	$ 34,306	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 34,306	$ 33,694	$ -	$ 33,694
MCC Replacement B,K,A,G,F,SB,A1 and Control Building Switchgear	$ 2,376,000	$ -	$ -	$ -	$ -	$ 2,376,000	$ 1,198,692	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,198,692	$ 1,177,308	$ -	$ -
North A/O trains Stage D8 and G8 Mixers	$ 120,000	$ -	$ -	$ -	$ -	$ 120,000	$ 120,000	$ -	$ -	$ -	$ 59,460	$ -	$ -	$ -	$ -	$ 60,540	$ -	$ -	$ -
North Primary Clarifiers Rehabilitation	$ 279,000	$ 1,758,500	$ 1,758,500	$ -	$ -	$ 3,796,000	$ 2,053,326	$ -	$ -	$ -	$ 138,245	$ -	$ -	$ -	$ -	$ 1,915,081	$ 1,742,674	$ 1,742,674	$ -
North PS - Instrumentation and Controls	$ -	$ 87,000	$ -	$ -	$ -	$ 87,000	$ 87,000	$ -	$ -	$ -	$ 30,024	$ -	$ -	$ -	$ -	$ 56,976	$ -	$ -	$ -
North PS - Wet Well Coating Inspection	$ -	$ 15,000	$ -	$ -	$ -	$ 15,000	$ 15,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 15,000	$ -	$ -	$ -
North PS Preminary Treatment Building- Instrumentation and Controls	$ -	$ 60,000	$ -	$ -	$ -	$ 60,000	$ 60,000	$ -	$ -	$ -	$ 60,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
North Pumping Station, Clay Street CSO Outfall 005 Structural Rehabilitation	$ 215,000	$ 1,935,000	$ -	$ -	$ -	$ 2,150,000	$ 2,150,000	$ -	$ -	$ -	$ 2,150,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
North Secondary Clarifier #6	$ 5,884,500	$ 5,884,500	$ -	$ -	$ -	$ 11,769,000	$ 5,931,460	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,931,460	$ 5,837,540	$ 5,837,540	$ -
Oxygen Plant - vaporization system	$ -	$ -	$ 744,000	$ -	$ -	$ 744,000	$ 375,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 375,000	$ 369,000	$ -	$ 369,000
Oxygen Plant Liquid Oxygen Tank Replacement (May get pushed back based on	$ -	$ -	$ -	$ 761,000	$ -	$ 761,000	$ 384,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 384,000	$ 377,000	$ -	$ 377,000
Oxygen Plant Roof Replacement	$ 54,000	$ -	$ -	$ -	$ -	$ 54,000	$ 54,000	$ -	$ 26,600	$ -	$ -	$ -	$ -	$ -	$ -	$ 27,400	$ -	$ -	$ -
Pole Barn/Storage Facility at plant	$ -	$ 100,000	$ -	$ -	$ -	$ 100,000	$ 100,000	$ -	$ -	$ -	$ 49,550	$ -	$ -	$ -	$ -	$ 50,450	$ -	$ -	$ -
Primary Treatment North - Grinder (1) on Sludge Line	$ -	$ -	$ 16,000	$ -	$ -	$ 16,000	$ 16,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 16,000	$ -	$ -	$ -
Rebuild Four Belt Filter Presses and Two Discharge Conveyors	$ 2,080,000	$ -	$ -	$ -	$ -	$ 2,080,000	$ 2,080,000	$ -	$ 1,030,640	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,049,360	$ -	$ -	$ -
Replacement of Oxygen Plant Turbo-Expander	$ -	$ 5,000	$ 359,000	$ -	$ -	$ 364,000	$ 364,000	$ -	$ -	$ -	$ 178,000	$ 5,000	$ -	$ -	$ -	$ 181,000	$ -	$ -	$ -
SCADA Enhancements - operator inspection sheets	$ 100,000	$ -	$ -	$ -	$ -	$ 100,000	$ 50,450	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 50,450	$ 49,550	$ 49,550	$ -
Secondary Clarifiers - South RAS Pumps (4 pumps)	$ -	$ -	$ 333,000	$ -	$ -	$ 333,000	$ 168,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 168,000	$ 165,000	$ 165,000	$ -
Solids Expansion: Anaerobic Digestion, BFP Feed Pumps, GBTs, etc.	$ 495,500	$ 495,500	$ 495,500	$ -	$ 25,000,000	$ 26,486,500	$ 13,986,500	$ -	$ -	$ -	$ 1,486,500	$ -	$ -	$ -	$ -	$ 12,500,000	$ 12,500,000	$ 12,500,000	$ -
Solids Handling - chemical systems (alum and polymer)	$ -	$ 91,000	$ -	$ -	$ -	$ 91,000	$ 91,000	$ -	$ -	$ -	$ -	$ 45,500	$ -	$ -	$ -	$ 45,500	$ -	$ -	$ -
Solids Handling - Dewatering Biofilter Media Replacement	$ 339,000	$ -	$ -	$ -	$ -	$ 339,000	$ 339,000	$ -	$ 168,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 171,000	$ -	$ -	$ -
Solids Handling –Hauled Waste Receiving Station Study/Design	$ 232,000	$ -	$ -	$ -	$ -	$ 232,000	$ 232,000	$ -	$ -	$ -	$ 115,000	$ -	$ -	$ -	$ -	$ 117,000	$ -	$ -	$ -
South A/O Trains - (5) Mixers	$ -	$ 291,001	$ -	$ -	$ -	$ 291,001	$ 146,810	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 146,810	$ 144,191	$ -	$ 144,191

South Primary Clarifiers Rehabilitation	$	2,644,000	$	-	$	-	$	-	$	-	$	2,644,000	$	2,644,000	$	-	$	1,310,102	$	-	$	-	$	-	$	-	$	1,333,898	$	-	$	-	$	-	$	-
South Screening Headworks Improvements	$	3,360,000	$	-	$	-	$	-	$	-	$	3,360,000	$	1,695,120	$	-	$	-	$	-	$	-	$	-	$	-	$	1,695,120	$	1,664,880	$	1,664,880	$	-	$	-
South Train Diversion/Outfall 100) Chlorination Facilities	$	149,000	$	1,941,000	$	-	$	-	$	-	$	2,090,000	$	1,275,893	$	-	$	-	$	-	$	73,830	$	-	$	-	$	1,202,063	$	814,107	$	814,107	$	-	$	-
Stevens Avenue PS Wet Well Coating Inspection	$	15,000	$	-	$	-	$	-	$	-	$	15,000	$	15,000	$	-	$	-	$	-	$	-	$	-	$	-	$	15,000	$	-	$	-	$	-	$	-
Stevens Pumping Station Wet Well Coatings	$	-	$	25,000	$	-	$	-	$	-	$	25,000	$	25,000	$	-	$	-	$	-	$	10,000	$	-	$	-	$	15,000	$	-	$	-	$	-	$	-
Water Street Sewer Separation Projects	$	292,000	$	1,460,000	$	-	$	4,360,000	$	-	$	6,112,000	$	292,000	$	-	$	-	$	-	$	292,000	$	-	$	-	$	-	$	5,820,000	$	5,820,000	$	-	$	-
Total Sewer	**$**	**28,871,073**	**$**	**23,404,501**	**$**	**10,751,000**	**$**	**5,756,000**	**$**	**25,500,000**	**$**	**94,282,574**	**$**	**56,242,123**	***$***	**-**	***$***	***2,584,892***	***$***	**-**	***$***	***9,811,403***	***$***	***72,500***	***$***	**-**	***$***	***43,773,328***	***$***	***38,040,451***	***$***	***35,429,697***	***$***	***2,466,563***	***$***	***144,191***
Stormwater Management																																
ARI Projects	$	-	$	-	$	90,000	$	210,000	$	1,170,000	$	1,470,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	1,470,000	$	-	$	-	$	1,470,000
Bay Street Community Garden Green Infrastructure	$	50,000	$	200,000	$	-	$	-	$	-	$	250,000	$	50,000	$	-	$	-	$	50,000	$	-	$	-	$	-	$	-	$	200,000	$	-	$	-	$	200,000
GI Corrective Action	$	107,500	$	115,000	$	122,500	$	130,000	$	137,500	$	612,500	$	107,500	$	-	$	-	$	107,500	$	-	$	-	$	-	$	-	$	505,000	$	-	$	-	$	505,000
MS4 Collection System Upgrades	$	283,000	$	283,000	$	283,000	$	283,000	$	283,000	$	1,415,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	1,415,000	$	-	$	-	$	1,415,000
Operations Center Facility Stormwater Contribution	$	500,000	$	-	$	-	$	-	$	-	$	500,000	$	500,000	$	-	$	-	$	500,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-
Paving Plan GI Projects	$	275,000	$	1,450,000	$	532,000	$	189,000	$	378,000	$	2,824,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	2,824,000	$	-	$	-	$	2,824,000
Prince & Walnut GI Retrofit	$	391,200	$	-	$	-	$	-	$	-	$	391,200	$	391,200	$	-	$	-	$	25,000	$	-	$	366,200	$	-	$	-	$	-	$	-	$	-	$	-
Reservoir Park GI	$	160,292	$	400,731	$	-	$	-	$	-	$	561,023	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	561,023	$	-	$	-	$	561,023
SS4A GI Projects	$	282,000	$	409,897	$	750,000	$	772,585	$	-	$	2,214,482	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	2,214,482	$	-	$	-	$	2,214,482
SW Costs for Capital Improvements	$	50,000	$	350,000	$	350,000	$	350,000	$	350,000	$	1,450,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	1,450,000	$	-	$	-	$	1,450,000
Trees for People Implementation	$	850,000	$	800,000	$	300,000	$	-	$	-	$	1,950,000	$	1,950,000	$	-	$	-	$	950,000	$	-	$	1,000,000	$	-	$	-	$	-	$	-	$	-	$	-
Total Stormwater Management	**$**	**2,948,992**	**$**	**4,008,628**	**$**	**2,427,500**	**$**	**1,934,585**	**$**	**2,318,500**	**$**	**13,638,205**	**$**	**2,998,700**	***$***	**-**	***$***	**-**	***$***	***1,632,500***	***$***	**-**	***$***	***1,366,200***	***$***	**-**	***$***	**-**	***$***	***10,639,505***	***$***	**-**	***$***	***10,639,505***
Water																																
8-&10-inch Replacement, N.George from E.Frederick to Landis Ave	$	700,000	$	-	$	-	$	-	$	-	$	700,000	$	700,000	$	-	$	-	$	700,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-
Cast iron pipe and materials for City crews	$	300,000	$	384,000	$	250,000	$	250,000	$	500,000	$	1,684,000	$	684,000	$	-	$	-	$	684,000	$	-	$	-	$	-	$	-	$	1,000,000	$	-	$	1,000,000	$	-
Conestoga Clearwell coating replacement	$	-	$	-	$	1,592,000	$	-	$	-	$	1,592,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	1,592,000	$	-	$	1,592,000	$	-
Conestoga Low/High Service Pump Station Upgrade	$	-	$	-	$	-	$	150,000	$	-	$	150,000	$	150,000	$	-	$	-	$	-	$	150,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-
Conestoga Membrane Replacement	$	-	$	-	$	1,700,000	$	-	$	-	$	1,700,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	1,700,000	$	-	$	1,700,000	$	-
Conestoga Solids Handling	$	200,000	$	-	$	2,000,000	$	-	$	-	$	2,200,000	$	200,000	$	-	$	-	$	-	$	200,000	$	-	$	-	$	-	$	2,000,000	$	2,000,000	$	-	$	-
Conestoga WTP Install Sodium Permanganate System	$	-	$	-	$	-	$	400,000	$	-	$	400,000	$	400,000	$	-	$	-	$	-	$	400,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-
Conestoga WTP Strainers Replacement	$	-	$	-	$	-	$	-	$	615,000	$	615,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	615,000	$	-	$	615,000	$	-
CWTP Low/ High PS- replace Electrical Equipment	$	600,000	$	400,000	$	-	$	-	$	-	$	1,000,000	$	1,000,000	$	-	$	-	$	1,000,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-
CWTP Rapid Mix, Equalization Tank Rehabilitation	$	-	$	-	$	200,000	$	2,000,000	$	-	$	2,200,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	2,200,000	$	2,000,000	$	200,000	$	-
East Lampeter Line Relocation	$	100,000	$	-	$	-	$	-	$	-	$	100,000	$	100,000	$	-	$	-	$	100,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-
Emergency Generator at Northwest PS	$	-	$	-	$	125,000	$	400,000	$	400,000	$	925,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	925,000	$	800,000	$	125,000	$	-
Lafayette Tank Water Quality Improvements	$	2,500,000	$	-	$	-	$	-	$	-	$	2,500,000	$	2,500,000	$	-	$	-	$	750,000	$	1,750,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-
Lead Service Line Customer Reimbursements since July 22, 2022	$	350,000	$	350,000	$	100,000	$	100,000	$	100,000	$	1,000,000	$	700,000	$	-	$	-	$	-	$	700,000	$	-	$	-	$	-	$	300,000	$	-	$	300,000	$	-
Lead Service Line Inventory Costs on the City side	$	-	$	-	$	4,000,000	$	-	$	4,000,000	$	8,000,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	8,000,000	$	-	$	8,000,000	$	-
Lead Service Line Replacement under the Improved Lead and Copper rule. - ass	$	1,000,000	$	1,000,000	$	1,000,000	$	1,000,000	$	1,000,000	$	5,000,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	5,000,000	$	5,000,000	$	-	$	-
Metering for leak detection	$	461,130	$	-	$	-	$	-	$	-	$	461,130	$	461,130	$	-	$	-	$	-	$	-	$	461,130	$	-	$	-	$	-	$	-	$	-	$	-
Millersville Borough Water Line Replacement	$	555,000	$	-	$	-	$	-	$	-	$	555,000	$	555,000	$	-	$	-	$	555,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-
Neffsville Tank Repaint and Install Mixing System	$	-	$	-	$	-	$	-	$	50,000	$	50,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	50,000	$	-	$	50,000	$	-
Oyster Point Reservoir Clean out and perform structural inspection	$	1,000,000	$	-	$	-	$	-	$	-	$	1,000,000	$	1,000,000	$	-	$	-	$	-	$	1,000,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-
Oyster Point Reservoir Structural Repairs - Place holder - will be informed by ins	$	-	$	-	$	-	$	-	$	50,000	$	50,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	50,000	$	-	$	50,000	$	-
PFAS Compliance at Conestoga Water Treatment Plant - Design Phase	$	1,800,000	$	-	$	-	$	-	$	-	$	1,800,000	$	1,800,000	$	-	$	-	$	-	$	1,800,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-
Phase 2 Construction of the Susquehanna Transmission Main.	$	33,000,000	$	7,000,000	$	-	$	-	$	-	$	40,000,000	$	3,800,000	$	-	$	-	$	-	$	-	$	3,800,000	$	-	$	-	$	36,200,000	$	36,200,000	$	-	$	-
Phase 3 Construction of the Susquehanna Transmission Main.	$	-	$	6,700,000	$	5,000,000	$	-	$	-	$	11,700,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	11,700,000	$	11,700,000	$	-	$	-
Pipe Cleaning and Lining Allowance	$	-	$	-	$	773,000	$	796,000	$	820,000	$	2,389,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	2,389,000	$	-	$	2,389,000	$	-
Pole Barn for Conestoga WTP	$	-	$	-	$	100,000	$	-	$	-	$	100,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	100,000	$	-	$	100,000	$	-
Replace Water Meters (escalates 3% per year)	$	150,000	$	160,000	$	170,000	$	180,000	$	190,000	$	850,000	$	850,000	$	-	$	-	$	-	$	-	$	-	$	850,000	$	-	$	-	$	-	$	-	$	-
Replacement of Large Cast Iron Mains (inside City)	$	701,365	$	-	$	-	$	100,000	$	1,000,000	$	1,801,365	$	701,365	$	-	$	-	$	701,365	$	-	$	-	$	-	$	-	$	1,100,000	$	1,000,000	$	100,000	$	-
Replacement of Large Cast Iron Mains (outside City) (16 inch transmission main	$	150,000	$	-	$	-	$	-	$	-	$	150,000	$	150,000	$	-	$	-	$	150,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-
Security Cameras	$	157,490	$	-	$	-	$	-	$	-	$	157,490	$	157,490	$	-	$	-	$	157,490	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-
South Pump Station	$	-	$	-	$	2,732,000	$	2,732,000	$	-	$	5,464,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	5,464,000	$	5,464,000	$	-	$	-
Susquehanna Intake Design	$	300,000	$	50,000	$	-	$	-	$	-	$	350,000	$	350,000	$	-	$	-	$	-	$	350,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-
Susquehanna Low Service Intake, Grit System, and Traveling Screens	$	-	$	-	$	-	$	-	$	3,887,733	$	3,887,733	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	3,887,733	$	3,887,733	$	-	$	-
Susquehanna Low Service PS Building Upgrades - HVAC and Electrical Systems	$	-	$	-	$	-	$	-	$	25,000	$	25,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	25,000	$	-	$	25,000	$	-
Susquehanna WTP 1950's Abandoned Filter/Admin Building - Demolition	$	-	$	-	$	-	$	75,000	$	-	$	75,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	75,000	$	-	$	75,000	$	-
Susquehanna WTP Clearwell Relining	$	-	$	-	$	95,000	$	950,000	$	-	$	1,045,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	1,045,000	$	950,000	$	95,000	$	-
Susquehanna WTP Install Sodium Permanganate System	$	-	$	-	$	-	$	85,000	$	-	$	85,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	85,000	$	-	$	85,000	$	-
Susquehanna WTP Sludge Drying Beds Rehabilitation	$	149,000	$	-	$	-	$	-	$	-	$	149,000	$	149,000	$	-	$	-	$	-	$	-	$	149,000	$	-	$	-	$	-	$	-	$	-	$	-
SWTP Centrifuge Bldg - replace 4 heaters	$	-	$	-	$	40,000	$	-	$	-	$	40,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	40,000	$	-	$	-	$	40,000
SWTP High Service Pumps VFD Replacement	$	-	$	-	$	-	$	-	$	50,000	$	50,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	50,000	$	-	$	50,000	$	-
SWTP Solids Handling Improvements - Automatic dumpster/ayer	$	-	$	-	$	25,000	$	180,000	$	-	$	205,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	205,000	$	-	$	205,000	$	-
Transite Pipe Replacement, multi- year plan (ref LTIIP)	$	-	$	-	$	1,000,000	$	1,000,000	$	1,000,000	$	3,000,000	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	3,000,000	$	3,000,000	$	-	$	-
Vactors for Transmission and Distribution	$	750,000	$	-	$	800,000	$	-	$	-	$	1,550,000	$	750,000	$	-	$	-	$	-	$	750,000	$	-	$	-	$	-	$	800,000	$	-	$	800,000	$	-
Valve Replacement (escalator of 3%)	$	213,000	$	219,000	$	226,000	$	232,000	$	-	$	890,000	$	776,650	$	-	$	-	$	776,650	$	-	$	-	$	-	$	-	$	113,350	$	-	$	113,350	$	-
Water Street Pipe Replacement	$	400,000	$	318,500	$	-	$	-	$	-	$	718,500	$	718,500	$	-	$	718,500	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-	$	-
Total Water	**$**	**45,536,985**	**$**	**16,581,500**	**$**	**21,928,000**	**$**	**10,630,000**	**$**	**13,687,733**	**$**	**108,364,218**	**$**	**18,653,135**	***$***	**-**	***$***	***718,500***	***$***	***5,574,505***	***$***	***7,100,000***	***$***	***4,410,130***	***$***	***850,000***	***$***	**-**	***$***	***89,711,083***	***$***	***72,001,733***	***$***	***17,669,350***	***$***	***40,000***
Total 2026-2030 Capital Improvement Plan	**$**	**108,276,430**	**$**	**67,801,009**	**$**	**47,527,880**	**$**	**27,920,585**	**$**	**49,956,233**	**$**	**301,482,137**	**$**	**142,198,435**	***$***	***1,340,000***	***$***	***3,303,392***	***$***	***11,576,145***	***$***	***35,434,403***	***$***	***39,275,454***	***$***	***3,545,713***	***$***	***3,950,000***	***$***	***43,773,328***	***$***	***159,283,702***	***$***	***107,431,430***	***$***	***24,378,576***	***$***	***27,473,696***

City of Lancaster
General Fund Debt Service
Annual Debt Service
9,000,000
8,500,000
8,000,000
7,500,000
7,000,000
6,500,000
6,000,000
5,500,000
5,000,000
4,500,000
4,000,000
3,500,000
3,000,000
2,500,000
2,000,000
1,500,000
1,000,000
500,000
0
Fiscal Years
2026
2027
2028
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2055

City of Lancaster
Sewer Fund Debt Service
Annual Debt Service
6,000,000
5,000,000
4,000,000
3,000,000
2,000,000
1,000,000
0
Fiscal Years
2026
2027
2028
2029
2030
2031
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2053
2054
2055

City of Lancaster
Water Fund Debt Service
Annual Debt Service
17,000,000
16,000,000
15,000,000
14,000,000
13,000,000
12,000,000
11,000,000
10,000,000
9,000,000
8,000,000
7,000,000
6,000,000
5,000,000
4,000,000
3,000,000
2,000,000
1,000,000
0
Fiscal Years
2026
2027
2028
2029
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2055

City of Lancaster
Stormwater Fund Debt Service
Annual Debt Service
2,000,000
1,800,000
1,600,000
1,400,000
1,200,000
1,000,000
800,000
600,000
400,000
200,000
0
Fiscal Years
2026
2027
2028
2029
2030
2031
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2053
2054
2055

City of Lancaster
Annual Debt Service by Fund
Annual Debt Service
35,000,000
32,500,000
30,000,000
27,500,000
25,000,000
22,500,000
20,000,000
17,500,000
15,000,000
12,500,000
10,000,000
7,500,000
5,000,000
2,500,000
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2046
2047
2048
2049
2050
2051
2052
2053
2054
2055
Fiscal Years
General Fund
Sewer Fund
Water Fund
Stormwater Fund

MAXIMUS

Central Services Cost Allocation Plan City of Lancaster, Pennsylvania

2022 Full
Cost Allocation Plan

Based on Actual Expenditures for
Fiscal Year Ending December 31, 2022

Central Services
Cost Allocation Plan
City of Lancaster, Pennsylvania

FINAL

2022 Full
Cost Allocation Plan

Based on Actual Expenditures for
Fiscal Year Ending December 31, 2022

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
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Section A: Cost Allocation Methodology and Process

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Cost Allocation Methodology and Process

A. Cost Allocation Methodology and Process

The Cost Allocation Plan (CAP) provided in *Section C* was prepared by MAXIMUS Consulting Services, Inc. (MAXIMUS) for City of Lancaster, Pennsylvania. Utilizing our proprietary, web-based cost allocation system, MAXCAP™, MAXIMUS used cost data and allocation statistics to allocate the costs to departments/divisions /programs for Fiscal Year (FY) 2022.

MAXCAP uses a double step-down allocation procedure to distribute costs among Central Services and to departments that receive benefits. Using MAXCAP, costs are input by cost center identifications consistent with the entity's accounting code structure, which allows for efficient balancing with the entity's financial reporting systems. Additionally, MAXCAP provides for the inputting of allocation statistics appropriate for the distribution of the identified indirect cost pools. Credits for direct-billed payments, cost adjustments, and other valid and applicable costing factors are also facilitated within the software.

In this section, we provide an overview of our cost allocation methodology and process used to develop the CAP.

A.1 Cost Allocation Methodology

MAXIMUS employs a double step-down procedure that allows all Central Service Departments to allocate costs to all other Central Service Departments. Since Central Service Departments' costs are not simultaneously allocated, the process must be performed sequentially, one department after another. The second step-down allows for the equitable allocation of the costs the Central Service Departments receive from one another.

Typically, CAPs are compiled using a single step down or "waterfall" methodology in which the costs of Central Service Departments are allocated in an ordinal sequence with emphasis placed on ordering non-departmental and departmental cost groupings to optimize the flow of costs to recoverable program areas. Although this is an acceptable method resulting in accurate program allocations, it provides only partial information as to the costs of individual Central Service Departments and their significant activities.

To demonstrate the potential inequity of a single step-down, consider the costs of the Facilities Management and Purchasing activities. Facilities Management manages and maintains the office space that Purchasing uses to serve departments. Facilities costs are rightfully allocable to all the departments that have space in government buildings. If Facilities Management costs are allocated after Purchasing, the cost of Purchasing's space will be allocated to the other departments in the building. It could be argued that this method then allocates costs to departments disproportionate to the benefit received from those costs.

MAXIMUS double step-down approach mitigates potential allocation inequities and has been widely accepted by federal cognizant agencies for more than 30 years.

A.1.1 First Step-Down

The first step-down allows each Central Service Department to allocate to any other department, regardless of the sequence of the departments. The department also can allocate to itself providing the statistical measurements indicate a basis for the allocations.

Process

The process of allocating during this round is achieved sequentially, consistent with the order of the Central Service Departments. As each Central Service Department performs its allocations it allocates:

- Costs from entity financial records
- Cost adjustments
- Credits
- Costs received from other Central Service Departments that have completed their first round allocations

- Results

At the completion of the first step-down, each Central Service Department has the allocated costs from itself and from the Central Service Departments sequenced before it.

A.1.2 Second Step-Down

The rule for the second step-down is that each Central Service Department can allocate only to another department sequenced after the allocating department; provided that the statistical measurements indicate a basis for the allocations.

Process

The process of allocating during the second step-down is achieved sequentially and consistent with the order of the Central Service Departments. As each Central Service Department performs its allocations, it allocates:

- Costs received from other Central Service Departments that have completed their second round allocations
- Costs received in the first step-down from itself and from the Central Service Departments sequenced after the allocating department

Results

At the completion of the second step-down, each Central Service Department has completed all allocations and all Central Service Departments have been cleared of all costs. The costs have either been adjusted out of the cycle or sent to Receiving Departments based on the allocation statistics.

A.1.3 Supplemental Comments

When the relationship between and among the Central Service Departments is greatly intertwined, it may be prudent to implement three or more step-downs. Typically, the double step-down is sufficient to accomplish an equitable allocation of all costs.

If more than two step-downs are required the rules for all rounds of allocation — except the final round — are the same as defined above for the first step-down. The final round always follows the rules, as defined above, for the second step-down.

A.2 Cost Allocation Process

The process utilized by MAXIMUS in developing the CAP and tracking costs within it is discussed below.

A.2.1 Initiating the Process

Working in conjunction with the entity, MAXIMUS determines data to be included within the cost allocation process based on:

- Application of federal cost principles or full costing principles, as applicable
- Interviews
- Review of financial documents
- Review of organizational structure
- Analysis of statistical data relative to benefit of services provided

A.2.2 Establishing the Cost Pools to be Allocated

MAXIMUS analyzes the organizational structure of the entity to determine which departments or cost pools provide

services to other departments/divisions/programs. These cost pools become the “Central Service Departments” in the CAP.

Next, each cost pool is evaluated to determine the activities or services provided. The costs are then broken into subparts or activities such that each activity can be allocated on a statistical measure that is relevant to the service provided and the benefit received.

Line items of expenditures are analyzed to determine which activities receive the benefit of the costs. Distributions of these costs are made according to the determined benefit of each activity.

A.2.3 Establishing the Statistical Measurements or Bases for Allocation

MAXIMUS evaluates available statistical measurements to establish the most equitable and meaningful basis for allocating each activity within each Central Service Department. Consideration is given to determining the measurement that most appropriately demonstrates its relationship to the receiving units. For example, an activity that is driven by the number of employees within the benefiting departments can be allocated by number of employees. Similarly, an activity that is driven by the number of transactions for each benefiting department can be allocated by the number of transactions.

A.2.4 Accommodating Exceptions and Adjustments

Applicable cost adjustments for unallowable costs and/or capitalized assets are incorporated into the appropriate schedules. Credits for direct billings, special revenues, etc. are entered into the computation.

A.2.5 Developing the CAP

The MAXIMUS Cost Allocation Plan typically is organized as follows:

- Cover
- Certification, if required
- Table of Contents
- Cost Allocation Methodology and Process
- Organizational Chart
- CAP: Summary and Detail Schedules
- Supplemental Materials

Below, we discuss each of the summary and detail schedules included in a CAP.

Summary Schedules

The summary schedules provide a recap of the results of the cost allocation process. The following explanations define the purposes of each of the typical schedules included in the cost allocation plan..

Schedule A – Allocated Costs by Department: Schedule A demonstrates for each Receiving Department the costs received from each Central Service Department. This schedule answers the question: Which Central Service Department actually allocated the costs to each Receiving Department?

This schedule does not necessarily demonstrate the Central Service Department from which the costs originated. For example, costs sent from Purchasing to Accounting and then to a Receiving Department will be recorded on Schedule A as being from Accounting.

Schedule B – Fixed Costs Proposed: Schedule B recaps the roll forwards calculated for the Receiving Departments.

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The Receiving Departments are shown down the left hand side of the page, while details of the roll forward calculation for particular Receiving Departments are on the rest of the line.

The first column is the *Allocated Costs* for the current fiscal year, which lists the total costs allocated to this Receiving Department. This number will reconcile to the total allocated to the department on Schedule A.

The next column is the *Base Year Estimated Costs* for the fiscal year that have been used for the current period. The *Roll Forward* column is calculated by subtracting the *Base Year Estimated Costs* column (second column) from the *Allocated Costs* column for the current period (first column).

The *Fixed Costs* column is calculated by adding in the *Allocated Costs* column for the current fiscal year and the *Roll Forwards* column. The *Proposed Costs Future Period* column is the resulting sum of the *Fixed Costs* and any adjustments from the *Adjustment*s column.

In summary, this report takes the difference between allocated costs for the current year (column 1) and the forecast costs for this year (column 2), adds that difference to the allocated costs for this year (column 1) along with any one-time adjustments to produce a forecast (*Proposed Costs Future Period*) for the next period.

Schedule C – Summary of Allocated Costs: Schedule C is the simplest report to use when balancing to the financials. It demonstrates the costs to be allocated, the adjustments made to these costs, and the results of the allocations. This schedule demonstrates the full sequence of all departments with the Central Service Departments listed first and in the order of their allocating sequence.

The Receiving departments follow the Central Service Departments with the total allocations received from all Central Service Departments.

Schedule D – Detail of Allocated Costs: Schedule D provides a view of the allocation flow of costs for each Central Service Department. This schedule allows the reader to see how the process sequentially “zeroes out” all of the Central Service Department costs and allocates them to Receiving Departments.

Schedule E – Summary of Allocation Basis: Schedule E demonstrates, for each Central Service Department, the services or activities of the Central Service Department and the basis for the allocation of each activity. This schedule is a convenient reference for reviewing the activities identified for each Central Service Department. This is particularly important when preparing a new plan and incorporating organizational and services changes.

Schedule F – Indirect Cost Rate Proposal: Schedule F computes an indirect cost rate for selected Receiving Departments. The total allocated costs are divided by the indirect costs rate base to compute the indirect cost rate for each Receiver Department. For example, the indirect cost rate base used to compute the rates could be salaries, salaries and benefits, or modified total direct costs, etc. A composite rate is also computed at the bottom of the schedule.

Schedule G - Origins of Costs: Schedule G demonstrates the original source of the costs received by each Receiving Department. For example, costs allocated from Purchasing to Accounting and then to a Receiving Department will be recorded on Schedule G as being from Purchasing.

Schedule H – Summary of Fixed Costs: Schedule H summarizes the fixed costs/roll forwards that appear with the detail reports. Receiving Departments are listed across the top of the report and the Central Service Departments are listed down the left hand side. Each cell contains the fixed amount calculated on the detail roll forward schedules. These amounts are then summarized on the *Total Fixed* line at the bottom of the report.

Detail Schedules
The detail schedules demonstrate the original costs being allocated by each Central Service Department. In these schedules, the adjustments are applied; the activities are defined; the incoming costs from other Central Service Departments are detailed; the allocation calculations for both step-downs are documented; and the results for each Central Service Department are summarized.

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When tracking costs, typically the schedules are reviewed in reverse order tracking from summary information back to detail information. This is discussed further in *Section A.2.6: Tracking Costs within the CAP*.

Schedule _.1 – Nature and Extent of Services: Schedule _.1 is a brief narrative defining the purpose of the Central Service and the benefit it provides to the Receiving Departments. The narrative also describes the allocation basis used for each activity and any other relevant information on expenditures.

Schedule _.2 – Costs to be Allocated: Schedule _.2 provides an overview of the total costs allocated by each Central Service Department including:

- Expenditures from the financial reports — balances to Schedule C
- Adjustments to financial reports — balances to Schedule C
- Incoming costs from other Central Service Departments

The incoming costs are presented in columns that represent when these costs are allocated by the Central Service Department, not when the costs are received. As explained in *Section A.1: Cost Allocation Methodology*, the costs that are received from Central Service Departments sequenced after the given department are held for allocation in the second step-down.

Schedule _.3 – Costs to be Allocated by Activity: Schedule _.3 provides the following:

- Expenditures from the financials are defined by type of expenditure and by activities (to the extent deemed necessary) to ensure the application of allocation bases that closely correlate to the benefits derived by the Receiving departments. Each activity is represented in its own column. The totals balance with both Schedule C and Schedule _.2 expenditure amounts.
- Adjustments to the financial reports are applied to expenditures and the results spread to the appropriate activities.
- Incoming costs are demonstrated first in total and then spread to the appropriate activities for allocation for each step-down. The totals for each step-down balance to the totals on Schedule _.2. It should be noted that incoming costs may be coded to spread to only the activities that receive benefit from the services.

Schedule _.4 – Detail Activity Allocations: Schedule _.4 represents the allocation results by activity. Each activity defined on Schedule _.3 is demonstrated on a Detail Allocation Schedule. Because the number of activities varies, the number of the last of these schedules varies.

Schedule _.4 includes:

- Statistical measurement used as a basis for allocation
- Identification of statistical measurement
- Source of the statistical measurement
- Percent relationship of each statistical measurement to the whole or total statistical measurement base
- Results of the first step-down — balances to functional total after first additions on Schedule_.3
- Results of the second step-down — balances to functional total of second additions on Schedule _.3

The totals allocated from both step-downs balances to the functional grand total from Schedule _.3. Note the results of the second step-down. This schedule clearly demonstrates how the second step-down allocates only to departments sequenced after the allocating department.

Schedule _.5 – Allocation Summary for each Central Service Department: Schedule _.5 provides a summary of costs allocated by each activity. The activity totals balance to the totals from each Detail Activities Allocation schedule defined above.

The totals allocated to the Receiving Departments will balance to Schedule A for the allocating department.

Schedule _.6 – Department Roll Forward: Schedule _.6 lists all roll forward information within a given department and calculates the amounts for each Receiving Department.

Each Receiving Department will be printed on its own line for this report. For each Receiving Department, the amount

allocated to it is printed under the *Allocated Costs* column (the first column), which is the actual costs as calculated by this plan for the current period.

The second column —*Base Year Estimated Costs* — is used as a base for the current period's calculation. If they are more or less than the actual costs for this period, the difference can be added to the current costs to arrive at the forecast for the next period.

The third column, *Roll Forwards*, is calculated as the difference between the first two columns.

The *Allocated Costs* column plus the *Roll Forwards* column will give us the amount to use as the *Fixed Costs* in the next period, the fourth column.

These numbers are entered here and on Schedule H of the summary reports. They are also summarized on Schedule A for each Receiving department.

A.2.6 Tracking Costs within the CAP

When costs are questioned, MAXIMUS utilizes our standard tracking process in order to resolve any issues with Schedule A where the questioned cost is usually identified.

From Schedule A, we identify the allocating Central Service Department. From the CAP Table of Contents the appropriate detail schedules for the allocating department are identified. Tracking begins with the last detail schedule. Once the questioned amount is located, our analysis of the summary amounts by activities indicates which detail allocation schedules to review.

Review of each detail schedule will demonstrate the relative benefit received by the Receiving Department for the portion of the questioned cost attributable to each activity. Continuing backward through the detail schedules, the composition of the total functional costs is reviewed.

At this point, any remaining questions are typically in regard to the incoming costs. If these costs are questioned, we can use Schedule _.2 to identify which department allocated the questioned incoming costs. Referring again to the CAP Table of Contents, the detail schedules for the sending Central Service Department can be located. Tracking continues by repeating these steps until all issues have been resolved.

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Section C: Cost Allocation Plan

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Schedule A - Allocated Costs By Department

Pa Ci Lancaster Full Cost CAP22
2022 Version 1.0001
Level: Detail

Central Service Departments	Neighborhood Engagement	Public Art	Engineering	Planning	Community Involvement
Building Depreciation	27,820	4,451	8,292	23,117	0
Equipment Depreciation	246	62	19,863	3,576	0
Property Insurance	1,290	206	384	1,072	0
Liability & Other Insurance	2,373	458	12,920	4,250	0
Personnel Insurance	45,000	216	3,869	7,081	0
Workers' Compensation	1,629	259	1,171	2,048	0
Retirement Expense	50,489	8,030	36,278	63,472	0
Parks Administration	0	0	0	0	0
Parks-Buildings	27,131	4,341	8,087	22,545	0
Mayor's Office	39,979	918	2,689	5,406	0
City Solicitor	2,255	535	1,739	53,467	114
City Clerk	2,003	0	0	8,014	0
City Council	7,267	0	0	29,070	0
Director of Admin Services	9,972	665	10,560	12,528	0
Accounting	5,225	362	6,703	4,948	2,519
Human Resources	6,148	1,537	4,503	9,052	0
Controller/Treasurer	505	40	511	485	420
Information Services	41,749	4,520	24,867	26,215	1,071
Procurement & Collections	114	0	552	236	0
Director Public Works	0	0	123,477	0	0
Motor Vehicles	0	0	11,597	1,791	0
Allocated Costs for Fiscal 2022	271,195	26,599	278,063	278,373	4,123

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Schedule A - Allocated Costs By Department

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Level: Detail

Central Service Departments	Debt Service	Police	Fire	Dir of Community Planning & Economic Dev	Building Code Administration
Building Depreciation	0	784,548	43,259	25,809	32,307
Equipment Depreciation	0	144,915	238,331	37,580	469
Property Insurance	0	43,957	16,704	1,196	1,498
Liability & Other Insurance	0	122,615	63,803	2,207	6,501
Personnel Insurance	0	30,692	10,815	1,157	11,094
Workers' Compensation	0	83,919	41,772	1,689	2,543
Retirement Expense	0	332,501	121,963	52,328	78,796
Parks Administration	0	0	0	0	0
Parks-Buildings	0	555,416	201,783	25,171	31,507
Mayor's Office	0	209,404	79,053	66,294	6,168
City Solicitor	0	114,313	46,193	4,387	3,825
City Clerk	5,009	4,007	5,009	1,002	0
City Council	18,169	14,535	18,169	3,634	0
Director of Admin Services	500	146,096	59,793	1,994	13,079
Accounting	517	106,463	40,691	4,800	8,050
Human Resources	0	317,900	118,343	4,611	10,328
Controller/Treasurer	91	4,705	2,061	405	437
Information Services	219	58,926	106,797	15,195	45,894
Procurement & Collections	0	8,649	7,804	75	4,682
Director Public Works	0	0	0	0	0
Motor Vehicles	0	114,506	219	0	3,999
Allocated Costs for Fiscal 2022	24,505	3,198,066	1,222,564	249,534	261,177

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Schedule A - Allocated Costs By Department

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Level: Detail

Central Service Departments	PM Code Compliance	Lead Safety & CD	Bureau of Health	Streets Administration	Street Maintenance
Building Depreciation	26,850	40,563	13,856	5,326	121,212
Equipment Depreciation	466	202	191	81,820	134,335
Property Insurance	1,245	1,880	642	592	22,238
Liability & Other Insurance	11,497	4,839	4,038	182	37,899
Personnel Insurance	14,875	3,525	5,607	35	1,545
Workers' Compensation	4,510	2,765	1,418	139	2,160
Retirement Expense	139,768	85,675	43,957	4,312	66,951
Parks Administration	0	0	0	0	0
Parks-Buildings	26,186	39,559	13,513	3,826	98,691
Mayor's Office	10,500	9,610	4,681	229	10,096
City Solicitor	26,385	5,604	2,901	1,216	6,344
City Clerk	2,003	1,002	0	0	1,002
City Council	7,267	3,634	0	0	3,634
Director of Admin Services	16,217	9,830	12,003	166	7,311
Accounting	17,251	2,644	3,135	7,084	8,669
Human Resources	17,582	16,092	7,838	384	16,906
Controller/Treasurer	1,582	0	203	1,119	186
Information Services	49,842	33,144	19,388	7,426	8,257
Procurement & Collections	56,980	0	4,135	0	0
Director Public Works	0	0	0	15,530	216,750
Motor Vehicles	1,553	0	2,129	0	140,118
Allocated Costs for Fiscal 2022	432,560	260,567	139,636	129,388	904,303

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Schedule A - Allocated Costs By Department

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Level: Detail

Central Service Departments	Traffic	Parks-Parks	Lancaster Recreation Center	Parks-Trees	Parks-Central Market
Building Depreciation	10,511	51,780	0	0	361,553
Equipment Depreciation	11,415	20,095	0	62	0
Property Insurance	33,850	49,930	8,327	0	13,708
Liability & Other Insurance	6,305	53,792	2,692	1,236	898
Personnel Insurance	743	1,844	0	744	232
Workers' Compensation	1,496	3,954	0	75	583
Retirement Expense	46,371	122,524	0	2,314	18,074
Parks Administration	0	94,930	0	21,654	2,923
Parks-Buildings	7,551	218,347	39,097	1,547	3,448
Mayor's Office	4,855	12,051	0	4,865	1,514
City Solicitor	5,396	8,368	0	3,175	940
City Clerk	2,003	2,003	0	0	1,002
City Council	7,267	7,267	0	0	3,634
Director of Admin Services	3,516	8,727	0	3,523	1,097
Accounting	15,702	18,706	45	406	1,397
Human Resources	8,130	20,180	0	8,146	2,536
Controller/Treasurer	2,150	2,013	0	0	188
Information Services	15,536	16,800	0	4,466	545
Procurement & Collections	0	0	0	0	0
Director Public Works	149,784	382,117	0	22,307	55,263
Motor Vehicles	9,006	54,061	2,229	0	0
Allocated Costs for Fiscal 2022	341,589	1,149,487	52,390	74,519	469,534

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Level: Detail

Central Service Departments	Heritage Center	Enterprise Zone Repay (F214)	Emergency Shelter Grant (F221)	HOME Invest Partnership (F229)	CDBG (F235)
Building Depreciation	0	0	0	0	14,717
Equipment Depreciation	0	0	40	12	566
Property Insurance	0	0	0	0	682
Liability & Other Insurance	0	0	143	111	5,362
Personnel Insurance	0	0	0	0	0
Workers' Compensation	0	0	0	0	0
Retirement Expense	0	0	0	0	0
Parks Administration	0	0	0	0	0
Parks-Buildings	0	0	0	0	14,353
Mayor's Office	0	0	596	174	7,343
City Solicitor	0	0	348	102	4,282
City Clerk	0	0	0	0	1,002
City Council	0	0	0	0	3,634
Director of Admin Services	0	0	432	126	5,317
Accounting	423	16	1,258	6,547	36,882
Human Resources	0	0	999	292	12,295
Controller/Treasurer	77	0	151	11	1,094
Information Services	180	7	3,399	1,098	46,947
Procurement & Collections	0	0	0	0	4,234
Director Public Works	0	0	0	0	0
Motor Vehicles	0	0	0	0	0
Allocated Costs for Fiscal 2022	679	22	7,367	8,473	158,710

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City of Lancaster, Pennsylvania
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Schedule A - Allocated Costs By Department

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Central Service Departments	HUD Lead Grant (F236)	Misc State Grants (F240)	Misc Federal Grants (F241)	Misc Local Grants (F242)	Liquid Fuels (F265)
Building Depreciation	0	0	0	0	0
Equipment Depreciation	0	0	0	0	0
Property Insurance	0	0	0	0	0
Liability & Other Insurance	1,187	1,320	194	12	0
Personnel Insurance	0	0	0	0	0
Workers' Compensation	0	0	0	0	0
Retirement Expense	0	0	0	0	0
Parks Administration	0	0	0	0	0
Parks-Buildings	0	0	0	0	0
Mayor's Office	0	0	0	0	0
City Solicitor	0	171	342	342	2,450
City Clerk	0	0	0	0	0
City Council	0	0	0	0	0
Director of Admin Services	0	0	0	0	0
Accounting	25,277	53,063	9,422	20,166	9,292
Human Resources	0	0	0	0	0
Controller/Treasurer	1,228	460	117	628	1,553
Information Services	3,345	1,616	306	1,510	3,950
Procurement & Collections	0	0	0	0	0
Director Public Works	0	0	0	0	0
Motor Vehicles	0	0	0	0	0
Allocated Costs for Fiscal 2022	31,036	56,629	10,381	22,658	17,245

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Central Service Departments	Capital Projects	Stormwater Mgmt (F560)	Capital-SWM	Wastewater Operations (F561)	Capital Projects Sewer
Building Depreciation	0	12,169	0	2,513	0
Equipment Depreciation	0	308	0	862	0
Property Insurance	0	564	0	116	0
Liability & Other Insurance	0	0	0	0	0
Personnel Insurance	0	3,203	0	0	0
Workers' Compensation	0	0	0	0	0
Retirement Expense	0	0	0	0	0
Parks Administration	0	2,194	0	9,562	0
Parks-Buildings	0	11,868	0	2,451	0
Mayor's Office	0	23,148	0	63,511	0
City Solicitor	114	15,494	570	46,488	228
City Clerk	2,003	2,003	0	13,023	0
City Council	7,267	7,267	0	47,238	0
Director of Admin Services	0	16,763	0	41,948	0
Accounting	3,961	30,540	1,545	86,395	1,578
Human Resources	0	38,761	0	96,995	0
Controller/Treasurer	471	2,801	288	9,319	291
Information Services	1,702	60,051	692	136,234	705
Procurement & Collections	0	30,270	0	35,786	0
Director Public Works	0	62,120	0	155,448	0
Motor Vehicles	0	97,072	0	8,643	0
Allocated Costs for Fiscal 2022	15,519	416,596	3,094	756,533	2,801

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Central Service Departments	Water Fund (F562)	Capital Projects-Water	Solid Waste & Recycle (F563)	Lancaster Square Proj (F440)	Bd of Trust & Charties (F603)
Building Depreciation	5,851	0	0	0	0
Equipment Depreciation	1,292	0	185	0	0
Property Insurance	271	0	0	3,054	0
Liability & Other Insurance	0	0	0	0	0
Personnel Insurance	0	0	0	0	0
Workers' Compensation	0	0	0	0	0
Retirement Expense	0	0	0	0	0
Parks Administration	9,562	0	0	0	0
Parks-Buildings	5,706	0	392	0	0
Mayor's Office	106,978	0	9,702	0	0
City Solicitor	66,114	1,595	6,342	0	0
City Clerk	5,009	0	1,002	0	0
City Council	18,169	0	3,634	0	0
Director of Admin Services	61,290	0	7,026	0	0
Accounting	117,725	3,583	15,312	3	141
Human Resources	141,720	0	16,245	0	0
Controller/Treasurer	12,975	645	1,784	0	0
Information Services	167,624	1,603	24,702	0	60
Procurement & Collections	80,385	0	25,601	0	0
Director Public Works	227,126	0	26,035	0	0
Motor Vehicles	302,549	0	8,526	0	0
Allocated Costs for Fiscal 2022	1,330,347	7,426	146,488	3,057	201

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Central Service Departments	Long's Park (F662)	DID (F702)	Special Events (F249)	Lanc Office of Promotion	Int Svc-Hlth Costs (F801)
Building Depreciation	0	0	0	0	0
Equipment Depreciation	62	0	0	127	0
Property Insurance	6,771	0	0	0	0
Liability & Other Insurance	16	0	0	3,362	0
Personnel Insurance	0	0	0	59,955	0
Workers' Compensation	0	0	0	2,177	0
Retirement Expense	535	0	0	67,457	0
Parks Administration	26,188	0	0	0	0
Parks-Buildings	1,549	0	0	0	0
Mayor's Office	0	0	0	5,700	0
City Solicitor	57	0	342	3,609	0
City Clerk	0	0	0	0	0
City Council	0	0	0	0	0
Director of Admin Services	0	0	0	11,923	0
Accounting	6,413	220	2,298	7,261	31,045
Human Resources	0	0	0	9,544	0
Controller/Treasurer	1,065	31	414	771	1,428
Information Services	2,720	93	978	29,789	13,193
Procurement & Collections	0	3,630	0	59	0
Director Public Works	1,515	0	0	0	0
Motor Vehicles	5,142	0	0	0	0
Allocated Costs for Fiscal 2022	52,032	3,975	4,031	201,732	45,666

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Central Service Departments	Lanc City Connect	ARPA Fund	Curb & Sidewalk (F462)	City R/E	Other
Building Depreciation	0	0	0	0	95,977
Equipment Depreciation	0	0	0	0	62
Property Insurance	0	0	0	0	19,172
Liability & Other Insurance	0	0	0	0	36,993
Personnel Insurance	0	0	0	0	1,487
Workers' Compensation	0	0	0	0	6,381
Retirement Expense	0	0	0	0	197,730
Parks Administration	0	0	0	0	59,294
Parks-Buildings	0	0	0	0	134,312
Mayor's Office	0	0	0	0	0
City Solicitor	0	57,889	0	0	22,686
City Clerk	0	3,005	1,002	0	46,083
City Council	0	10,901	3,634	0	167,152
Director of Admin Services	0	122,686	0	0	9,406
Accounting	955	84	484	0	0
Human Resources	0	0	0	0	0
Controller/Treasurer	174	0	51	0	0
Information Services	406	33	206	0	0
Procurement & Collections	0	0	0	88,700	0
Director Public Works	0	0	0	0	0
Motor Vehicles	0	0	0	0	22,918
Allocated Costs for Fiscal 2022	1,534	194,598	5,377	88,700	819,653

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City of Lancaster, Pennsylvania
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For The Year Ending December 31, 2022
Schedule A - Allocated Costs By Department

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Central Service Departments	Total Allocated	Direct Billed	Unallocated	Cost Adjustments	Disallowed
Building Depreciation	1,712,482	0	0	(2,316,142)	
Equipment Depreciation	697,141	0	0	(821,104)	
Property Insurance	229,350	0	0	0	
Liability & Other Insurance	387,205	0	0	0	
Personnel Insurance	203,719	0	0	0	(4,367)
Workers' Compensation	160,688	0	0	0	
Retirement Expense	1,539,525	0	0	0	
Parks Administration	226,308	0	0	0	
Parks-Buildings	1,498,379	0	0	0	565,557
Mayor's Office	685,466	0	0	0	
City Solicitor	516,720	0	0	0	
City Clerk	108,191	0	0	0	
City Council	392,443	0	0	0	
Director of Admin Services	594,491	0	0	0	
Accounting	727,204	0	0	0	
Human Resources	887,068	0	0	0	
Controller/Treasurer	54,929	0	0	0	
Information Services	984,002	0	4,064	0	120,398
Procurement & Collections	351,893	0	0	0	
Director Public Works	1,437,472	0	1,905	0	6,735
Motor Vehicles	786,058	44,980	0	0	9,812
Allocated Costs for Fiscal 2022	14,180,734	44,980	5,969	(3,137,246)	698,135

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule A - Allocated Costs By Department

Central Service Departments	Total Expenditures
Building Depreciation	
Equipment Depreciation	
Property Insurance	
Liability & Other Insurance	
Personnel Insurance	
Workers' Compensation	
Retirement Expense	
Parks Administration	
Parks-Buildings	
Mayor's Office	
City Solicitor	
City Clerk	
City Council	
Director of Admin Services	
Accounting	
Human Resources	
Controller/Treasurer	
Information Services	
Procurement & Collections	
Director Public Works	
Motor Vehicles	
Allocated Costs for Fiscal 2022	11,792,572

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule C - Summary of Allocated Costs

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Department Name	Total Expenditures	Disallowed	Cost Adjustments	Unallocated	Direct Billed	Total Allocated
Building Depreciation	0		2,316,142		0	
Equipment Depreciation	0		821,104		0	
Property Insurance	267,622		0		0	
Liability & Other Insurance	420,459		0		0	
Personnel Insurance	523,471	4,367	0		0	
Workers' Compensation	177,318		0		0	
Retirement Expense	2,088,165		0		0	
Parks Administration	201,013		0		0	
Parks-Buildings	1,918,417	(565,557)	0		0	
Mayor's Office	477,222		0		0	
City Solicitor	380,678		0		0	
City Clerk	79,341		0		0	
City Council	65,066		0		0	
Director of Admin Services	623,698		0		0	
Accounting	521,928		0		0	
Human Resources	654,428		0		0	
Controller/Treasurer	17,360		0		0	
Information Services	1,194,609	(120,398)	0	(4,064)	0	
Procurement & Collections	105,083		0		0	
Director Public Works	1,666,826	(6,735)	0	(1,905)	0	
Motor Vehicles	409,868	(9,812)	0		(44,980)	
Neighborhood Engagement						271,195
Public Art						26,599
Engineering						278,063
Planning						278,373
Community Involvement						4,123
Debt Service						24,505
Police						3,198,066
Fire						1,222,564
Dir of Community Planning & Economic Dev						249,534
Building Code Administration						261,177
PM Code Compliance						432,560
Lead Safety & CD						260,567
Bureau of Health						139,636
Streets Administration						129,388
Street Maintenance						904,303
Traffic						341,589
Parks-Parks						1,149,487
Lancaster Recreation Center						52,390
Parks-Trees						74,519
Parks-Central Market						469,534
Heritage Center						679
Enterprise Zone Repay (F214)						22
Emergency Shelter Grant (F221)						7,367
HOME Invest Partnership (F229)						8,473
CDBG (F235)						158,710
HUD Lead Grant (F236)						31,036
Misc State Grants (F240)						56,629
Misc Federal Grants (F241)						10,381
Misc Local Grants (F242)						22,658
Liquid Fuels (F265)						17,245
Capital Projects						15,519

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule C - Summary of Allocated Costs

Pa Ci Lancaster Full Cost CAP22
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Level: Detail

Department Name	Total Expenditures	Disallowed	Cost Adjustments	Unallocated	Direct Billed	Total Allocated
Stormwater Mgmt (F560)						416,596
Capital-SWM						3,094
Wastewater Operations (F561)						756,533
Capital Projects Sewer						2,801
Water Fund (F562)						1,330,347
Capital Projects-Water						7,426
Solid Waste & Recycle (F563)						146,488
Lancaster Square Proj (F440)						3,057
Bd of Trust & Charties (F603)						201
Long's Park (F662)						52,032
DID (F702)						3,975
Special Events (F249)						4,031
Lanc Office of Promotion						201,732
Int Svc-Hlth Costs (F801)						45,666
Lanc City Connect						1,534
ARPA Fund						194,598
Curb & Sidewalk (F462)						5,377
City R/E						88,700
Other						819,653
Totals	11,792,572	(698,135)	3,137,246	(5,969)	(44,980)	14,180,734

Deviation: 0

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule E - Summary of Allocation Basis

Department	Allocation Basis	Allocation Source
Building Depreciation		
1.4.1 City Hall/Annex	Net Usable Square Footage Occupied By Department/Bureaus	Parks-Buildings
1.4.2 New Police Building	Net Usable Square Footage Occupied By Department/Bureaus	Floor Plan Measurements-City Engineering Office
1.4.3 PW Operations Center	Net Usable Square Footage Occupied By Department/Bureaus	Floor Plan Measurements-Facilities Management
1.4.4 Central Market	Direct Allcoation to Parks-Central Market	Parks-Buildings
Equipment Depreciation		
2.4.1 Equipment Depr	Equipment Depreciation Charge By Department/Bureau	Fixed Asset Report - Accounting
2.4.2 Automobile Depr	Vehicle Depreciation Charge By Department/Bureau	Fixed Asset Report - Accounting
2.4.3 Telephone System	Number of Telephone Extensions By Dept on System	PW Administration
Property Insurance		
3.4.1 City Hall & Annex	Net Usable Square Footage Occupied By Department/Bureaus	Parks-Buildings
3.4.2 New Police Bldg	Net Usable Square Footage Occupied By Department/Bureaus	Floor Plan Measurements-City Engineering Office
3.4.3 Streets Garage	Percentage of Occupancy By Department/Bureau	Parks Administration
3.4.4 PW Ops Center	Net Usable Square Footage Occupied By Department/Bureaus	Floor Plan Measurements-Facilities Management
3.4.5 Other Direct	Direct Allocation to Applicable Departments/Bureaus	Analysis of Insurance Policies
Liability & Other Insurance		
4.4.1 General Liability	Salaries & Wages Paid By Dept/Bureau Excluding Direct Chgd depts	Statement of Estimated & Actual Expenditures
4.4.2 Auto Policy	Number of Vehicles By Dept/Bureau Excluding Direct Chgd Depts	Vehicle Listing - Motor Equipment Bureau
4.4.3 Public Officials	Full-Time Equiv Employees By Dept/Bureau Excl. Police and Direct Chgd	2022 Manning Report - Accounting
4.4.4 Other Insurance	Direct Allocation to Applicable Departments/Bureaus	Analysis of Insurance Policies & Invoices
4.4.5 Bonding Employees	Direct Allocation to Applicable Departments/Bureaus	Analysis of Insurance Policies & Invoices
Personnel Insurance		
5.4.1 Medical Coverage	Salaries And Wages Paid By Department/Bureau	Statement of Estimated & Actual Expenditures
5.4.2 Dental/Vision Ins	Salaries And Wages Paid By Department/Bureau	Statement of Estimated & Actual Expenditures
5.4.3 Parking Lot Rent	Parking Costs By Department/Bureau	Employees Parking Listing-Human Resources Department
5.4.4 Life Insurance	Full-Time Equivalent Employees By Dept/Bureau Covered	2022 Manning Report - Accounting
Workers' Compensation		
6.4.1 Workers' Compensatn	Salaries & Wages Paid By Dept Excluding DB Funds	Statement of Estimated & Actual Expenditures
Retirement Expense		
7.4.1 Social Security	FICA Expense Paid By Department/Bureau	YTD Payroll Summary - Accounting Office
7.4.2 Pension Contrib	Sal & Wgs By Dept/Bur Excl Directly Chgd Depts	YTD Payroll Register - Accounting Office
Parks Administration		
8.4.1 Bureau Admin	Percentage of Effort Afforded Bureaus Supervised	Parks Administrator
8.4.2 Vehicle Maint	Number of Vehicles Maintained By Parks Bureau	Vehicle Listing - Motor Vehicles
8.4.3 Other Direct Expenses	Direct Allocation to Applicable Departments/Bureaus	Invoice Analysis - Accounting
Parks-Buildings		
9.4.1 Municipal Building	Net Usable Square Footage Occupied By Department/Bureaus	Parks-Buildings

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule E - Summary of Allocation Basis

Department	Allocation Basis	Allocation Source
9.4.2 New Police Bldg	Net Usable Square Footage Occupied By Department/Bureaus	Floor Plan Measurements-City Engineering Office
9.4.3 Parks Garage	Percentage of Occupancy By Department/Bureau	Parks Administration
9.4.4 New PW Ops Bldg	Net Usable Square Footage Occupied By Department/Bureaus	Floor Plan Measurements-Facilities Management
9.4.5 Other Salaries	Direct Salaries Applicable By Department/Bureau	Time Allocations - Parks Administration
9.4.6 Other Direct	Direct Allocation to Applicable Department/Bureau	Analysis of Expenditures
Mayor's Office		
10.4.1 Citywide Admin	Full-Time Equivalent Employees By Department/Bureau	2022 Manning Report - Accounting
10.4.2 Departmental Admin	Percentage of Effort By Department	Chief of Staff - Mayor's Office
10.4.3 Grants Writer	Number of Grants By Department	Grants Writer
City Solicitor		
11.4.1 Legal Services	Full-Time Equivalent Employees By Department/Bureau	2022 Manning Report - Accounting
11.4.2 Legal Fees	Direct Allocation to Applicable Departments/Bureaus	Invoice Analysis - Accounting Office
11.4.3 Procurement	Number of Purchase Orders Trans. Processed By Dept/Bur	Transaction Report - Accounting/Information Services
City Clerk		
12.4.1 Resolutions/Ordinances	Resolutions And Ordinances Passed By Department/Bureau	Actual Count of Resolutions & Ordinances - City Clerk
12.4.2 City Council	Direct Allocation to City Council	City Clerk Department
City Council		
13.4.1 City Council	Resolutions And Ordinances Passed By Department/Bureau	Actual Count of Resolutions & Ordinances - City Clerk
Director of Admin Services		
14.4.1 City-Wide Admin	Full-Time Equivalent Employees By Department/Bureau	2022 Manning Report - Accounting
14.4.2 Other Direct	Direct Allocation to Applicable Departments	Invoice Analysis - Accounting
Accounting		
15.4.1 General Accounting	Accounting Transactions Processed By Department/Bureau	Transaction Report - Accounting/Information Services
15.4.2 Payroll Accounting	Payroll Transactions Processed By Department/Bureau	Payroll Statistical Report - Information Services
15.4.3 Audit Expense	Acctg (Pyrll/Non-Pyrll) Trans. By Dept Excl Wtr,Swr,Trsh,SWM,CDBG,F240	Transaction Report - Accounting/Information Services
15.4.4 Grants Accounting	Hours Spent By Grant	Time Accounting Report - Accounting
15.4.5 Cost Plan	2021 Cost Allocations By Department/Bureau	2021 Cost Allocation Plan
Human Resources		
16.4.1 Personnel Services	Full-Time Equivalent Employees By Department/Bureau	2022 Manning Report - Accounting
Controller/Treasurer		
17.4.1 General Accounting	AP Transactions Processed By Department/Bureau	Transaction Report - Accounting/Information Services
Information Services		
18.4.1 DP Services	# of Computers By Dept Excl Direct Billed Depts	Information Services
18.4.2 Info Svcs - All	Number of Computers By Department	Information Services
18.4.3 Munis Annual Suppt/Maint	Number of Accounting (Payroll/Non-Payroll) Transactions By Dept	Information Services Invoice Analysis And Administration
Procurement & Collections		
19.4.1 Mail Clerk	Postage Chargebacks By Dept/Bureau Excl W/S/T/SWM	Accounting Office
19.4.2 Collections	Units of Collection By Dept/Bur Excluding Directly Chgd Depts	Revenue Collections Report - Accounting

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule E - Summary of Allocation Basis

Department	Allocation Basis	Allocation Source
19.4.3 Water Support OH	Direct Allocation to Water	Procurement & Collections
19.4.4 Sewer Support OH	Direct Allocation to Sewer	Procurement & Collections
19.4.5 Stormwater Mgmt Suport OH	Direct Allocation to Stormwater Mgmt	Procurement & Collections
19.4.6 Solid Waste & Recycle Support OH	Direct Allocation to Solid Waste & Recycle	Procurement & Collections
Director Public Works		
20.4.1 Bureau Admin	Number of Full-Time Equivalent Employees Supervised	Director of Public Works
20.4.2 PW Benefits	Salaries & Wages by Applicable Department	Statement of Estimated & Actual Expenditures
20.4.3 PW PC Leases/Other	PW Lease and Other Direct Costs By PW Bureau	Accounting Office
Motor Vehicles		
21.4.1 Fleet Maintenance	Fleet Maintenance Costs By Department/Bureau	Fleet Maintenance Report-Motor Vehicles Office

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .1 - Nature and Extent of Services
For Department Building Depreciation

The City of Lancaster owns and operates numerous buildings within the City. The following is a list of buildings with multiple City department and bureau occupancy related to our allocation plan analysis. City building depreciation charges have been recorded for each.

- City Hall & Annex: Cost=$11,516,681 Depreciation=$575,834
- New Police Building: Cost=$15,542,011 Depreciation=$777,101
- PW Operations Center: Cost=$4,590,925 Depreciation=$229,546
- Central Market: Cost=$6,881,711 Depreciation=$344,086

Allocation of building depreciation charges has been based on usable square footage occupied or percentage of occupancy by City departments, bureaus and other outside users of each building.

Interest on bonds used to finance building construction and improvements has been included in the cost plan.

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .2 - Costs To Be Allocated
For Department Building Depreciation

	1st Allocation	2nd Allocation	Sub-Total	Total
Expenditures Per Financial Statement:	0			
Cost Adjustments:				
City Hall /City Hall Annex Depreciation	575,834			
New Police Building Depreciation	777,101			
PW Operations Center Depreciation	229,546			
Central Market	344,086			
Interest Expense	389,575			
Total Departmental Cost Adjustments:	2,316,142			2,316,142
Total To Be Allocated:	2,316,142			2,316,142

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department Building Depreciation

	Total	G&A	City Hall/Annex	New Police Building	PW Operations Center
Deductions					
*Total Disallowed Costs	0	0	0	0	0
Cost Adjustments					
City Hall /City Hall Annex Depreciation	575,834	0	575,834	0	0
New Police Building Depreciation	777,101	0	0	777,101	0
PW Operations Center Depreciation	229,546	0	0	0	229,546
Central Market	344,086	0	0	0	0
Interest Expense	389,575	0	105,298	128,243	138,567
Functional Cost	2,316,142	0	681,132	905,344	368,113
Allocation Step 1					
Reallocate Admin Costs		0	0	0	0
Unallocated Costs	0	0	0	0	0
1st Allocation	2,316,142	0	681,132	905,344	368,113
Allocation Step 2					
2nd Allocation	0	0	0	0	0
Total For Building Depreciation					
Schedule .3 Total	2,316,142	0	681,132	905,344	368,113

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department Building Depreciation

	Central Market
Deductions	
*Total Disallowed Costs	0
Cost Adjustments	
City Hall /City Hall Annex Depreciation	0
New Police Building Depreciation	0
PW Operations Center Depreciation	0
Central Market	344,086
Interest Expense	17,467
Functional Cost	361,553
Allocation Step 1	
Reallocate Admin Costs	0
Unallocated Costs	0
1st Allocation	361,553
Allocation Step 2	
2nd Allocation	0
Total For Building Depreciation	
Schedule .3 Total	361,553

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Building Depreciation

Activity - City Hall/Annex

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Mayor's Office	2,355	12.411067	84,536		84,536		84,536
City Solicitor	646	3.404480	23,189		23,189		23,189
City Clerk	288	1.517787	10,338		10,338		10,338
City Council	3,438	18.118578	123,411		123,411		123,411
Director of Admin Services	268	1.412385	9,620		9,620		9,620
Accounting	1,286	6.777339	46,163		46,163		46,163
Human Resources	1,422	7.494071	51,045		51,045		51,045
Information Services	679	3.578393	24,374		24,374		24,374
Procurement & Collections	505	2.661397	18,128		18,128		18,128
Director Public Works	697	3.673254	25,020		25,020		25,020
Neighborhood Engagement	775	4.084321	27,820		27,820		27,820
Public Art	124	0.653491	4,451		4,451		4,451
Engineering	231	1.217391	8,292		8,292		8,292
Planning	644	3.393939	23,117		23,117		23,117
Fire	498	2.624506	17,876		17,876		17,876
Dir of Community Planning & Economic Dev	719	3.789196	25,809		25,809		25,809
Building Code Administration	900	4.743083	32,307		32,307		32,307
PM Code Compliance	748	3.942029	26,850		26,850		26,850
Lead Safety & CD	1,130	5.955204	40,563		40,563		40,563
Bureau of Health	386	2.034256	13,856		13,856		13,856
CDBG (F235)	410	2.160738	14,717		14,717		14,717
Stormwater Mgmt (F560)	339	1.786561	12,169		12,169		12,169
Wastewater Operations (F561)	70	0.368906	2,513		2,513		2,513
Water Fund (F562)	163	0.859025	5,851		5,851		5,851
Other	254	1.338603	9,118		9,118		9,118
Schedule .4 Total for City Hall/Annex	18,975	100.000000	681,132		681,132	0	681,132

Allocation Basis: Net Usable Square Footage Occupied By Department/Bureaus
Allocation Source: Parks-Buildings

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Building Depreciation

Activity - New Police Building

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Procurement & Collections	2,220	3.748480	33,937		33,937		33,937
Police	51,322	86.657437	784,548		784,548		784,548
Other	5,682	9.594083	86,859		86,859		86,859
Schedule .4 Total for New Police Building	59,224	100.000000	905,344		905,344	0	905,344

Allocation Basis: Net Usable Square Footage Occupied By Department/Bureaus
Allocation Source: Floor Plan Measurements-City Engineering Office

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Building Depreciation

Activity - PW Operations Center

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Parks Administration	690	2.208848	8,131		8,131		8,131
Parks-Buildings	5,236	16.761636	61,702		61,702		61,702
Motor Vehicles	7,134	22.837570	84,068		84,068		84,068
Fire	2,154	6.895448	25,383		25,383		25,383
Streets Administration	452	1.446956	5,326		5,326		5,326
Street Maintenance	10,286	32.927844	121,212		121,212		121,212
Traffic	892	2.855497	10,511		10,511		10,511
Parks-Parks	4,394	14.066201	51,780		51,780		51,780
Schedule .4 Total for PW Operations Center	31,238	100.000000	368,113		368,113	0	368,113

Allocation Basis: Net Usable Square Footage Occupied By Department/Bureaus
Allocation Source: Floor Plan Measurements-Facilities Management

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Building Depreciation

Activity - Central Market

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Parks-Central Market	100.00	100.000000	361,553		361,553		361,553
Schedule .4 Total for Central Market	100.00	100.000000	361,553		361,553	0	361,553

Allocation Basis: Direct Allcoation to Parks-Central Market
Allocation Source: Parks-Buildings

All Monetary Values are US Dollars
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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department Building Depreciation

Receiving Department	Total	City Hall/Annex	New Police Building	PW Operations Center	Central Market
Parks Administration	8,131	0	0	8,131	0
Parks-Buildings	61,702	0	0	61,702	0
Mayor's Office	84,536	84,536	0	0	0
City Solicitor	23,189	23,189	0	0	0
City Clerk	10,338	10,338	0	0	0
City Council	123,411	123,411	0	0	0
Director of Admin Services	9,620	9,620	0	0	0
Accounting	46,163	46,163	0	0	0
Human Resources	51,045	51,045	0	0	0
Information Services	24,374	24,374	0	0	0
Procurement & Collections	52,064	18,128	33,937	0	0
Director Public Works	25,020	25,020	0	0	0
Motor Vehicles	84,068	0	0	84,068	0
Neighborhood Engagement	27,820	27,820	0	0	0
Public Art	4,451	4,451	0	0	0
Engineering	8,292	8,292	0	0	0
Planning	23,117	23,117	0	0	0
Police	784,548	0	784,548	0	0
Fire	43,259	17,876	0	25,383	0
Dir of Community Planning & Economic Dev	25,809	25,809	0	0	0
Building Code Administration	32,307	32,307	0	0	0
PM Code Compliance	26,850	26,850	0	0	0
Lead Safety & CD	40,563	40,563	0	0	0
Bureau of Health	13,856	13,856	0	0	0
Streets Administration	5,326	0	0	5,326	0
Street Maintenance	121,212	0	0	121,212	0
Traffic	10,511	0	0	10,511	0
Parks-Parks	51,780	0	0	51,780	0
Parks-Central Market	361,553	0	0	0	361,553
CDBG (F235)	14,717	14,717	0	0	0
Stormwater Mgmt (F560)	12,169	12,169	0	0	0
Wastewater Operations (F561)	2,513	2,513	0	0	0
Water Fund (F562)	5,851	5,851	0	0	0
Other	95,977	9,118	86,859	0	0
Direct Bill	0	0	0	0	0
Total	2,316,142	681,132	905,344	368,113	361,553

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .1 - Nature and Extent of Services
For Department Equipment Depreciation

The City of Lancaster's general fund departments have a combined equipment depreciation cost of $821,104 as of December 31, 2022. Total machinery and equipment depreciation charge of $335,225, a vehicle depreciation charge of $476,279 and telephone depreciation charge of $9,600.

Equipment and vehicle deprecation have been allocated to central service departments based on equipment/vehicle depreciation costs by department at December 31, 2022.

Telephone depreciation costs have been allocated based on the number of telephone extensions by applicable department.

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .2 - Costs To Be Allocated
For Department Equipment Depreciation

	1st Allocation	2nd Allocation	Sub-Total	Total
Expenditures Per Financial Statement:	0			
Cost Adjustments:				
Equipment Depreciatin Charge	344,825			
Automobile Depreciation Charge	476,279			
Total Departmental Cost Adjustments:	821,104			821,104
Total To Be Allocated:	821,104			821,104

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department Equipment Depreciation

	Total	G&A	Equipment Depr	Automobile Depr	Telephone System
Deductions					
*Total Disallowed Costs	0	0	0	0	0
Cost Adjustments					
Equipment Depreciatin Charge	344,825	0	335,225	0	9,600
Automobile Depreciation Charge	476,279	0	0	476,279	0
Functional Cost	821,104	0	335,225	476,279	9,600
Allocation Step 1					
Reallocate Admin Costs		0	0	0	0
Unallocated Costs	0	0	0	0	0
1st Allocation	821,104	0	335,225	476,279	9,600
Allocation Step 2					
2nd Allocation	0	0	0	0	0
Total For Equipment Depreciation					
Schedule .3 Total	821,104	0	335,225	476,279	9,600

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Equipment Depreciation

Activity - Equipment Depr

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Parks Administration	7,861	2.344985	7,861		7,861		7,861
Parks-Buildings	1,625	0.484748	1,625		1,625		1,625
Director of Admin Services	1,825	0.544409	1,825		1,825		1,825
Information Services	56,132	16.744525	56,132		56,132		56,132
Procurement & Collections	4,062	1.211720	4,062		4,062		4,062
Motor Vehicles	15,363	4.582878	15,363		15,363		15,363
Police	89,705	26.759559	89,705		89,705		89,705
Fire	38,547	11.498810	38,547		38,547		38,547
Dir of Community Planning & Economic Dev	1,225	0.365425	1,225		1,225		1,225
Streets Administration	20,199	6.025487	20,199		20,199		20,199
Street Maintenance	82,948	24.743904	82,948		82,948		82,948
Parks-Parks	15,734	4.693550	15,734		15,734		15,734
Schedule .4 Total for Equipment Depr	335,226	100.000000	335,225		335,225	0	335,225

Allocation Basis: Equipment Depreciation Charge By Department/Bureau
Allocation Source: Fixed Asset Report - Accounting

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Equipment Depreciation

Activity - Automobile Depr

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Parks Administration	30,157	6.331780	30,157		30,157		30,157
Motor Vehicles	4,600	0.965818	4,600		4,600		4,600
Engineering	19,494	4.092971	19,494		19,494		19,494
Planning	3,300	0.692870	3,300		3,300		3,300
Police	55,159	11.581213	55,159		55,159		55,159
Fire	199,108	41.804820	199,108		199,108		199,108
Dir of Community Planning & Economic Dev	36,170	7.594272	36,170		36,170		36,170
Streets Administration	61,498	12.912153	61,498		61,498		61,498
Street Maintenance	51,264	10.763416	51,264		51,264		51,264
Traffic	11,292	2.370874	11,292		11,292		11,292
Parks-Parks	4,238	0.889813	4,238		4,238		4,238
Schedule .4 Total for Automobile Depr	476,280	100.000000	476,279		476,279	0	476,279

Allocation Basis: Vehicle Depreciation Charge By Department/Bureau
Allocation Source: Fixed Asset Report - Accounting

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Equipment Depreciation

Activity - Telephone System

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Parks-Buildings	4.00	2.564103	246		246		246
Mayor's Office	3.00	1.923077	185		185		185
City Solicitor	2.00	1.282051	123		123		123
City Clerk	3.00	1.923077	185		185		185
Director of Admin Services	2.00	1.282051	123		123		123
Accounting	6.00	3.846154	369		369		369
Human Resources	7.00	4.487179	431		431		431
Information Services	3.00	1.923077	185		185		185
Procurement & Collections	2.00	1.282051	123		123		123
Director Public Works	4.00	2.564103	246		246		246
Motor Vehicles	2.00	1.282051	123		123		123
Neighborhood Engagement	4.00	2.564103	246		246		246
Public Art	1.00	0.641026	62		62		62
Engineering	6.00	3.846154	369		369		369
Planning	4.49	2.878205	276		276		276
Police	0.83	0.532051	51		51		51
Fire	11.00	7.051282	677		677		677
Dir of Community Planning & Economic Dev	3.00	1.923077	185		185		185
Building Code Administration	7.62	4.884615	469		469		469
PM Code Compliance	7.58	4.858974	466		466		466
Lead Safety & CD	3.28	2.102564	202		202		202
Bureau of Health	3.10	1.987179	191		191		191
Streets Administration	2.00	1.282051	123		123		123
Street Maintenance	2.00	1.282051	123		123		123
Traffic	2.00	1.282051	123		123		123
Parks-Parks	2.00	1.282051	123		123		123
Parks-Trees	1.00	0.641026	62		62		62
Emergency Shelter Grant (F221)	0.65	0.416667	40		40		40
HOME Invest Partnership (F229)	0.19	0.121795	12		12		12
CDBG (F235)	9.20	5.897436	566		566		566
Stormwater Mgmt (F560)	5.00	3.205128	308		308		308
Wastewater Operations (F561)	14.00	8.974359	862		862		862
Water Fund (F562)	21.00	13.461539	1,292		1,292		1,292
Solid Waste & Recycle (F563)	3.00	1.923077	185		185		185
Long's Park (F662)	1.00	0.641026	62		62		62
Lanc Office of Promotion	2.06	1.320513	127		127		127
Other	1.00	0.641026	62		62		62
Schedule .4 Total for Telephone System	156.00	100.000000	9,600		9,600	0	9,600

Allocation Basis: Number of Telephone Extensions By Dept on System
Allocation Source: PW Administration

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department Equipment Depreciation

Receiving Department	Total	Equipment Depr	Automobile Depr	Telephone System
Parks Administration	38,018	7,861	30,157	0
Parks-Buildings	1,871	1,625	0	246
Mayor's Office	185	0	0	185
City Solicitor	123	0	0	123
City Clerk	185	0	0	185
Director of Admin Services	1,948	1,825	0	123
Accounting	369	0	0	369
Human Resources	431	0	0	431
Information Services	56,316	56,132	0	185
Procurement & Collections	4,185	4,062	0	123
Director Public Works	246	0	0	246
Motor Vehicles	20,086	15,363	4,600	123
Neighborhood Engagement	246	0	0	246
Public Art	62	0	0	62
Engineering	19,863	0	19,494	369
Planning	3,576	0	3,300	276
Police	144,915	89,705	55,159	51
Fire	238,331	38,547	199,108	677
Dir of Community Planning & Economic Dev	37,580	1,225	36,170	185
Building Code Administration	469	0	0	469
PM Code Compliance	466	0	0	466
Lead Safety & CD	202	0	0	202
Bureau of Health	191	0	0	191
Streets Administration	81,820	20,199	61,498	123
Street Maintenance	134,335	82,948	51,264	123
Traffic	11,415	0	11,292	123
Parks-Parks	20,095	15,734	4,238	123
Parks-Trees	62	0	0	62
Emergency Shelter Grant (F221)	40	0	0	40
HOME Invest Partnership (F229)	12	0	0	12
CDBG (F235)	566	0	0	566
Stormwater Mgmt (F560)	308	0	0	308
Wastewater Operations (F561)	862	0	0	862
Water Fund (F562)	1,292	0	0	1,292
Solid Waste & Recycle (F563)	185	0	0	185
Long's Park (F662)	62	0	0	62
Lanc Office of Promotion	127	0	0	127
Other	62	0	0	62
Direct Bill	0	0	0	0
Total	821,104	335,225	476,279	9,600

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .1 - Nature and Extent of Services
For Department Property Insurance

The City of Lancaster purchases insurance coverage to protect its property and equipment against physical damage, including boiler and machinery coverage. Insurance policies were analyzed to determine specific premium coverage by building based on the insurance policy's insured statement of values.

The determined property and equipment premiums have been allocated as follows:

- **City Hall & Annex** - Net usable square footage occupied by department/bureau.
- **New Police Building** - Net usable square footage occupied by department/bureau.
- **Streets Garage** - Percentage of occupancy by department/bureau.
- **PW Operations Center** - Net usable square footage occupied by department/bureau.
- **Other Direct Coverage** - Direct allocation of premiums to applicable department/bureau.

Directly charged departments (Water, Sewer, Stormwater and Solid Waste) have been excluded from allocation with the exception of City Hall. City Hall related space property insurance was not charged out to the other funds.

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .2 - Costs To Be Allocated
For Department Property Insurance

	1st Allocation	2nd Allocation	Sub-Total	Total
Expenditures Per Financial Statement:	267,622			267,622
Total To Be Allocated:	267,622			267,622

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department Property Insurance

	Total	G&A	City Hall & Annex	New Police Bldg	Streets Garage
Other Expense & Cost					
Property Insurance	267,622	0	31,575	50,725	8,774
Departmental Total					
Expenditures Per Financial Statement	267,622				
Deductions					
*Total Disallowed Costs	0	0	0	0	0
Functional Cost	267,622	0	31,575	50,725	8,774
Allocation Step 1					
Reallocate Admin Costs		0	0	0	0
Unallocated Costs	0	0	0	0	0
1st Allocation	267,622	0	31,575	50,725	8,774
Allocation Step 2					
2nd Allocation	0	0	0	0	0
Total For Property Insurance					
Schedule .3 Total	267,622	0	31,575	50,725	8,774

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department Property Insurance

	PW Ops Center	Other Direct
Other Expense & Cost		
Property Insurance	40,889	135,659
Departmental Total		
Expenditures Per Financial Statement		
Deductions		
*Total Disallowed Costs	0	0
Functional Cost	40,889	135,659
Allocation Step 1		
Reallocate Admin Costs	0	0
Unallocated Costs	0	0
1st Allocation	40,889	135,659
Allocation Step 2		
2nd Allocation	0	0
Total For Property Insurance		
Schedule .3 Total	40,889	135,659

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Property Insurance

Activity - City Hall & Annex

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Mayor's Office	2,355	12.411067	3,919		3,919		3,919
City Solicitor	646	3.404480	1,075		1,075		1,075
City Clerk	288	1.517787	479		479		479
City Council	3,438	18.118578	5,721		5,721		5,721
Director of Admin Services	268	1.412385	446		446		446
Accounting	1,286	6.777339	2,140		2,140		2,140
Human Resources	1,422	7.494071	2,366		2,366		2,366
Information Services	679	3.578393	1,130		1,130		1,130
Procurement & Collections	505	2.661397	840		840		840
Director Public Works	697	3.673254	1,160		1,160		1,160
Neighborhood Engagement	775	4.084321	1,290		1,290		1,290
Public Art	124	0.653491	206		206		206
Engineering	231	1.217391	384		384		384
Planning	644	3.393939	1,072		1,072		1,072
Fire	498	2.624506	829		829		829
Dir of Community Planning & Economic Dev	719	3.789196	1,196		1,196		1,196
Building Code Administration	900	4.743083	1,498		1,498		1,498
PM Code Compliance	748	3.942029	1,245		1,245		1,245
Lead Safety & CD	1,130	5.955204	1,880		1,880		1,880
Bureau of Health	386	2.034256	642		642		642
CDBG (F235)	410	2.160738	682		682		682
Stormwater Mgmt (F560)	339	1.786561	564		564		564
Wastewater Operations (F561)	70	0.368906	116		116		116
Water Fund (F562)	163	0.859025	271		271		271
Other	254	1.338603	423		423		423
Schedule .4 Total for City Hall & Annex	18,975	100.000000	31,575		31,575	0	31,575

Allocation Basis: Net Usable Square Footage Occupied By Department/Bureaus
Allocation Source: Parks-Buildings

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Property Insurance

Activity - New Police Bldg

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Procurement & Collections	2,220	3.748480	1,901		1,901		1,901
Police	51,322	86.657437	43,957		43,957		43,957
Other	5,682	9.594083	4,867		4,867		4,867
Schedule .4 Total for New Police Bldg	59,224	100.000000	50,725		50,725	0	50,725

Allocation Basis: Net Usable Square Footage Occupied By Department/Bureaus
Allocation Source: Floor Plan Measurements-City Engineering Office

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Property Insurance

Activity - Streets Garage

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Street Maintenance	100.00	100.000000	8,774		8,774		8,774
Schedule .4 Total for Streets Garage	100.00	100.000000	8,774		8,774	0	8,774

Allocation Basis: Percentage of Occupancy By Department/Bureau
Allocation Source: Parks Administration

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Property Insurance

Activity - PW Ops Center

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Parks Administration	690	2.208848	903		903		903
Parks-Buildings	5,236	16.761636	6,854		6,854		6,854
Motor Vehicles	7,134	22.837570	9,338		9,338		9,338
Fire	2,154	6.895448	2,819		2,819		2,819
Streets Administration	452	1.446956	592		592		592
Street Maintenance	10,286	32.927844	13,464		13,464		13,464
Traffic	892	2.855497	1,168		1,168		1,168
Parks-Parks	4,394	14.066201	5,752		5,752		5,752
Schedule .4 Total for PW Ops Center	31,238	100.000000	40,889		40,889	0	40,889

Allocation Basis: Net Usable Square Footage Occupied By Department/Bureaus
Allocation Source: Floor Plan Measurements-Facilities Management

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Property Insurance

Activity - Other Direct

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Fire	13,056	9.624131	13,056		13,056		13,056
Traffic	32,682	24.091288	32,682		32,682		32,682
Parks-Parks	44,178	32.565476	44,178		44,178		44,178
Lancaster Recreation Center	8,327	6.138185	8,327		8,327		8,327
Parks-Central Market	13,708	10.104748	13,708		13,708		13,708
Lancaster Square Proj (F440)	3,054	2.251233	3,054		3,054		3,054
Long's Park (F662)	6,771	4.991191	6,771		6,771		6,771
Other	13,883	10.233748	13,883		13,883		13,883
Schedule .4 Total for Other Direct	135,659	100.000000	135,659		135,659	0	135,659

Allocation Basis: Direct Allocation to Applicable Departments/Bureaus
Allocation Source: Analysis of Insurance Policies

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department Property Insurance

Receiving Department	Total	City Hall & Annex	New Police Bldg	Streets Garage	PW Ops Center
Parks Administration	903	0	0	0	903
Parks-Buildings	6,854	0	0	0	6,854
Mayor's Office	3,919	3,919	0	0	0
City Solicitor	1,075	1,075	0	0	0
City Clerk	479	479	0	0	0
City Council	5,721	5,721	0	0	0
Director of Admin Services	446	446	0	0	0
Accounting	2,140	2,140	0	0	0
Human Resources	2,366	2,366	0	0	0
Information Services	1,130	1,130	0	0	0
Procurement & Collections	2,742	840	1,901	0	0
Director Public Works	1,160	1,160	0	0	0
Motor Vehicles	9,338	0	0	0	9,338
Neighborhood Engagement	1,290	1,290	0	0	0
Public Art	206	206	0	0	0
Engineering	384	384	0	0	0
Planning	1,072	1,072	0	0	0
Police	43,957	0	43,957	0	0
Fire	16,704	829	0	0	2,819
Dir of Community Planning & Economic Dev	1,196	1,196	0	0	0
Building Code Administration	1,498	1,498	0	0	0
PM Code Compliance	1,245	1,245	0	0	0
Lead Safety & CD	1,880	1,880	0	0	0
Bureau of Health	642	642	0	0	0
Streets Administration	592	0	0	0	592
Street Maintenance	22,238	0	0	8,774	13,464
Traffic	33,850	0	0	0	1,168
Parks-Parks	49,930	0	0	0	5,752
Lancaster Recreation Center	8,327	0	0	0	0
Parks-Central Market	13,708	0	0	0	0
CDBG (F235)	682	682	0	0	0
Stormwater Mgmt (F560)	564	564	0	0	0
Wastewater Operations (F561)	116	116	0	0	0
Water Fund (F562)	271	271	0	0	0
Lancaster Square Proj (F440)	3,054	0	0	0	0
Long's Park (F662)	6,771	0	0	0	0
Other	19,172	423	4,867	0	0
Direct Bill	0	0	0	0	0
Total	267,622	31,575	50,725	8,774	40,889

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department Property Insurance

Receiving Department	Other Direct
Parks Administration	0
Parks-Buildings	0
Mayor's Office	0
City Solicitor	0
City Clerk	0
City Council	0
Director of Admin Services	0
Accounting	0
Human Resources	0
Information Services	0
Procurement & Collections	0
Director Public Works	0
Motor Vehicles	0
Neighborhood Engagement	0
Public Art	0
Engineering	0
Planning	0
Police	0
Fire	13,056
Dir of Community Planning & Economic Dev	0
Building Code Administration	0
PM Code Compliance	0
Lead Safety & CD	0
Bureau of Health	0
Streets Administration	0
Street Maintenance	0
Traffic	32,682
Parks-Parks	44,178
Lancaster Recreation Center	8,327
Parks-Central Market	13,708
CDBG (F235)	0
Stormwater Mgmt (F560)	0
Wastewater Operations (F561)	0
Water Fund (F562)	0
Lancaster Square Proj (F440)	3,054
Long's Park (F662)	6,771
Other	13,883
Direct Bill	0
Total	135,659

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .1 - Nature and Extent of Services
For Department Liability & Other Insurance

The City purchases various types of insurance to protect itself from accidents, liability, fraud, errors and omissions.

Premiums and costs related to coverage have been allocated as follows:

- **General Liability** - Salaries and wages by department/bureau.
- **Auto Insurance** - Number of vehicles by department/bureau.
- **Public Official's Liability** - Full-time equivalent employees by department/bureau, excluding Police and directly charged departments.
- **Other Coverage** - Cost of other coverage has been allocated directly to departments covered.
- **Bonding Employees** – Cost of covered employee bonds by applicable department.

Directly charged departments (Water, Sewer, Stormwater and Solid Waste) have been excluded from all applicable allocations.

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .2 - Costs To Be Allocated
For Department Liability & Other Insurance

	1st Allocation	2nd Allocation	Sub-Total	Total
Expenditures Per Financial Statement:	420,459			420,459
Inbound Costs:				
Accounting		579	579	
Controller/Treasurer		74	74	
Information Services		266	266	
Total Allocated Additions:		919	919	919
Total To Be Allocated:	420,459	919		421,378

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department Liability & Other Insurance

	Total	G&A	General Liability	Auto Policy	Public Officials
Other Expense & Cost					
General Liability	136,532	0	136,532	0	0
Umbrella Liability	24,323	0	24,323	0	0
Auto Insurance	143,088	0	0	143,088	0
Misc Claims Deductibles	39,030	0	0	0	0
Errors & Omissions	48,477	0	0	0	48,477
Crime Coverage	3,337	0	0	0	3,337
Flood Insurance	907	0	0	0	0
S/I Admin Fee	5,940	5,940	0	0	0
Public Off Bonds	325	0	0	0	0
Architect & Engineering Liab	8,372	0	0	0	0
Auto Endorsement	142	0	0	0	0
Misc Auto Claims	9,986	0	0	9,986	0
Departmental Total					
Expenditures Per Financial Statement	420,459				
Deductions					
*Total Disallowed Costs	0	0	0	0	0
Functional Cost	420,459	5,940	160,855	153,074	51,814
Allocation Step 1					
Reallocate Admin Costs		(5,940)	2,305	2,194	742
Unallocated Costs	0	0	0	0	0
1st Allocation	420,459	0	163,160	155,268	52,556
Allocation Step 2					
Inbound - All Others	919	919	0	0	0
Reallocate Admin Costs		(919)	357	339	115
Unallocated Costs	0	0	0	0	0
2nd Allocation	919	0	357	339	115
Total For Liability & Other Insurance					
Schedule .3 Total	421,378	0	163,517	155,607	52,671

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department Liability & Other Insurance

	Other Insurance	Bonding Employees
Other Expense & Cost		
General Liability	0	0
Umbrella Liability	0	0
Auto Insurance	0	0
Misc Claims Deductibles	39,030	0
Errors & Omissions	0	0
Crime Coverage	0	0
Flood Insurance	907	0
S/I Admin Fee	0	0
Public Off Bonds	0	325
Architect & Engineering Liab	8,372	0
Auto Endorsement	142	0
Misc Auto Claims	0	0
Departmental Total		
Expenditures Per Financial Statement		
Deductions		
*Total Disallowed Costs	0	0
Functional Cost	48,451	325
Allocation Step 1		
Reallocate Admin Costs	694	5
Unallocated Costs	0	0
1st Allocation	49,145	330
Allocation Step 2		
Inbound - All Others	0	0
Reallocate Admin Costs	107	1
Unallocated Costs	0	0
2nd Allocation	107	1
Total For Liability & Other Insurance		
Schedule .3 Total	49,253	330

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Liability & Other Insurance

Activity - General Liability

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Parks Administration	1,372	0.004325	7		7	0	7
Parks-Buildings	589,624	1.858537	3,032		3,032	7	3,039
Mayor's Office	454,692	1.433221	2,338		2,338	5	2,344
City Solicitor	199,759	0.629655	1,027		1,027	2	1,030
City Clerk	64,336	0.202792	331		331	1	332
City Council	55,453	0.174792	285		285	1	286
Director of Admin Services	181,068	0.570739	931		931	2	933
Accounting	419,707	1.322946	2,159		2,159	5	2,163
Human Resources	396,352	1.249330	2,038		2,038	4	2,043
Controller/Treasurer	17,360	0.054720	89		89	0	89
Information Services	219,649	0.692349	1,130		1,130	2	1,132
Procurement & Collections	68,305	0.215302	351		351	1	352
Director Public Works	210,610	0.663858	1,083		1,083	2	1,086
Motor Vehicles	294,512	0.928323	1,515		1,515	3	1,518
Neighborhood Engagement	289,460	0.912398	1,489		1,489	3	1,492
Public Art	46,039	0.145118	237		237	0	237
Engineering	207,990	0.655599	1,070		1,070	2	1,072
Planning	363,898	1.147032	1,872		1,872	4	1,876
Police	14,909,854	46.996916	76,680		76,680	168	76,848
Fire	7,421,629	23.393501	38,169		38,169	83	38,252
Dir of Community Planning & Economic Dev	300,008	0.945647	1,543		1,543	3	1,546
Building Code Administration	451,755	1.423964	2,323		2,323	5	2,328
PM Code Compliance	801,322	2.525824	4,121		4,121	9	4,130
Lead Safety & CD	491,195	1.548282	2,526		2,526	5	2,532
Bureau of Health	252,019	0.794382	1,296		1,296	3	1,299
Streets Administration	24,723	0.077929	127		127	0	127
Street Maintenance	383,847	1.209913	1,974		1,974	4	1,978
Traffic	265,855	0.837994	1,367		1,367	3	1,370
Parks-Parks	702,455	2.214188	3,613		3,613	8	3,621
Parks-Trees	13,263	0.041806	68		68	0	68
Parks-Central Market	103,623	0.326627	533		533	1	534
HOME Invest Partnership (F229)	13,425	0.042317	69		69	0	69
CDBG (F235)	593,776	1.871624	3,054		3,054	7	3,060
HUD Lead Grant (F236)	230,382	0.726180	1,185		1,185	3	1,187
Misc State Grants (F240)	256,015	0.806977	1,317		1,317	3	1,320
Misc Federal Grants (F241)	37,644	0.118657	194		194	0	194
Misc Local Grants (F242)	2,385	0.007518	12		12	0	12
Long's Park (F662)	3,067	0.009667	16		16	0	16
Lanc Office of Promotion	386,746	1.219051	1,989		1,989	4	1,993
Schedule .4 Total for General Liability	31,725,174	100.000000	163,160		163,160	357	163,517

Allocation Basis: Salaries & Wages Paid By Dept/Bureau Excluding Direct Chgd depts
Allocation Source: Statement of Estimated & Actual Expenditures

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Liability & Other Insurance

Activity - Auto Policy

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Procurement & Collections	2.00	0.692042	1,075		1,075	2	1,077
Motor Vehicles	6.00	2.076125	3,224		3,224	7	3,231
Engineering	5.00	1.730104	2,686		2,686	6	2,692
Planning	2.00	0.692042	1,075		1,075	2	1,077
Police	85.00	29.411764	45,667		45,667	100	45,767
Fire	15.00	5.190311	8,059		8,059	18	8,076
Building Code Administration	5.00	1.730104	2,686		2,686	6	2,692
PM Code Compliance	9.00	3.114187	4,835		4,835	11	4,846
Bureau of Health	3.00	1.038062	1,612		1,612	4	1,615
Street Maintenance	61.00	21.107266	32,773		32,773	72	32,844
Traffic	7.00	2.422145	3,761		3,761	8	3,769
Parks-Parks	83.00	28.719723	44,592		44,592	97	44,690
Lancaster Recreation Center	5.00	1.730104	2,686		2,686	6	2,692
CDBG (F235)	1.00	0.346021	537		537	1	538
Schedule .4 Total for Auto Policy	289.00	100.000000	155,268		155,268	339	155,607

Allocation Basis: Number of Vehicles By Dept/Bureau Excluding Direct Chgd Depts
Allocation Source: Vehicle Listing - Motor Equipment Bureau

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Liability & Other Insurance

Activity - Public Officials

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Parks-Buildings	12.99	5.434010	2,856		2,856	6	2,862
Mayor's Office	6.54	2.735829	1,438		1,438	3	1,441
City Solicitor	2.00	0.836645	440		440	1	441
City Clerk	1.00	0.418323	220		220	0	220
City Council	7.00	2.928258	1,539		1,539	3	1,542
Director of Admin Services	2.00	0.836645	440		440	1	441
Accounting	6.00	2.509935	1,319		1,319	3	1,322
Human Resources	6.00	2.509935	1,319		1,319	3	1,322
Controller/Treasurer	2.00	0.836645	440		440	1	441
Information Services	5.50	2.300774	1,209		1,209	3	1,212
Procurement & Collections	1.55	0.648400	341		341	1	342
Director Public Works	2.00	0.836645	440		440	1	441
Motor Vehicles	5.25	2.196193	1,154		1,154	3	1,157
Neighborhood Engagement	4.00	1.673290	879		879	2	881
Public Art	1.00	0.418323	220		220	0	220
Engineering	2.93	1.225685	644		644	1	646
Planning	5.89	2.463920	1,295		1,295	3	1,298
Fire	77.00	32.210833	16,929		16,929	37	16,966
Dir of Community Planning & Economic Dev	3.00	1.254968	660		660	1	661
Building Code Administration	6.72	2.811127	1,477		1,477	3	1,481
PM Code Compliance	11.44	4.785610	2,515		2,515	5	2,521
Lead Safety & CD	10.47	4.379837	2,302		2,302	5	2,307
Bureau of Health	5.10	2.133445	1,121		1,121	2	1,124
Streets Administration	0.25	0.104581	55		55	0	55
Street Maintenance	11.00	4.601548	2,418		2,418	5	2,424
Traffic	5.29	2.212926	1,163		1,163	3	1,166
Parks-Parks	13.13	5.492575	2,887		2,887	6	2,893
Parks-Trees	5.30	2.217109	1,165		1,165	3	1,168
Parks-Central Market	1.65	0.690232	363		363	1	364
Emergency Shelter Grant (F221)	0.65	0.271910	143		143	0	143
HOME Invest Partnership (F229)	0.19	0.079481	42		42	0	42
CDBG (F235)	8.00	3.346580	1,759		1,759	4	1,763
Lanc Office of Promotion	6.21	2.597783	1,365		1,365	3	1,368
Schedule .4 Total for Public Officials	239.05	100.000000	52,556		52,556	115	52,671

Allocation Basis: Full-Time Equiv Employees By Dept/Bureau Excl. Police and Direct Chgd
Allocation Source: 2022 Manning Report - Accounting

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Liability & Other Insurance

Activity - Other Insurance

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Engineering	8,372	17.279313	8,492		8,492	19	8,511
Fire	500	1.031970	507		507	1	508
Street Maintenance	642	1.325050	651		651	1	653
Parks-Parks	2,546	5.254794	2,582		2,582	6	2,588
Other	36,391	75.108873	36,912		36,912	81	36,993
Schedule .4 Total for Other Insurance	48,451	100.000000	49,145		49,145	107	49,253

Allocation Basis: Direct Allocation to Applicable Departments/Bureaus
Allocation Source: Analysis of Insurance Policies & Invoices

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Liability & Other Insurance

Activity - Bonding Employees

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Controller/Treasurer	325	100.000000	330		330	1	330
Schedule .4 Total for Bonding Employees	325	100.000000	330		330	1	330

Allocation Basis: Direct Allocation to Applicable Departments/Bureaus
Allocation Source: Analysis of Insurance Policies & Invoices

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department Liability & Other Insurance

Receiving Department	Total	General Liability	Auto Policy	Public Officials	Other Insurance
Parks Administration	7	7	0	0	0
Parks-Buildings	5,901	3,039	0	2,862	0
Mayor's Office	3,785	2,344	0	1,441	0
City Solicitor	1,470	1,030	0	441	0
City Clerk	552	332	0	220	0
City Council	1,828	286	0	1,542	0
Director of Admin Services	1,374	933	0	441	0
Accounting	3,485	2,163	0	1,322	0
Human Resources	3,365	2,043	0	1,322	0
Controller/Treasurer	861	89	0	441	0
Information Services	2,344	1,132	0	1,212	0
Procurement & Collections	1,770	352	1,077	342	0
Director Public Works	1,526	1,086	0	441	0
Motor Vehicles	5,905	1,518	3,231	1,157	0
Neighborhood Engagement	2,373	1,492	0	881	0
Public Art	458	237	0	220	0
Engineering	12,920	1,072	2,692	646	8,511
Planning	4,250	1,876	1,077	1,298	0
Police	122,615	76,848	45,767	0	0
Fire	63,803	38,252	8,076	16,966	508
Dir of Community Planning & Economic Dev	2,207	1,546	0	661	0
Building Code Administration	6,501	2,328	2,692	1,481	0
PM Code Compliance	11,497	4,130	4,846	2,521	0
Lead Safety & CD	4,839	2,532	0	2,307	0
Bureau of Health	4,038	1,299	1,615	1,124	0
Streets Administration	182	127	0	55	0
Street Maintenance	37,899	1,978	32,844	2,424	653
Traffic	6,305	1,370	3,769	1,166	0
Parks-Parks	53,792	3,621	44,690	2,893	2,588
Lancaster Recreation Center	2,692	0	2,692	0	0
Parks-Trees	1,236	68	0	1,168	0
Parks-Central Market	898	534	0	364	0
Emergency Shelter Grant (F221)	143	0	0	143	0
HOME Invest Partnership (F229)	111	69	0	42	0
CDBG (F235)	5,362	3,060	538	1,763	0
HUD Lead Grant (F236)	1,187	1,187	0	0	0
Misc State Grants (F240)	1,320	1,320	0	0	0
Misc Federal Grants (F241)	194	194	0	0	0
Misc Local Grants (F242)	12	12	0	0	0
Long's Park (F662)	16	16	0	0	0
Lanc Office of Promotion	3,362	1,993	0	1,368	0
Other	36,993	0	0	0	36,993
Direct Bill	0	0	0	0	0
Total	421,378	163,517	155,607	52,671	49,253

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department Liability & Other Insurance

Receiving Department	Bonding Employees
Parks Administration	0
Parks-Buildings	0
Mayor's Office	0
City Solicitor	0
City Clerk	0
City Council	0
Director of Admin Services	0
Accounting	0
Human Resources	0
Controller/Treasurer	330
Information Services	0
Procurement & Collections	0
Director Public Works	0
Motor Vehicles	0
Neighborhood Engagement	0
Public Art	0
Engineering	0
Planning	0
Police	0
Fire	0
Dir of Community Planning & Economic Dev	0
Building Code Administration	0
PM Code Compliance	0
Lead Safety & CD	0
Bureau of Health	0
Streets Administration	0
Street Maintenance	0
Traffic	0
Parks-Parks	0
Lancaster Recreation Center	0
Parks-Trees	0
Parks-Central Market	0
Emergency Shelter Grant (F221)	0
HOME Invest Partnership (F229)	0
CDBG (F235)	0
HUD Lead Grant (F236)	0
Misc State Grants (F240)	0
Misc Federal Grants (F241)	0
Misc Local Grants (F242)	0
Long's Park (F662)	0
Lanc Office of Promotion	0
Other	0
Direct Bill	0
Total	330

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .1 - Nature and Extent of Services
For Department Personnel Insurance

The City provides its employees with health care coverage including dental/vision. The City charges benefits directly to Departments. The costs accumulated in the general account are those of the Administrative Departments/Bureaus.

Costs related to the Administrative Departments/Bureaus health care package and dental/vision have been allocated to all applicable departments/bureaus based on salaries and wages. Salaries and wages of State, Federal and Local Grants Funds have been included in “Other”. These areas reimburse the City for benefits through a benefits rate and treated as revenue, not expenditure offsets.

The City also provides rented parking spaces for its employees. Parking lot rental costs were allocated based on parking costs by department/bureau.

Life insurance coverage has been allocated to departments based on full-time equivalent employees.

Departments directly charged have been excluded from all applicable allocation bases.

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .2 - Costs To Be Allocated
For Department Personnel Insurance

	1st Allocation	2nd Allocation	Sub-Total	Total
Expenditures Per Financial Statement:	523,471			523,471
Deductions:				
Unemployment Comp	4,367			
Total Deductions:	4,367			4,367
Inbound Costs:				
Accounting		4,225	4,225	
Controller/Treasurer		443	443	
Information Services		1,942	1,942	
Total Allocated Additions:		6,609	6,609	6,609
Total To Be Allocated:	527,838	6,609		534,447

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department Personnel Insurance

	Total	G&A	Medical Coverage	Dental/Vision Ins	Parking Lot Rent
Other Expense & Cost					
Medical Insurance	380,000	0	380,000	0	0
Dental/Vision Insurance	22,643	0	0	22,643	0
Life Insurance	61,854	0	0	0	0
Parking Lot Rental	63,341	0	0	0	63,341
*Unemployment Comp	(4,367)	0	0	0	0
Departmental Total					
Expenditures Per Financial Statement	523,471				
Deductions					
*Total Disallowed Costs	4,367	0	0	0	0
Functional Cost	527,838	0	380,000	22,643	63,341
Allocation Step 1					
Reallocate Admin Costs		0	0	0	0
Unallocated Costs	0	0	0	0	0
1st Allocation	527,838	0	380,000	22,643	63,341
Allocation Step 2					
Inbound - All Others	6,609	6,609	0	0	0
Reallocate Admin Costs		(6,609)	4,758	284	793
Unallocated Costs	0	0	0	0	0
2nd Allocation	6,609	0	4,758	284	793
Total For Personnel Insurance					
Schedule .3 Total	534,447	0	384,758	22,927	64,134

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department Personnel Insurance

	Life Insurance
Other Expense & Cost	
Medical Insurance	0
Dental/Vision Insurance	0
Life Insurance	61,854
Parking Lot Rental	0
*Unemployment Comp	0
Departmental Total	
Expenditures Per Financial Statement	
Deductions	
*Total Disallowed Costs	0
Functional Cost	61,854
Allocation Step 1	
Reallocate Admin Costs	0
Unallocated Costs	0
1st Allocation	61,854
Allocation Step 2	
Inbound - All Others	0
Reallocate Admin Costs	774
Unallocated Costs	0
2nd Allocation	774
Total For Personnel Insurance	
Schedule .3 Total	62,628

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Personnel Insurance

Activity - Medical Coverage

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Mayor's Office	454,692	16.516915	62,764		62,764	786	63,550
City Solicitor	199,759	7.256346	27,574		27,574	345	27,919
City Clerk	64,336	2.337037	8,881		8,881	111	8,992
City Council	55,453	2.014358	7,655		7,655	96	7,750
Director of Admin Services	181,068	6.577386	24,994		24,994	313	25,307
Accounting	419,707	15.246067	57,935		57,935	725	58,660
Human Resources	396,352	14.397685	54,711		54,711	685	55,396
Controller/Treasurer	17,360	0.630611	2,396		2,396	30	2,426
Information Services	219,649	7.978860	30,320		30,320	380	30,699
Procurement & Collections	68,305	2.481213	9,429		9,429	118	9,547
Neighborhood Engagement	289,460	10.514780	39,956		39,956	500	40,456
Lanc Office of Promotion	386,746	14.048742	53,385		53,385	668	54,054
Schedule .4 Total for Medical Coverage	2,752,887	100.000000	380,000		380,000	4,758	384,758

Allocation Basis: Salaries And Wages Paid By Department/Bureau
Allocation Source: Statement of Estimated & Actual Expenditures

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Personnel Insurance

Activity - Dental/Vision Ins

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Mayor's Office	454,692	16.516915	3,740		3,740	47	3,787
City Solicitor	199,759	7.256346	1,643		1,643	21	1,664
City Clerk	64,336	2.337037	529		529	7	536
City Council	55,453	2.014358	456		456	6	462
Director of Admin Services	181,068	6.577386	1,489		1,489	19	1,508
Accounting	419,707	15.246067	3,452		3,452	43	3,495
Human Resources	396,352	14.397685	3,260		3,260	41	3,301
Controller/Treasurer	17,360	0.630611	143		143	2	145
Information Services	219,649	7.978860	1,807		1,807	23	1,829
Procurement & Collections	68,305	2.481213	562		562	7	569
Neighborhood Engagement	289,460	10.514780	2,381		2,381	30	2,411
Lanc Office of Promotion	386,746	14.048742	3,181		3,181	40	3,221
Schedule .4 Total for Dental/Vision Ins	2,752,887	100.000000	22,643		22,643	284	22,927

Allocation Basis: Salaries And Wages Paid By Department/Bureau
Allocation Source: Statement of Estimated & Actual Expenditures

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Personnel Insurance

Activity - Parking Lot Rent

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Parks-Buildings	4,632	7.312684	4,632		4,632	58	4,690
Mayor's Office	564	0.890404	564		564	7	571
City Solicitor	282	0.445202	282		282	4	286
City Clerk	956	1.509267	956		956	12	968
Director of Admin Services	1,031	1.627672	1,031		1,031	13	1,044
Accounting	1,419	2.240220	1,419		1,419	18	1,437
Human Resources	969	1.529791	969		969	12	981
Information Services	952	1.502952	952		952	12	964
Procurement & Collections	3,552	5.607654	3,552		3,552	44	3,596
Director Public Works	242	0.382053	242		242	3	245
Neighborhood Engagement	1,552	2.450191	1,552		1,552	19	1,571
Public Art	75	0.118405	75		75	1	76
Engineering	3,415	5.391367	3,415		3,415	43	3,458
Planning	6,176	9.750245	6,176		6,176	77	6,253
Police	1,619	2.555966	1,619		1,619	20	1,639
Dir of Community Planning & Economic Dev	727	1.147738	727		727	9	736
Building Code Administration	10,025	15.826782	10,025		10,025	126	10,150
PM Code Compliance	13,104	20.687695	13,104		13,104	164	13,268
Lead Safety & CD	2,029	3.203246	2,029		2,029	25	2,054
Bureau of Health	4,830	7.625272	4,830		4,830	60	4,890
Stormwater Mgmt (F560)	3,163	4.993527	3,163		3,163	40	3,203
Lanc Office of Promotion	1,786	2.819614	1,786		1,786	22	1,808
Other	242	0.382053	242		242	3	245
Schedule .4 Total for Parking Lot Rent	63,342	100.000000	63,341		63,341	793	64,134

Allocation Basis: Parking Costs By Department/Bureau
Allocation Source: Employees Parking Listing-Human Resources Department

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Personnel Insurance

Activity - Life Insurance

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Parks-Buildings	12.99	2.913275	1,802		1,802	23	1,825
Mayor's Office	6.54	1.466729	907		907	11	919
City Solicitor	2.00	0.448541	277		277	3	281
City Clerk	1.00	0.224271	139		139	2	140
City Council	7.00	1.569894	971		971	12	983
Director of Admin Services	2.00	0.448541	277		277	3	281
Accounting	6.00	1.345623	832		832	10	843
Human Resources	6.00	1.345623	832		832	10	843
Controller/Treasurer	2.00	0.448541	277		277	3	281
Information Services	5.50	1.233488	763		763	10	773
Procurement & Collections	1.55	0.347619	215		215	3	218
Director Public Works	2.00	0.448541	277		277	3	281
Motor Vehicles	5.25	1.177420	728		728	9	737
Neighborhood Engagement	4.00	0.897082	555		555	7	562
Public Art	1.00	0.224271	139		139	2	140
Engineering	2.93	0.657113	406		406	5	412
Planning	5.89	1.320954	817		817	10	827
Police	206.84	46.388124	28,693		28,693	359	29,052
Fire	77.00	17.268833	10,681		10,681	134	10,815
Dir of Community Planning & Economic Dev	3.00	0.672812	416		416	5	421
Building Code Administration	6.72	1.507098	932		932	12	944
PM Code Compliance	11.44	2.565655	1,587		1,587	20	1,607
Lead Safety & CD	10.47	2.348113	1,452		1,452	18	1,471
Bureau of Health	5.10	1.143780	707		707	9	716
Streets Administration	0.25	0.056068	35		35	0	35
Street Maintenance	11.00	2.466976	1,526		1,526	19	1,545
Traffic	5.29	1.186391	734		734	9	743
Parks-Parks	13.13	2.944672	1,821		1,821	23	1,844
Parks-Trees	5.30	1.188634	735		735	9	744
Parks-Central Market	1.65	0.370046	229		229	3	232
Lanc Office of Promotion	6.21	1.392720	861		861	11	872
Other	8.84	1.982552	1,226		1,226	15	1,242
Schedule .4 Total for Life Insurance	445.89	100.000000	61,854		61,854	774	62,628

Allocation Basis: Full-Time Equivalent Employees By Dept/Bureau Covered
Allocation Source: 2022 Manning Report - Accounting

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department Personnel Insurance

Receiving Department	Total	Medical Coverage	Dental/Vision Ins	Parking Lot Rent	Life Insurance
Parks-Buildings	6,514	0	0	4,690	1,825
Mayor's Office	68,827	63,550	3,787	571	919
City Solicitor	30,149	27,919	1,664	286	281
City Clerk	10,636	8,992	536	968	140
City Council	9,195	7,750	462	0	983
Director of Admin Services	28,140	25,307	1,508	1,044	281
Accounting	64,435	58,660	3,495	1,437	843
Human Resources	60,521	55,396	3,301	981	843
Controller/Treasurer	2,852	2,426	145	0	281
Information Services	34,265	30,699	1,829	964	773
Procurement & Collections	13,930	9,547	569	3,596	218
Director Public Works	526	0	0	245	281
Motor Vehicles	737	0	0	0	737
Neighborhood Engagement	45,000	40,456	2,411	1,571	562
Public Art	216	0	0	76	140
Engineering	3,869	0	0	3,458	412
Planning	7,081	0	0	6,253	827
Police	30,692	0	0	1,639	29,052
Fire	10,815	0	0	0	10,815
Dir of Community Planning & Economic Dev	1,157	0	0	736	421
Building Code Administration	11,094	0	0	10,150	944
PM Code Compliance	14,875	0	0	13,268	1,607
Lead Safety & CD	3,525	0	0	2,054	1,471
Bureau of Health	5,607	0	0	4,890	716
Streets Administration	35	0	0	0	35
Street Maintenance	1,545	0	0	0	1,545
Traffic	743	0	0	0	743
Parks-Parks	1,844	0	0	0	1,844
Parks-Trees	744	0	0	0	744
Parks-Central Market	232	0	0	0	232
Stormwater Mgmt (F560)	3,203	0	0	3,203	0
Lanc Office of Promotion	59,955	54,054	3,221	1,808	872
Other	1,487	0	0	245	1,242
Direct Bill	0	0	0	0	0
Total	534,447	384,758	22,927	64,134	62,628

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .1 - Nature and Extent of Services
For Department Workers' Compensation

The City of Lancaster is self-insured for Workers' Compensation coverage. An outside intermediary manages the fund, pays claims and administers the fund.

The Workers' Compensation costs have been allocated based on 2022 salaries and wages by department.

Departments directly charged have been excluded from all applicable allocation bases.

State, Federal and Local Grants Funds have been included in “Other”. These areas reimburse the City for workers compensation costs through a benefits rate. These reimbursements are treated as revenue and not expenditure offsets.

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .2 - Costs To Be Allocated
For Department Workers' Compensation

	1st Allocation	2nd Allocation	Sub-Total	Total
Expenditures Per Financial Statement:	177,318			177,318
Inbound Costs:				
Accounting		825	825	
Controller/Treasurer		24	24	
Information Services		379	379	
Total Allocated Additions:		1,228	1,228	1,228
Total To Be Allocated:	177,318	1,228		178,546

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department Workers' Compensation

	Total	G&A	Workers' Compensatn
Other Expense & Cost			
WC-Self Insurance	177,318	0	177,318
Departmental Total			
Expenditures Per Financial Statement	177,318		
Deductions			
*Total Disallowed Costs	0	0	0
Functional Cost	177,318	0	177,318
Allocation Step 1			
Reallocate Admin Costs		0	0
Unallocated Costs	0	0	0
1st Allocation	177,318	0	177,318
Allocation Step 2			
Inbound - All Others	1,228	1,228	0
Reallocate Admin Costs		(1,228)	1,228
Unallocated Costs	0	0	0
2nd Allocation	1,228	0	1,228
Total For Workers' Compensation			
Schedule .3 Total	178,546	0	178,546

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Workers' Compensation

Activity - Workers' Compensatn

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Parks Administration	1,372	0.004325	8		8	0	8
Parks-Buildings	589,624	1.858716	3,296		3,296	23	3,319
Mayor's Office	454,692	1.433360	2,542		2,542	18	2,559
City Solicitor	199,759	0.629715	1,117		1,117	8	1,124
City Clerk	64,336	0.202811	360		360	2	362
City Council	55,453	0.174809	310		310	2	312
Director of Admin Services	181,068	0.570794	1,012		1,012	7	1,019
Accounting	419,707	1.323074	2,346		2,346	16	2,362
Human Resources	396,352	1.249450	2,216		2,216	15	2,231
Controller/Treasurer	17,360	0.054725	97		97	1	98
Information Services	219,649	0.692416	1,228		1,228	8	1,236
Procurement & Collections	68,305	0.215323	382		382	3	384
Director Public Works	210,610	0.663922	1,177		1,177	8	1,185
Motor Vehicles	294,512	0.928412	1,646		1,646	11	1,658
Neighborhood Engagement	289,460	0.912487	1,618		1,618	11	1,629
Public Art	46,039	0.145132	257		257	2	259
Engineering	207,990	0.655663	1,163		1,163	8	1,171
Planning	363,898	1.147143	2,034		2,034	14	2,048
Police	14,909,854	47.001464	83,342		83,342	577	83,919
Fire	7,421,629	23.395763	41,485		41,485	287	41,772
Dir of Community Planning & Economic Dev	300,008	0.945738	1,677		1,677	12	1,689
Building Code Administration	451,755	1.424101	2,525		2,525	17	2,543
PM Code Compliance	801,322	2.526068	4,479		4,479	31	4,510
Lead Safety & CD	491,195	1.548431	2,746		2,746	19	2,765
Bureau of Health	252,019	0.794459	1,409		1,409	10	1,418
Streets Administration	24,723	0.077936	138		138	1	139
Street Maintenance	383,847	1.210030	2,146		2,146	15	2,160
Traffic	265,855	0.838075	1,486		1,486	10	1,496
Parks-Parks	702,455	2.214402	3,927		3,927	27	3,954
Parks-Trees	13,263	0.041810	74		74	0	75
Parks-Central Market	103,623	0.326659	579		579	4	583
Lanc Office of Promotion	386,746	1.219169	2,162		2,162	15	2,177
Other	1,133,627	3.573618	6,337		6,337	44	6,381
Schedule .4 Total for Workers' Compensatn	31,722,107	100.000000	177,318		177,318	1,228	178,546

Allocation Basis: Salaries & Wages Paid By Dept Excluding DB Funds
Allocation Source: Statement of Estimated & Actual Expenditures

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department Workers' Compensation

Receiving Department	Total	Workers' Compensatn
Parks Administration	8	8
Parks-Buildings	3,319	3,319
Mayor's Office	2,559	2,559
City Solicitor	1,124	1,124
City Clerk	362	362
City Council	312	312
Director of Admin Services	1,019	1,019
Accounting	2,362	2,362
Human Resources	2,231	2,231
Controller/Treasurer	98	98
Information Services	1,236	1,236
Procurement & Collections	384	384
Director Public Works	1,185	1,185
Motor Vehicles	1,658	1,658
Neighborhood Engagement	1,629	1,629
Public Art	259	259
Engineering	1,171	1,171
Planning	2,048	2,048
Police	83,919	83,919
Fire	41,772	41,772
Dir of Community Planning & Economic Dev	1,689	1,689
Building Code Administration	2,543	2,543
PM Code Compliance	4,510	4,510
Lead Safety & CD	2,765	2,765
Bureau of Health	1,418	1,418
Streets Administration	139	139
Street Maintenance	2,160	2,160
Traffic	1,496	1,496
Parks-Parks	3,954	3,954
Parks-Trees	75	75
Parks-Central Market	583	583
Lanc Office of Promotion	2,177	2,177
Other	6,381	6,381
Direct Bill	0	0
Total	178,546	178,546

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .1 - Nature and Extent of Services
For Department Retirement Expense

Employees of the City of Lancaster are covered by social security and also contribute to an employee retirement fund. Three specific retirement plans are provided and contributed to by the City.

Costs associated with the police and fire retirement funds were directly allocated to each department, respectively. Police and fire retirement costs are not included in this plan. Water, Sewer, Stormwater, and Solid Waste funds were charged directly for social security and retirement costs. No allocations were made to these funds in the plan.

Costs identified with social security (FICA) have been separately identified and allocated based on social security expense paid by department.

Costs identified with the balance of the retirement funds were allocated based on 2022 retirement salaries and wages by department/bureau.

State, Federal and Local Grants Funds have been included in “Other”. These areas reimburse the City for FICA through a benefits rate. These reimbursements are treated as revenue and not expenditure offsets.

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .2 - Costs To Be Allocated
For Department Retirement Expense

	1st Allocation	2nd Allocation	Sub-Total	Total
Expenditures Per Financial Statement:	2,088,165			2,088,165
Inbound Costs:				
City Clerk		900	900	
City Council		2,850	2,850	
Accounting		695	695	
Controller/Treasurer		4	4	
Information Services		319	319	
Total Allocated Additions:		4,767	4,767	4,767
Total To Be Allocated:	2,088,165	4,767		2,092,932

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department Retirement Expense

	Total	G&A	Social Security	Pension Contrib
Other Expense & Cost				
Social Security	1,133,621	0	1,133,621	0
Pension Contribution	954,544	0	0	954,544
Departmental Total				
Expenditures Per Financial Statement	2,088,165			
Deductions				
*Total Disallowed Costs	0	0	0	0
Functional Cost	2,088,165	0	1,133,621	954,544
Allocation Step 1				
Reallocate Admin Costs		0	0	0
Unallocated Costs	0	0	0	0
1st Allocation	2,088,165	0	1,133,621	954,544
Allocation Step 2				
Inbound - All Others	4,767	4,767	0	0
Reallocate Admin Costs		(4,767)	2,588	2,179
Unallocated Costs	0	0	0	0
2nd Allocation	4,767	0	2,588	2,179
Total For Retirement Expense				
Schedule .3 Total	2,092,932	0	1,136,209	956,723

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Retirement Expense

Activity - Social Security

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Parks Administration	105	0.008767	99		99	0	100
Parks-Buildings	45,106	3.766181	42,694		42,694	97	42,792
Mayor's Office	34,784	2.904333	32,924		32,924	75	32,999
City Solicitor	15,282	1.275989	14,465		14,465	33	14,498
City Clerk	4,922	0.410968	4,659		4,659	11	4,669
City Council	4,242	0.354191	4,015		4,015	9	4,024
Director of Admin Services	13,852	1.156590	13,111		13,111	30	13,141
Accounting	32,108	2.680897	30,391		30,391	69	30,461
Human Resources	30,321	2.531689	28,700		28,700	66	28,765
Controller/Treasurer	1,328	0.110883	1,257		1,257	3	1,260
Information Services	16,803	1.402987	15,905		15,905	36	15,941
Procurement & Collections	5,225	0.436268	4,946		4,946	11	4,957
Director Public Works	16,112	1.345291	15,251		15,251	35	15,285
Motor Vehicles	22,530	1.881170	21,325		21,325	49	21,374
Neighborhood Engagement	22,144	1.848940	20,960		20,960	48	21,008
Public Art	3,522	0.294074	3,334		3,334	8	3,341
Engineering	15,911	1.328508	15,060		15,060	34	15,095
Planning	27,838	2.324368	26,350		26,350	60	26,410
Police	350,483	29.264003	331,743		331,743	758	332,501
Fire	128,559	10.734191	121,685		121,685	278	121,963
Dir of Community Planning & Economic Dev	22,951	1.916322	21,724		21,724	50	21,773
Building Code Administration	34,559	2.885546	32,711		32,711	75	32,786
PM Code Compliance	61,301	5.118402	58,023		58,023	132	58,156
Lead Safety & CD	37,576	3.137454	35,567		35,567	81	35,648
Bureau of Health	19,279	1.609724	18,248		18,248	42	18,290
Streets Administration	1,891	0.157891	1,790		1,790	4	1,794
Street Maintenance	29,364	2.451783	27,794		27,794	63	27,857
Traffic	20,338	1.698146	19,251		19,251	44	19,294
Parks-Parks	53,738	4.486920	50,865		50,865	116	50,981
Parks-Trees	1,015	0.084749	961		961	2	963
Parks-Central Market	7,927	0.661875	7,503		7,503	17	7,520
Long's Park (F662)	235	0.019622	222		222	1	223
Lanc Office of Promotion	29,586	2.470319	28,004		28,004	64	28,068
Other	86,722	7.240959	82,085		82,085	187	82,272
Schedule .4 Total for Social Security	1,197,659	100.000000	1,133,621		1,133,621	2,588	1,136,209

Allocation Basis: FICA Expense Paid By Department/Bureau
Allocation Source: YTD Payroll Summary - Accounting Office

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Retirement Expense

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Activity - Pension Contrib

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Parks Administration	1,372	0.014606	139		139	0	140
Parks-Buildings	589,624	6.276809	59,915		59,915	137	60,052
Mayor's Office	454,692	4.840398	46,204		46,204	105	46,309
City Solicitor	199,759	2.126523	20,299		20,299	46	20,345
City Clerk	64,336	0.684885	6,538		6,538	15	6,552
City Council	55,453	0.590322	5,635		5,635	13	5,648
Director of Admin Services	181,068	1.927549	18,399		18,399	42	18,441
Accounting	419,707	4.467967	42,649		42,649	97	42,746
Human Resources	396,352	4.219343	40,275		40,275	92	40,367
Controller/Treasurer	17,360	0.184805	1,764		1,764	4	1,768
Information Services	219,649	2.338261	22,320		22,320	51	22,371
Procurement & Collections	68,305	0.727137	6,941		6,941	16	6,957
Director Public Works	210,610	2.242037	21,401		21,401	49	21,450
Motor Vehicles	294,512	3.135211	29,927		29,927	68	29,995
Neighborhood Engagement	289,460	3.081430	29,414		29,414	67	29,481
Public Art	46,039	0.490106	4,678		4,678	11	4,689
Engineering	207,990	2.214146	21,135		21,135	48	21,183
Planning	363,898	3.873855	36,978		36,978	84	37,062
Dir of Community Planning & Economic Dev	300,008	3.193718	30,485		30,485	70	30,555
Building Code Administration	451,755	4.809132	45,905		45,905	105	46,010
PM Code Compliance	801,322	8.530427	81,427		81,427	186	81,613
Lead Safety & CD	491,195	5.228988	49,913		49,913	114	50,027
Bureau of Health	252,019	2.682854	25,609		25,609	58	25,668
Streets Administration	24,723	0.263187	2,512		2,512	6	2,518
Street Maintenance	383,847	4.086221	39,005		39,005	89	39,094
Traffic	265,855	2.830144	27,015		27,015	62	27,077
Parks-Parks	702,455	7.477945	71,380		71,380	163	71,543
Parks-Trees	13,263	0.141191	1,348		1,348	3	1,351
Parks-Central Market	103,623	1.103113	10,530		10,530	24	10,554
Long's Park (F662)	3,067	0.032650	312		312	1	312
Lanc Office of Promotion	386,746	4.117082	39,299		39,299	90	39,389
Other	1,133,627	12.067958	115,194		115,194	263	115,457
Schedule .4 Total for Pension Contrib	9,393,691	100.000000	954,544		954,544	2,179	956,723

Allocation Basis: Sal & Wgs By Dept/Bur Excl Directly Chgd Depts
Allocation Source: YTD Payroll Register - Accounting Office

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department Retirement Expense

Receiving Department	Total	Social Security	Pension Contrib
Parks Administration	239	100	140
Parks-Buildings	102,843	42,792	60,052
Mayor's Office	79,308	32,999	46,309
City Solicitor	34,843	14,498	20,345
City Clerk	11,222	4,669	6,552
City Council	9,672	4,024	5,648
Director of Admin Services	31,583	13,141	18,441
Accounting	73,207	30,461	42,746
Human Resources	69,133	28,765	40,367
Controller/Treasurer	3,028	1,260	1,768
Information Services	38,311	15,941	22,371
Procurement & Collections	11,914	4,957	6,957
Director Public Works	36,735	15,285	21,450
Motor Vehicles	51,369	21,374	29,995
Neighborhood Engagement	50,489	21,008	29,481
Public Art	8,030	3,341	4,689
Engineering	36,278	15,095	21,183
Planning	63,472	26,410	37,062
Police	332,501	332,501	0
Fire	121,963	121,963	0
Dir of Community Planning & Economic Dev	52,328	21,773	30,555
Building Code Administration	78,796	32,786	46,010
PM Code Compliance	139,768	58,156	81,613
Lead Safety & CD	85,675	35,648	50,027
Bureau of Health	43,957	18,290	25,668
Streets Administration	4,312	1,794	2,518
Street Maintenance	66,951	27,857	39,094
Traffic	46,371	19,294	27,077
Parks-Parks	122,524	50,981	71,543
Parks-Trees	2,314	963	1,351
Parks-Central Market	18,074	7,520	10,554
Long's Park (F662)	535	223	312
Lanc Office of Promotion	67,457	28,068	39,389
Other	197,730	82,272	115,457
Direct Bill	0	0	0
Total	2,092,932	1,136,209	956,723

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .1 - Nature and Extent of Services
For Department Parks Administration

The City's Parks-Administration Bureau is responsible for overseeing the operations of the various Park Bureaus. Costs pertaining to Park's Administration were allocated to the various Parks Bureaus based on percentage of effort.

Costs associated with the maintenance and fueling of Parks vehicles is accumulated in Parks Administration. These costs have been allocated based on the number of vehicles by Bureau within the Parks Department.

Other Direct expenses identified with specific departments have been allocated directly to applicable departments based an account analysis.

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .2 - Costs To Be Allocated
For Department Parks Administration

	1st Allocation	2nd Allocation	Sub-Total	Total
Expenditures Per Financial Statement:	201,013			201,013
Inbound Costs:				
Building Depreciation	8,131		8,131	
Equipment Depreciation	38,018		38,018	
Property Insurance	903		903	
Liability & Other Insurance	7	0	7	
Workers' Compensation	8	0	8	
Retirement Expense	239	1	239	
Parks-Buildings		7,101	7,101	
City Solicitor		403	403	
Accounting		5,108	5,108	
Controller/Treasurer		562	562	
Information Services		2,347	2,347	
Procurement & Collections		19	19	
Director Public Works		678	678	
Total Allocated Additions:	47,306	16,218	63,524	63,524
Total To Be Allocated:	248,319	16,218		264,537

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department Parks Administration

	Total	G&A	Bureau Admin	Vehicle Maint	Other Direct Expenses
Wages & Benefits					
Salaries & Wages	1,373	0	1,373	0	0
Other Expense & Cost					
Educational Incentive	6,384	0	0	0	6,384
Rental Uniforms	18,852	0	18,852	0	0
Maint Vehicles	26,009	0	0	26,009	0
Advertising	228	0	228	0	0
Postage	48	0	48	0	0
Telephone	5,456	0	5,456	0	0
Travel	217	0	217	0	0
Contracted Services	62,517	0	3,222	0	59,295
Solid Waste Disposal	14,541	0	0	0	14,541
Office Supplies	1,000	0	1,000	0	0
Gas, Oil & Diesel	64,375	0	0	64,375	0
Minor Equipment	13	0	13	0	0
Departmental Total					
Expenditures Per Financial Statement	201,013				
Deductions					
*Total Disallowed Costs	0	0	0	0	0
Functional Cost	201,013	0	30,409	90,384	80,220
Allocation Step 1					
Inbound - All Others	47,306	0	47,306	0	0
Reallocate Admin Costs		0	0	0	0
Unallocated Costs	0	0	0	0	0
1st Allocation	248,319	0	77,715	90,384	80,220
Allocation Step 2					
Inbound - All Others	16,218	0	16,218	0	0
2nd Allocation	16,218	0	16,218	0	0
Total For Parks Administration					
Schedule .3 Total	264,537	0	93,933	90,384	80,220

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Parks Administration

Activity - Bureau Admin

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Parks-Buildings	31.59	31.590000	24,550		24,550	5,123	29,674
Parks-Parks	23.05	23.050000	17,913		17,913	3,738	21,652
Parks-Trees	11.46	11.460000	8,906		8,906	1,859	10,765
Parks-Central Market	3.05	3.050000	2,370		2,370	495	2,865
Wastewater Operations (F561)	10.18	10.180000	7,911		7,911	1,651	9,562
Water Fund (F562)	10.18	10.180000	7,911		7,911	1,651	9,562
Long's Park (F662)	10.49	10.490000	8,152		8,152	1,701	9,854
Schedule .4 Total for Bureau Admin	100.00	100.000000	77,715		77,715	16,218	93,933

Allocation Basis: Percentage of Effort Afforded Bureaus Supervised
Allocation Source: Parks Administrator

All Monetary Values are US Dollars
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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Parks Administration

Activity - Vehicle Maint

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Parks-Buildings	7	8.433735	7,623		7,623		7,623
Parks-Parks	51	61.445783	55,537		55,537		55,537
Parks-Trees	10	12.048193	10,890		10,890		10,890
Long's Park (F662)	15	18.072289	16,334		16,334		16,334
Schedule .4 Total for Vehicle Maint	83	100.000000	90,384		90,384	0	90,384

Allocation Basis: Number of Vehicles Maintained By Parks Bureau
Allocation Source: Vehicle Listing - Motor Vehicles

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Parks Administration

Activity - Other Direct Expenses

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Parks-Buildings	933	1.163052	933		933		933
Parks-Parks	17,741	22.115433	17,741		17,741		17,741
Parks-Central Market	58	0.072301	58		58		58
Stormwater Mgmt (F560)	2,194	2.734979	2,194		2,194		2,194
Other	59,294	73.914235	59,294		59,294		59,294
Schedule .4 Total for Other Direct Expenses	80,220	100.000000	80,220		80,220	0	80,220

Allocation Basis: Direct Allocation to Applicable Departments/Bureaus
Allocation Source: Invoice Analysis - Accounting

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department Parks Administration

Receiving Department	Total	Bureau Admin	Vehicle Maint	Other Direct Expenses
Parks-Buildings	38,229	29,674	7,623	933
Parks-Parks	94,930	21,652	55,537	17,741
Parks-Trees	21,654	10,765	10,890	0
Parks-Central Market	2,923	2,865	0	58
Stormwater Mgmt (F560)	2,194	0	0	2,194
Wastewater Operations (F561)	9,562	9,562	0	0
Water Fund (F562)	9,562	9,562	0	0
Long's Park (F662)	26,188	9,854	16,334	0
Other	59,294	0	0	59,294
Direct Bill	0	0	0	0
Total	264,537	93,933	90,384	80,220

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .1 - Nature and Extent of Services
For Department Parks-Buildings

The City's Parks-Buildings Bureau is responsible for the maintenance of City-owned and occupied buildings. Costs of labor and utilities have been allocated to each building based on actual expenses. Other supplies and services have been allocated to the various buildings based on an account analysis.

The costs assigned to each building have been allocated based on either net usable square footage occupied by department/bureau or percentage of occupancy.

Salaries and wages specific to a department or locations have been separately identified. These costs have been allocated based on salaries applicable by department or location.

Other direct costs were allocated directly to applicable department/bureau based on analyses of accounts.

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .2 - Costs To Be Allocated
For Department Parks-Buildings

	1st Allocation	2nd Allocation	Sub-Total	Total
Expenditures Per Financial Statement:	1,918,417			1,918,417
Deductions:				
Vehicles	-37,312			
Capital Outlay	-528,245			
Total Deductions:	-565,557			-565,557
Inbound Costs:				
Building Depreciation	61,702		61,702	
Equipment Depreciation	1,871		1,871	
Property Insurance	6,854		6,854	
Liability & Other Insurance	5,888	13	5,901	
Personnel Insurance	6,434	81	6,514	
Workers' Compensation	3,296	23	3,319	
Retirement Expense	102,609	234	102,843	
Parks Administration	33,106	5,123	38,229	
Parks-Buildings		37,162	37,162	
Mayor's Office		9,497	9,497	
City Solicitor		7,073	7,073	
Director of Admin Services		8,078	8,078	
Accounting		27,310	27,310	
Human Resources		18,849	18,849	
Controller/Treasurer		2,388	2,388	
Information Services		26,053	26,053	
Director Public Works		323,494	323,494	
Total Allocated Additions:	221,760	465,378	687,138	687,138
Total To Be Allocated:	1,574,620	465,378		2,039,998

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department Parks-Buildings

	Total	G&A	Municipal Building	New Police Bldg	Parks Garage
Wages & Benefits					
Salaries & Wages	589,623	58,903	204,009	175,590	0
Other Expense & Cost					
Maint Building	69,998	500	9,648	4,736	0
Maint Equipment	50,646	1,002	11,577	20,415	0
Telephone	24,833	2,481	8,592	7,395	0
Contract Services	145,599	13,679	45,682	21,760	625
Training	563	56	195	168	0
Power Electric	77,256	0	0	0	0
Operating Supplies	78,000	34,832	13,768	6,625	0
Custodial Supplies	30,000	2,997	10,380	8,934	0
Heating Oil	55,917	0	2,644	4,239	14,122
Minor Equipmnt	4,972	497	1,719	1,481	0
*Vehicles	37,312	0	0	0	0
*Capital Outlay	528,245	0	0	0	0
861460 City Hall Exp	47,745	0	47,745	0	0
861465 Police Station Exp	117,061	0	0	117,061	0
861470 Fire Station #1 Exp	23,480	0	0	0	0
861475 Fire Station #3 Exp	28,637	0	0	0	0
861480 Fire Station #5 Exp	8,530	0	0	0	0
Departmental Total					
Expenditures Per Financial Statement	1,918,417				
Deductions					
*Total Disallowed Costs	(565,557)	0	0	0	0
Functional Cost	1,352,860	114,947	355,959	368,404	14,747
Allocation Step 1					
Inbound - Personnel Insurance	6,434	643	2,226	1,916	0
Inbound - Workers' Compensation	3,296	329	1,140	982	0
Inbound - Retirement Expense	102,609	10,251	35,503	30,557	0
Inbound - All Others	109,421	0	42,062	36,202	0
Reallocate Admin Costs		(126,170)	48,500	41,750	0
Unallocated Costs	0	0	0	0	0
1st Allocation	1,574,620	0	485,389	479,810	14,747
Allocation Step 2					
Inbound - Personnel Insurance	81	8	28	24	0
Inbound - Workers' Compensation	23	2	8	7	0
Inbound - Retirement Expense	234	23	81	70	0
Inbound - All Others	465,041	0	178,762	153,860	0
Reallocate Admin Costs		(34)	13	11	0
Unallocated Costs	0	0	0	0	0
2nd Allocation	465,378	0	178,892	153,971	0
Total For Parks-Buildings					
Schedule .3 Total	2,039,998	0	664,282	633,781	14,747

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department Parks-Buildings

	New PW Ops Bldg	Other Salaries	Other Direct
Wages & Benefits			
Salaries & Wages	61,616	89,505	0
Other Expense & Cost			
Maint Building	12,452	0	42,662
Maint Equipment	3,270	0	14,382
Telephone	2,595	3,770	0
Contract Services	33,484	0	30,369
Training	59	85	0
Power Electric	27,251	0	50,005
Operating Supplies	3,901	0	18,874
Custodial Supplies	3,135	4,554	0
Heating Oil	10,401	0	24,511
Minor Equipmnt	520	755	0
*Vehicles	0	0	0
*Capital Outlay	0	0	0
861460 City Hall Exp	0	0	0
861465 Police Station Exp	0	0	0
861470 Fire Station #1 Exp	0	0	23,480
861475 Fire Station #3 Exp	0	0	28,637
861480 Fire Station #5 Exp	0	0	8,530
Departmental Total Expenditures Per Financial Statement			
Deductions			
*Total Disallowed Costs	0	0	0
Functional Cost	158,684	98,669	241,450
Allocation Step 1			
Inbound - Personnel Insurance	672	977	0
Inbound - Workers' Compensation	344	500	0
Inbound - Retirement Expense	10,723	15,576	0
Inbound - All Others	12,704	18,454	0
Reallocate Admin Costs	14,648	21,272	0
Unallocated Costs	0	0	0
1st Allocation	197,775	155,448	241,450
Allocation Step 2			
Inbound - Personnel Insurance	8	12	0
Inbound - Workers' Compensation	2	3	0
Inbound - Retirement Expense	24	36	0
Inbound - All Others	53,990	78,428	0
Reallocate Admin Costs	4	6	0
Unallocated Costs	0	0	0
2nd Allocation	54,030	78,485	0
Total For Parks-Buildings			
Schedule .3 Total	251,805	233,933	241,450

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Parks-Buildings

Activity - Municipal Building

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Mayor's Office	2,355	12.411067	60,242		60,242	22,202	82,444
City Solicitor	646	3.404480	16,525		16,525	6,090	22,615
City Clerk	288	1.517787	7,367		7,367	2,715	10,082
City Council	3,438	18.118578	87,946		87,946	32,414	120,360
Director of Admin Services	268	1.412385	6,856		6,856	2,527	9,382
Accounting	1,286	6.777339	32,896		32,896	12,124	45,021
Human Resources	1,422	7.494071	36,375		36,375	13,406	49,782
Information Services	679	3.578393	17,369		17,369	6,401	23,771
Procurement & Collections	505	2.661397	12,918		12,918	4,761	17,679
Director Public Works	697	3.673254	17,830		17,830	6,571	24,401
Neighborhood Engagement	775	4.084321	19,825		19,825	7,307	27,131
Public Art	124	0.653491	3,172		3,172	1,169	4,341
Engineering	231	1.217391	5,909		5,909	2,178	8,087
Planning	644	3.393939	16,474		16,474	6,071	22,545
Fire	498	2.624506	12,739		12,739	4,695	17,434
Dir of Community Planning & Economic Dev	719	3.789196	18,392		18,392	6,779	25,171
Building Code Administration	900	4.743083	23,022		23,022	8,485	31,507
PM Code Compliance	748	3.942029	19,134		19,134	7,052	26,186
Lead Safety & CD	1,130	5.955204	28,906		28,906	10,653	39,559
Bureau of Health	386	2.034256	9,874		9,874	3,639	13,513
CDBG (F235)	410	2.160738	10,488		10,488	3,865	14,353
Stormwater Mgmt (F560)	339	1.786561	8,672		8,672	3,196	11,868
Wastewater Operations (F561)	70	0.368906	1,791		1,791	660	2,451
Water Fund (F562)	163	0.859025	4,170		4,170	1,537	5,706
Other	254	1.338603	6,497		6,497	2,395	8,892
Schedule .4 Total for Municipal Building	18,975	100.000000	485,389		485,389	178,892	664,282

Allocation Basis: Net Usable Square Footage Occupied By Department/Bureaus
Allocation Source: Parks-Buildings

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Parks-Buildings

Activity - New Police Bldg

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Procurement & Collections	2,220	3.748480	17,986		17,986	5,771	23,757
Police	51,322	86.657437	415,791		415,791	133,428	549,219
Other	5,682	9.594083	46,033		46,033	14,772	60,805
Schedule .4 Total for New Police Bldg	59,224	100.000000	479,810		479,810	153,971	633,781

Allocation Basis: Net Usable Square Footage Occupied By Department/Bureaus
Allocation Source: Floor Plan Measurements-City Engineering Office

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Parks-Buildings

Activity - Parks Garage

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Parks Administration	18.53	18.530000	2,733		2,733		2,733
Parks-Buildings	27.20	27.200000	4,011		4,011		4,011
Parks-Parks	43.78	43.780000	6,456		6,456		6,456
Parks-Trees	10.49	10.490000	1,547		1,547		1,547
Schedule .4 Total for Parks Garage	100.00	100.000000	14,747		14,747	0	14,747

Allocation Basis: Percentage of Occupancy By Department/Bureau
Allocation Source: Parks Administration

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Parks-Buildings

Activity - New PW Ops Bldg

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Parks Administration	690	2.208848	4,369		4,369		4,369
Parks-Buildings	5,236	16.761636	33,150		33,150		33,150
Motor Vehicles	7,134	22.837570	45,167		45,167	15,228	60,395
Fire	2,154	6.895448	13,637		13,637	4,598	18,235
Streets Administration	452	1.446956	2,862		2,862	965	3,826
Street Maintenance	10,286	32.927844	65,123		65,123	21,956	87,079
Traffic	892	2.855497	5,647		5,647	1,904	7,551
Parks-Parks	4,394	14.066201	27,819		27,819	9,379	37,199
Schedule .4 Total for New PW Ops Bldg	31,238	100.000000	197,775		197,775	54,030	251,805

Allocation Basis: Net Usable Square Footage Occupied By Department/Bureaus
Allocation Source: Floor Plan Measurements-Facilities Management

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Parks-Buildings

Activity - Other Salaries

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Fire	31,997	35.748841	55,571		55,571	28,057	83,628
Parks-Parks	57,508	64.251159	99,877		99,877	50,428	150,305
Schedule .4 Total for Other Salaries	89,505	100.000000	155,448		155,448	78,485	233,933

Allocation Basis: Direct Salaries Applicable By Department/Bureau
Allocation Source: Time Allocations - Parks Administration

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Parks-Buildings

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Activity - Other Direct

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Information Services	5,990	2.480845	5,990		5,990		5,990
Procurement & Collections	1,199	0.496583	1,199		1,199		1,199
Motor Vehicles	479	0.198385	479		479		479
Police	6,197	2.566577	6,197		6,197		6,197
Fire	82,485	34.162353	82,485		82,485		82,485
Street Maintenance	11,612	4.809277	11,612		11,612		11,612
Parks-Parks	24,387	10.100228	24,387		24,387		24,387
Lancaster Recreation Center	39,097	16.192586	39,097		39,097		39,097
Parks-Central Market	3,448	1.428039	3,448		3,448		3,448
Solid Waste & Recycle (F563)	392	0.162352	392		392		392
Long's Park (F662)	1,549	0.641541	1,549		1,549		1,549
Other	64,615	26.761234	64,615		64,615		64,615
Schedule .4 Total for Other Direct	241,450	100.000000	241,450		241,450	0	241,450

Allocation Basis: Direct Allocation to Applicable Department/Bureau
Allocation Source: Analysis of Expenditures

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department Parks-Buildings

Receiving Department	Total	Municipal Building	New Police Bldg	Parks Garage	New PW Ops Bldg
Parks Administration	7,101	0	0	2,733	4,369
Parks-Buildings	37,162	0	0	4,011	33,150
Mayor's Office	82,444	82,444	0	0	0
City Solicitor	22,615	22,615	0	0	0
City Clerk	10,082	10,082	0	0	0
City Council	120,360	120,360	0	0	0
Director of Admin Services	9,382	9,382	0	0	0
Accounting	45,021	45,021	0	0	0
Human Resources	49,782	49,782	0	0	0
Information Services	29,761	23,771	0	0	0
Procurement & Collections	42,635	17,679	23,757	0	0
Director Public Works	24,401	24,401	0	0	0
Motor Vehicles	60,874	0	0	0	60,395
Neighborhood Engagement	27,131	27,131	0	0	0
Public Art	4,341	4,341	0	0	0
Engineering	8,087	8,087	0	0	0
Planning	22,545	22,545	0	0	0
Police	555,416	0	549,219	0	0
Fire	201,783	17,434	0	0	18,235
Dir of Community Planning & Economic Dev	25,171	25,171	0	0	0
Building Code Administration	31,507	31,507	0	0	0
PM Code Compliance	26,186	26,186	0	0	0
Lead Safety & CD	39,559	39,559	0	0	0
Bureau of Health	13,513	13,513	0	0	0
Streets Administration	3,826	0	0	0	3,826
Street Maintenance	98,691	0	0	0	87,079
Traffic	7,551	0	0	0	7,551
Parks-Parks	218,347	0	0	6,456	37,199
Lancaster Recreation Center	39,097	0	0	0	0
Parks-Trees	1,547	0	0	1,547	0
Parks-Central Market	3,448	0	0	0	0
CDBG (F235)	14,353	14,353	0	0	0
Stormwater Mgmt (F560)	11,868	11,868	0	0	0
Wastewater Operations (F561)	2,451	2,451	0	0	0
Water Fund (F562)	5,706	5,706	0	0	0
Solid Waste & Recycle (F563)	392	0	0	0	0
Long's Park (F662)	1,549	0	0	0	0
Other	134,312	8,892	60,805	0	0
Direct Bill	0	0	0	0	0
Total	2,039,998	664,282	633,781	14,747	251,805

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department Parks-Buildings

Receiving Department	Other Salaries	Other Direct
Parks Administration	0	0
Parks-Buildings	0	0
Mayor's Office	0	0
City Solicitor	0	0
City Clerk	0	0
City Council	0	0
Director of Admin Services	0	0
Accounting	0	0
Human Resources	0	0
Information Services	0	5,990
Procurement & Collections	0	1,199
Director Public Works	0	0
Motor Vehicles	0	479
Neighborhood Engagement	0	0
Public Art	0	0
Engineering	0	0
Planning	0	0
Police	0	6,197
Fire	83,628	82,485
Dir of Community Planning & Economic Dev	0	0
Building Code Administration	0	0
PM Code Compliance	0	0
Lead Safety & CD	0	0
Bureau of Health	0	0
Streets Administration	0	0
Street Maintenance	0	11,612
Traffic	0	0
Parks-Parks	150,305	24,387
Lancaster Recreation Center	0	39,097
Parks-Trees	0	0
Parks-Central Market	0	3,448
CDBG (F235)	0	0
Stormwater Mgmt (F560)	0	0
Wastewater Operations (F561)	0	0
Water Fund (F562)	0	0
Solid Waste & Recycle (F563)	0	392
Long's Park (F662)	0	1,549
Other	0	64,615
Direct Bill	0	0
Total	233,933	241,450

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .1 - Nature and Extent of Services
For Department Mayor's Office

The Mayor's Office includes the elected and ceremonial functions of the Office of the Mayor and the administrative functions of governing the City.

For plan purposes, the administrative function of governing the City includes staff support and guidance. In addition to general departmental administration, the responsibilities include intergovernmental coordination and review, strategic planning, management team building and approval of Citywide and departmental policies. The costs attributable to this function have been allocated based on the number of full-time employees by departments/bureaus in 2022.

Costs attributable to projects specific to departments have been separately identified and allocated directly based on hours.

In 2022 the Mayor's Office added 2 grants writers. Costs associated with the grants writers have been allocated based on the number of grants by department.

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .2 - Costs To Be Allocated
For Department Mayor's Office

	1st Allocation	2nd Allocation	Sub-Total	Total
Expenditures Per Financial Statement:	477,222			477,222
Inbound Costs:				
Building Depreciation	84,536		84,536	
Equipment Depreciation	185		185	
Property Insurance	3,919		3,919	
Liability & Other Insurance	3,776	8	3,785	
Personnel Insurance	67,975	851	68,827	
Workers' Compensation	2,542	18	2,559	
Retirement Expense	79,128	181	79,308	
Parks-Buildings	60,242	22,202	82,444	
Mayor's Office		28,990	28,990	
City Solicitor		3,105	3,105	
Director of Admin Services		73,004	73,004	
Accounting		3,770	3,770	
Human Resources		9,490	9,490	
Controller/Treasurer		130	130	
Information Services		48,600	48,600	
Procurement & Collections		531	531	
Total Allocated Additions:	302,302	190,880	493,182	493,182
Total To Be Allocated:	779,524	190,880		970,404

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department Mayor's Office

	Total	G&A	Citywide Admin	Departmental Admin	Grants Writer
Wages & Benefits					
Salaries & Wages	454,691	57,882	237,076	42,104	117,629
Other Expense & Cost					
Advertising	950	121	495	88	246
Dues & Subscriptions	536	68	279	50	139
Postage	1,320	168	689	122	341
Printing	980	125	510	91	254
Telephone	4,498	573	2,344	417	1,164
Travel	504	64	263	47	130
Professional Services	8,022	1,021	4,183	743	2,075
Training/Education	2,803	357	1,461	260	725
Office Supplies	2,918	371	1,522	270	755
Departmental Total					
Expenditures Per Financial Statement	477,222				
Deductions					
*Total Disallowed Costs	0	0	0	0	0
Functional Cost	477,222	60,750	248,822	44,192	123,458
Allocation Step 1					
Inbound - Personnel Insurance	67,975	8,653	35,442	6,295	17,585
Inbound - Workers' Compensation	2,542	324	1,325	235	658
Inbound - Retirement Expense	79,128	10,073	41,257	7,327	20,470
Inbound - All Others	152,657	19,433	79,596	14,136	39,492
Reallocate Admin Costs		(99,233)	59,292	10,529	29,413
Unallocated Costs	0	0	0	0	0
1st Allocation	779,524	0	465,734	82,714	231,076
Allocation Step 2					
Inbound - Personnel Insurance	851	108	444	79	220
Inbound - Workers' Compensation	18	2	9	2	5
Inbound - Retirement Expense	181	23	94	17	47
Inbound - City Solicitor	3,105	0	3,105	0	0
Inbound - All Others	186,725	23,770	97,359	17,290	48,306
Reallocate Admin Costs		(23,904)	14,282	2,536	7,085
Unallocated Costs	0	0	0	0	0
2nd Allocation	190,880	0	115,294	19,924	55,663
Total For Mayor's Office					
Schedule .3 Total	970,404	0	581,028	102,637	286,739

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Mayor's Office

Activity - Citywide Admin

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Parks-Buildings	12.99	2.039246	9,497		9,497		9,497
Mayor's Office	6.54	1.026688	4,782		4,782		4,782
City Solicitor	2.00	0.313972	1,462		1,462	373	1,836
City Clerk	1.00	0.156986	731		731	187	918
City Council	7.00	1.098901	5,118		5,118	1,307	6,425
Director of Admin Services	2.00	0.313972	1,462		1,462	373	1,836
Accounting	6.00	0.941915	4,387		4,387	1,120	5,507
Human Resources	6.00	0.941915	4,387		4,387	1,120	5,507
Controller/Treasurer	2.00	0.313972	1,462		1,462	373	1,836
Information Services	5.50	0.863422	4,021		4,021	1,027	5,048
Procurement & Collections	1.55	0.243328	1,133		1,133	289	1,423
Director Public Works	2.00	0.313972	1,462		1,462	373	1,836
Motor Vehicles	5.25	0.824176	3,838		3,838	980	4,819
Neighborhood Engagement	4.00	0.627943	2,925		2,925	747	3,671
Public Art	1.00	0.156986	731		731	187	918
Engineering	2.93	0.459969	2,142		2,142	547	2,689
Planning	5.89	0.924647	4,306		4,306	1,100	5,406
Police	206.84	32.470958	151,228		151,228	38,625	189,854
Fire	77.00	12.087912	56,298		56,298	14,377	70,675
Dir of Community Planning & Economic Dev	3.00	0.470958	2,193		2,193	560	2,753
Building Code Administration	6.72	1.054945	4,913		4,913	1,255	6,168
PM Code Compliance	11.44	1.795918	8,364		8,364	2,136	10,500
Lead Safety & CD	10.47	1.643642	7,655		7,655	1,955	9,610
Bureau of Health	5.10	0.800628	3,729		3,729	952	4,681
Streets Administration	0.25	0.039246	183		183	47	229
Street Maintenance	11.00	1.726845	8,043		8,043	2,054	10,096
Traffic	5.29	0.830455	3,868		3,868	988	4,855
Parks-Parks	13.13	2.061224	9,600		9,600	2,451	12,051
Parks-Trees	5.30	0.832025	3,875		3,875	990	4,865
Parks-Central Market	1.65	0.259027	1,206		1,206	308	1,514
Emergency Shelter Grant (F221)	0.65	0.102041	475		475	121	596
HOME Invest Partnership (F229)	0.19	0.029827	139		139	35	174
CDBG (F235)	8.00	1.255887	5,849		5,849	1,494	7,343
Stormwater Mgmt (F560)	25.22	3.959184	18,439		18,439	4,709	23,148
Wastewater Operations (F561)	63.11	9.907378	46,142		46,142	11,784	57,926
Water Fund (F562)	92.21	14.475667	67,418		67,418	17,217	84,635
Solid Waste & Recycle (F563)	10.57	1.659341	7,728		7,728	1,974	9,702
Lanc Office of Promotion	6.21	0.974882	4,540		4,540	1,159	5,700
Schedule .4 Total for Citywide Admin	637.00	100.000000	465,734		465,734	115,294	581,028

Allocation Basis: Full-Time Equivalent Employees By Department/Bureau
Allocation Source: 2022 Manning Report - Accounting

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Mayor's Office

Activity - Departmental Admin

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
City Solicitor	28.57	28.570000	23,631		23,631	5,692	29,323
City Council	28.57	28.570000	23,631		23,631	5,692	29,323
Dir of Community Planning & Economic Dev	42.86	42.860000	35,451		35,451	8,539	43,991
Schedule .4 Total for Departmental Admin	100.00	100.000000	82,714		82,714	19,924	102,637

Allocation Basis: Percentage of Effort By Department
Allocation Source: Chief of Staff - Mayor's Office

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Mayor's Office

Activity - Grants Writer

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Mayor's Office	11.00	10.476190	24,208		24,208		24,208
Director of Admin Services	2.00	1.904762	4,401		4,401	1,184	5,586
Director Public Works	52.00	49.523809	114,438		114,438	30,792	145,230
Neighborhood Engagement	13.00	12.380952	28,609		28,609	7,698	36,307
Police	7.00	6.666667	15,405		15,405	4,145	19,550
Fire	3.00	2.857143	6,602		6,602	1,776	8,378
Dir of Community Planning & Economic Dev	7.00	6.666667	15,405		15,405	4,145	19,550
Wastewater Operations (F561)	2.00	1.904762	4,401		4,401	1,184	5,586
Water Fund (F562)	8.00	7.619048	17,606		17,606	4,737	22,343
Schedule .4 Total for Grants Writer	105.00	100.000000	231,076		231,076	55,663	286,739

Allocation Basis: Number of Grants By Department
Allocation Source: Grants Writer

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department Mayor's Office

Receiving Department	Total	Citywide Admin	Departmental Admin	Grants Writer
Parks-Buildings	9,497	9,497	0	0
Mayor's Office	28,990	4,782	0	24,208
City Solicitor	31,159	1,836	29,323	0
City Clerk	918	918	0	0
City Council	35,748	6,425	29,323	0
Director of Admin Services	7,421	1,836	0	5,586
Accounting	5,507	5,507	0	0
Human Resources	5,507	5,507	0	0
Controller/Treasurer	1,836	1,836	0	0
Information Services	5,048	5,048	0	0
Procurement & Collections	1,423	1,423	0	0
Director Public Works	147,066	1,836	0	145,230
Motor Vehicles	4,819	4,819	0	0
Neighborhood Engagement	39,979	3,671	0	36,307
Public Art	918	918	0	0
Engineering	2,689	2,689	0	0
Planning	5,406	5,406	0	0
Police	209,404	189,854	0	19,550
Fire	79,053	70,675	0	8,378
Dir of Community Planning & Economic Dev	66,294	2,753	43,991	19,550
Building Code Administration	6,168	6,168	0	0
PM Code Compliance	10,500	10,500	0	0
Lead Safety & CD	9,610	9,610	0	0
Bureau of Health	4,681	4,681	0	0
Streets Administration	229	229	0	0
Street Maintenance	10,096	10,096	0	0
Traffic	4,855	4,855	0	0
Parks-Parks	12,051	12,051	0	0
Parks-Trees	4,865	4,865	0	0
Parks-Central Market	1,514	1,514	0	0
Emergency Shelter Grant (F221)	596	596	0	0
HOME Invest Partnership (F229)	174	174	0	0
CDBG (F235)	7,343	7,343	0	0
Stormwater Mgmt (F560)	23,148	23,148	0	0
Wastewater Operations (F561)	63,511	57,926	0	5,586
Water Fund (F562)	106,978	84,635	0	22,343
Solid Waste & Recycle (F563)	9,702	9,702	0	0
Lanc Office of Promotion	5,700	5,700	0	0
Direct Bill	0	0	0	0
Total	970,404	581,028	102,637	286,739

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .1 - Nature and Extent of Services
For Department City Solicitor

The City hired a City Solicitor in 2020. As such, the City Solicitor's activities involve rendering legal advice to the City and representing the City departments/bureaus is included in the cost plan.

The legal services provided were deemed allowable and allocated to City departments based on the number of full-time equivalent employees by department/bureau.

Costs associated with the purchasing function have been allocated to individual City departments and bureaus based on the number of purchase orders processed by department during 2022.

Costs associated with legal fees paid to outside vendors have been separately identified and allocated to the applicable departments/bureaus.

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .2 - Costs To Be Allocated
For Department City Solicitor

	1st Allocation	2nd Allocation	Sub-Total	Total
Expenditures Per Financial Statement:	380,678			380,678
Inbound Costs:				
Building Depreciation	23,189		23,189	
Equipment Depreciation	123		123	
Property Insurance	1,075		1,075	
Liability & Other Insurance	1,467	3	1,470	
Personnel Insurance	29,777	373	30,149	
Workers' Compensation	1,117	8	1,124	
Retirement Expense	34,763	79	34,843	
Parks-Buildings	16,525	6,090	22,615	
Mayor's Office	25,094	6,065	31,159	
City Solicitor		949	949	
City Clerk		900	900	
City Council		2,850	2,850	
Director of Admin Services		3,682	3,682	
Accounting		4,194	4,194	
Human Resources		2,902	2,902	
Controller/Treasurer		353	353	
Information Services		14,735	14,735	
Procurement & Collections		24	24	
Total Allocated Additions:	133,129	43,207	176,337	176,337
Total To Be Allocated:	513,807	43,207		557,015

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department City Solicitor

	Total	G&A	Legal Services	Legal Fees	Procurement
Wages & Benefits					
Salaries & Wages	199,759	0	172,332	0	27,427
Other Expense & Cost					
Advertising	1,624	0	1,401	0	223
Dues & Subscripts	995	0	858	0	137
Postage	176	0	152	0	24
Printing	6	0	5	0	1
Telephone	263	0	227	0	36
Travel	158	0	136	0	22
Professional Svcs	174,795	0	9,931	164,864	0
Training/Education	605	0	522	0	83
Office Supplies	717	0	619	0	98
Contract Services	1,580	0	1,363	0	217
Departmental Total					
Expenditures Per Financial Statement	380,678				
Deductions					
*Total Disallowed Costs	0	0	0	0	0
Functional Cost	380,678	0	187,546	164,864	28,268
Allocation Step 1					
Inbound - All Others	133,129	0	114,851	0	18,279
Reallocate Admin Costs		0	0	0	0
Unallocated Costs	0	0	0	0	0
1st Allocation	513,807	0	302,397	164,864	46,547
Allocation Step 2					
Inbound - All Others	43,207	0	37,275	0	5,932
2nd Allocation	43,207	0	37,275	0	5,932
Total For City Solicitor					
Schedule .3 Total	557,015	0	339,672	164,864	52,478

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department City Solicitor

Activity - Legal Services

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Parks-Buildings	12.99	2.039246	6,167		6,167		6,167
Mayor's Office	6.54	1.026688	3,105		3,105		3,105
City Solicitor	2.00	0.313972	949		949		949
City Clerk	1.00	0.156986	475		475	60	535
City Council	7.00	1.098901	3,323		3,323	424	3,747
Director of Admin Services	2.00	0.313972	949		949	121	1,071
Accounting	6.00	0.941915	2,848		2,848	363	3,212
Human Resources	6.00	0.941915	2,848		2,848	363	3,212
Controller/Treasurer	2.00	0.313972	949		949	121	1,071
Information Services	5.50	0.863422	2,611		2,611	333	2,944
Procurement & Collections	1.55	0.243328	736		736	94	830
Director Public Works	2.00	0.313972	949		949	121	1,071
Motor Vehicles	5.25	0.824176	2,492		2,492	318	2,810
Neighborhood Engagement	4.00	0.627943	1,899		1,899	242	2,141
Public Art	1.00	0.156986	475		475	60	535
Engineering	2.93	0.459969	1,391		1,391	177	1,568
Planning	5.89	0.924647	2,796		2,796	357	3,153
Police	206.84	32.470958	98,191		98,191	12,529	110,720
Fire	77.00	12.087912	36,553		36,553	4,663	41,217
Dir of Community Planning & Economic Dev	3.00	0.470958	1,424		1,424	182	1,606
Building Code Administration	6.72	1.054945	3,190		3,190	407	3,597
PM Code Compliance	11.44	1.795918	5,431		5,431	693	6,124
Lead Safety & CD	10.47	1.643642	4,970		4,970	634	5,604
Bureau of Health	5.10	0.800628	2,421		2,421	309	2,730
Streets Administration	0.25	0.039246	119		119	15	134
Street Maintenance	11.00	1.726845	5,222		5,222	666	5,888
Traffic	5.29	0.830455	2,511		2,511	320	2,832
Parks-Parks	13.13	2.061224	6,233		6,233	795	7,028
Parks-Trees	5.30	0.832025	2,516		2,516	321	2,837
Parks-Central Market	1.65	0.259027	783		783	100	883
Emergency Shelter Grant (F221)	0.65	0.102041	309		309	39	348
HOME Invest Partnership (F229)	0.19	0.029827	90		90	11	102
CDBG (F235)	8.00	1.255887	3,798		3,798	484	4,282
Stormwater Mgmt (F560)	25.22	3.959184	11,972		11,972	1,527	13,500
Wastewater Operations (F561)	63.11	9.907378	29,960		29,960	3,822	33,782
Water Fund (F562)	92.21	14.475667	43,774		43,774	5,585	49,359
Solid Waste & Recycle (F563)	10.57	1.659341	5,018		5,018	640	5,658
Lanc Office of Promotion	6.21	0.974882	2,948		2,948	376	3,324
Schedule .4 Total for Legal Services	637.00	100.000000	302,397		302,397	37,275	339,672

Allocation Basis: Full-Time Equivalent Employees By Department/Bureau
Allocation Source: 2022 Manning Report - Accounting

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department City Solicitor

Activity - Legal Fees

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
City Council	831	0.504052	831		831		831
Director of Admin Services	3,088	1.873059	3,088		3,088		3,088
Accounting	400	0.242624	400		400		400
Human Resources	1,924	1.167023	1,924		1,924		1,924
Director Public Works	710	0.430658	710		710		710
Planning	50,200	30.449340	50,200		50,200		50,200
Police	288	0.174689	288		288		288
Fire	2,925	1.774190	2,925		2,925		2,925
Dir of Community Planning & Economic Dev	2,724	1.652271	2,724		2,724		2,724
PM Code Compliance	20,148	12.220982	20,148		20,148		20,148
Parks-Parks	713	0.432478	713		713		713
Parks-Trees	338	0.205017	338		338		338
ARPA Fund	57,889	35.113184	57,889		57,889		57,889
Other	22,686	13.760433	22,686		22,686		22,686
Schedule .4 Total for Legal Fees	164,864	100.000000	164,864		164,864	0	164,864

Allocation Basis: Direct Allocation to Applicable Departments/Bureaus
Allocation Source: Invoice Analysis - Accounting Office

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department City Solicitor

Activity - Procurement

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Parks Administration	8	0.865801	403		403		403
Parks-Buildings	18	1.948052	907		907		907
Director of Admin Services	1	0.108225	50		50	6	57
Accounting	1	0.108225	50		50	6	57
Information Services	5	0.541126	252		252	33	285
Procurement & Collections	1	0.108225	50		50	6	57
Director Public Works	1	0.108225	50		50	6	57
Motor Vehicles	14	1.515152	705		705	93	798
Neighborhood Engagement	2	0.216450	101		101	13	114
Engineering	3	0.324675	151		151	20	171
Planning	2	0.216450	101		101	13	114
Community Involvement	2	0.216450	101		101	13	114
Police	58	6.277056	2,922		2,922	383	3,305
Fire	36	3.896104	1,814		1,814	238	2,051
Dir of Community Planning & Economic Dev	1	0.108225	50		50	6	57
Building Code Administration	4	0.432900	202		202	26	228
PM Code Compliance	2	0.216450	101		101	13	114
Bureau of Health	3	0.324675	151		151	20	171
Streets Administration	19	2.056277	957		957	125	1,083
Street Maintenance	8	0.865801	403		403	53	456
Traffic	45	4.870130	2,267		2,267	297	2,564
Parks-Parks	11	1.190476	554		554	73	627
Parks-Central Market	1	0.108225	50		50	6	57
Misc State Grants (F240)	3	0.324675	151		151	20	171
Misc Federal Grants (F241)	6	0.649351	302		302	40	342
Misc Local Grants (F242)	6	0.649351	302		302	40	342
Liquid Fuels (F265)	43	4.653680	2,166		2,166	284	2,450
Capital Projects	2	0.216450	101		101	13	114
Stormwater Mgmt (F560)	35	3.787879	1,763		1,763	231	1,994
Capital-SWM	10	1.082251	504		504	66	570
Wastewater Operations (F561)	223	24.134199	11,234		11,234	1,473	12,707
Capital Projects Sewer	4	0.432900	202		202	26	228
Water Fund (F562)	294	31.818183	14,810		14,810	1,945	16,755
Capital Projects-Water	28	3.030303	1,411		1,411	185	1,595
Solid Waste & Recycle (F563)	12	1.298701	605		605	79	684
Long's Park (F662)	1	0.108225	50		50	6	57
Special Events (F249)	6	0.649351	302		302	40	342
Lanc Office of Promotion	5	0.541126	252		252	33	285
Schedule .4 Total for Procurement	924	100.000000	46,547		46,547	5,932	52,478

Allocation Basis: Number of Purchase Orders Trans. Processed By Dept/Bur
Allocation Source: Transaction Report - Accounting/Information Services

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department City Solicitor

Receiving Department	Total	Legal Services	Legal Fees	Procurement
Parks Administration	403	0	0	403
Parks-Buildings	7,073	6,167	0	907
Mayor's Office	3,105	3,105	0	0
City Solicitor	949	949	0	0
City Clerk	535	535	0	0
City Council	4,578	3,747	831	0
Director of Admin Services	4,215	1,071	3,088	57
Accounting	3,668	3,212	400	57
Human Resources	5,136	3,212	1,924	0
Controller/Treasurer	1,071	1,071	0	0
Information Services	3,229	2,944	0	285
Procurement & Collections	887	830	0	57
Director Public Works	1,837	1,071	710	57
Motor Vehicles	3,608	2,810	0	798
Neighborhood Engagement	2,255	2,141	0	114
Public Art	535	535	0	0
Engineering	1,739	1,568	0	171
Planning	53,467	3,153	50,200	114
Community Involvement	114	0	0	114
Police	114,313	110,720	288	3,305
Fire	46,193	41,217	2,925	2,051
Dir of Community Planning & Economic Dev	4,387	1,606	2,724	57
Building Code Administration	3,825	3,597	0	228
PM Code Compliance	26,385	6,124	20,148	114
Lead Safety & CD	5,604	5,604	0	0
Bureau of Health	2,901	2,730	0	171
Streets Administration	1,216	134	0	1,083
Street Maintenance	6,344	5,888	0	456
Traffic	5,396	2,832	0	2,564
Parks-Parks	8,368	7,028	713	627
Parks-Trees	3,175	2,837	338	0
Parks-Central Market	940	883	0	57
Emergency Shelter Grant (F221)	348	348	0	0
HOME Invest Partnership (F229)	102	102	0	0
CDBG (F235)	4,282	4,282	0	0
Misc State Grants (F240)	171	0	0	171
Misc Federal Grants (F241)	342	0	0	342
Misc Local Grants (F242)	342	0	0	342
Liquid Fuels (F265)	2,450	0	0	2,450
Capital Projects	114	0	0	114
Stormwater Mgmt (F560)	15,494	13,500	0	1,994
Capital-SWM	570	0	0	570
Wastewater Operations (F561)	46,488	33,782	0	12,707
Capital Projects Sewer	228	0	0	228
Water Fund (F562)	66,114	49,359	0	16,755
Capital Projects-Water	1,595	0	0	1,595
Solid Waste & Recycle (F563)	6,342	5,658	0	684
Long's Park (F662)	57	0	0	57
Special Events (F249)	342	0	0	342
Lanc Office of Promotion	3,609	3,324	0	285
ARPA Fund	57,889	0	57,889	0
Other	22,686	0	22,686	0

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department City Solicitor

Receiving Department	Total	Legal Services	Legal Fees	Procurement
Direct Bill	0	0	0	0
Total	557,015	339,672	164,864	52,478

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .1 - Nature and Extent of Services
For Department City Clerk

The Office of the City Clerk provides support activities to various departments that include preparing agendas, recording ordinance and resolutions, record keeping and maintaining correspondence.

Costs associated with the City Clerk's Office have been allocated based on the number of resolutions and ordinances processed by department/bureau in 2022.

Costs associated with City Council have been allocated directly to City Council for further allocation.

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .2 - Costs To Be Allocated
For Department City Clerk

	1st Allocation	2nd Allocation	Sub-Total	Total
Expenditures Per Financial Statement:	79,341			79,341
Inbound Costs:				
Building Depreciation	10,338		10,338	
Equipment Depreciation	185		185	
Property Insurance	479		479	
Liability & Other Insurance	551	1	552	
Personnel Insurance	10,505	131	10,636	
Workers' Compensation	360	2	362	
Retirement Expense	11,196	26	11,222	
Parks-Buildings	7,367	2,715	10,082	
Mayor's Office	731	187	918	
City Solicitor	475	60	535	
Director of Admin Services		1,435	1,435	
Accounting		1,264	1,264	
Human Resources		1,451	1,451	
Controller/Treasurer		54	54	
Information Services		4,854	4,854	
Procurement & Collections		29	29	
Total Allocated Additions:	42,186	12,209	54,396	54,396
Total To Be Allocated:	121,527	12,209		133,737

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department City Clerk

	Total	G&A	Resolutions/Ordinances	City Council
Wages & Benefits				
Salaries & Wages	64,336	0	64,336	0
Other Expense & Cost				
Advertising	6,496	0	0	6,496
Postage	72	0	72	0
Printing	1,902	0	1,902	0
Telephone	486	0	486	0
Miscellaneous Expense	474	0	474	0
Ordinance Codificatn	5,229	0	0	5,229
Training/Education	346	0	346	0
Departmental Total				
Expenditures Per Financial Statement	79,341			
Deductions				
*Total Disallowed Costs	0	0	0	0
Functional Cost	79,341	0	67,616	11,725
Allocation Step 1				
Inbound - Personnel Insurance	10,505	0	10,505	0
Inbound - Workers' Compensation	360	0	360	0
Inbound - Retirement Expense	11,196	0	11,196	0
Inbound - All Others	20,126	0	20,126	0
Reallocate Admin Costs		0	0	0
Unallocated Costs	0	0	0	0
1st Allocation	121,527	0	109,802	11,725
Allocation Step 2				
Inbound - Personnel Insurance	131	0	131	0
Inbound - Workers' Compensation	2	0	2	0
Inbound - Retirement Expense	26	0	26	0
Inbound - All Others	12,050	0	12,050	0
2nd Allocation	12,209	0	12,209	0
Total For City Clerk				
Schedule .3 Total	133,737	0	122,012	11,725

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department City Clerk

Activity - Resolutions/Ordinances

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Retirement Expense	1	0.819672	900		900		900
City Solicitor	1	0.819672	900		900		900
Director of Admin Services	5	4.098361	4,500		4,500	509	5,009
Accounting	1	0.819672	900		900	102	1,002
Human Resources	1	0.819672	900		900	102	1,002
Controller/Treasurer	2	1.639344	1,800		1,800	203	2,003
Procurement & Collections	2	1.639344	1,800		1,800	203	2,003
Director Public Works	1	0.819672	900		900	102	1,002
Neighborhood Engagement	2	1.639344	1,800		1,800	203	2,003
Planning	8	6.557377	7,200		7,200	814	8,014
Debt Service	5	4.098361	4,500		4,500	509	5,009
Police	4	3.278689	3,600		3,600	407	4,007
Fire	5	4.098361	4,500		4,500	509	5,009
Dir of Community Planning & Economic Dev	1	0.819672	900		900	102	1,002
PM Code Compliance	2	1.639344	1,800		1,800	203	2,003
Lead Safety & CD	1	0.819672	900		900	102	1,002
Street Maintenance	1	0.819672	900		900	102	1,002
Traffic	2	1.639344	1,800		1,800	203	2,003
Parks-Parks	2	1.639344	1,800		1,800	203	2,003
Parks-Central Market	1	0.819672	900		900	102	1,002
CDBG (F235)	1	0.819672	900		900	102	1,002
Capital Projects	2	1.639344	1,800		1,800	203	2,003
Stormwater Mgmt (F560)	2	1.639344	1,800		1,800	203	2,003
Wastewater Operations (F561)	13	10.655738	11,700		11,700	1,323	13,023
Water Fund (F562)	5	4.098361	4,500		4,500	509	5,009
Solid Waste & Recycle (F563)	1	0.819672	900		900	102	1,002
ARPA Fund	3	2.459016	2,700		2,700	305	3,005
Curb & Sidewalk (F462)	1	0.819672	900		900	102	1,002
Other	46	37.704920	41,401		41,401	4,682	46,083
Schedule .4 Total for Resolutions/Ordinances	122	100.000000	109,802		109,802	12,209	122,012

Allocation Basis: Resolutions And Ordinances Passed By Department/Bureau
Allocation Source: Actual Count of Resolutions & Ordinances - City Clerk

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department City Clerk

Activity - City Council

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
City Council	100.00	100.000000	11,725		11,725		11,725
Schedule .4 Total for City Council	100.00	100.000000	11,725		11,725	0	11,725

Allocation Basis: Direct Allocation to City Council
Allocation Source: City Clerk Department

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department City Clerk

Receiving Department	Total	Resolutions/Ordinances	City Council
Retirement Expense	900	900	0
City Solicitor	900	900	0
City Council	11,725	0	11,725
Director of Admin Services	5,009	5,009	0
Accounting	1,002	1,002	0
Human Resources	1,002	1,002	0
Controller/Treasurer	2,003	2,003	0
Procurement & Collections	2,003	2,003	0
Director Public Works	1,002	1,002	0
Neighborhood Engagement	2,003	2,003	0
Planning	8,014	8,014	0
Debt Service	5,009	5,009	0
Police	4,007	4,007	0
Fire	5,009	5,009	0
Dir of Community Planning & Economic Dev	1,002	1,002	0
PM Code Compliance	2,003	2,003	0
Lead Safety & CD	1,002	1,002	0
Street Maintenance	1,002	1,002	0
Traffic	2,003	2,003	0
Parks-Parks	2,003	2,003	0
Parks-Central Market	1,002	1,002	0
CDBG (F235)	1,002	1,002	0
Capital Projects	2,003	2,003	0
Stormwater Mgmt (F560)	2,003	2,003	0
Wastewater Operations (F561)	13,023	13,023	0
Water Fund (F562)	5,009	5,009	0
Solid Waste & Recycle (F563)	1,002	1,002	0
ARPA Fund	3,005	3,005	0
Curb & Sidewalk (F462)	1,002	1,002	0
Other	46,083	46,083	0
Direct Bill	0	0	0
Total	133,737	122,012	11,725

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .1 - Nature and Extent of Services
For Department City Council

The City Council is the legislative arm of the City government. The Council adopts various resolutions and ordinances governing the citizens of Lancaster. The Council also conducts policy research and other activities on behalf of the City.

Costs associated with the City Council have been allocated to City departments and bureaus based on the number of resolutions and ordinances passed in 2022.

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .2 - Costs To Be Allocated
For Department City Council

	1st Allocation	2nd Allocation	Sub-Total	Total
Expenditures Per Financial Statement:	65,066			65,066
Inbound Costs:				
Building Depreciation	123,411		123,411	
Property Insurance	5,721		5,721	
Liability & Other Insurance	1,824	4	1,828	
Personnel Insurance	9,082	114	9,195	
Workers' Compensation	310	2	312	
Retirement Expense	9,650	22	9,672	
Parks-Buildings	87,946	32,414	120,360	
Mayor's Office	28,749	6,999	35,748	
City Solicitor	4,154	424	4,578	
City Clerk	11,725		11,725	
Director of Admin Services		10,041	10,041	
Accounting		2,830	2,830	
Human Resources		10,157	10,157	
Controller/Treasurer		28	28	
Information Services		31,072	31,072	
Total Allocated Additions:	282,572	94,108	376,680	376,680
Total To Be Allocated:	347,638	94,108		441,746

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department City Council

	Total	G&A	City Council
Wages & Benefits			
Salaries & Wages	55,453	0	55,453
Other Expense & Cost			
Travel	3,211	0	3,211
Misc Expense	4,922	0	4,922
Training	1,480	0	1,480
Departmental Total			
Expenditures Per Financial Statement	65,066		
Deductions			
*Total Disallowed Costs	0	0	0
Functional Cost	65,066	0	65,066
Allocation Step 1			
Inbound - All Others	282,572	0	282,572
Reallocate Admin Costs		0	0
Unallocated Costs	0	0	0
1st Allocation	347,638	0	347,638
Allocation Step 2			
Inbound - All Others	94,108	0	94,108
2nd Allocation	94,108	0	94,108
Total For City Council			
Schedule .3 Total	441,746	0	441,746

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department City Council

Activity - City Council

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Retirement Expense	1	0.819672	2,850		2,850		2,850
City Solicitor	1	0.819672	2,850		2,850		2,850
Director of Admin Services	5	4.098361	14,247		14,247	3,921	18,169
Accounting	1	0.819672	2,850		2,850	784	3,634
Human Resources	1	0.819672	2,850		2,850	784	3,634
Controller/Treasurer	2	1.639344	5,699		5,699	1,568	7,267
Procurement & Collections	2	1.639344	5,699		5,699	1,568	7,267
Director Public Works	1	0.819672	2,850		2,850	784	3,634
Neighborhood Engagement	2	1.639344	5,699		5,699	1,568	7,267
Planning	8	6.557377	22,796		22,796	6,274	29,070
Debt Service	5	4.098361	14,247		14,247	3,921	18,169
Police	4	3.278689	11,398		11,398	3,137	14,535
Fire	5	4.098361	14,247		14,247	3,921	18,169
Dir of Community Planning & Economic Dev	1	0.819672	2,850		2,850	784	3,634
PM Code Compliance	2	1.639344	5,699		5,699	1,568	7,267
Lead Safety & CD	1	0.819672	2,850		2,850	784	3,634
Street Maintenance	1	0.819672	2,850		2,850	784	3,634
Traffic	2	1.639344	5,699		5,699	1,568	7,267
Parks-Parks	2	1.639344	5,699		5,699	1,568	7,267
Parks-Central Market	1	0.819672	2,850		2,850	784	3,634
CDBG (F235)	1	0.819672	2,850		2,850	784	3,634
Capital Projects	2	1.639344	5,699		5,699	1,568	7,267
Stormwater Mgmt (F560)	2	1.639344	5,699		5,699	1,568	7,267
Wastewater Operations (F561)	13	10.655738	37,043		37,043	10,195	47,238
Water Fund (F562)	5	4.098361	14,247		14,247	3,921	18,169
Solid Waste & Recycle (F563)	1	0.819672	2,850		2,850	784	3,634
ARPA Fund	3	2.459016	8,548		8,548	2,353	10,901
Curb & Sidewalk (F462)	1	0.819672	2,850		2,850	784	3,634
Other	46	37.704920	131,077		131,077	36,076	167,152
Schedule .4 Total for City Council	122	100.000000	347,638		347,638	94,108	441,746

Allocation Basis: Resolutions And Ordinances Passed By Department/Bureau
Allocation Source: Actual Count of Resolutions & Ordinances - City Clerk

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department City Council

Receiving Department	Total	City Council
Retirement Expense	2,850	2,850
City Solicitor	2,850	2,850
Director of Admin Services	18,169	18,169
Accounting	3,634	3,634
Human Resources	3,634	3,634
Controller/Treasurer	7,267	7,267
Procurement & Collections	7,267	7,267
Director Public Works	3,634	3,634
Neighborhood Engagement	7,267	7,267
Planning	29,070	29,070
Debt Service	18,169	18,169
Police	14,535	14,535
Fire	18,169	18,169
Dir of Community Planning & Economic Dev	3,634	3,634
PM Code Compliance	7,267	7,267
Lead Safety & CD	3,634	3,634
Street Maintenance	3,634	3,634
Traffic	7,267	7,267
Parks-Parks	7,267	7,267
Parks-Central Market	3,634	3,634
CDBG (F235)	3,634	3,634
Capital Projects	7,267	7,267
Stormwater Mgmt (F560)	7,267	7,267
Wastewater Operations (F561)	47,238	47,238
Water Fund (F562)	18,169	18,169
Solid Waste & Recycle (F563)	3,634	3,634
ARPA Fund	10,901	10,901
Curb & Sidewalk (F462)	3,634	3,634
Other	167,152	167,152
Direct Bill	0	0
Total	441,746	441,746

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .1 - Nature and Extent of Services
For Department Director of Admin Services

The Administrative Services Office is responsible for all issues that impact all City departments and bureaus such as City policies and procedures, insurance policy analysis and renewal, collective bargaining, contract review and recommendation, the City budget process, etc. Costs associated with these functions have been separately identified and allocated based on the number of full-time employees by department/bureau in 2022.

Costs classified as “Other Direct” have been allocated directly based on invoice analysis.

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .2 - Costs To Be Allocated
For Department Director of Admin Services

	1st Allocation	2nd Allocation	Sub-Total	Total
Expenditures Per Financial Statement:	623,698			623,698
Inbound Costs:				
Building Depreciation	9,620		9,620	
Equipment Depreciation	1,948		1,948	
Property Insurance	446		446	
Liability & Other Insurance	1,371	3	1,374	
Personnel Insurance	27,792	348	28,140	
Workers' Compensation	1,012	7	1,019	
Retirement Expense	31,511	72	31,583	
Parks-Buildings	6,856	2,527	9,382	
Mayor's Office	5,864	1,558	7,421	
City Solicitor	4,088	128	4,215	
City Clerk	4,500	509	5,009	
City Council	14,247	3,921	18,169	
Director of Admin Services		1,244	1,244	
Accounting		2,709	2,709	
Human Resources		2,902	2,902	
Controller/Treasurer		203	203	
Information Services		9,788	9,788	
Total Allocated Additions:	109,254	25,917	135,171	135,171
Total To Be Allocated:	732,952	25,917		758,869

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department Director of Admin Services

	Total	G&A	City-Wide Admin	Other Direct
Wages & Benefits				
Salaries & Wages	181,067	0	181,067	0
Other Expense & Cost				
PC Lease	58,549	1,625	0	56,924
Dues & Subscriptions	5,594	0	5,594	0
Postage	211	0	211	0
Printing	2,976	0	2,976	0
Telephone	567	0	567	0
Professional Services	371,943	0	92,046	279,897
Training/Education	331	0	331	0
Office Supplies	1,659	0	1,659	0
Minor Equipment	801	0	801	0
Departmental Total				
Expenditures Per Financial Statement	623,698			
Deductions				
*Total Disallowed Costs	0	0	0	0
Functional Cost	623,698	1,625	285,252	336,821
Allocation Step 1				
Inbound - Personnel Insurance	27,792	0	27,792	0
Inbound - Workers' Compensation	1,012	0	1,012	0
Inbound - Retirement Expense	31,511	0	31,511	0
Inbound - All Others	48,940	0	48,940	0
Reallocate Admin Costs		(1,625)	1,625	0
Unallocated Costs	0	0	0	0
1st Allocation	732,952	0	396,131	336,821
Allocation Step 2				
Inbound - Personnel Insurance	348	0	348	0
Inbound - Workers' Compensation	7	0	7	0
Inbound - Retirement Expense	72	0	72	0
Inbound - All Others	25,490	0	25,490	0
2nd Allocation	25,917	0	25,917	0
Total For Director of Admin Services				
Schedule .3 Total	758,869	0	422,048	336,821

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Director of Admin Services

Activity - City-Wide Admin

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Parks-Buildings	12.99	2.039246	8,078		8,078		8,078
Mayor's Office	6.54	1.026688	4,067		4,067		4,067
City Solicitor	2.00	0.313972	1,244		1,244		1,244
City Clerk	1.00	0.156986	622		622		622
City Council	7.00	1.098901	4,353		4,353		4,353
Director of Admin Services	2.00	0.313972	1,244		1,244		1,244
Accounting	6.00	0.941915	3,731		3,731	257	3,988
Human Resources	6.00	0.941915	3,731		3,731	257	3,988
Controller/Treasurer	2.00	0.313972	1,244		1,244	86	1,329
Information Services	5.50	0.863422	3,420		3,420	235	3,656
Procurement & Collections	1.55	0.243328	964		964	66	1,030
Director Public Works	2.00	0.313972	1,244		1,244	86	1,329
Motor Vehicles	5.25	0.824176	3,265		3,265	225	3,490
Neighborhood Engagement	4.00	0.627943	2,488		2,488	171	2,659
Public Art	1.00	0.156986	622		622	43	665
Engineering	2.93	0.459969	1,822		1,822	125	1,948
Planning	5.89	0.924647	3,663		3,663	252	3,915
Police	206.84	32.470958	128,628		128,628	8,855	137,483
Fire	77.00	12.087912	47,884		47,884	3,296	51,180
Dir of Community Planning & Economic Dev	3.00	0.470958	1,866		1,866	128	1,994
Building Code Administration	6.72	1.054945	4,179		4,179	288	4,467
PM Code Compliance	11.44	1.795918	7,114		7,114	490	7,604
Lead Safety & CD	10.47	1.643642	6,511		6,511	448	6,959
Bureau of Health	5.10	0.800628	3,172		3,172	218	3,390
Streets Administration	0.25	0.039246	156		156	11	166
Street Maintenance	11.00	1.726845	6,841		6,841	471	7,311
Traffic	5.29	0.830455	3,290		3,290	226	3,516
Parks-Parks	13.13	2.061224	8,165		8,165	562	8,727
Parks-Trees	5.30	0.832025	3,296		3,296	227	3,523
Parks-Central Market	1.65	0.259027	1,026		1,026	71	1,097
Emergency Shelter Grant (F221)	0.65	0.102041	404		404	28	432
HOME Invest Partnership (F229)	0.19	0.029827	118		118	8	126
CDBG (F235)	8.00	1.255887	4,975		4,975	342	5,317
Stormwater Mgmt (F560)	25.22	3.959184	15,684		15,684	1,079	16,763
Wastewater Operations (F561)	63.11	9.907378	39,246		39,246	2,701	41,948
Water Fund (F562)	92.21	14.475667	57,343		57,343	3,947	61,290
Solid Waste & Recycle (F563)	10.57	1.659341	6,573		6,573	452	7,026
Lanc Office of Promotion	6.21	0.974882	3,862		3,862	266	4,128
Schedule .4 Total for City-Wide Admin	637.00	100.000000	396,131		396,131	25,917	422,048

Allocation Basis: Full-Time Equivalent Employees By Department/Bureau
Allocation Source: 2022 Manning Report - Accounting

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Director of Admin Services

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Activity - Other Direct

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Mayor's Office	68,938	20.467008	68,937		68,937		68,937
City Solicitor	2,438	0.723818	2,438		2,438		2,438
City Clerk	813	0.241372	813		813		813
City Council	5,688	1.688711	5,688		5,688		5,688
Accounting	4,875	1.447339	4,875		4,875		4,875
Human Resources	22,463	6.669042	22,463		22,463		22,463
Controller/Treasurer	3,250	0.964893	3,250		3,250		3,250
Information Services	2,438	0.723818	2,438		2,438		2,438
Procurement & Collections	15,059	4.470868	15,059		15,059		15,059
Neighborhood Engagement	7,313	2.171157	7,313		7,313		7,313
Engineering	8,613	2.557114	8,613		8,613		8,613
Planning	8,613	2.557114	8,613		8,613		8,613
Debt Service	500	0.148445	500		500		500
Police	8,613	2.557114	8,613		8,613		8,613
Fire	8,613	2.557114	8,613		8,613		8,613
Building Code Administration	8,613	2.557114	8,613		8,613		8,613
PM Code Compliance	8,613	2.557114	8,613		8,613		8,613
Lead Safety & CD	2,871	0.852371	2,871		2,871		2,871
Bureau of Health	8,613	2.557114	8,613		8,613		8,613
Lanc Office of Promotion	7,795	2.314258	7,795		7,795		7,795
ARPA Fund	122,687	36.424554	122,686		122,686		122,686
Other	9,406	2.792548	9,406		9,406		9,406
Schedule .4 Total for Other Direct	336,825	100.000000	336,821		336,821	0	336,821

Allocation Basis: Direct Allocation to Applicable Departments
Allocation Source: Invoice Analysis - Accounting

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department Director of Admin Services

Receiving Department	Total	City-Wide Admin	Other Direct
Parks-Buildings	8,078	8,078	0
Mayor's Office	73,004	4,067	68,937
City Solicitor	3,682	1,244	2,438
City Clerk	1,435	622	813
City Council	10,041	4,353	5,688
Director of Admin Services	1,244	1,244	0
Accounting	8,863	3,988	4,875
Human Resources	26,451	3,988	22,463
Controller/Treasurer	4,579	1,329	3,250
Information Services	6,094	3,656	2,438
Procurement & Collections	16,089	1,030	15,059
Director Public Works	1,329	1,329	0
Motor Vehicles	3,490	3,490	0
Neighborhood Engagement	9,972	2,659	7,313
Public Art	665	665	0
Engineering	10,560	1,948	8,613
Planning	12,528	3,915	8,613
Debt Service	500	0	500
Police	146,096	137,483	8,613
Fire	59,793	51,180	8,613
Dir of Community Planning & Economic Dev	1,994	1,994	0
Building Code Administration	13,079	4,467	8,613
PM Code Compliance	16,217	7,604	8,613
Lead Safety & CD	9,830	6,959	2,871
Bureau of Health	12,003	3,390	8,613
Streets Administration	166	166	0
Street Maintenance	7,311	7,311	0
Traffic	3,516	3,516	0
Parks-Parks	8,727	8,727	0
Parks-Trees	3,523	3,523	0
Parks-Central Market	1,097	1,097	0
Emergency Shelter Grant (F221)	432	432	0
HOME Invest Partnership (F229)	126	126	0
CDBG (F235)	5,317	5,317	0
Stormwater Mgmt (F560)	16,763	16,763	0
Wastewater Operations (F561)	41,948	41,948	0
Water Fund (F562)	61,290	61,290	0
Solid Waste & Recycle (F563)	7,026	7,026	0
Lanc Office of Promotion	11,923	4,128	7,795
ARPA Fund	122,686	0	122,686
Other	9,406	0	9,406
Direct Bill	0	0	0
Total	758,869	422,048	336,821

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .1 - Nature and Extent of Services
For Department Accounting

The Accounting Office is responsible for all of the City's financial affairs, including the activities of general accounting, payroll accounting, budget preparation, City audit, City cost plan, grants accounting and grants writer.

General accounting costs have been allocated based on 2022 non-payroll related accounting transactions processed by department.

Costs of payroll accounting have been allocated based on the number of payroll transactions processed in 2022.

Professional audit services and indirect cost allocation services have been separated out and allocated based on total accounting transactions processed and cost allocations, respectively. Direct-billed departments have been omitted from allocation.

Costs associated with CDBG, HOME, Federal and Local Grants accounting have been functionalized separately and allocated based on the number of hours spent by grants area.

Employee costs directly charged to grant funded related areas have been offset in the plan if applicable.

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .2 - Costs To Be Allocated
For Department Accounting

	1st Allocation	2nd Allocation	Sub-Total	Total
Expenditures Per Financial Statement:	521,928			521,928
Inbound Costs:				
Building Depreciation	46,163		46,163	
Equipment Depreciation	369		369	
Property Insurance	2,140		2,140	
Liability & Other Insurance	3,478	8	3,485	
Personnel Insurance	63,639	797	64,435	
Workers' Compensation	2,346	16	2,362	
Retirement Expense	73,040	167	73,207	
Parks-Buildings	32,896	12,124	45,021	
Mayor's Office	4,387	1,120	5,507	
City Solicitor	3,299	370	3,668	
City Clerk	900	102	1,002	
City Council	2,850	784	3,634	
Director of Admin Services	8,606	257	8,863	
Accounting		3,984	3,984	
Human Resources		8,706	8,706	
Controller/Treasurer		119	119	
Information Services		27,462	27,462	
Procurement & Collections		1,735	1,735	
Total Allocated Additions:	244,112	57,750	301,862	301,862
Total To Be Allocated:	766,040	57,750		823,790

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department Accounting

	Total	G&A	General Accounting	Payroll Accounting	Audit Expense
Wages & Benefits					
Salaries & Wages	419,707	0	213,001	139,553	0
Other Expense & Cost					
Advertising	454	0	230	151	0
Postage	4,315	0	2,190	1,435	0
Printing	1,004	0	509	334	0
Telephone	1,467	0	744	488	0
Travel	2,209	0	1,122	734	0
Professional Services	19,425	0	9,858	6,459	0
Audit Expense	36,095	0	0	2,000	23,000
Bank Svc Charge	32,501	0	32,501	0	0
Credit Card Fees	572	0	572	0	0
Training & Education	1,597	0	810	531	0
Office Supplies	1,999	0	1,014	665	0
Minor Equipment	583	0	296	194	0
Departmental Total					
Expenditures Per Financial Statement	521,928				
Deductions					
*Total Disallowed Costs	0	0	0	0	0
Functional Cost	521,928	0	262,847	152,544	23,000
Allocation Step 1					
Inbound - Personnel Insurance	63,639	0	32,297	21,160	0
Inbound - Workers' Compensation	2,346	0	1,191	780	0
Inbound - Retirement Expense	73,040	0	37,068	24,286	0
Inbound - All Others	105,087	0	53,332	34,941	0
Reallocate Admin Costs		0	0	0	0
Unallocated Costs	0	0	0	0	0
1st Allocation	766,040	0	386,734	233,711	23,000
Allocation Step 2					
Inbound - Personnel Insurance	797	0	404	265	0
Inbound - Workers' Compensation	16	0	8	5	0
Inbound - Retirement Expense	167	0	85	55	0
Inbound - All Others	56,771	0	28,812	18,876	0
2nd Allocation	57,750	0	29,310	19,202	0
Total For Accounting					
Schedule .3 Total	823,790	0	416,043	252,913	23,000

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department Accounting

	Grants Accounting	Cost Plan
Wages & Benefits		
Salaries & Wages	67,153	0
Other Expense & Cost		
Advertising	73	0
Postage	690	0
Printing	161	0
Telephone	235	0
Travel	353	0
Professional Services	3,108	0
Audit Expense	0	11,095
Bank Svc Charge	0	0
Credit Card Fees	0	0
Training & Education	256	0
Office Supplies	320	0
Minor Equipment	93	0
Departmental Total		
Expenditures Per Financial Statement		
Deductions		
*Total Disallowed Costs	0	0
Functional Cost	72,442	11,095
Allocation Step 1		
Inbound - Personnel Insurance	10,182	0
Inbound - Workers' Compensation	375	0
Inbound - Retirement Expense	11,686	0
Inbound - All Others	16,814	0
Reallocate Admin Costs	0	0
Unallocated Costs	0	0
1st Allocation	111,500	11,095
Allocation Step 2		
Inbound - Personnel Insurance	127	0
Inbound - Workers' Compensation	3	0
Inbound - Retirement Expense	27	0
Inbound - All Others	9,082	0
2nd Allocation	9,239	0
Total For Accounting		
Schedule .3 Total	120,739	11,095

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Accounting

Activity - General Accounting

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Liability & Other Insurance	40	0.141608	548		548		548
Personnel Insurance	292	1.033738	3,998		3,998		3,998
Workers' Compensation	57	0.201791	780		780		780
Retirement Expense	48	0.169930	657		657		657
Parks Administration	353	1.249690	4,833		4,833		4,833
Parks-Buildings	1,353	4.789889	18,524		18,524		18,524
Mayor's Office	121	0.428364	1,657		1,657		1,657
City Solicitor	234	0.828407	3,204		3,204		3,204
City Clerk	66	0.233653	904		904		904
City Council	27	0.095585	370		370		370
Director of Admin Services	147	0.520409	2,013		2,013		2,013
Accounting	153	0.541650	2,095		2,095		2,095
Human Resources	315	1.115163	4,313		4,313	364	4,677
Controller/Treasurer	10	0.035402	137		137	11	148
Information Services	182	0.644316	2,492		2,492	210	2,702
Procurement & Collections	217	0.768223	2,971		2,971	251	3,222
Director Public Works	241	0.853188	3,300		3,300	279	3,578
Motor Vehicles	394	1.394838	5,394		5,394	455	5,850
Neighborhood Engagement	208	0.736361	2,848		2,848	240	3,088
Public Art	21	0.074344	288		288	24	312
Engineering	251	0.888590	3,436		3,436	290	3,727
Planning	212	0.750522	2,903		2,903	245	3,147
Community Involvement	161	0.569972	2,204		2,204	186	2,390
Debt Service	33	0.116827	452		452	38	490
Police	1,903	6.736999	26,054		26,054	2,200	28,254
Fire	870	3.079973	11,911		11,911	1,006	12,917
Dir of Community Planning & Economic Dev	231	0.817786	3,163		3,163	267	3,430
Building Code Administration	209	0.739902	2,861		2,861	242	3,103
PM Code Compliance	632	2.237406	8,653		8,653	730	9,383
Lead Safety & CD	6	0.021241	82		82	7	89
Bureau of Health	102	0.361100	1,397		1,397	118	1,514
Streets Administration	432	1.529366	5,915		5,915	499	6,414
Street Maintenance	93	0.329239	1,273		1,273	107	1,381
Traffic	785	2.779056	10,748		10,748	907	11,655
Parks-Parks	733	2.594966	10,036		10,036	847	10,883
Parks-Trees	13	0.046023	178		178	15	193
Parks-Central Market	82	0.290296	1,123		1,123	95	1,217
Heritage Center	27	0.095585	370		370	31	401
Enterprise Zone Repay (F214)	1	0.003540	14		14	1	15
Emergency Shelter Grant (F221)	66	0.233653	904		904	76	980
HOME Invest Partnership (F229)	35	0.123907	479		479	40	520
CDBG (F235)	696	2.463978	9,529		9,529	805	10,334
HUD Lead Grant (F236)	503	1.780720	6,887		6,887	581	7,468
Misc State Grants (F240)	243	0.860268	3,327		3,327	281	3,608
Misc Federal Grants (F241)	46	0.162849	630		630	53	683
Misc Local Grants (F242)	227	0.803625	3,108		3,108	262	3,370
Liquid Fuels (F265)	594	2.102878	8,133		8,133	687	8,819
Capital Projects	238	0.842567	3,258		3,258	275	3,534
Stormwater Mgmt (F560)	1,240	4.389847	16,977		16,977	1,433	18,410
Capital-SWM	104	0.368181	1,424		1,424	120	1,544
Wastewater Operations (F561)	3,775	13.364251	51,684		51,684	4,364	56,048

All Monetary Values are US Dollars
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Prepared By MAXIMUS Consulting Services, Inc.

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Accounting

Activity - General Accounting

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Capital Projects Sewer	106	0.375261	1,451		1,451	122	1,574
Water Fund (F562)	5,149	18.228487	70,496		70,496	5,956	76,452
Capital Projects-Water	241	0.853188	3,300		3,300	279	3,578
Solid Waste & Recycle (F563)	779	2.757815	10,665		10,665	900	11,566
Bd of Trust & Charties (F603)	9	0.031862	123		123	10	133
Long's Park (F662)	396	1.401919	5,422		5,422	458	5,879
DID (F702)	14	0.049563	192		192	16	208
Special Events (F249)	147	0.520409	2,013		2,013	170	2,182
Lanc Office of Promotion	303	1.072680	4,148		4,148	350	4,499
Int Svc-Hlth Costs (F801)	1,984	7.023755	27,163		27,163	2,293	29,457
Lanc City Connect	61	0.215952	835		835	70	906
ARPA Fund	5	0.017701	68		68	6	74
Curb & Sidewalk (F462)	31	0.109746	424		424	36	460
Schedule .4 Total for General Accounting	28,247	100.000000	386,734		386,734	29,310	416,043

Allocation Basis: Accounting Transactions Processed By Department/Bureau
Allocation Source: Transaction Report - Accounting/Information Services

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Accounting

Activity - Payroll Accounting

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Parks-Buildings	651	3.092049	7,226		7,226		7,226
Mayor's Office	170	0.807448	1,887		1,887		1,887
City Solicitor	68	0.322979	755		755		755
City Clerk	26	0.123492	289		289		289
City Council	180	0.854944	1,998		1,998		1,998
Director of Admin Services	49	0.232735	544		544		544
Accounting	149	0.707704	1,654		1,654		1,654
Human Resources	143	0.679206	1,587		1,587	139	1,726
Controller/Treasurer	52	0.246984	577		577	50	628
Information Services	97	0.460720	1,077		1,077	94	1,171
Procurement & Collections	825	3.918495	9,158		9,158	802	9,960
Director Public Works	52	0.246984	577		577	50	628
Motor Vehicles	221	1.049682	2,453		2,453	215	2,668
Neighborhood Engagement	142	0.674456	1,576		1,576	138	1,714
Engineering	195	0.926190	2,165		2,165	189	2,354
Planning	114	0.541465	1,265		1,265	111	1,376
Police	5,753	27.324973	63,862		63,862	5,592	69,454
Fire	2,016	9.575378	22,379		22,379	1,959	24,338
Dir of Community Planning & Economic Dev	78	0.370476	866		866	76	942
Building Code Administration	356	1.690890	3,952		3,952	346	4,298
PM Code Compliance	553	2.626579	6,139		6,139	537	6,676
Lead Safety & CD	183	0.869194	2,031		2,031	178	2,209
Bureau of Health	113	0.536715	1,254		1,254	110	1,364
Streets Administration	26	0.123492	289		289	25	314
Street Maintenance	490	2.327349	5,439		5,439	476	5,915
Traffic	234	1.111428	2,598		2,598	227	2,825
Parks-Parks	476	2.260853	5,284		5,284	462	5,746
Emergency Shelter Grant (F221)	17	0.080745	189		189	16	205
HOME Invest Partnership (F229)	5	0.023748	55		55	5	60
CDBG (F235)	304	1.443906	3,375		3,375	295	3,670
Capital Projects	18	0.085494	200		200	17	217
Stormwater Mgmt (F560)	981	4.659447	10,890		10,890	953	11,843
Wastewater Operations (F561)	2,474	11.750736	27,463		27,463	2,404	29,867
Water Fund (F562)	3,344	15.882968	37,120		37,120	3,249	40,370
Solid Waste & Recycle (F563)	301	1.429657	3,341		3,341	293	3,634
Long's Park (F662)	13	0.061746	144		144	13	157
Lanc Office of Promotion	185	0.878693	2,054		2,054	180	2,233
Schedule .4 Total for Payroll Accounting	21,054	100.000000	233,711		233,711	19,202	252,913

Allocation Basis: Payroll Transactions Processed By Department/Bureau
Allocation Source: Payroll Statistical Report - Information Services

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Accounting

Activity - Audit Expense

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Liability & Other Insurance	40	0.135300	31		31		31
Personnel Insurance	292	0.987688	227		227		227
Workers' Compensation	57	0.192802	44		44		44
Retirement Expense	48	0.162360	37		37		37
Parks Administration	353	1.194020	275		275		275
Parks-Buildings	2,004	6.778514	1,559		1,559		1,559
Mayor's Office	291	0.984305	226		226		226
City Solicitor	302	1.021513	235		235		235
City Clerk	92	0.311189	72		72		72
City Council	207	0.700176	161		161		161
Director of Admin Services	196	0.662968	152		152		152
Accounting	302	1.021513	235		235		235
Human Resources	458	1.549181	356		356		356
Controller/Treasurer	62	0.209715	48		48		48
Information Services	279	0.943715	217		217		217
Procurement & Collections	1,042	3.524557	811		811		811
Director Public Works	293	0.991070	228		228		228
Motor Vehicles	615	2.080233	478		478		478
Neighborhood Engagement	350	1.183872	272		272		272
Public Art	21	0.071032	16		16		16
Engineering	446	1.508592	347		347		347
Planning	326	1.102692	254		254		254
Community Involvement	161	0.544581	125		125		125
Debt Service	33	0.111622	26		26		26
Police	7,656	25.896363	5,956		5,956		5,956
Fire	2,886	9.761873	2,245		2,245		2,245
Dir of Community Planning & Economic Dev	309	1.045190	240		240		240
Building Code Administration	565	1.911108	440		440		440
PM Code Compliance	1,185	4.008253	922		922		922
Lead Safety & CD	189	0.639291	147		147		147
Bureau of Health	215	0.727236	167		167		167
Streets Administration	458	1.549181	356		356		356
Street Maintenance	583	1.971993	454		454		454
Traffic	1,019	3.446760	793		793		793
Parks-Parks	1,209	4.089433	941		941		941
Parks-Trees	13	0.043972	10		10		10
Parks-Central Market	82	0.277364	64		64		64
Heritage Center	27	0.091327	21		21		21
Enterprise Zone Repay (F214)	1	0.003382	1		1		1
Emergency Shelter Grant (F221)	83	0.280747	65		65		65
HOME Invest Partnership (F229)	40	0.135300	31		31		31
HUD Lead Grant (F236)	503	1.701394	391		391		391
Misc Federal Grants (F241)	46	0.155595	36		36		36
Misc Local Grants (F242)	227	0.767826	177		177		177
Liquid Fuels (F265)	594	2.009200	462		462		462
Capital Projects	256	0.865918	199		199		199
Bd of Trust & Charties (F603)	9	0.030442	7		7		7
Long's Park (F662)	409	1.383439	318		318		318
DID (F702)	14	0.047355	11		11		11
Special Events (F249)	147	0.497226	114		114		114
Lanc Office of Promotion	488	1.650656	380		380		380

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Accounting

Activity - Audit Expense

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Int Svc-Hlth Costs (F801)	1,984	6.710865	1,544		1,544		1,544
Lanc City Connect	61	0.206332	47		47		47
ARPA Fund	5	0.016912	4		4		4
Curb & Sidewalk (F462)	31	0.104857	24		24		24
Schedule .4 Total for Audit Expense	29,564	100.000000	23,000		23,000	0	23,000

Allocation Basis: Acctg (Pyrll/Non-Pyrll) Trans. By Dept Excl Wtr,Swr,Trsh,SWM,CDBG,F240
Allocation Source: Transaction Report - Accounting/Information Services

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Accounting

Activity - Grants Accounting

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
HOME Invest Partnership (F229)	90	4.909984	5,475		5,475	454	5,928
CDBG (F235)	345	18.821604	20,986		20,986	1,739	22,725
HUD Lead Grant (F236)	264	14.402619	16,059		16,059	1,331	17,390
Misc State Grants (F240)	750	40.916530	45,622		45,622	3,780	49,402
Misc Federal Grants (F241)	132	7.201309	8,029		8,029	665	8,695
Misc Local Grants (F242)	252	13.747954	15,329		15,329	1,270	16,599
Schedule .4 Total for Grants Accounting	1,833	100.000000	111,500		111,500	9,239	120,739

Allocation Basis: Hours Spent By Grant
Allocation Source: Time Accounting Report - Accounting

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Accounting

Activity - Cost Plan

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
City Council	284,564	2.717926	302		302		302
Neighborhood Engagement	141,681	1.353223	150		150		150
Public Art	31,859	0.304292	34		34		34
Engineering	260,334	2.486501	276		276		276
Planning	161,080	1.538507	171		171		171
Community Involvement	3,250	0.031041	3		3		3
Debt Service	1,844	0.017612	2		2		2
Police	2,640,589	25.220778	2,798		2,798		2,798
Fire	1,124,441	10.739755	1,192		1,192		1,192
Dir of Community Planning & Economic Dev	177,810	1.698298	188		188		188
Building Code Administration	198,252	1.893544	210		210		210
PM Code Compliance	255,180	2.437274	270		270		270
Lead Safety & CD	187,473	1.790591	199		199		199
Bureau of Health	84,527	0.807334	90		90		90
Street Maintenance	867,705	8.287620	920		920		920
Traffic	405,043	3.868645	429		429		429
Parks-Parks	1,072,199	10.240782	1,136		1,136		1,136
Lancaster Recreation Center	42,684	0.407683	45		45		45
Parks-Trees	191,811	1.832024	203		203		203
Parks-Central Market	108,984	1.040927	115		115		115
Heritage Center	716	0.006839	1		1		1
Enterprise Zone Repay (F214)	23	0.000220	0		0		0
Emergency Shelter Grant (F221)	8,411	0.080335	9		9		9
HOME Invest Partnership (F229)	7,804	0.074538	8		8		8
CDBG (F235)	144,677	1.381838	153		153		153
HUD Lead Grant (F236)	26,073	0.249028	28		28		28
Misc State Grants (F240)	49,712	0.474809	53		53		53
Misc Federal Grants (F241)	8,425	0.080469	9		9		9
Misc Local Grants (F242)	18,942	0.180919	20		20		20
Liquid Fuels (F265)	10,228	0.097690	11		11		11
Capital Projects	10,413	0.099457	11		11		11
Stormwater Mgmt (F560)	270,396	2.582605	287		287		287
Capital-SWM	575	0.005492	1		1		1
Wastewater Operations (F561)	453,015	4.326835	480		480		480
Capital Projects Sewer	3,607	0.034451	4		4		4
Water Fund (F562)	851,877	8.136443	903		903		903
Capital Projects-Water	4,827	0.046104	5		5		5
Solid Waste & Recycle (F563)	106,470	1.016916	113		113		113
Lancaster Square Proj (F440)	2,808	0.026820	3		3		3
Bd of Trust & Charties (F603)	189	0.001805	0		0		0
Long's Park (F662)	55,465	0.529757	59		59		59
DID (F702)	1,567	0.014967	2		2		2
Special Events (F249)	1,408	0.013448	1		1		1
Lanc Office of Promotion	141,164	1.348285	150		150		150
Int Svc-Hlth Costs (F801)	42,785	0.408648	45		45		45
Lanc City Connect	1,648	0.015740	2		2		2
ARPA Fund	5,359	0.051185	6		6		6
Schedule .4 Total for Cost Plan	10,469,894	100.000000	11,095		11,095	0	11,095

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Accounting

Activity - Cost Plan

Allocation Basis: 2021 Cost Allocations By Department/Bureau
Allocation Source: 2021 Cost Allocation Plan

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department Accounting

Receiving Department	Total	General Accounting	Payroll Accounting	Audit Expense	Grants Accounting
Liability & Other Insurance	579	548	0	31	0
Personnel Insurance	4,225	3,998	0	227	0
Workers' Compensation	825	780	0	44	0
Retirement Expense	695	657	0	37	0
Parks Administration	5,108	4,833	0	275	0
Parks-Buildings	27,310	18,524	7,226	1,559	0
Mayor's Office	3,770	1,657	1,887	226	0
City Solicitor	4,194	3,204	755	235	0
City Clerk	1,264	904	289	72	0
City Council	2,830	370	1,998	161	0
Director of Admin Services	2,709	2,013	544	152	0
Accounting	3,984	2,095	1,654	235	0
Human Resources	6,759	4,677	1,726	356	0
Controller/Treasurer	824	148	628	48	0
Information Services	4,090	2,702	1,171	217	0
Procurement & Collections	13,992	3,222	9,960	811	0
Director Public Works	4,434	3,578	628	228	0
Motor Vehicles	8,996	5,850	2,668	478	0
Neighborhood Engagement	5,225	3,088	1,714	272	0
Public Art	362	312	0	16	0
Engineering	6,703	3,727	2,354	347	0
Planning	4,948	3,147	1,376	254	0
Community Involvement	2,519	2,390	0	125	0
Debt Service	517	490	0	26	0
Police	106,463	28,254	69,454	5,956	0
Fire	40,691	12,917	24,338	2,245	0
Dir of Community Planning & Economic Dev	4,800	3,430	942	240	0
Building Code Administration	8,050	3,103	4,298	440	0
PM Code Compliance	17,251	9,383	6,676	922	0
Lead Safety & CD	2,644	89	2,209	147	0
Bureau of Health	3,135	1,514	1,364	167	0
Streets Administration	7,084	6,414	314	356	0
Street Maintenance	8,669	1,381	5,915	454	0
Traffic	15,702	11,655	2,825	793	0
Parks-Parks	18,706	10,883	5,746	941	0
Lancaster Recreation Center	45	0	0	0	0
Parks-Trees	406	193	0	10	0
Parks-Central Market	1,397	1,217	0	64	0
Heritage Center	423	401	0	21	0
Enterprise Zone Repay (F214)	16	15	0	1	0
Emergency Shelter Grant (F221)	1,258	980	205	65	0
HOME Invest Partnership (F229)	6,547	520	60	31	5,928
CDBG (F235)	36,882	10,334	3,670	0	22,725
HUD Lead Grant (F236)	25,277	7,468	0	391	17,390
Misc State Grants (F240)	53,063	3,608	0	0	49,402
Misc Federal Grants (F241)	9,422	683	0	36	8,695
Misc Local Grants (F242)	20,166	3,370	0	177	16,599
Liquid Fuels (F265)	9,292	8,819	0	462	0
Capital Projects	3,961	3,534	217	199	0
Stormwater Mgmt (F560)	30,540	18,410	11,843	0	0
Capital-SWM	1,545	1,544	0	0	0
Wastewater Operations (F561)	86,395	56,048	29,867	0	0

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department Accounting

Receiving Department	Total	General Accounting	Payroll Accounting	Audit Expense	Grants Accounting
Capital Projects Sewer	1,578	1,574	0	0	0
Water Fund (F562)	117,725	76,452	40,370	0	0
Capital Projects-Water	3,583	3,578	0	0	0
Solid Waste & Recycle (F563)	15,312	11,566	3,634	0	0
Lancaster Square Proj (F440)	3	0	0	0	0
Bd of Trust & Charties (F603)	141	133	0	7	0
Long's Park (F662)	6,413	5,879	157	318	0
DID (F702)	220	208	0	11	0
Special Events (F249)	2,298	2,182	0	114	0
Lanc Office of Promotion	7,261	4,499	2,233	380	0
Int Svc-Hlth Costs (F801)	31,045	29,457	0	1,544	0
Lanc City Connect	955	906	0	47	0
ARPA Fund	84	74	0	4	0
Curb & Sidewalk (F462)	484	460	0	24	0
Direct Bill	0	0	0	0	0
Total	823,790	416,043	252,913	23,000	120,739

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department Accounting

Receiving Department	Cost Plan
Liability & Other Insurance	0
Personnel Insurance	0
Workers' Compensation	0
Retirement Expense	0
Parks Administration	0
Parks-Buildings	0
Mayor's Office	0
City Solicitor	0
City Clerk	0
City Council	302
Director of Admin Services	0
Accounting	0
Human Resources	0
Controller/Treasurer	0
Information Services	0
Procurement & Collections	0
Director Public Works	0
Motor Vehicles	0
Neighborhood Engagement	150
Public Art	34
Engineering	276
Planning	171
Community Involvement	3
Debt Service	2
Police	2,798
Fire	1,192
Dir of Community Planning & Economic Dev	188
Building Code Administration	210
PM Code Compliance	270
Lead Safety & CD	199
Bureau of Health	90
Streets Administration	0
Street Maintenance	920
Traffic	429
Parks-Parks	1,136
Lancaster Recreation Center	45
Parks-Trees	203
Parks-Central Market	115
Heritage Center	1
Enterprise Zone Repay (F214)	0
Emergency Shelter Grant (F221)	9
HOME Invest Partnership (F229)	8
CDBG (F235)	153
HUD Lead Grant (F236)	28
Misc State Grants (F240)	53
Misc Federal Grants (F241)	9
Misc Local Grants (F242)	20
Liquid Fuels (F265)	11
Capital Projects	11
Stormwater Mgmt (F560)	287
Capital-SWM	1
Wastewater Operations (F561)	480

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department Accounting

Receiving Department	Cost Plan
Capital Projects Sewer	4
Water Fund (F562)	903
Capital Projects-Water	5
Solid Waste & Recycle (F563)	113
Lancaster Square Proj (F440)	3
Bd of Trust & Charties (F603)	0
Long's Park (F662)	59
DID (F702)	2
Special Events (F249)	1
Lanc Office of Promotion	150
Int Svc-Hlth Costs (F801)	45
Lanc City Connect	2
ARPA Fund	6
Curb & Sidewalk (F462)	0
Direct Bill	0
Total	11,095

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .1 - Nature and Extent of Services
For Department Human Resources

The City's Bureau of Human Resources provides administrative support to all City departments/bureaus in processing personnel requests, personnel benefits, and labor relations activities including contract negotiations, grievance review and resolution.

Costs associated with human resource management and services have been allocated based on the number of full-time equivalent employees by department/bureau in 2022.

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .2 - Costs To Be Allocated
For Department Human Resources

	1st Allocation	2nd Allocation	Sub-Total	Total
Expenditures Per Financial Statement:	654,428			654,428
Inbound Costs:				
Building Depreciation	51,045		51,045	
Equipment Depreciation	431		431	
Property Insurance	2,366		2,366	
Liability & Other Insurance	3,358	7	3,365	
Personnel Insurance	59,773	748	60,521	
Workers' Compensation	2,216	15	2,231	
Retirement Expense	68,975	157	69,133	
Parks-Buildings	36,375	13,406	49,782	
Mayor's Office	4,387	1,120	5,507	
City Solicitor	4,772	363	5,136	
City Clerk	900	102	1,002	
City Council	2,850	784	3,634	
Director of Admin Services	26,194	257	26,451	
Accounting	6,256	503	6,759	
Human Resources		8,706	8,706	
Controller/Treasurer		474	474	
Information Services		24,257	24,257	
Procurement & Collections		59	59	
Total Allocated Additions:	269,897	50,960	320,857	320,857
Total To Be Allocated:	924,325	50,960		975,285

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department Human Resources

	Total	G&A	Personnel Services
Wages & Benefits			
Salaries & Wages	396,351	0	396,351
Other Expense & Cost			
Employee Recognition	17,763	0	17,763
Advertising	528	0	528
Dues & Subscriptions	3,862	0	3,862
Postage	578	0	578
Printing	2,015	0	2,015
Telephone	2,101	0	2,101
Travel	2,416	0	2,416
Professional Svcs	177,991	0	177,991
Labor Relatns Exp	752	0	752
Contract Services	38,269	0	38,269
Training/Education	5,336	0	5,336
Office Supplies	1,300	0	1,300
Operating Supplies	1,785	0	1,785
Minor Equipment	3,381	0	3,381
Departmental Total			
Expenditures Per Financial Statement	654,428		
Deductions			
*Total Disallowed Costs	0	0	0
Functional Cost	654,428	0	654,428
Allocation Step 1			
Inbound - Personnel Insurance	59,773	0	59,773
Inbound - Workers' Compensation	2,216	0	2,216
Inbound - Retirement Expense	68,975	0	68,975
Inbound - All Others	138,933	0	138,933
Reallocate Admin Costs		0	0
Unallocated Costs	0	0	0
1st Allocation	924,325	0	924,325
Allocation Step 2			
Inbound - Personnel Insurance	748	0	748
Inbound - Workers' Compensation	15	0	15
Inbound - Retirement Expense	157	0	157
Inbound - All Others	50,039	0	50,039
2nd Allocation	50,960	0	50,960
Total For Human Resources			
Schedule .3 Total	975,285	0	975,285

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Human Resources

Activity - Personnel Services

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Parks-Buildings	12.99	2.039246	18,849		18,849		18,849
Mayor's Office	6.54	1.026688	9,490		9,490		9,490
City Solicitor	2.00	0.313972	2,902		2,902		2,902
City Clerk	1.00	0.156986	1,451		1,451		1,451
City Council	7.00	1.098901	10,157		10,157		10,157
Director of Admin Services	2.00	0.313972	2,902		2,902		2,902
Accounting	6.00	0.941915	8,706		8,706		8,706
Human Resources	6.00	0.941915	8,706		8,706		8,706
Controller/Treasurer	2.00	0.313972	2,902		2,902	172	3,074
Information Services	5.50	0.863422	7,981		7,981	472	8,453
Procurement & Collections	1.55	0.243328	2,249		2,249	133	2,382
Director Public Works	2.00	0.313972	2,902		2,902	172	3,074
Motor Vehicles	5.25	0.824176	7,618		7,618	451	8,069
Neighborhood Engagement	4.00	0.627943	5,804		5,804	343	6,148
Public Art	1.00	0.156986	1,451		1,451	86	1,537
Engineering	2.93	0.459969	4,252		4,252	252	4,503
Planning	5.89	0.924647	8,547		8,547	506	9,052
Police	206.84	32.470958	300,137		300,137	17,763	317,900
Fire	77.00	12.087912	111,732		111,732	6,612	118,343
Dir of Community Planning & Economic Dev	3.00	0.470958	4,353		4,353	258	4,611
Building Code Administration	6.72	1.054945	9,751		9,751	577	10,328
PM Code Compliance	11.44	1.795918	16,600		16,600	982	17,582
Lead Safety & CD	10.47	1.643642	15,193		15,193	899	16,092
Bureau of Health	5.10	0.800628	7,400		7,400	438	7,838
Streets Administration	0.25	0.039246	363		363	21	384
Street Maintenance	11.00	1.726845	15,962		15,962	945	16,906
Traffic	5.29	0.830455	7,676		7,676	454	8,130
Parks-Parks	13.13	2.061224	19,052		19,052	1,127	20,180
Parks-Trees	5.30	0.832025	7,691		7,691	455	8,146
Parks-Central Market	1.65	0.259027	2,394		2,394	142	2,536
Emergency Shelter Grant (F221)	0.65	0.102041	943		943	56	999
HOME Invest Partnership (F229)	0.19	0.029827	276		276	16	292
CDBG (F235)	8.00	1.255887	11,609		11,609	687	12,295
Stormwater Mgmt (F560)	25.22	3.959184	36,596		36,596	2,166	38,761
Wastewater Operations (F561)	63.11	9.907378	91,576		91,576	5,419	96,995
Water Fund (F562)	92.21	14.475667	133,802		133,802	7,918	141,720
Solid Waste & Recycle (F563)	10.57	1.659341	15,338		15,338	908	16,245
Lanc Office of Promotion	6.21	0.974882	9,011		9,011	533	9,544
Schedule .4 Total for Personnel Services	637.00	100.000000	924,325		924,325	50,960	975,285

Allocation Basis: Full-Time Equivalent Employees By Department/Bureau
Allocation Source: 2022 Manning Report - Accounting

All Monetary Values are US Dollars
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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department Human Resources

Receiving Department	Total	Personnel Services
Parks-Buildings	18,849	18,849
Mayor's Office	9,490	9,490
City Solicitor	2,902	2,902
City Clerk	1,451	1,451
City Council	10,157	10,157
Director of Admin Services	2,902	2,902
Accounting	8,706	8,706
Human Resources	8,706	8,706
Controller/Treasurer	3,074	3,074
Information Services	8,453	8,453
Procurement & Collections	2,382	2,382
Director Public Works	3,074	3,074
Motor Vehicles	8,069	8,069
Neighborhood Engagement	6,148	6,148
Public Art	1,537	1,537
Engineering	4,503	4,503
Planning	9,052	9,052
Police	317,900	317,900
Fire	118,343	118,343
Dir of Community Planning & Economic Dev	4,611	4,611
Building Code Administration	10,328	10,328
PM Code Compliance	17,582	17,582
Lead Safety & CD	16,092	16,092
Bureau of Health	7,838	7,838
Streets Administration	384	384
Street Maintenance	16,906	16,906
Traffic	8,130	8,130
Parks-Parks	20,180	20,180
Parks-Trees	8,146	8,146
Parks-Central Market	2,536	2,536
Emergency Shelter Grant (F221)	999	999
HOME Invest Partnership (F229)	292	292
CDBG (F235)	12,295	12,295
Stormwater Mgmt (F560)	38,761	38,761
Wastewater Operations (F561)	96,995	96,995
Water Fund (F562)	141,720	141,720
Solid Waste & Recycle (F563)	16,245	16,245
Lanc Office of Promotion	9,544	9,544
Direct Bill	0	0
Total	975,285	975,285

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .1 - Nature and Extent of Services
For Department Controller/Treasurer

The Office of the City Treasurer is responsible for the receipt, collection, and deposit of all public monies, including taxes, licenses, and payments for water and sewer utilities. In addition, the Treasurer is responsible for the disbursement of all City funds in accordance with warrants issued by the City Controller. The Controller's section is responsible for a post-audit review of all City expenditures to verify sufficient encumbered appropriation exists. Further, the section reviews all purchase orders.

Costs associated with check processing and fund disbursements, including check signing and bank account reconciliation, have been allocated based on the number of accounts payable transactions processed in 2022.

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .2 - Costs To Be Allocated
For Department Controller/Treasurer

	1st Allocation	2nd Allocation	Sub-Total	Total
Expenditures Per Financial Statement:	17,360			17,360
Inbound Costs:				
Liability & Other Insurance	859	2	861	
Personnel Insurance	2,817	35	2,852	
Workers' Compensation	97	1	98	
Retirement Expense	3,021	7	3,028	
Mayor's Office	1,462	373	1,836	
City Solicitor	949	121	1,071	
City Clerk	1,800	203	2,003	
City Council	5,699	1,568	7,267	
Director of Admin Services	4,494	86	4,579	
Accounting	762	62	824	
Human Resources	2,902	172	3,074	
Information Services		17,381	17,381	
Total Allocated Additions:	24,862	20,011	44,873	44,873
Total To Be Allocated:	42,222	20,011		62,233

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department Controller/Treasurer

	Total	G&A	General Accounting
Wages & Benefits			
Salaries & Wages	17,360	0	17,360
Departmental Total			
Expenditures Per Financial Statement	17,360		
Deductions			
*Total Disallowed Costs	0	0	0
Functional Cost	17,360	0	17,360
Allocation Step 1			
Inbound - Personnel Insurance	2,817	0	2,817
Inbound - Workers' Compensation	97	0	97
Inbound - Retirement Expense	3,021	0	3,021
Inbound - All Others	18,928	0	18,928
Reallocate Admin Costs		0	0
Unallocated Costs	0	0	0
1st Allocation	42,222	0	42,222
Allocation Step 2			
Inbound - Personnel Insurance	35	0	35
Inbound - Workers' Compensation	1	0	1
Inbound - Retirement Expense	7	0	7
Inbound - All Others	19,968	0	19,968
2nd Allocation	20,011	0	20,011
Total For Controller/Treasurer			
Schedule .3 Total	62,233	0	62,233

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Controller/Treasurer

Activity - General Accounting

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Liability & Other Insurance	40	0.176157	74		74		74
Personnel Insurance	238	1.048135	443		443		443
Workers' Compensation	13	0.057251	24		24		24
Retirement Expense	2	0.008808	4		4		4
Parks Administration	302	1.329986	562		562		562
Parks-Buildings	1,284	5.654644	2,388		2,388		2,388
Mayor's Office	70	0.308275	130		130		130
City Solicitor	190	0.836746	353		353		353
City Clerk	29	0.127714	54		54		54
City Council	15	0.066059	28		28		28
Director of Admin Services	109	0.480028	203		203		203
Accounting	64	0.281851	119		119		119
Human Resources	255	1.123002	474		474		474
Information Services	164	0.722244	305		305	163	468
Procurement & Collections	178	0.783899	331		331	177	508
Director Public Works	170	0.748668	316		316	169	485
Motor Vehicles	346	1.523759	643		643	344	988
Neighborhood Engagement	177	0.779495	329		329	176	505
Public Art	14	0.061655	26		26	14	40
Engineering	179	0.788303	333		333	178	511
Planning	170	0.748668	316		316	169	485
Community Involvement	147	0.647377	273		273	146	420
Debt Service	32	0.140926	59		59	32	91
Police	1,648	7.257674	3,064		3,064	1,641	4,705
Fire	722	3.179636	1,343		1,343	719	2,061
Dir of Community Planning & Economic Dev	142	0.625358	264		264	141	405
Building Code Administration	153	0.673801	284		284	152	437
PM Code Compliance	554	2.439776	1,030		1,030	552	1,582
Bureau of Health	71	0.312679	132		132	71	203
Streets Administration	392	1.726340	729		729	390	1,119
Street Maintenance	65	0.286255	121		121	65	186
Traffic	753	3.316158	1,400		1,400	750	2,150
Parks-Parks	705	3.104769	1,311		1,311	702	2,013
Parks-Central Market	66	0.290659	123		123	66	188
Heritage Center	27	0.118906	50		50	27	77
Emergency Shelter Grant (F221)	53	0.233408	99		99	53	151
HOME Invest Partnership (F229)	4	0.017616	7		7	4	11
CDBG (F235)	383	1.686705	712		712	381	1,094
HUD Lead Grant (F236)	430	1.893689	800		800	428	1,228
Misc State Grants (F240)	161	0.709032	299		299	160	460
Misc Federal Grants (F241)	41	0.180561	76		76	41	117
Misc Local Grants (F242)	220	0.968864	409		409	219	628
Liquid Fuels (F265)	544	2.395737	1,012		1,012	542	1,553
Capital Projects	165	0.726648	307		307	164	471
Stormwater Mgmt (F560)	981	4.320254	1,824		1,824	977	2,801
Capital-SWM	101	0.444797	188		188	100	288
Wastewater Operations (F561)	3,264	14.374422	6,069		6,069	3,250	9,319
Capital Projects Sewer	102	0.449201	190		190	101	291
Water Fund (F562)	4,543	20.007048	8,448		8,448	4,527	12,975
Capital Projects-Water	226	0.995288	420		420	225	645
Solid Waste & Recycle (F563)	625	2.752455	1,162		1,162	622	1,784

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Controller/Treasurer

Activity - General Accounting

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Long's Park (F662)	373	1.642665	694		694	371	1,065
DID (F702)	11	0.048443	20		20	11	31
Special Events (F249)	145	0.638570	270		270	144	414
Lanc Office of Promotion	270	1.189061	502		502	269	771
Int Svc-Hlth Costs (F801)	500	2.201964	930		930	498	1,428
Lanc City Connect	61	0.268640	113		113	61	174
Curb & Sidewalk (F462)	18	0.079271	33		33	18	51
Schedule .4 Total for General Accounting	22,707	100.000000	42,222		42,222	20,011	62,233

Allocation Basis: AP Transactions Processed By Department/Bureau
Allocation Source: Transaction Report - Accounting/Information Services

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department Controller/Treasurer

Receiving Department	Total	General Accounting
Liability & Other Insurance	74	74
Personnel Insurance	443	443
Workers' Compensation	24	24
Retirement Expense	4	4
Parks Administration	562	562
Parks-Buildings	2,388	2,388
Mayor's Office	130	130
City Solicitor	353	353
City Clerk	54	54
City Council	28	28
Director of Admin Services	203	203
Accounting	119	119
Human Resources	474	474
Information Services	468	468
Procurement & Collections	508	508
Director Public Works	485	485
Motor Vehicles	988	988
Neighborhood Engagement	505	505
Public Art	40	40
Engineering	511	511
Planning	485	485
Community Involvement	420	420
Debt Service	91	91
Police	4,705	4,705
Fire	2,061	2,061
Dir of Community Planning & Economic Dev	405	405
Building Code Administration	437	437
PM Code Compliance	1,582	1,582
Bureau of Health	203	203
Streets Administration	1,119	1,119
Street Maintenance	186	186
Traffic	2,150	2,150
Parks-Parks	2,013	2,013
Parks-Central Market	188	188
Heritage Center	77	77
Emergency Shelter Grant (F221)	151	151
HOME Invest Partnership (F229)	11	11
CDBG (F235)	1,094	1,094
HUD Lead Grant (F236)	1,228	1,228
Misc State Grants (F240)	460	460
Misc Federal Grants (F241)	117	117
Misc Local Grants (F242)	628	628
Liquid Fuels (F265)	1,553	1,553
Capital Projects	471	471
Stormwater Mgmt (F560)	2,801	2,801
Capital-SWM	288	288
Wastewater Operations (F561)	9,319	9,319
Capital Projects Sewer	291	291
Water Fund (F562)	12,975	12,975
Capital Projects-Water	645	645
Solid Waste & Recycle (F563)	1,784	1,784
Long's Park (F662)	1,065	1,065

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department Controller/Treasurer

Receiving Department	Total	General Accounting
DID (F702)	31	31
Special Events (F249)	414	414
Lanc Office of Promotion	771	771
Int Svc-Hlth Costs (F801)	1,428	1,428
Lanc City Connect	174	174
Curb & Sidewalk (F462)	51	51
Direct Bill	0	0
Total	62,233	62,233

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .1 - Nature and Extent of Services
For Department Information Services

The Bureau of Information Systems is a data processing unit for the City of Lancaster. Data processing in the City operates using the distributive processing concept where users interact directly with the computer system. The Bureau's role is one of providing systems management, applications development, planning, coordination and control, and applications maintenance.

For allocation purposes, DP Services have been allocated based on the number of computers by departments/bureaus in 2022 excluding directly billed departments. Water, Sewer and Stormwater are directly charged for a portion of the GIS tech and therefore excluded from allocation.

Costs associated with general information technology support, computer maintenance and trouble shooting have been allocated based on the number of network users by department/bureau.

Costs applicable to the new financial system, Munis, have been separately identified. Munis annual maintenance costs have been allocated based on the number of accounting transactions (payroll/nonpayroll) by department.

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .2 - Costs To Be Allocated
For Department Information Services

	1st Allocation	2nd Allocation	Sub-Total	Total
Expenditures Per Financial Statement:	1,194,609			1,194,609
Deductions:				
MIS Projects (<$5k)	-120,398			
Total Deductions:	-120,398			-120,398
Inbound Costs:				
Building Depreciation	24,374		24,374	
Equipment Depreciation	56,316		56,316	
Property Insurance	1,130		1,130	
Liability & Other Insurance	2,339	5	2,344	
Personnel Insurance	33,841	424	34,265	
Workers' Compensation	1,228	8	1,236	
Retirement Expense	38,224	87	38,311	
Parks-Buildings	23,359	6,401	29,761	
Mayor's Office	4,021	1,027	5,048	
City Solicitor	2,863	366	3,229	
Director of Admin Services	5,858	235	6,094	
Accounting	3,786	304	4,090	
Human Resources	7,981	472	8,453	
Controller/Treasurer	305	163	468	
Information Services		14,582	14,582	
Procurement & Collections		2	2	
Total Allocated Additions:	205,625	24,078	229,703	229,703
Total To Be Allocated:	1,279,836	24,078		1,303,914

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department Information Services

	Total	G&A	DP Services	Info Svcs - All	Munis Annual Suppt/Maint
Wages & Benefits					
Salaries & Wages	219,649	0	18,472	201,177	0
Other Expense & Cost					
Maint-Communications	4,981	0	0	4,981	0
Maint Equipment	12,945	0	0	12,945	0
Postage	4	0	0	4	0
Telephone	2,488	0	209	2,279	0
Travel	1,044	0	88	956	0
Professional Svcs	155,878	0	0	155,878	0
Contract Services	618,616	0	0	286,710	327,842
Office Supplies	176	0	15	161	0
Operating Supplies	2,740	0	230	2,510	0
Minor Equipmnt	55,690	0	4,684	51,006	0
*MIS Projects (<$5k)	120,398	0	0	0	0
Departmental Total					
Expenditures Per Financial Statement	1,194,609				
Deductions					
*Total Disallowed Costs	(120,398)	0	0	0	0
Functional Cost	1,074,211	0	23,698	718,607	327,842
Allocation Step 1					
Inbound - Personnel Insurance	33,841	0	2,846	30,995	0
Inbound - Workers' Compensation	1,228	0	103	1,125	0
Inbound - Retirement Expense	38,224	0	3,215	35,010	0
Inbound - All Others	132,332	0	11,129	121,203	0
Reallocate Admin Costs		0	0	0	0
Unallocated Costs	(4,064)	0	0	0	0
1st Allocation	1,275,772	0	40,991	906,939	327,842
Allocation Step 2					
Inbound - Personnel Insurance	424	0	36	388	0
Inbound - Workers' Compensation	8	0	1	8	0
Inbound - Retirement Expense	87	0	7	80	0
Inbound - All Others	23,558	0	1,981	21,577	0
2nd Allocation	24,078	0	2,024	22,053	0
Total For Information Services					
Schedule .3 Total	1,299,850	0	43,015	928,992	327,842

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department Information Services

	GIS**
Wages & Benefits	
Salaries & Wages	0
Other Expense & Cost	
Maint-Communications	0
Maint Equipment	0
Postage	0
Telephone	0
Travel	0
Professional Svcs	0
Contract Services	4,064
Office Supplies	0
Operating Supplies	0
Minor Equipmnt	0
*MIS Projects (<$5k)	0
Departmental Total	
Expenditures Per Financial Statement	
Deductions	
*Total Disallowed Costs	0
Functional Cost	4,064
Allocation Step 1	
Inbound - Personnel Insurance	0
Inbound - Workers' Compensation	0
Inbound - Retirement Expense	0
Inbound - All Others	0
Reallocate Admin Costs	0
Unallocated Costs	(4,064)
1st Allocation	0
Allocation Step 2	
Inbound - Personnel Insurance	0
Inbound - Workers' Compensation	0
Inbound - Retirement Expense	0
Inbound - All Others	0
2nd Allocation	0
Total For Information Services	
Schedule .3 Total	0

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Information Services

Activity - DP Services

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Parks-Buildings	3.00	1.807229	741		741		741
Mayor's Office	11.00	6.626506	2,716		2,716		2,716
City Solicitor	3.00	1.807229	741		741		741
City Clerk	1.00	0.602410	247		247		247
City Council	7.00	4.216867	1,729		1,729		1,729
Director of Admin Services	2.00	1.204819	494		494		494
Accounting	6.00	3.614458	1,482		1,482		1,482
Human Resources	5.00	3.012048	1,235		1,235		1,235
Controller/Treasurer	4.00	2.409639	988		988		988
Information Services	3.00	1.807229	741		741		741
Procurement & Collections	15.00	9.036145	3,704		3,704	251	3,955
Director Public Works	2.00	1.204819	494		494	33	527
Motor Vehicles	1.00	0.602410	247		247	17	264
Neighborhood Engagement	9.00	5.421687	2,222		2,222	151	2,373
Public Art	1.00	0.602410	247		247	17	264
Engineering	5.00	3.012048	1,235		1,235	84	1,318
Planning	5.49	3.307229	1,356		1,356	92	1,447
Police	1.83	1.102410	452		452	31	482
Fire	20.00	12.048190	4,939		4,939	336	5,276
Dir of Community Planning & Economic Dev	3.00	1.807229	741		741	50	791
Building Code Administration	9.62	5.795181	2,376		2,376	161	2,536
PM Code Compliance	9.58	5.771084	2,366		2,366	160	2,526
Lead Safety & CD	7.28	4.385542	1,798		1,798	122	1,919
Bureau of Health	4.10	2.469880	1,012		1,012	69	1,081
Streets Administration	1.00	0.602410	247		247	17	264
Street Maintenance	1.00	0.602410	247		247	17	264
Traffic	2.00	1.204819	494		494	33	527
Parks-Parks	2.00	1.204819	494		494	33	527
Parks-Trees	1.00	0.602410	247		247	17	264
Emergency Shelter Grant (F221)	0.65	0.391566	160		160	11	171
HOME Invest Partnership (F229)	0.19	0.114458	47		47	3	50
CDBG (F235)	9.20	5.542169	2,272		2,272	154	2,426
Solid Waste & Recycle (F563)	4.00	2.409639	988		988	67	1,055
Lanc Office of Promotion	6.06	3.650602	1,496		1,496	101	1,598
Schedule .4 Total for DP Services	166.00	100.000000	40,991		40,991	2,024	43,015

Allocation Basis: # of Computers By Dept Excl Direct Billed Depts
Allocation Source: Information Services

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Information Services

Activity - Info Svcs - All

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Parks-Buildings	3.00	1.321586	11,986		11,986		11,986
Mayor's Office	11.00	4.845815	43,949		43,949		43,949
City Solicitor	3.00	1.321586	11,986		11,986		11,986
City Clerk	1.00	0.440529	3,995		3,995		3,995
City Council	7.00	3.083700	27,967		27,967		27,967
Director of Admin Services	2.00	0.881057	7,991		7,991		7,991
Accounting	6.00	2.643172	23,972		23,972		23,972
Human Resources	5.00	2.202643	19,977		19,977		19,977
Controller/Treasurer	4.00	1.762115	15,981		15,981		15,981
Information Services	3.00	1.321586	11,986		11,986		11,986
Procurement & Collections	15.00	6.607930	59,930		59,930	1,818	61,747
Director Public Works	2.00	0.881057	7,991		7,991	242	8,233
Motor Vehicles	1.00	0.440529	3,995		3,995	121	4,116
Neighborhood Engagement	9.00	3.964758	35,958		35,958	1,091	37,048
Public Art	1.00	0.440529	3,995		3,995	121	4,116
Engineering	5.00	2.202643	19,977		19,977	606	20,582
Planning	5.49	2.418502	21,934		21,934	665	22,600
Police	1.83	0.806167	7,311		7,311	222	7,533
Fire	20.00	8.810573	79,907		79,907	2,423	82,330
Dir of Community Planning & Economic Dev	3.00	1.321586	11,986		11,986	364	12,349
Building Code Administration	9.62	4.237885	38,435		38,435	1,166	39,601
PM Code Compliance	9.58	4.220264	38,275		38,275	1,161	39,436
Lead Safety & CD	7.28	3.207048	29,086		29,086	882	29,968
Bureau of Health	4.10	1.806167	16,381		16,381	497	16,878
Streets Administration	1.00	0.440529	3,995		3,995	121	4,116
Street Maintenance	1.00	0.440529	3,995		3,995	121	4,116
Traffic	2.00	0.881057	7,991		7,991	242	8,233
Parks-Parks	2.00	0.881057	7,991		7,991	242	8,233
Parks-Trees	1.00	0.440529	3,995		3,995	121	4,116
Emergency Shelter Grant (F221)	0.65	0.286344	2,597		2,597	79	2,676
HOME Invest Partnership (F229)	0.19	0.083700	759		759	23	782
CDBG (F235)	9.20	4.052863	36,757		36,757	1,115	37,872
Stormwater Mgmt (F560)	11.00	4.845815	43,949		43,949	1,333	45,281
Wastewater Operations (F561)	23.00	10.132159	91,892		91,892	2,787	94,679
Water Fund (F562)	27.00	11.894272	107,874		107,874	3,273	111,147
Solid Waste & Recycle (F563)	4.00	1.762115	15,981		15,981	485	16,466
Lanc Office of Promotion	6.06	2.669604	24,212		24,212	734	24,946
Schedule .4 Total for Info Svcs - All	227.00	100.000000	906,939		906,939	22,053	928,992

Allocation Basis: Number of Computers By Department
Allocation Source: Information Services

All Monetary Values are US Dollars
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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Information Services

Activity - Munis Annual Suppt/Maint

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Liability & Other Insurance	40	0.081134	266		266		266
Personnel Insurance	292	0.592280	1,942		1,942		1,942
Workers' Compensation	57	0.115616	379		379		379
Retirement Expense	48	0.097361	319		319		319
Parks Administration	353	0.716010	2,347		2,347		2,347
Parks-Buildings	2,004	4.064826	13,326		13,326		13,326
Mayor's Office	291	0.590252	1,935		1,935		1,935
City Solicitor	302	0.612564	2,008		2,008		2,008
City Clerk	92	0.186609	612		612		612
City Council	207	0.419870	1,377		1,377		1,377
Director of Admin Services	196	0.397558	1,303		1,303		1,303
Accounting	302	0.612564	2,008		2,008		2,008
Human Resources	458	0.928987	3,046		3,046		3,046
Controller/Treasurer	62	0.125758	412		412		412
Information Services	279	0.565911	1,855		1,855		1,855
Procurement & Collections	1,042	2.113547	6,929		6,929		6,929
Director Public Works	293	0.594308	1,948		1,948		1,948
Motor Vehicles	615	1.247439	4,090		4,090		4,090
Neighborhood Engagement	350	0.709925	2,327		2,327		2,327
Public Art	21	0.042595	140		140		140
Engineering	446	0.904647	2,966		2,966		2,966
Planning	326	0.661244	2,168		2,168		2,168
Community Involvement	161	0.326565	1,071		1,071		1,071
Debt Service	33	0.066936	219		219		219
Police	7,656	15.529097	50,911		50,911		50,911
Fire	2,886	5.853837	19,191		19,191		19,191
Dir of Community Planning & Economic Dev	309	0.626762	2,055		2,055		2,055
Building Code Administration	565	1.146021	3,757		3,757		3,757
PM Code Compliance	1,185	2.403602	7,880		7,880		7,880
Lead Safety & CD	189	0.383359	1,257		1,257		1,257
Bureau of Health	215	0.436097	1,430		1,430		1,430
Streets Administration	458	0.928987	3,046		3,046		3,046
Street Maintenance	583	1.182532	3,877		3,877		3,877
Traffic	1,019	2.066895	6,776		6,776		6,776
Parks-Parks	1,209	2.452283	8,040		8,040		8,040
Parks-Trees	13	0.026369	86		86		86
Parks-Central Market	82	0.166325	545		545		545
Heritage Center	27	0.054766	180		180		180
Enterprise Zone Repay (F214)	1	0.002028	7		7		7
Emergency Shelter Grant (F221)	83	0.168354	552		552		552
HOME Invest Partnership (F229)	40	0.081134	266		266		266
CDBG (F235)	1,000	2.028356	6,650		6,650		6,650
HUD Lead Grant (F236)	503	1.020263	3,345		3,345		3,345
Misc State Grants (F240)	243	0.492891	1,616		1,616		1,616
Misc Federal Grants (F241)	46	0.093304	306		306		306
Misc Local Grants (F242)	227	0.460437	1,510		1,510		1,510
Liquid Fuels (F265)	594	1.204844	3,950		3,950		3,950
Capital Projects	256	0.519259	1,702		1,702		1,702
Stormwater Mgmt (F560)	2,221	4.504980	14,769		14,769		14,769
Capital-SWM	104	0.210949	692		692		692
Wastewater Operations (F561)	6,249	12.675199	41,555		41,555		41,555

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Information Services

Activity - Munis Annual Suppt/Maint

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Capital Projects Sewer	106	0.215006	705		705		705
Water Fund (F562)	8,493	17.226833	56,477		56,477		56,477
Capital Projects-Water	241	0.488834	1,603		1,603		1,603
Solid Waste & Recycle (F563)	1,080	2.190625	7,182		7,182		7,182
Bd of Trust & Charties (F603)	9	0.018255	60		60		60
Long's Park (F662)	409	0.829598	2,720		2,720		2,720
DID (F702)	14	0.028397	93		93		93
Special Events (F249)	147	0.298168	978		978		978
Lanc Office of Promotion	488	0.989838	3,245		3,245		3,245
Int Svc-Hlth Costs (F801)	1,984	4.024259	13,193		13,193		13,193
Lanc City Connect	61	0.123730	406		406		406
ARPA Fund	5	0.010142	33		33		33
Curb & Sidewalk (F462)	31	0.062879	206		206		206
Schedule .4 Total for Munis Annual Suppt/Maint	49,301	100.000000	327,842		327,842	0	327,842

Allocation Basis: Number of Accounting (Payroll/Non-Payroll) Transactions By Dept
Allocation Source: Information Services Invoice Analysis And Administration

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department Information Services

Receiving Department	Total	DP Services	Info Svcs - All	Munis Annual Suppt/Maint
Liability & Other Insurance	266	0	0	266
Personnel Insurance	1,942	0	0	1,942
Workers' Compensation	379	0	0	379
Retirement Expense	319	0	0	319
Parks Administration	2,347	0	0	2,347
Parks-Buildings	26,053	741	11,986	13,326
Mayor's Office	48,600	2,716	43,949	1,935
City Solicitor	14,735	741	11,986	2,008
City Clerk	4,854	247	3,995	612
City Council	31,072	1,729	27,967	1,377
Director of Admin Services	9,788	494	7,991	1,303
Accounting	27,462	1,482	23,972	2,008
Human Resources	24,257	1,235	19,977	3,046
Controller/Treasurer	17,381	988	15,981	412
Information Services	14,582	741	11,986	1,855
Procurement & Collections	72,631	3,955	61,747	6,929
Director Public Works	10,709	527	8,233	1,948
Motor Vehicles	8,470	264	4,116	4,090
Neighborhood Engagement	41,749	2,373	37,048	2,327
Public Art	4,520	264	4,116	140
Engineering	24,867	1,318	20,582	2,966
Planning	26,215	1,447	22,600	2,168
Community Involvement	1,071	0	0	1,071
Debt Service	219	0	0	219
Police	58,926	482	7,533	50,911
Fire	106,797	5,276	82,330	19,191
Dir of Community Planning & Economic Dev	15,195	791	12,349	2,055
Building Code Administration	45,894	2,536	39,601	3,757
PM Code Compliance	49,842	2,526	39,436	7,880
Lead Safety & CD	33,144	1,919	29,968	1,257
Bureau of Health	19,388	1,081	16,878	1,430
Streets Administration	7,426	264	4,116	3,046
Street Maintenance	8,257	264	4,116	3,877
Traffic	15,536	527	8,233	6,776
Parks-Parks	16,800	527	8,233	8,040
Parks-Trees	4,466	264	4,116	86
Parks-Central Market	545	0	0	545
Heritage Center	180	0	0	180
Enterprise Zone Repay (F214)	7	0	0	7
Emergency Shelter Grant (F221)	3,399	171	2,676	552
HOME Invest Partnership (F229)	1,098	50	782	266
CDBG (F235)	46,947	2,426	37,872	6,650
HUD Lead Grant (F236)	3,345	0	0	3,345
Misc State Grants (F240)	1,616	0	0	1,616
Misc Federal Grants (F241)	306	0	0	306
Misc Local Grants (F242)	1,510	0	0	1,510
Liquid Fuels (F265)	3,950	0	0	3,950
Capital Projects	1,702	0	0	1,702
Stormwater Mgmt (F560)	60,051	0	45,281	14,769
Capital-SWM	692	0	0	692
Wastewater Operations (F561)	136,234	0	94,679	41,555
Capital Projects Sewer	705	0	0	705

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department Information Services

Receiving Department	Total	DP Services	Info Svcs - All	Munis Annual Suppt/Maint
Water Fund (F562)	167,624	0	111,147	56,477
Capital Projects-Water	1,603	0	0	1,603
Solid Waste & Recycle (F563)	24,702	1,055	16,466	7,182
Bd of Trust & Charties (F603)	60	0	0	60
Long's Park (F662)	2,720	0	0	2,720
DID (F702)	93	0	0	93
Special Events (F249)	978	0	0	978
Lanc Office of Promotion	29,789	1,598	24,946	3,245
Int Svc-Hlth Costs (F801)	13,193	0	0	13,193
Lanc City Connect	406	0	0	406
ARPA Fund	33	0	0	33
Curb & Sidewalk (F462)	206	0	0	206
Direct Bill	0	0	0	0
Total	1,299,850	43,015	928,992	327,842

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .1 - Nature and Extent of Services
For Department Procurement & Collections

The City of Lancaster's Procurement/Collection Bureau provides a centralized purchase order procedure for all City departments and bureaus. These services include bid specifications, blanket purchase orders, and service contracts for the City.

Costs associated with the mailroom have been allocated to individual City departments and bureaus based on postage charge backs processed by department/bureau during 2022. Water, Sewer, Stormwater and Solid Waste have been excluded due to those funds paying for a portion of all employees payroll.

The City's collection portion of the bureau is responsible for the collection of real estate taxes, personal taxes, water, sewer and trash billings, police fines and tickets and miscellaneous licenses. Costs associated with the collections portion of the bureau have been allocated based on the number of 2022 collections by department/bureau. Directly charged departments have been excluded from allocation.

Procurement/Collections payroll is split between the City's general (8.62%), Water (42.70%), Wastewater (19.01%), Stormwater (16.08%) and Solid Waste (13.60%) funds for collection purposes. Overhead applicable to Water, Wastewater Operations, Stormwater Management and Solid Waste & Recycling have been separately identified and allocated directly in 2022.

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .2 - Costs To Be Allocated
For Department Procurement & Collections

	1st Allocation	2nd Allocation	Sub-Total	Total
Expenditures Per Financial Statement:	105,083			105,083
Inbound Costs:				
Building Depreciation	52,064		52,064	
Equipment Depreciation	4,185		4,185	
Property Insurance	2,742		2,742	
Liability & Other Insurance	1,767	4	1,770	
Personnel Insurance	13,757	172	13,930	
Workers' Compensation	382	3	384	
Retirement Expense	11,886	27	11,914	
Parks-Buildings	32,103	10,532	42,635	
Mayor's Office	1,133	289	1,423	
City Solicitor	786	100	887	
City Clerk	1,800	203	2,003	
City Council	5,699	1,568	7,267	
Director of Admin Services	16,023	66	16,089	
Accounting	12,940	1,052	13,992	
Human Resources	2,249	133	2,382	
Controller/Treasurer	331	177	508	
Information Services	70,563	2,068	72,631	
Procurement & Collections		557	557	
Motor Vehicles		2,638	2,638	
Total Allocated Additions:	230,410	19,592	250,002	250,002
Total To Be Allocated:	335,493	19,592		355,085

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department Procurement & Collections

	Total	G&A	Mail Clerk	Collections	Water Support OH
Wages & Benefits					
Salaries & Wages	68,304	4,877	4,009	59,418	0
Other Expense & Cost					
Maint Equipment	2,242	1,643	599	0	0
Maint Vehicles	114	8	7	99	0
Rental of Uniforms	145	0	0	145	0
Advertising	24	0	0	24	0
Dues & Subscriptn	147	10	9	128	0
Postage	25,709	1,836	1,509	22,364	0
Printing	224	0	40	184	0
Telephone	770	55	45	670	0
Travel	2,468	176	145	2,147	0
Misc. Expenses	458	33	27	398	0
Contract Services	308	0	0	308	0
Training/Education	2,319	166	136	2,017	0
Office Supplies	560	40	33	487	0
Gas, Oil & Diesel	84	6	5	73	0
Minor Equipmnt	1,207	360	847	0	0
Departmental Total					
Expenditures Per Financial Statement	105,083				
Deductions					
*Total Disallowed Costs	0	0	0	0	0
Functional Cost	105,083	9,210	7,411	88,462	0
Allocation Step 1					
Inbound - Building Depreciation	52,064	312	266	3,905	22,231
Inbound - Equipment Depreciation	4,185	25	21	314	1,787
Inbound - Property Insurance	2,742	16	14	206	1,171
Inbound - Personnel Insurance	13,757	0	870	12,888	0
Inbound - Workers' Compensation	382	0	24	358	0
Inbound - Retirement Expense	11,886	0	751	11,135	0
Inbound - Parks-Buildings	32,103	193	164	2,408	13,708
Inbound - City Solicitor: Legal Services	736	0	0	736	0
Inbound - Accounting	12,940	78	66	970	5,525
Inbound - Information Services	70,563	423	360	5,292	30,131
Inbound - All Others	29,052	0	1,836	27,216	0
Reallocate Admin Costs		(10,257)	648	9,609	0
Unallocated Costs	0	0	0	0	0
1st Allocation	335,493	0	12,431	163,498	74,553
Allocation Step 2					
Inbound - Personnel Insurance	172	0	11	161	0
Inbound - Workers' Compensation	3	0	0	2	0
Inbound - Retirement Expense	27	0	2	25	0
Inbound - Parks-Buildings	10,532	63	53	790	4,498
Inbound - City Solicitor: Legal Services	94	0	0	94	0
Inbound - Accounting	1,052	6	5	79	451

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department Procurement & Collections

	Total	G&A	Mail Clerk	Collections	Water Support OH
Inbound - Information Services	2,068	12	10	155	884
Inbound - All Others	5,643	0	356	5,287	0
Reallocate Admin Costs		(81)	5	76	0
Unallocated Costs	0	0	0	0	0
2nd Allocation	19,592	0	443	6,670	5,832
Total For Procurement & Collections					
Schedule .3 Total	355,085	0	12,874	170,168	80,385

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department Procurement & Collections

	Sewer Support OH	Stormwater Mgmt Suport OH	Solid Waste & Recycle Support OH
Wages & Benefits			
Salaries & Wages	0	0	0
Other Expense & Cost			
Maint Equipment	0	0	0
Maint Vehicles	0	0	0
Rental of Uniforms	0	0	0
Advertising	0	0	0
Dues & Subscriptn	0	0	0
Postage	0	0	0
Printing	0	0	0
Telephone	0	0	0
Travel	0	0	0
Misc. Expenses	0	0	0
Contract Services	0	0	0
Training/Education	0	0	0
Office Supplies	0	0	0
Gas, Oil & Diesel	0	0	0
Minor Equipmnt	0	0	0
Departmental Total			
Expenditures Per Financial Statement			
Deductions			
*Total Disallowed Costs	0	0	0
Functional Cost	0	0	0
Allocation Step 1			
Inbound - Building Depreciation	9,897	8,372	7,081
Inbound - Equipment Depreciation	796	673	569
Inbound - Property Insurance	521	441	373
Inbound - Personnel Insurance	0	0	0
Inbound - Workers' Compensation	0	0	0
Inbound - Retirement Expense	0	0	0
Inbound - Parks-Buildings	6,103	5,162	4,366
Inbound - City Solicitor: Legal Services	0	0	0
Inbound - Accounting	2,460	2,081	1,760
Inbound - Information Services	13,414	11,347	9,597
Inbound - All Others	0	0	0
Reallocate Admin Costs	0	0	0
Unallocated Costs	0	0	0
1st Allocation	33,191	28,075	23,745
Allocation Step 2			
Inbound - Personnel Insurance	0	0	0
Inbound - Workers' Compensation	0	0	0
Inbound - Retirement Expense	0	0	0
Inbound - Parks-Buildings	2,002	1,694	1,432
Inbound - City Solicitor: Legal Services	0	0	0
Inbound - Accounting	200	169	143

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department Procurement & Collections

	Sewer Support OH	Stormwater Mgmt Suport OH	Solid Waste & Recycle Support OH
Inbound - Information Services	393	332	281
Inbound - All Others	0	0	0
Reallocate Admin Costs	0	0	0
Unallocated Costs	0	0	0
2nd Allocation	2,595	2,195	1,856
Total For Procurement & Collections			
Schedule .3 Total	35,786	30,270	25,601

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Procurement & Collections

Activity - Mail Clerk

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Parks Administration	48	0.155305	19		19		19
Mayor's Office	1,320	4.270877	531		531		531
City Solicitor	60	0.194131	24		24		24
City Clerk	72	0.232957	29		29		29
Accounting	4,315	13.961239	1,735		1,735		1,735
Human Resources	146	0.472385	59		59		59
Information Services	4	0.012942	2		2		2
Procurement & Collections	1,386	4.484421	557		557		557
Director Public Works	562	1.818358	226		226	10	236
Neighborhood Engagement	272	0.880060	109		109	5	114
Engineering	1,312	4.244993	528		528	25	552
Planning	562	1.818358	226		226	10	236
Police	3,732	12.074934	1,501		1,501	70	1,571
Fire	1,655	5.354774	666		666	31	697
Dir of Community Planning & Economic Dev	179	0.579157	72		72	3	75
Building Code Administration	670	2.167794	269		269	12	282
PM Code Compliance	2,344	7.584042	943		943	44	987
Bureau of Health	2,079	6.726632	836		836	39	875
CDBG (F235)	10,049	32.513669	4,043		4,043	191	4,234
Lanc Office of Promotion	140	0.452972	56		56	2	59
Schedule .4 Total for Mail Clerk	30,907	100.000000	12,431		12,431	443	12,874

Allocation Basis: Postage Chargebacks By Dept/Bureau Excl W/S/T/SWM
Allocation Source: Accounting Office

All Monetary Values are US Dollars
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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Procurement & Collections

Activity - Collections

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Police	1,665	4.159277	6,800		6,800	277	7,078
Fire	1,672	4.176763	6,829		6,829	279	7,108
Building Code Administration	1,035	2.585496	4,227		4,227	172	4,400
PM Code Compliance	13,172	32.904499	53,798		53,798	2,195	55,993
Bureau of Health	767	1.916015	3,133		3,133	128	3,260
DID (F702)	854	2.133347	3,488		3,488	142	3,630
City R/E	20,866	52.124603	85,223		85,223	3,477	88,700
Schedule .4 Total for Collections	40,031	100.000000	163,498		163,498	6,670	170,168

Allocation Basis: Units of Collection By Dept/Bur Excluding Directly Chgd Depts
Allocation Source: Revenue Collections Report - Accounting

All Monetary Values are US Dollars
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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Procurement & Collections

Activity - Water Support OH

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Water Fund (F562)	100.00	100.000000	74,553		74,553	5,832	80,385
Schedule .4 Total for Water Support OH	100.00	100.000000	74,553		74,553	5,832	80,385

Allocation Basis: Direct Allocation to Water
Allocation Source: Procurement & Collections

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Procurement & Collections

Activity - Sewer Support OH

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Wastewater Operations (F561)	100.00	100.000000	33,191		33,191	2,595	35,786
Schedule .4 Total for Sewer Support OH	100.00	100.000000	33,191		33,191	2,595	35,786

Allocation Basis: Direct Allocation to Sewer
Allocation Source: Procurement & Collections

All Monetary Values are US Dollars
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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Procurement & Collections

Activity - Stormwater Mgmt Suport OH

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Stormwater Mgmt (F560)	100.00	100.000000	28,075		28,075	2,195	30,270
Schedule .4 Total for Stormwater Mgmt Suport OH	100.00	100.000000	28,075		28,075	2,195	30,270

Allocation Basis: Direct Allocation to Stormwater Mgmt
Allocation Source: Procurement & Collections

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Procurement & Collections

Activity - Solid Waste & Recycle Support OH

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Solid Waste & Recycle (F563)	100.00	100.000000	23,745		23,745	1,856	25,601
Schedule .4 Total for Solid Waste & Recycle Support OH	100.00	100.000000	23,745		23,745	1,856	25,601

Allocation Basis: Direct Allocation to Solid Waste & Recycle
Allocation Source: Procurement & Collections

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department Procurement & Collections

Receiving Department	Total	Mail Clerk	Collections	Water Support OH	Sewer Support OH
Parks Administration	19	19	0	0	0
Mayor's Office	531	531	0	0	0
City Solicitor	24	24	0	0	0
City Clerk	29	29	0	0	0
Accounting	1,735	1,735	0	0	0
Human Resources	59	59	0	0	0
Information Services	2	2	0	0	0
Procurement & Collections	557	557	0	0	0
Director Public Works	236	236	0	0	0
Neighborhood Engagement	114	114	0	0	0
Engineering	552	552	0	0	0
Planning	236	236	0	0	0
Police	8,649	1,571	7,078	0	0
Fire	7,804	697	7,108	0	0
Dir of Community Planning & Economic Dev	75	75	0	0	0
Building Code Administration	4,682	282	4,400	0	0
PM Code Compliance	56,980	987	55,993	0	0
Bureau of Health	4,135	875	3,260	0	0
CDBG (F235)	4,234	4,234	0	0	0
Stormwater Mgmt (F560)	30,270	0	0	0	0
Wastewater Operations (F561)	35,786	0	0	0	35,786
Water Fund (F562)	80,385	0	0	80,385	0
Solid Waste & Recycle (F563)	25,601	0	0	0	0
DID (F702)	3,630	0	3,630	0	0
Lanc Office of Promotion	59	59	0	0	0
City R/E	88,700	0	88,700	0	0
Direct Bill	0	0	0	0	0
Total	355,085	12,874	170,168	80,385	35,786

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department Procurement & Collections

Receiving Department	Stormwater Mgmt Suport OH	Solid Waste & Recycle Support OH
Parks Administration	0	0
Mayor's Office	0	0
City Solicitor	0	0
City Clerk	0	0
Accounting	0	0
Human Resources	0	0
Information Services	0	0
Procurement & Collections	0	0
Director Public Works	0	0
Neighborhood Engagement	0	0
Engineering	0	0
Planning	0	0
Police	0	0
Fire	0	0
Dir of Community Planning & Economic Dev	0	0
Building Code Administration	0	0
PM Code Compliance	0	0
Bureau of Health	0	0
CDBG (F235)	0	0
Stormwater Mgmt (F560)	30,270	0
Wastewater Operations (F561)	0	0
Water Fund (F562)	0	0
Solid Waste & Recycle (F563)	0	25,601
DID (F702)	0	0
Lanc Office of Promotion	0	0
City R/E	0	0
Direct Bill	0	0
Total	30,270	25,601

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .1 - Nature and Extent of Services
For Department Director Public Works

The Director of Public Works and their staff are responsible for administration and support of the City's Departments and Bureaus of Engineering, Parks (all areas), Streets, Motor Equipment, Water, and Sewer Utilities, Stormwater Maintenance, Solid Waste, Traffic Planning and Control.

Costs associated with this bureau administration function has been allocated based on the number of full-time employees in bureaus administered in 2022.

The City started charged benefits directly to City Departments. Medical, dental and visions insurances for all the Public Works bureaus have been charged to the Director's account. These costs have been allocated to all Public Works bureaus based on salaries and wages.

The PC lease for all Public Works bureaus are accumulated in the Director's budget. Costs associated with the PC lease has been allocated to all applicable Public Works departments based on PC lease costs by bureau.

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .2 - Costs To Be Allocated
For Department Director Public Works

	1st Allocation	2nd Allocation	Sub-Total	Total
Expenditures Per Financial Statement:	1,666,826			1,666,826
Deductions:				
Vehicle Lease (On FA)	-6,735			
Total Deductions:	-6,735			-6,735
Inbound Costs:				
Building Depreciation	25,020		25,020	
Equipment Depreciation	246		246	
Property Insurance	1,160		1,160	
Liability & Other Insurance	1,523	3	1,526	
Personnel Insurance	519	7	526	
Workers' Compensation	1,177	8	1,185	
Retirement Expense	36,652	84	36,735	
Parks-Buildings	17,830	6,571	24,401	
Mayor's Office	115,900	31,166	147,066	
City Solicitor	1,710	128	1,837	
City Clerk	900	102	1,002	
City Council	2,850	784	3,634	
Director of Admin Services	1,244	86	1,329	
Accounting	4,105	329	4,434	
Human Resources	2,902	172	3,074	
Controller/Treasurer	316	169	485	
Information Services	10,433	276	10,709	
Procurement & Collections	226	10	236	
Director Public Works		104,061	104,061	
Total Allocated Additions:	224,712	143,954	368,665	368,665
Total To Be Allocated:	1,884,803	143,954		2,028,756

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department Director Public Works

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	Total	G&A	Bureau Admin	PW Benefits	PW PC Leases/Other
Wages & Benefits					
Salaries & Wages	210,611	0	210,611	0	0
Other Expense & Cost					
Medical Insurance	1,350,000	0	0	1,350,000	0
Dental/Vision	33,921	0	0	33,921	0
PC Lease	43,182	0	5,398	0	37,784
Advertising	11,491	0	11,491	0	0
Dues & Subscripts	719	0	719	0	0
Postage	610	0	610	0	0
Printing	1,072	0	1,072	0	0
Telephone	585	0	585	0	0
Travel	2,481	0	2,481	0	0
Professional Services	3,714	0	1,809	0	0
Training & Education	445	0	445	0	0
Office Supplies	1,260	0	1,260	0	0
*Vehicle Lease (On FA)	6,735	0	0	0	0
Departmental Total					
Expenditures Per Financial Statement	1,666,826				
Deductions					
*Total Disallowed Costs	(6,735)	0	0	0	0
Functional Cost	1,660,091	0	236,481	1,383,921	37,784
Allocation Step 1					
Inbound - Personnel Insurance	519	0	519	0	0
Inbound - Workers' Compensation	1,177	0	1,177	0	0
Inbound - Retirement Expense	36,652	0	36,652	0	0
Inbound - All Others	186,363	0	186,363	0	0
Reallocate Admin Costs		0	0	0	0
Unallocated Costs	(1,905)	0	0	0	0
1st Allocation	1,882,898	0	461,193	1,383,921	37,784
Allocation Step 2					
Inbound - Personnel Insurance	7	0	7	0	0
Inbound - Workers' Compensation	8	0	8	0	0
Inbound - Retirement Expense	84	0	84	0	0
Inbound - Director Public Works: PW Benefits	104,061	0	104,061	0	0
Inbound - All Others	39,795	0	39,795	0	0
2nd Allocation	143,954	0	143,954	0	0
Total For Director Public Works					
Schedule .3 Total	2,026,851	0	605,146	1,383,921	37,784

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department Director Public Works

	Unallocated**
Wages & Benefits	
Salaries & Wages	0
Other Expense & Cost	
Medical Insurance	0
Dental/Vision	0
PC Lease	0
Advertising	0
Dues & Subscripts	0
Postage	0
Printing	0
Telephone	0
Travel	0
Professional Services	1,905
Training & Education	0
Office Supplies	0
*Vehicle Lease (On FA)	0
Departmental Total	
Expenditures Per Financial Statement	
Deductions	
*Total Disallowed Costs	0
Functional Cost	1,905
Allocation Step 1	
Inbound - Personnel Insurance	0
Inbound - Workers' Compensation	0
Inbound - Retirement Expense	0
Inbound - All Others	0
Reallocate Admin Costs	0
Unallocated Costs	(1,905)
1st Allocation	0
Allocation Step 2	
Inbound - Personnel Insurance	0
Inbound - Workers' Compensation	0
Inbound - Retirement Expense	0
Inbound - Director Public Works: PW Benefits	0
Inbound - All Others	0
2nd Allocation	0
Total For Director Public Works	
Schedule .3 Total	0

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Director Public Works

Activity - Bureau Admin

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Parks-Buildings	12.99	5.218963	24,069		24,069		24,069
Motor Vehicles	5.25	2.109281	9,728		9,728	3,203	12,931
Engineering	2.93	1.177180	5,429		5,429	1,788	7,217
Streets Administration	0.25	0.100442	463		463	152	616
Street Maintenance	11.00	4.419446	20,382		20,382	6,712	27,094
Traffic	5.29	2.125352	9,802		9,802	3,228	13,030
Parks-Parks	13.13	5.275211	24,329		24,329	8,012	32,341
Parks-Trees	5.30	2.129369	9,820		9,820	3,234	13,054
Parks-Central Market	1.65	0.662917	3,057		3,057	1,007	4,064
Stormwater Mgmt (F560)	25.22	10.132583	46,731		46,731	15,389	62,120
Wastewater Operations (F561)	63.11	25.355564	116,938		116,938	38,510	155,448
Water Fund (F562)	92.21	37.047007	170,858		170,858	56,268	227,126
Solid Waste & Recycle (F563)	10.57	4.246685	19,585		19,585	6,450	26,035
Schedule .4 Total for Bureau Admin	248.90	100.000000	461,193		461,193	143,954	605,146

Allocation Basis: Number of Full-Time Equivalent Employees Supervised
Allocation Source: Director of Public Works

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Director Public Works

Activity - PW Benefits

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Parks Administration	1,372	0.048984	678		678		678
Parks-Buildings	589,624	21.050925	291,328		291,328		291,328
Director Public Works	210,610	7.519259	104,061		104,061		104,061
Motor Vehicles	294,512	10.514752	145,516		145,516		145,516
Engineering	207,990	7.425719	102,766		102,766		102,766
Streets Administration	24,723	0.882668	12,215		12,215		12,215
Street Maintenance	383,847	13.704216	189,656		189,656		189,656
Traffic	265,855	9.491632	131,357		131,357		131,357
Parks-Parks	702,455	25.079249	347,077		347,077		347,077
Parks-Trees	13,263	0.473519	6,553		6,553		6,553
Parks-Central Market	103,623	3.699578	51,199		51,199		51,199
Long's Park (F662)	3,067	0.109499	1,515		1,515		1,515
Schedule .4 Total for PW Benefits	2,800,941	100.000000	1,383,921		1,383,921	0	1,383,921

Allocation Basis: Salaries & Wages by Applicable Department
Allocation Source: Statement of Estimated & Actual Expenditures

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Director Public Works

Activity - PW PC Leases/Other

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Parks-Buildings	8,097	21.429139	8,097		8,097		8,097
Motor Vehicles	2,699	7.143046	2,699		2,699		2,699
Engineering	13,494	35.712585	13,494		13,494		13,494
Streets Administration	2,699	7.143046	2,699		2,699		2,699
Traffic	5,398	14.286092	5,398		5,398		5,398
Parks-Parks	2,699	7.143046	2,699		2,699		2,699
Parks-Trees	2,699	7.143046	2,699		2,699		2,699
Schedule .4 Total for PW PC Leases/Other	37,785	100.000000	37,784		37,784	0	37,784

Allocation Basis: PW Lease and Other Direct Costs By PW Bureau
Allocation Source: Accounting Office

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department Director Public Works

Receiving Department	Total	Bureau Admin	PW Benefits	PW PC Leases/Other
Parks Administration	678	0	678	0
Parks-Buildings	323,494	24,069	291,328	8,097
Director Public Works	104,061	0	104,061	0
Motor Vehicles	161,146	12,931	145,516	2,699
Engineering	123,477	7,217	102,766	13,494
Streets Administration	15,530	616	12,215	2,699
Street Maintenance	216,750	27,094	189,656	0
Traffic	149,784	13,030	131,357	5,398
Parks-Parks	382,117	32,341	347,077	2,699
Parks-Trees	22,307	13,054	6,553	2,699
Parks-Central Market	55,263	4,064	51,199	0
Stormwater Mgmt (F560)	62,120	62,120	0	0
Wastewater Operations (F561)	155,448	155,448	0	0
Water Fund (F562)	227,126	227,126	0	0
Solid Waste & Recycle (F563)	26,035	26,035	0	0
Long's Park (F662)	1,515	0	1,515	0
Direct Bill	0	0	0	0
Total	2,026,851	605,146	1,383,921	37,784

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .1 - Nature and Extent of Services
For Department Motor Vehicles

The Motor Vehicles Bureau is responsible for the maintenance, upkeep, and repair of all City-owned vehicles, excluding Fire trucks and apparatus. Motor Vehicles also provide necessary tire repairs (including mounting and monitoring), lubrication, oil, and grease to vehicle services.

The Motor Vehicles Bureau summarizes all labor charges, parts costs, and repair maintenance services by vehicle. The costs associated with the maintenance of the City's fleet and equipment have been allocated based on the 2022 fleet maintenance report to City departments and bureaus. Fire vehicles are maintained by an outside vendor with the exception of emissions.

Direct billed departments (Water and Sewer) have been offset in the plan.

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .2 - Costs To Be Allocated
For Department Motor Vehicles

	1st Allocation	2nd Allocation	Sub-Total	Total
Expenditures Per Financial Statement:	409,868			409,868
Deductions:				
Vehicles	-9,812			
Total Deductions:	-9,812			-9,812
Inbound Costs:				
Building Depreciation	84,068		84,068	
Equipment Depreciation	20,086		20,086	
Property Insurance	9,338		9,338	
Liability & Other Insurance	5,892	13	5,905	
Personnel Insurance	728	9	737	
Workers' Compensation	1,646	11	1,658	
Retirement Expense	51,252	117	51,369	
Parks-Buildings	45,646	15,228	60,874	
Mayor's Office	3,838	980	4,819	
City Solicitor	3,198	410	3,608	
Director of Admin Services	3,265	225	3,490	
Accounting	8,326	670	8,996	
Human Resources	7,618	451	8,069	
Controller/Treasurer	643	344	988	
Information Services	8,332	138	8,470	
Director Public Works	157,943	3,203	161,146	
Motor Vehicles		2,609	2,609	
Total Allocated Additions:	411,820	24,409	436,229	436,229
Total To Be Allocated:	811,876	24,409		836,285

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .3 - Costs Allocated By Activity
For Department Motor Vehicles

	Total	G&A	Fleet Maintenance
Wages & Benefits			
Salaries & Wages	294,510	56,693	237,817
Other Expense & Cost			
Educational Incentive	2,950	568	2,382
Maint Vehicles	3,987	767	3,220
Maint Equipment	262	50	212
Rental of Uniforms	986	190	796
Telephone	422	81	341
Training & School	550	106	444
Office Supplies	588	113	475
Operating Supplies	4,998	962	4,036
Gas, Oil, Diesel	6,984	1,344	5,640
Tires & Batteries	1,798	346	1,452
Misc Vehicle Parts	2,690	518	2,172
Minor Equipmnt	79,331	15,271	64,060
*Vehicles	9,812	0	0
Departmental Total			
Expenditures Per Financial Statement	409,868		
Deductions			
*Total Disallowed Costs	(9,812)	0	0
Functional Cost	400,056	77,009	323,047
Allocation Step 1			
Inbound - Personnel Insurance	728	0	728
Inbound - Workers' Compensation	1,646	0	1,646
Inbound - Retirement Expense	51,252	0	51,252
Inbound - All Others	358,194	0	358,194
Reallocate Admin Costs		(77,009)	77,009
Unallocated Costs	0	0	0
1st Allocation	811,876	0	811,876
Allocation Step 2			
Inbound - Personnel Insurance	9	0	9
Inbound - Workers' Compensation	11	0	11
Inbound - Retirement Expense	117	0	117
Inbound - All Others	24,271	0	24,271
2nd Allocation	24,409	0	24,409
Total For Motor Vehicles			
Schedule .3 Total	836,285	0	836,285

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City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .4 - Detail Activity Allocations
For Department Motor Vehicles

Activity - Fleet Maintenance

Receiving Department	Allocation Units	Allocation Pct	Gross Allocation	Direct Billed	Allocation Step 1	Allocation Step 2	Total
Procurement & Collections	1,463	0.324913	2,638		2,638		2,638
Motor Vehicles	1,447	0.321360	2,609		2,609		2,609
Engineering	6,243	1.386489	11,257		11,257	341	11,597
Planning	964	0.214092	1,738		1,738	52	1,791
Police	61,641	13.689665	111,143		111,143	3,363	114,506
Fire	118	0.026206	213		213	6	219
Building Code Administration	2,153	0.478153	3,882		3,882	117	3,999
PM Code Compliance	836	0.185665	1,507		1,507	46	1,553
Bureau of Health	1,146	0.254512	2,066		2,066	62	2,129
Street Maintenance	75,428	16.751578	136,002		136,002	4,116	140,118
Traffic	4,848	1.076678	8,741		8,741	264	9,006
Parks-Parks	29,102	6.463176	52,473		52,473	1,588	54,061
Lancaster Recreation Center	1,200	0.266504	2,164		2,164	65	2,229
Stormwater Mgmt (F560)	52,256	11.605378	94,221		94,221	2,851	97,072
Wastewater Operations (F561)	13,448	2.986626	24,248	(16,338)	7,910	734	8,643
Water Fund (F562)	178,286	39.595002	321,463	(28,642)	292,821	9,729	302,549
Solid Waste & Recycle (F563)	4,590	1.019379	8,276		8,276	250	8,526
Long's Park (F662)	2,768	0.614737	4,991		4,991	151	5,142
Other	12,337	2.739887	22,244		22,244	673	22,918
Schedule .4 Total for Fleet Maintenance	450,274	100.000000	811,876	(44,980)	766,896	24,409	791,305
Direct Billed				44,980	44,980		44,980
Schedule .3 Total for Fleet Maintenance	450,274	100.000000		0	811,876	24,409	836,285

Allocation Basis: Fleet Maintenance Costs By Department/Bureau
Allocation Source: Fleet Maintenance Report-Motor Vehicles Office

City of Lancaster, Pennsylvania
Citywide Full Indirect Cost Allocation Plan
For The Year Ending December 31, 2022
Schedule .5 - Allocation Summary
For Department Motor Vehicles

Receiving Department	Total	Fleet Maintenance
Procurement & Collections	2,638	2,638
Motor Vehicles	2,609	2,609
Engineering	11,597	11,597
Planning	1,791	1,791
Police	114,506	114,506
Fire	219	219
Building Code Administration	3,999	3,999
PM Code Compliance	1,553	1,553
Bureau of Health	2,129	2,129
Street Maintenance	140,118	140,118
Traffic	9,006	9,006
Parks-Parks	54,061	54,061
Lancaster Recreation Center	2,229	2,229
Stormwater Mgmt (F560)	97,072	97,072
Wastewater Operations (F561)	8,643	8,643
Water Fund (F562)	302,549	302,549
Solid Waste & Recycle (F563)	8,526	8,526
Long's Park (F662)	5,142	5,142
Other	22,918	22,918
Direct Bill	44,980	44,980
Total	836,285	836,285

Section D: Supplemental Data

City of Lancaster, Pennsylvania
Indirect Full Cost Rate
Applicable to Engineering
Based on Costs For The Year Ended December 31, 2022

Formula: Proposed Full Costs / Salary And Wage Base = Indirect Cost Rate

Summary of Indirect Costs For The Year Ended December 31, 2022

Building Depreciation	$	8,292
Equipment Depreciation		19,863
Property Insurance		384
Liability & Other Insurance		12,920
Personnel Insurance (Includes U/C and Life) [1]		3,869
Workers Compensation		1,171
Retirement (Includes FICA and Pension) [1]		36,278
Parks Administration		-
Parks - Building		8,087
Mayor		2,689
City Solicitor		1,739
City Clerk		-
City Council		-
Administrative Services		10,560
Accounting		6,703
Human Resources		4,503
City Treasurer/City Controller		511
Information Services		24,867
Procurement/Collections		552
Director of Public Works (Includes Fringe Benefits) [1]		123,477
Motor Vehicles		11,597
Total Indirect Costs	**$**	**278,063**
Adjust Fringe Benefits		(139,456)
Adjusted Indirect Costs	**$**	**138,607**

Proposed Indirect Costs	$	138,607	
Salaries And Wages	$	207,990	= **66.64%**

Rate does not include medical, dental, vision, unemployment compensation, life, FICA and pension related costs. [1]

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City of Lancaster, Pennsylvania
Indirect Cost Rate
Applicable to Planning
Based on Costs For The Year Ended December 31, 2022

Formula: Proposed Costs / Salary And Wage Base = Indirect Cost Rate

Summary of Indirect Costs For The Year Ended December 31, 2022

Building Depreciation	$	23,117
Equipment Depreciation		3,576
Property Insurance		1,072
Liability & Other Insurance		4,250
Personnel Insurance (Includes U/C and Life) [1]		7,081
Workers Compensation		2,048
Retirement (Includes FICA and Pension) [1]		63,472
Parks Administration		-
Parks - Building		22,545
Mayor		5,406
City Solicitor		53,467
City Clerk		8,014
City Council		29,070
Administrative Services		12,528
Accounting		4,948
Human Resources		9,052
City Treasurer/City Controller		485
Information Services		26,215
Procurement/Collections		236
Director of Public Works		-
Motor Vehicles		1,791
Total Indirect Costs	**$**	**278,373**
Adjust Fringe Benefits		(64,299)
Adjusted Indirect Costs	**$**	**214,074**

Proposed Indirect Costs	$	214,074	=	**58.83%**
Salaries And Wages	$	363,898		

Rate does not include medical, dental, vision, unemployment compensation, life, FICA and pension related costs. [1]

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City of Lancaster, Pennsylvania
Indirect Full Cost Rate
Applicable to Police
Based on Costs For The Year Ended December 31, 2022

Formula: Proposed Costs / Salary And Wage Base = Indirect Cost Rate

Summary of Indirect Costs For The Year Ended December 31, 2022

Building Depreciation	$ 784,548
Equipment Depreciation	144,915
Property Insurance	43,957
Liability And Other Insurance	122,615
Personnel Insurance (U/C and Life) [1]	30,692
Workers Compensation	83,919
Retirement (FICA) [1]	332,501
Parks - Administration	-
Parks - Buildings	555,416
Mayor	209,404
City Solicitor	114,313
City Clerk	4,007
City Council	14,535
Administrative Services	146,096
Accounting	106,463
Human Resources	317,900
City Treasurer/City Controller	4,705
Information Services	58,926
Procurement/Collections	8,649
Director of Public Works	-
Motor Vehicles	114,506
Total Indirect Costs	**$ 3,198,066**
Adjust Fringe Benefits	(361,553)
Adjusted Indirect Costs	**$ 2,836,513**

Proposed Indirect Costs / Salaries And Wages = $ 2,836,513 / $14,909,854 = **19.02%**

Rate does not include medical, dental, vision, unemployment compensation, life, FICA and pension related costs. [1]

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City of Lancaster, Pennsylvania
Indirect Full Costs For The Year Ended December 31, 2022
Applicable to the Stormwater Management Fund

	Stormwater Management Fund	Capital Stormwater Mgmt	Total Stormwater Mgmt
Building Depreciation	$ 12,169	$ -	$ 12,169
Equipment Depreciation	308	-	308
Property Insurance	564	-	564
Liability & Other Insurance	-	-	-
Personnel Insurance	3,203	-	3,203
Workers' Compensation	-	-	-
Retirement Expense	-	-	-
Parks - Administration	2,194	-	2,194
Parks - Buildings	11,868	-	11,868
Mayor	23,148	-	23,148
City Solicitor	15,494	570	16,064
City Clerk	2,003	-	2,003
City Council	7,267	-	7,267
Administrative Services	16,763	-	16,763
Accounting	30,540	1,545	32,084
Human Resources	38,761	-	38,761
City Treasurer/City Controller	2,801	288	3,089
Information Services	60,051	692	60,742
Procurement/Collections	30,270	-	30,270
Director of Public Works	62,120	-	62,120
Motor Equipment	97,072	-	97,072
Total Indirect Costs	**$ 416,596**	**$ 3,094**	**$ 419,691**

Above costs do not include Health, Dental & Vision Insurances, Life Insurance, Unemployment Compensation, General Liability, Retirement Costs and Workers' Compensation claim costs. The Stormwater Fund was directed billed for these items in 2022.

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City of Lancaster, Pennsylvania
Indirect Full Costs For The Year Ended December 31, 2022
Applicable to the Wastewater Fund

	Wastewater Ops Fund	Capital Projects Wastewater	Wastewater Total
Building Depreciation	$ 2,513	$ -	$ 2,513
Equipment Depreciation	862	-	862
Property Insurance	116	-	116
Liability & Other Insurance	-	-	-
Personnel Insurance	-	-	-
Workers' Compensation	-	-	-
Retirement Expense	-	-	-
Parks - Administration	9,562	-	9,562
Parks - Buildings	2,451	-	2,451
Mayor	63,511	-	63,511
City Solicitor	46,488	228	46,716
City Clerk	13,023	-	13,023
City Council	47,238	-	47,238
Administrative Services	41,948	-	41,948
Accounting	86,395	1,578	87,972
Human Resources	96,995	-	96,995
City Treasurer/City Controller	9,319	291	9,610
Information Services	136,234	705	136,939
Procurement/Collections	35,786	-	35,786
Director of Public Works	155,448	-	155,448
Motor Equipment	8,643	-	8,643
Total Indirect Costs	**756,533**	**2,801**	**759,335**

Above costs do not include Health, Dental & Vision Insurances, Life Insurance, Unemployment Compensation, General Liability, Retirement Costs and Workers' Compensation claim costs. The Sewer Fund was directed billed for these items in 2022.

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City of Lancaster, Pennsylvania
Indirect Full Costs For The Year Ended December 31, 2022
Applicable to the Water Fund

	Water Fund	Capital Projects Water	Water Total
Building Depreciation	$ 5,851	$ -	$ 5,851
Equipment Depreciation	1,292	-	1,292
Property Insurance	271	-	271
Liability & Other Insurance	-	-	-
Personnel Insurance	-	-	-
Workers' Compensation	-	-	-
Retirement Expense	-	-	-
Parks - Administration	9,562	-	9,562
Parks - Buildings	5,706	-	5,706
Mayor	106,978	-	106,978
City Solicitor	66,114	1,595	67,709
City Clerk	5,009	-	5,009
City Council	18,169	-	18,169
Administrative Services	61,290	-	61,290
Accounting	117,725	3,583	121,308
Human Resources	141,720	-	141,720
City Treasurer/City Controller	12,975	645	13,620
Information Services	167,624	1,603	169,226
Procurement/Collections	80,385	-	80,385
Director of Public Works	227,126	-	227,126
Motor Equipment	302,549	-	302,549
Total Indirect Costs	**1,330,347**	**7,426**	**1,337,773**

Above costs do not include Health, Dental & Vision Insurances, Life Insurance, Unemployment Compensation, General Liability, Retirement Costs and Workers' Compensation claim costs. The Water Fund was directed billed for these items in 2022.

MAXCAP 2024 MAXIMUS Consulting Services, Inc.

City of Lancaster, Pennsylvania
Indirect Full Costs For The Year Ended December 31, 2022
Applicable to the Solid Waste & Recycle Fund

	Solid Waste & Recycle Fund
Building Depreciation	$ -
Equipment Depreciation	185
Property Insurance	-
Liability & Other Insurance	-
Personnel Insurance	-
Workers' Compensation	-
Retirement Expense	-
Parks - Administration	-
Parks - Buildings	392
Mayor	9,702
City Solicitor	6,342
City Clerk	1,002
City Council	3,634
Administrative Services	7,026
Accounting	15,312
Human Resources	16,245
City Treasurer/City Controller	1,784
Information Services	24,702
Procurement/Collections	25,601
Director of Public Works	26,035
Motor Equipment	8,526
Total Indirect Costs	**146,488**

Above costs do not include Health, Dental & Vision Insurances, Life Insurance, Unemployment Compensation, General Liability, Retirement Costs and Workers' Compensation claim costs. The Solid Waste Fund was directed billed for these items in 2022.

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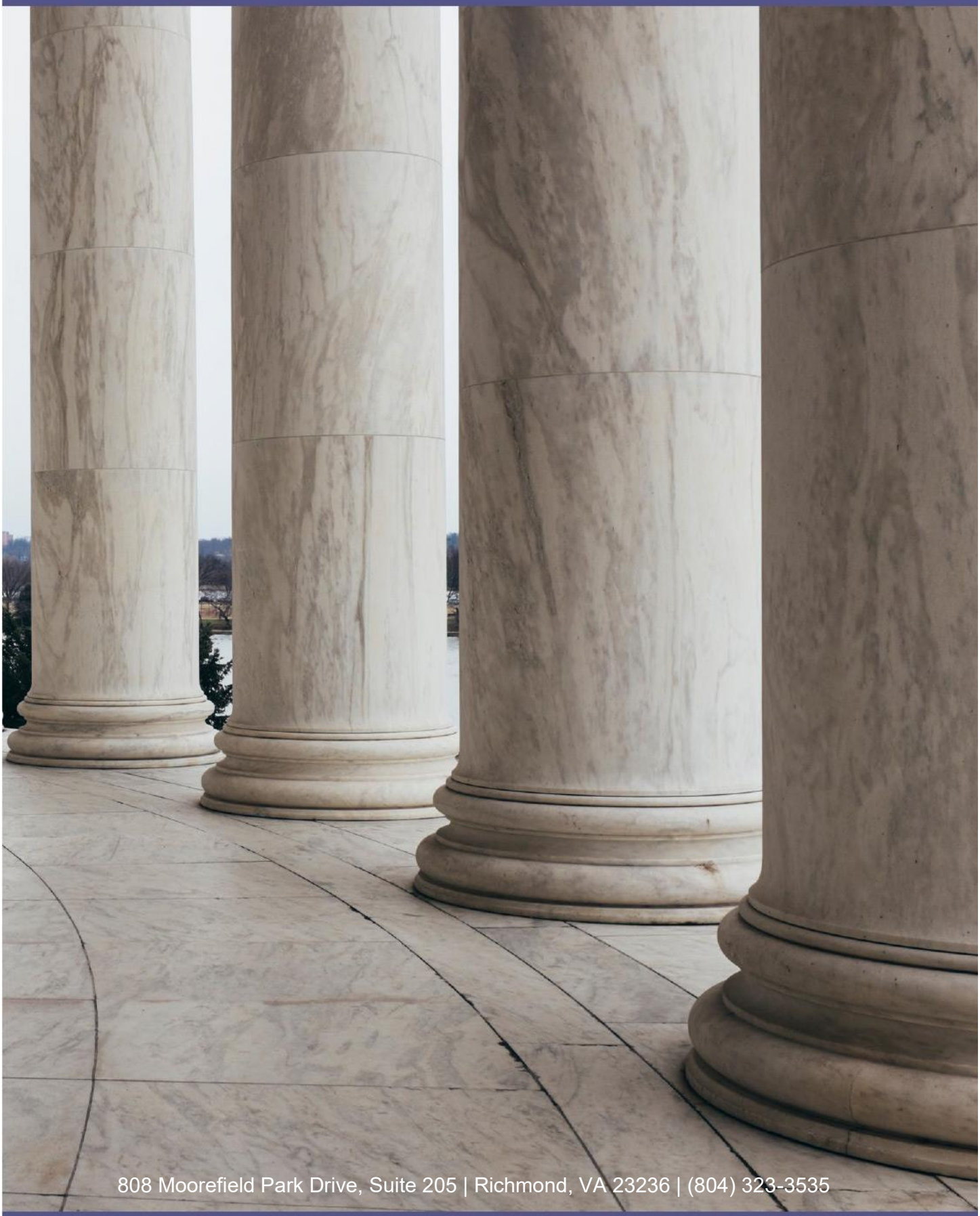

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City of Lancaster Statement No. 5R
Docket No. R-2025-3057237
January 8, 2026

CITY OF LANCASTER – BUREAU OF WATER

LANCASTER, PENNSYLVANIA

REBUTTAL TESTIMONY

OF

JOHN J. SPANOS
PRESIDENT

GANNETT FLEMING
VALUATION AND RATE CONSULTANTS, LLC

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BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
RE: CITY OF LANCASTER – BUREAU OF WATER
DOCKET NO. R-2025-3057237
REBUTTAL TESTIMONY OF JOHN J. SPANOS

I. INTRODUCTION

Q. Please state your name and business address.

A. My name is John J. Spanos. My business address is 300 Sterling Parkway, Mechanicsburg, Pennsylvania, 17050 (formerly 207 Senate Avenue, Camp Hill, Pennsylvania, 17011).

Q. Are you the same John J. Spanos who presented Direct Testimony on behalf of the City of Lancaster – Water Bureau (the "City") in this proceeding?

A. Yes. I also sponsored Exhibits JJS-1, JJS-2 and JJS-3.

Q. What is the purpose of your rebuttal testimony?

A. My rebuttal testimony responds to the depreciation-related testimony of David J. Garrett on behalf of the Pennsylvania Office of Consumer Advocate ("OCA"). Mr. Garrett disagrees with my use of the Equal Life Group ("ELG") procedure to calculate annual depreciation accrual rates and depreciation expense in this case. He proposes the use of the Average Life Group ("ALG") procedure even though ALG has not been the prevailing group depreciation procedure in Pennsylvania. The Pennsylvania Public Utility Commission ("PUC" or the "Commission"), has consistently approved depreciation rates based on the ELG procedure for four decades.. I explain why the City's proposed use of ELG is a recognized and appropriate depreciation procedure, is consistent with sound depreciation principles and accepted practice and results in a more reasonable allocation of depreciation costs among customers than the alternative advocated by Mr. Garrett.

Q. Please explain OCA's proposed adjustments to Exhibits JJS-1, JJS-2 and JJS-3?

A. Exhibits JJS-1, JJS-2, and JJS-3 present the City of Lancaster's proposed depreciation expense for the March 31, 2025, March 31, 2026, and March 31, 2027 test years, respectively, as developed using the City's proposed depreciation rates and the ELG procedure. The impact of Mr. Garrett's proposal to replace ELG with the ALG procedure is shown in Mr. Garrett's workpapers and indicate reductions to depreciation expense of $1,197,148, $1,225,855, and $1,369,152 in each of the three test years, respectively. However, it should be noted that Mr. Garrett did not properly develop the forecasted test years with his procedure nor did he properly calculate depreciation for accounts that the life span technique was utilized.

Q. Please summarize the key elements of your rebuttal testimony.

A. My rebuttal testimony consists of the following issues:

- First, I address Mr. Garrett's arguments against using the ELG procedure in this case. There are four primary components to address related to the ELG procedure.
  - Mr. Garrett proposes to reduce the City's depreciation expense by $1.4 million as of the end of the Fully Projected Future Test Year ("FPFTY") because he disagrees with the use of the ELG procedure.[1] However, ELG, *not* ASL (which Mr. Garrett favors), is the group depreciation procedure most commonly used to calculate annual depreciation accrual rates and depreciation expense in

[1] OCA St. No. 2 at p. 5.

Pennsylvania.[2] ELG became the prevailing Commission-approved procedure during the 1980s and, over the next approximately 40 years, has been adopted by most utilities in Pennsylvania to calculate annual depreciation. I also explain that the ELG procedure more precisely matches the recovery of the cost of an asset with the period during which it is actually providing service to customers. I also illustrate how the ELG procedure accomplishes that goal and demonstrates, with an illustrative computation, that the ASL procedure mismatches capital recovery and service life by understating depreciation expense in the early years of an asset class and overstating depreciation expense later in the life of that asset class. This is graphically depicted in Figures 1 and 2 in my Rebuttal Testimony.

- Next I will discuss the growing number of regulatory authorities in federal, state, and Canadian provincial jurisdictions that are following Pennsylvania in recognizing that ELG more accurately and appropriately matches the annual depreciation expense borne by customers with the utility plant that is actually furnishing them service at any given point in time. Despite the broad acceptance of the ELG procedure for years in Pennsylvania, Mr. Garrett has not offered any valid basis for rejecting the long-standing Commission precedent affirming the superiority of ELG.

[2] In Pennsylvania, the ALG procedure is more commonly identified as the Average Service Life ("ASL") procedure.

- Then I will explain that Mr. Garrett's proposal to reject prevailing precedent and use the ASL procedure narrowly focuses on depreciation expense in isolation without considering properly (if at all) the totality of components that underly revenue requirement and, specifically, the rate base component on which customers pay a return. Increases in depreciation expense today reduce future rate base (and the associated return component that customers pay). Properly aligning depreciation expense with an asset's actual service life is important in itself for a number of reasons (including intergenerational equity). It also means that a short-term increase in depreciation expense will mitigate and ultimately reduce the total revenue requirement in the future.
- Finally, I explain that failing to accurately align depreciation expense with the actual service life of assets – the inevitable result of a group depreciation procedure such as ASL, which under-recovers the capital cost of shorter-lived units of property – means that future generation of customers will be bearing the cost of plant that is no longer furnishing them service and, in fact, may have been retired many years in the past.

- The second group of issues has two areas of focus. First, Mr. Garrett erroneously assumes that the City's FPFTY accrued depreciation was developed using depreciation rates that reflect the ASL procedure. They do not. This issue will also discuss the error in Mr. Garrett's calculations for

not reflecting the life span technique for many accounts. Second, the two decisions from other jurisdictions that Mr. Garrett relies upon in support of his proposal[3] do not support his position, as evidenced by language in those decisions themselves.

II. RESPONSE TO OCA CRITICISMS OF ELG

A. Equal Life Group Versus Average Life Group

Q. What is the Equal Life Group procedure?

A. For the ELG procedure, a group of property (*e.g.*, a vintage within a property account) is subdivided into groups having equal service lives. The size of these "Equal Life Groups" is based on the estimated survivor characteristics of the account. Depreciation can then be calculated for each Equal Life Group based on the straight line method, meaning that an equal amount of the group's service value is recorded as depreciation expense in each year of service. The total depreciation for an account is then the summation of the calculated depreciation for each Equal Life Group. Based on the survivor curve estimate for an account, the ELG procedure mathematically estimates the life for each unit in the account, and then depreciates each unit over its expected life. The procedure is also known as the Unit Summation Procedure.

Q. How does the ELG procedure differ from the ASL procedure (also known as the ALG procedure)?

A. While the ELG procedure calculates depreciation for each Equal Life Group, the ASL (or ALG) procedure depreciates every asset within an account over the average life of the

[3] OCA St. No. 2 at pp. 47-49.

entire account. Using Equal Life Groups, rather than an average life, as the basis for depreciation provides a more precise calculation that better matches recovery with consumption of assets by depreciating assets that have shorter lives than the average over their shorter lives (and the longer-lived assets over their longer lives) as opposed to depreciating all assets over the average life for the group.

Q. Is ELG supported by depreciation authorities?

A. Yes. ELG is discussed and supported in authoritative depreciation texts and academic literature. For example, Robley Winfrey, who developed the Iowa survivor curves at Iowa State University and is regarded as a pioneer of utility depreciation practices, referred to the ELG procedure as "the only mathematically correct procedure."[4]

Depreciation Systems by Frank K. Wolf and W. Chester Fitch also supports the appropriateness of the ELG procedure, stating: "Application of the Equal Life Group procedure is generally considered to better match the consumption of capital with service provided than does application of the average life procedure."[5]

Q. Please explain how depreciation is determined using the ELG procedure.

A. A simple two-unit example will demonstrate how the ELG procedure more appropriately matches cost recovery to consumption than the ASL procedure. In this example, each unit costs $1,000. Unit A will be in service for 5 years, and unit B will be in service for 15 years. There is no net salvage for these units.

[4] Robley Winfrey, Depreciation of Group Properties, Bulletin 155 (Ames, IA: Iowa State University Press, 1942, reprinted 1969); p. 71.
[5] Frank K. Wolf and W. Chester Fitch, *Depreciation Systems* (Ames, IA: Iowa State University Press, 1994); p.75.

For the ASL procedure, the average service life for the two units is 10 years ([5+15]/2), so the annual depreciation rate is 10% (1/10) throughout the lives of both units. For the first five years, the total annual depreciation amount is $200 ($2,000 x 10%). At the end of year 5, the total annual accruals for the account are $1,000 ($200 x 5). Unit A is then retired, which results in a reduction in the accumulated depreciation of $1,000. At the start of year 6, Unit B remains in service with an accumulated depreciation balance of $0. At this point, one-third of Unit B's service life has expired, and its full original cost must still be recovered.

For the remaining 10 years, $100 ($1,000 x 10%) of annual expense is accumulated in depreciation, for a total of $1,000 when Unit B is retired. Thus, at the time of Unit B's retirement, the company will have fully recovered the total depreciable cost of both units. However, at the end of year five, only one unit remained in service with two-thirds of its life expectancy left but with 100% of that unit's original investment still to be recovered. As a result, the ASL procedure is ineffective in matching cost recovery to the actual consumption of the asset. This is a characteristic deficiency of the ASL procedure.

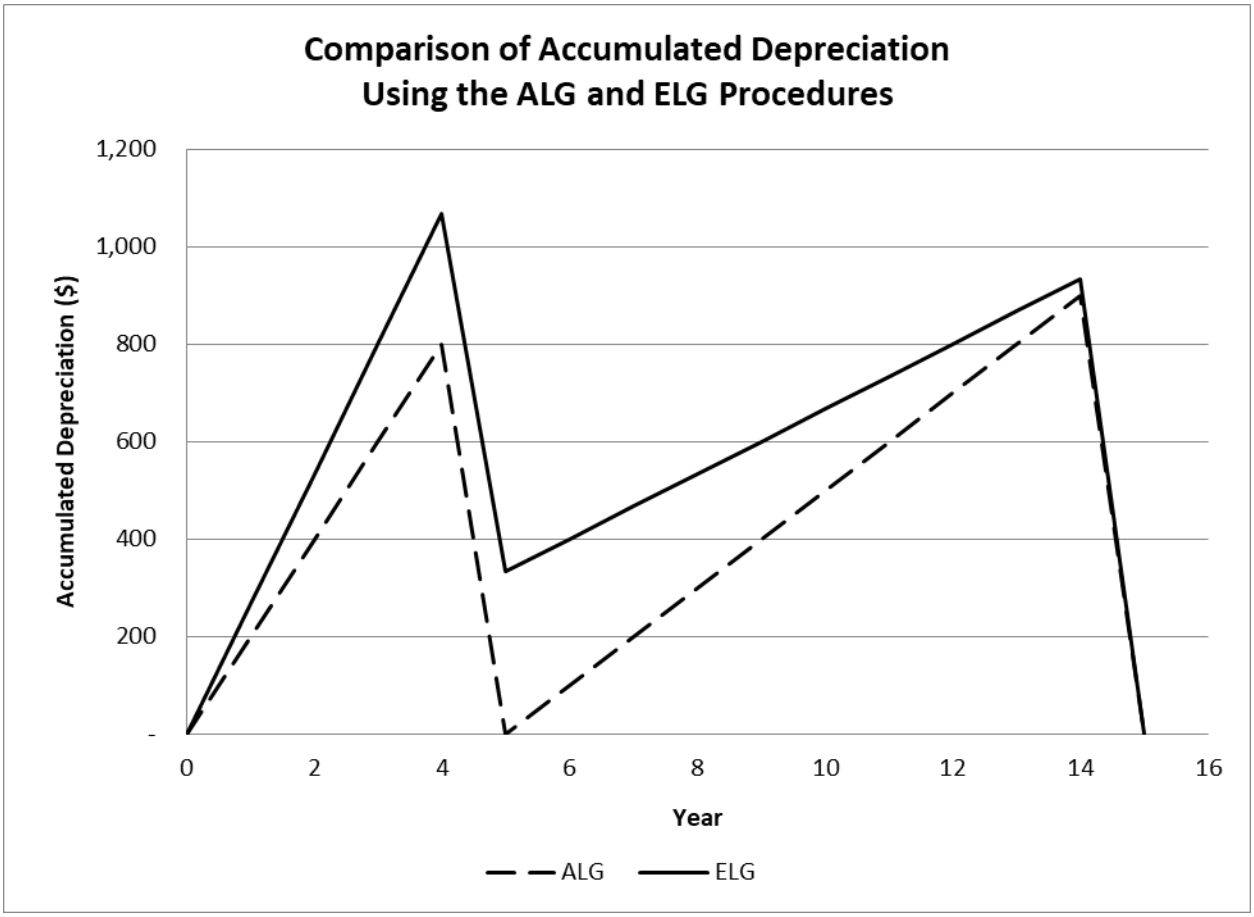
When depreciation is determined using the ELG procedure, the pattern of cost recovery better matches actual consumption. Using the same two-unit example, the annual depreciation expense under the ELG procedure is calculated by summing the annual expense for each Equal Life Group. In this case, there are two Equal Life Groups—one for Unit A, which has a life of 5 years, and one for Unit B, which has a life of 15 years. The annual depreciation rate for Unit A is 20% (1/5) and for Unit B is 6.67% (1/15). Thus, the annual accruals for years 1 through 5 will be $200 ($1,000 x 20%) for the first Equal Life Group (Unit A) summed with $66.67 ($1,000 x 6.67%) for the second (Unit B), or

$266.67. At the end of year 5, when Unit A is retired, the total accruals would be $1,333.33 ($266.67 x 5). The retirement of Unit A results in a reduction of $1,000 in accumulated depreciation, and at the start of year 6, the $1,000 original cost of Unit B remains with $333.33 in accumulated depreciation. Thus, with one-third of Unit B's life consumed, accumulated depreciation is exactly one-third of the original cost for this unit.

In years 6 through 15, the annual depreciation expense is $66.67 for a total of $666.67 over the 10-year period. After the retirement of Unit B, the accumulated depreciation is $0 ($1,000 of accruals less the $1,000 retirement of Unit B), and the full recovery of both units has been obtained.

As this example shows, the ELG procedure better matches the cost recovery of both units with their actual service lives. Figure 1 below provides a graph of the accumulated depreciation for both procedures. The end of year 5 provides the best illustration of the difference between the two procedures. Under the ELG procedure, Unit A is fully recovered when retired at the end of year 5; Unit B is one-third through its service life and has had one-third of its cost recovered. This contrasts with the ASL procedure, in which accumulated depreciation is $0 at the end of year 5, even though the only unit remaining in service has consumed one-third of its service life. Clearly, the ELG procedure provides a better match regarding the consumption of the service value for the two units. Additionally, rate base under the ELG procedure at the end of year 5 is $667 (=$1,000-$333) versus $1,000 (=$1,000 - $0) under the ASL procedure.

Figure 1. Comparison of Accumulated Depreciation Using the ALG and ELG Procedures



Q. You have provided a simple two-unit example demonstrating how ELG works. Do the same principles apply to larger property groups with many units?

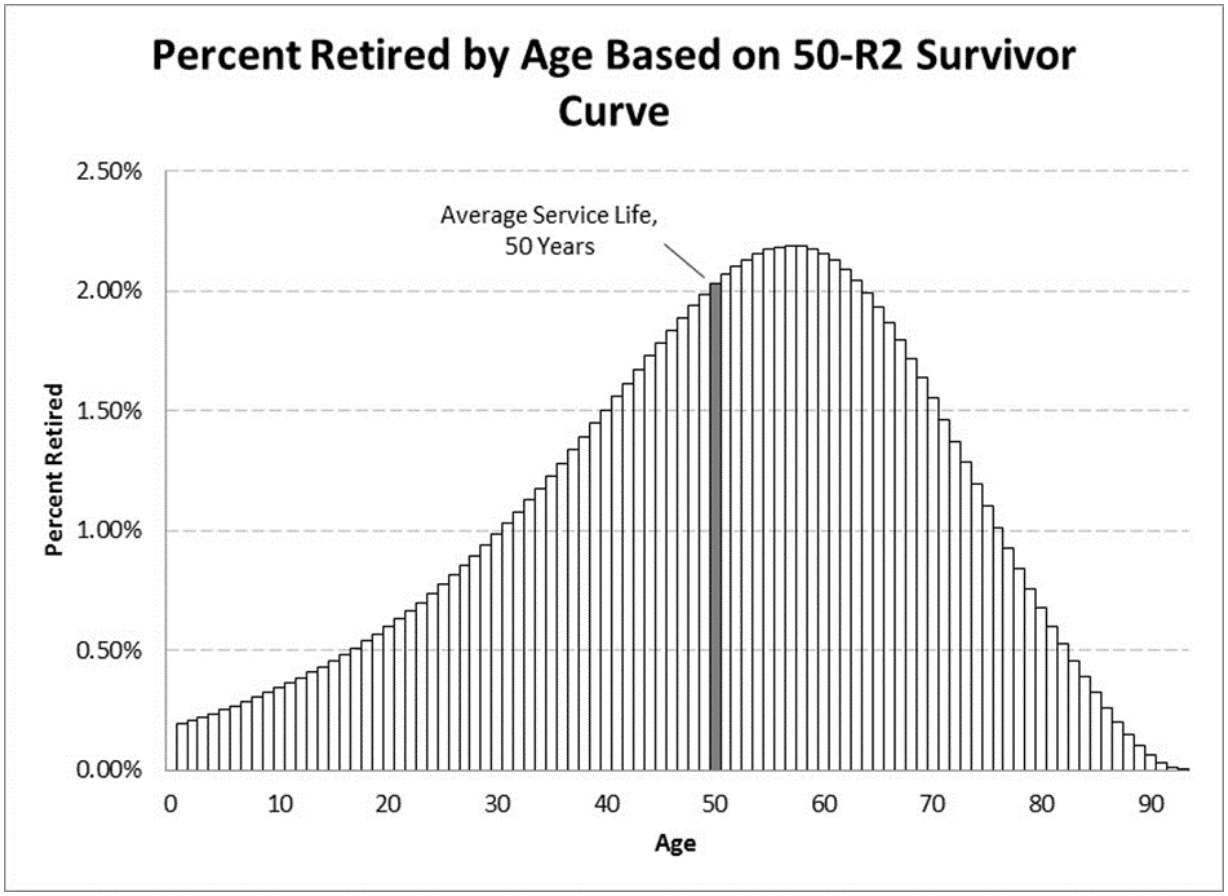
A. Yes. The same principles apply when the ELG procedure is applied to a large group of property with many units, as is typical of utility property. The survivor curve estimated for each property account can be used to divide an account into Equal Life Groups. The survivor curve allows for the calculation of the percentage of the property account that is in each Equal Life Group, which allows for the calculation of ELG annual depreciation accruals for the entire property group. Under the ASL procedure, the depreciation expense

for all property in the account is calculated based on the average service life for the entire group.

The ELG procedure recognizes the reality of dispersion. Specifically, it recognizes that in actual utility operations, only a very small percentage of the account will be retired at the average service life. Figure 2 below is a chart of the frequency curve for the 50-R2 survivor curve, which will be used to illustrate a frequency curve. The frequency curve shows the percentage of property in this account that will be retired at each age, based on the estimated survivor curve. This percentage is also the size of each Equal Life Group.

The shaded bar in Figure 2 represents the percentage of property that will have a life of 50 years. In other words, this shows the percentage of property that is expected to be in service for the average service life. Only 2.07% of the assets will be in service for exactly 50 years. In contrast, 97.93% of the assets will have a service life different than 50 years.

Figure 2. Percent Retired by Age based on 50-R2 Survivor Curve



The ELG procedure recognizes this dispersion and allocates costs for each Equal Life Group over the expected life for that group. The service lives indicated by the 50-R2 survivor curves ranges from 1 year to 93 years. As a result, the ELG procedure allocates cost in a manner that approximates the result of each asset being depreciated over its actual life. Conversely, the ASL procedure depreciates every unit of property within an account over the same life, that is, the average life. As Figure 2 shows, this average life will be incorrect most of the time – in this example, the average life will be the wrong life for 97.93% of the assets.

Just as in the case for the two-unit example provided above, the ELG procedure better matches capital recovery with the actual lives forecast by the estimated survivor

curve. Consequently, rate base will be higher when the ASL procedure is utilized because of the poor matching of recovery to utilization of the assets.

B. Pennsylvania Precedent

Q. Is the ELG procedure supported by other depreciation authorities?

A. Yes. The ELG procedure is discussed and supported in authoritative depreciation texts and academic literature. As noted previously, Robley Winfrey, who developed the Iowa survivor curves that are universally used in estimating service lives based on historical retirement data, referred to the ELG procedure as "the only mathematically correct procedure."[6]

Q. Are other commissions starting to implement the ELG procedure given the current regulatory environment?

A. Yes. The ELG procedure is being utilized for utility assets by the Texas Railroad Commission. It is also used in jurisdictions in Canada. The Federal Communications Commission first adopted the ELG procedure in the 1980s in the context of rapid technological change in the telecommunications industry at that time.[7]

The ELG procedure has also been adopted recently in Colorado in response to significant technological and regulatory changes facing the gas industry.[8] New York is also considering the ELG procedure for similar reasons in an active case in New York.[9]

[6] Robley Winfrey; p. 71.
[7] National Association of Regulatory Utility Commissioners, *Public Utility Depreciation Practices*, 1996, pages 172 through 175 for a discussion of the use of the ELG procedure in the telecommunications industry.
[8] Decision No. C22-0642 in Proceeding No. 22AL-0046G p.51, lines 161-163
[9] New York State Department of Public Service Cases 24-E-0322 and 24-G-0323.

Q. Has the ELG procedure been previously adopted in Pennsylvania?

A. Yes. The ELG procedure has been the predominant method used in Pennsylvania for many years. Most Pennsylvania gas, electric, and water utilities have used the ELG procedure since the 1980s.

Q. Since the ELG procedure is the predominant and longstanding practice in Pennsylvania, has Mr. Garrett provided evidence for why the City should be consistent with this practice?

A. No. Mr. Garrett has provided very little evidence to support why the ASL procedure is more appropriate than the ELG procedure. He appears to disagree with the ELG procedure simply because it can produce higher depreciation rates in early years to match mortality characteristics, but he provides no evidence for why lower depreciation rates up to the average life are more appropriate. As will be discussed later in this testimony, the ELG procedure is a more precise calculation and fair to all generations of customers.

C. Depreciation and Rate Base

Q. How does Mr. Garrett discuss the impact of the ELG procedure on customer rates?

A. Mr. Garrett posits that the result of the ELG procedure is "an accelerated form of cost recovery that benefits the City at the expense of current customers," which he argues is not in the best interest of ratepayers.[10] However, this position not only ignores the impact of depreciation expense on rate base, but also fails to recognize that any benefit to current customers resulting from the use of ASL depreciation rates will put additional burden on future customers disproportionately.

[10] OCA St. No. 2 at p. 4.

Q. Please explain this concept further.

A. Depreciation impacts customer rates in two ways. Depreciation expense is a direct component of the revenue requirement; however, accumulated depreciation is also a *reduction* to rate base.[11] A higher level of accumulated depreciation results in a lower rate base, a lower return on rate base, and, therefore, lower customer rates when compared to a lower level of accumulated depreciation.

The implication of Mr. Garrett's testimony is that a utility has an incentive for higher depreciation because it results in higher customer rates, and thus more cash flow for the City. In the long term, however, his description of the rate impact is fundamentally incorrect. Higher depreciation expense will, over time, result in higher accumulated depreciation. Because average depreciation rates for a utility are typically in the 2% to 3% range and the return on rate base is higher (typically 7% to 8% or more), higher depreciation expense tends to produce lower customer rates over time. Mr. Garrett's suggestion that a utility has an incentive to "overcharge" for depreciation expense is simply incorrect.

The longstanding use of ELG depreciation rates for Pennsylvania utilities has resulted in a lower rate base than if the ASL procedure had been used. Customers today pay lower customer rates than if the ASL procedure had been used during the years since the ELG procedure's adoption. As a result, it has been in customers' interest not only to use the ELG procedure, but also to use it consistently.

Over time, the ASL procedure will result in higher customer rates than the ELG procedure. It is correct to assume that if the Company were to switch to the ELG procedure

[11] Accumulated depreciation is the depreciation expense recorded to date, less recorded retirements and cost of removal, plus recorded gross salvage.

from the ASL procedure, there would be a *short*-term increase to current customers. However, this is not because the ASL procedure is in customers' best interest in the long term, but only because past and current customers have benefitted from the lower ASL depreciation rates. Given the current environment of advanced technological asset base, now is the appropriate time to better match utilization to asset recovery.

Therefore, Mr. Garrett's proposal to use the ASL procedure is not the long-term interest of lower customer rates. This just creates additional challenges for capital improvements. The continual costs of a higher rate base will be paid for by future customers who will have to continue to pay higher overall customer rates.

D. Intergenerational Equity

Q. Please explain the concept of "intergenerational equity."

A. Intergenerational equity is a ratemaking principle which provides that the customers who benefit from the use of an asset (*e.g.*, from water utility property used to provide water service) should be the same customers who pay for the cost of that asset – no more, no less. There are two related concepts when considering intergenerational equity as it pertains to depreciation. The first is the inequity that results when customers pay for assets from which they receive no service. For example, if an asset is retired before becoming fully depreciated, then customers subsequent to the retirement will have to pay for an asset from which they are not receiving service. This is less equitable, as one generation of customers bears the cost of an asset from which they receive no service. Depreciation rates should be designed to avoid such an outcome. In real-world operations, circumstances can change such that assets are retired earlier than expected. However, this situation is different than

designing depreciation rates to include intergenerational inequity, which should be avoided.

The second concept is related to the distribution of depreciation charges over the life of an asset. For example, if depreciation expense is higher in the earlier years of an asset's life and lower in later years (or vice versa), this also is less equitable because one generation of customers pays a higher share than the next. In my professional opinion, the first concept related to intergenerational equity can be more detrimental to customers than the second. That is, there is greater inequity resulting from a customer paying for an asset from which they received no service than the inequity resulting from one generation paying a somewhat different share of the same asset than another generation.

Q. How does the Equal Life Group procedure calculate depreciation expense?

A. The ELG procedure calculates depreciation expense for assets with like lives within a depreciable group in accordance with the Iowa Survivor Curve proposed for the account and summing that depreciation expense for each similar life group of assets to develop an annual depreciation accrual rate applicable to the depreciable group. This procedure is designed to more appropriately match the recovery of the assets' costs to the period of time over which they are providing service to ratepayers.

Q. How does the ASL procedure calculate depreciation expense?

A. The ASL procedure calculates depreciation expense by applying the same average service life from the proposed Iowa Survivor Curve to all assets within a depreciable group rather than grouping assets within a depreciable group by like lives. The ASL procedure operates with the assumption that some of the assets within a depreciable group will retire prior to the average service life applied to the depreciable group and other assets will survive longer

than the average service life applied to the depreciable group. Further, the ASL procedure assumes the over-recovery of the assets surviving longer than the average service life will offset the amount of the under-recovery of the assets retiring prior to reaching the average service life of the depreciable group.

Q. Does the use of the ELG procedure versus the ASL procedure or vice versa impact the total amount of asset cost to be recovered?

A. No. Both procedures are designed to recover the total service value of an asset over the asset's service life.

Q. Has Mr. Garrett claimed that the ASL procedure produces significantly fairer and more reasonable rates?

A. Yes.[12] Basically, his testimony implies that the use of the ELG procedure leads to intergenerational inequity, incorrectly assuming that the ELG procedure does not recover the same amount of expense over the life of each asset class as the ASL procedure. The ELG procedure, however, more precisely and accurately matches asset utilization to asset recovery overall, is fairer to all generations of customers, and is consistent with Pennsylvania practice.

Q. Why does Mr. Garrett make that claim?

A. Given the precise nature of the calculation process utilized in the ELG procedure, the level of depreciation expense associated with assets that are younger than the proposed average service life is higher than depreciation expense using the ASL procedure. Conversely, as the assets mature and the lives grow longer, the level of depreciation expense associated

[12] OCA St. No. 2 at p. 4.

with assets that are older than the proposed average service life is lower than depreciation expense using the ASL procedure. Those making this claim focus on the higher level of depreciation expense calculated for younger assets while disregarding the associated lower level of depreciation expense calculated for older, more mature assets within the depreciable group. Those making this claim misrepresent this more accurate allocation of depreciation expense as intergenerational inequity.

Q. Does the use of the ELG procedure produce intergenerational inequity?

A. No, quite the opposite. The very nature of the ELG procedure more precisely calculates depreciation expense for assets with like lives within a depreciable group and sums that expense to develop an annual depreciation accrual rate applicable to the depreciable group. As a result, it more appropriately matches the recovery of the asset's cost to the period of time over which it is providing service to ratepayers.

In contrast, there is a stronger argument that the ASL procedure results in intergenerational inequity. Because depreciation expense on shorter-lived assets occurs over the average service life, recovery for these assets is deferred. The ELG procedure produces a more equitable recovery by recovering these costs over the actual, shorter, service lives.

Q. Does the use of the ELG procedure require the calculation of annual depreciation rates to be updated more frequently than the ASL procedure to prevent intergenerational inequity?

A. No. Regardless of the procedure selected, the calculation of depreciation expense and annual depreciation accrual rates should be updated regularly to prevent intergenerational inequity.

III. RATE BASE FOR FORECASTED TEST YEAR

A. Errors in Mr. Garrett's Calculations

Q. If the ASL procedure were to be adopted in this case, are Mr. Garrett's stated rates correct?

A. No. Mr. Garrett's proposed ASL rates for the future test year ("FTY") and fully projected future test years ("FPFTY") are incorrect because he is using depreciation reserve balances that are based on projected ELG accruals.

Q. What is the appropriate process for calculating the proposed depreciation expense and annual depreciation accrual rates during a rate case in Pennsylvania?

A. Pennsylvania provides for the calculation of proposed depreciation expense and annual depreciation accrual rates as of the end of the FPFTY. In the instant case, the FPFTY date is March 31, 2027.

Q. Please explain how the FPFTY levels of plant and accumulated depreciation (or "reserve") are developed?

A. The process begins with the calculation of depreciation expense and annual deprecation accrual rates as of a historical test year ("HTY"), which is completed using historical, or actual, levels of plant and reserve. In this case, the HTY date is March 31, 2025. Once depreciation expense and annual depreciation accrual rates are calculated as of the HTY date, they are utilized along with projected levels of plant activity to develop the plant values and bring forward the reserve to a FTY date at which the levels of depreciation expense and annual depreciation accrual rates are calculated again. In this case, the FTY date is March 31, 2026. The final step to calculate the proposed depreciation expense and annual depreciation accrual rates is to utilize the FTY depreciation expense and annual

depreciation accrual rates along with projected levels of plant activity to develop the plant values and bring forward the reserve to a FPFTY date where the proposed levels of depreciation expense and annual depreciation rates are calculated. In this case, the FPFTY date is March 31, 2027.

Q. Is it important to maintain a consistent process and consistent procedures during the process described above?

A. Yes, it is. Maintaining a consistent process and procedures eliminates the possibility of increasing or decreasing swings in the levels of depreciation expense and annual depreciation accrual rates, which would result from what Mr. Garrett is proposing.

Q. Has Mr. Garrett followed the above-described Pennsylvania process when calculating his proposed levels of depreciation expense and annual depreciation accrual rates?

A. No.

Q. Please describe how Mr. Garrett has deviated from the Pennsylvania process described above.

A. Mr. Garrett has completely skipped portions of the process fast forwarding to the FPFTY and applies his proposed ASL alternative procedure to calculate depreciation expense and annual depreciation accrual rates as of March 31, 2027. This is evident in Mr. Garrett's schedules as his book reserve amounts are the same as the those prepared in the depreciation studies where the ELG procedure was utilized to determine the forecasted book reserve.

Q. Why are Mr. Garrett's proposals not appropriate?

A. There are two primary reasons why Mr. Garrett's proposals are not appropriate. First, Mr. Garrett's proposals fail to adhere to the established process in Pennsylvania for calculating proposed depreciation expense and annual depreciation accrual rates within a rate case. Second, Mr. Garrett's workpapers do not appear to display proper calculations of the forecasting of the book reserve. He recommends use of the ASL procedure but utilizes the forecasted book reserve based on the ELG procedure. Then he switches to his proposal to calculate depreciation expense and annual depreciation accrual rates as of the FPFTY date using the ASL procedure. This is a contradiction in appropriate forecasting models and creates higher book reserve in order to lower depreciation expense as of the FPFTY. If Mr. Garrett had followed the standards properly, he would have forecasted the book reserve for the FTY and FPFTY using his recommended ASL procedure. This, in turn, would lower the book reserve as of each test year, resulting in higher depreciation expense than what he has proposed in his testimony. Consequently, Mr. Garrett's statement that the difference between the two procedures is $1.4 million is inaccurate based on the improper methodology for forecasted test years as well as the need for his calculations to be corrected to reflect the life spanning of many asset classes.

Q. What is the correct level of the book depreciation reserve as of March 31, 2027 using the Average Life Group procedure as proposed by Mr. Garrett?

A. The attached exhibit, Exhibit No. JJS-1R, sets forth the proper development of the book reserve as of March 31, 2027, using the ASL procedure. This is a total reduction in book depreciation reserve of $863,130 for depreciable plant or $819,157 of total plant as compared to what Mr. Garrett has presented. This means that the total rate base for the

City should be increased by $863,130 for depreciable plant or $819,157 for total plant when developing depreciation rates and expense as of March 31, 2027.

Q. Does this mean that Mr. Garrett's position on depreciation expense and rates are incorrectly calculated?

A. Yes. When properly developing rate base, Mr. Garrett should present a total increase in his position of $837,749 in depreciation expense. However, it should be noted that not only has Mr. Garrett incorrectly developed the proper book reserve but he has not calculated depreciation rates for many of the accounts due to improper life characteristics for accounts that are life spanned. The correct calculation using Mr. Garrett's ALG position with the proper development of the book reserve, proper life characteristics for all accounts and inclusion of contributed property is set forth in Exhibit No. JJS-2R. Therefore, if Mr. Garrett was to maintain all the correct life parameters and utilize the ALG procedure his position should be $5,383,024 of depreciation expense as of March 31, 2027 instead of $4,695,088 that he filed.

Q. Are there other differences that should be discussed?

A. Yes. As presented in discovery, there were adjustments to forecasted plant which also created a revised position on rate base as of March 31, 2027. These revised numbers are set forth in Exhibit No. JJS-3R. which reflects the ELG procedure. This schedule was also provided in Greg Herbert's Exhibit GRH-4R.

Q. Are there any other issues that should be addressed related to Mr. Garrett's testimony?

A. Yes. He mentions on page 54 and 55 of his testimony a reference to a reserve imbalance. This concept is not applicable when using the remaining life basis given the imbalance is

already addressed as a component of the depreciation rates and expense. Additionally, as shown in filing requirements the level of actual book reserve compared to the theoretical reserve is being reduced each test year when applying the proper ELG rates to develop the book reserve for each forecasted test year.

Q. Are the composite rates for each test year using the ELG procedure within reasonable levels as compared to other water entities?

A. Actually, the composite rate for the City of Lancaster for each test year using the ELG procedure is well below the composite rates of many other water entities. The composite rate for the historic test year is 1.60 percent; the future test year is 1.74 percent and the fully projected test year is 1.69 percent as filed. The most common industry range for water entities is 2.30 percent to 2.90 percent. Therefore, the use of the ELG procedure is not producing unreasonably high depreciation rates.

B. <u>ELG in Other Jurisdictions</u>

Q. Has Mr. Garrett provided decisions regarding the ELG procedure from other jurisdictions to support his proposed use of the ASL procedure?

A. Yes. Mr. Garrett cites decisions from Indiana and Kentucky to support his proposal to use the ASL procedure in this case.

Q. Was the Indiana decision referenced in Mr. Garrett's direct testimony based on a "change in landscape" and a "higher than average investment cycle"?

A. Yes. I have provided an excerpt from the Indiana decision referenced by Mr. Garrett below, which references both "a changed landscape" and "a higher than average investment cycle" as the bases of the Indiana utility regulatory commission's decision.

> While we have determined in the past that the ELG methodology was appropriate and acknowledge the weight given to precedent in many prior decisions, we always evaluate each case as it comes before us and do not need to approve the same methodology based on prior decisions, especially in light of a changed landscape. The use of ELG in a higher than average investment cycle has the effect of unnecessarily increasing the near term depreciation expense as compared to the use of ALG.[13]

Q. Does "a changed landscape" exist for the City of Lancaster?

A. No. The City of Lancaster is operating within the same "landscape" that has existed for its most recent rate cases.

Q. Is the City experiencing "a higher than average investment cycle"?

A. No. The company's current investment levels are associated with improving its infrastructure and maintaining the safety and reliability of the water system. Those levels of investment will continue into the foreseeable future.

Q. Q. Given that neither "a changed landscape" nor "a higher than average investment cycle" exist in this case, is it reasonable to implement the most appropriate and accurate depreciation procedure?

A. Yes. The ELG procedure is the most precise depreciation procedure and properly reflects recovery of each asset class with utilization of the assets. There should be anticipated higher annual depreciation expense when the total investment increases as rate base grows.

IV. CONCLUSION

Q. Is there anything in the testimony of the OCA witness that should influence the Commission to accept his depreciation recommendations?

A. No. As this rebuttal testimony explains, the City's proposed depreciation rates were

[13] Final Order, Cause No. 45253, p. 90.

prepared in accordance with current practice before the Commission. OCA has incorrectly calculated depreciation rates for the forecasted test years, misrepresented all the components of the ELG procedure, presented circumstances in other jurisdictions that are not applicable, and has not properly addressed how depreciation affects customers. The Commission should approve the depreciation rates recommended in the Company's filing.

Q. Does this conclude your rebuttal testimony?

A. Yes, it does.

VERIFICATION

I, John J. Spanos, President, Gannett Fleming Valuation and Rate Consultants, LLC, hereby state that the facts set forth in the foregoing City of Lancaster Statement No. 5R are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter.

I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to sworn falsification to authorities).

John J. Spanos

Date: January 8, 2026

CITY OF LANCASTER - BUREAU OF WATER

BRINGFORWARD OF BOOK RESERVE FROM MARCH 31, 2025 TO MARCH 31, 2027

ACCOUNT (1)	NARUC ACCOUNT (2)	DEPRECIABLE GROUP (3)	BOOK RESERVE AS OF MARCH 31, 2025 (4)	+	ACCRUALS (5)	-	RETIREMENTS (6)	=	BOOK RESERVE AS OF MARCH 31, 2026 (7)	+	ACCRUALS (8)	-	RETIREMENTS (9)	=	BOOK RESERVE AS OF MARCH 31, 2027 (10)
		NONDEPRECIABLE PLANT													
303	303	LAND AND LAND RIGHTS													
		TOTAL NONDEPRECIABLE PLANT													
		DEPRECIABLE PLANT													
312.11	305	COLLECTING IMPOUNDING RESERVOIRS	31,446		106		-		31,552		106		0		31,658
312.12	306	LAKE, RIVER AND OTHER INTAKES	334,538		6,192		-		340,730		7,028		0		347,757
312.2	304.2	POWER AND PUMPING STRUCTURES													
		WILLOW STREET BOOSTER STATION - OUTSIDE CITY	82,170		59,437		-		141,607		59,437		0		201,044
		LAMPETER BOOSTER STATION - OUTSIDE CITY	6,591		-		-		6,591		0		0		6,591
		KISSEL HILL BOOSTER STATION - OUTSIDE CITY	33,455		2,170		-		35,625		2,156		0		37,781
		SUSQUEHANNA RIVER INTAKE AND HIGH SERVICE PUMP STATION - JOINT	555,824		22,825		-		578,649		22,391		0		601,040
		CONESTOGA PUMP STATION - JOINT	1,352,344		79,867		-		1,432,211		79,143		0		1,511,354
		HESS BOULEVARD PUMP STATION - OUTSIDE CITY	103,892		7,103		30,000		80,995		24,473		24,000		81,468
		CONESTOGA STRAINER BUILDING	399,260		27,442		-		426,702		27,442		0		454,144
		DELP ROAD PUMP STATION	268,880		21,004		-		289,884		21,004		0		310,888
		WILLOW VALLEY PUMP STATION	271,205		49,782		-		320,987		49,782		0		370,770
		EAST PUMP STATION	30,750		43,080		-		73,830		43,080		0		116,910
		SOUTH PUMP STATION	53,297		20,500		-		73,797		20,500		0		94,297
		TOTAL POWER AND PUMPING STRUCTURES	3,157,668		333,210		30,000		3,460,878		349,407		24,000		3,786,285
312.3	304.3	PURIFICATION BUILDINGS	37,288,174		1,963,969		-		39,252,143		1,967,160		0		41,219,303
312.5	330	DISTRIBUTION RESERVOIR AND STANDPIPES													
		UNDERGROUND STORAGE RESERVOIR - OYSTER PT (MOUNTVILLE) - JOINT	1,977,211		198,853		-		2,176,064		198,853		0		2,374,917
		WILLOW STREET STANDPIPE - OUTSIDE CITY	897,537		11,368		-		908,905		11,368		0		920,273
		LAFAYETTE (ROUTE 30 EAST) STANDPIPE - OUTSIDE CITY	949,521		57,116		-		1,006,637		98,232		150,000		954,869
		LAMPETER ELEVATED TANK - OUTSIDE CITY	140,147		2,523		-		142,670		2,448		0		145,118
		NEFFSVILLE TANK - OUTSIDE CITY	353,874		7,449		-		361,323		7,368		0		368,692
		BLOSSOM HILL STANDPIPE - OUTSIDE CITY	19,490		-		-		19,490		0		0		19,490
		TANK PAINTING - OUTSIDE CITY	177,263		-		-		177,263		0		0		177,263
		FENCING - JOINT	30,027		-		-		30,027		0		0		30,027
		SOUTH TANK	950,841		189,891		-		1,140,732		189,891		0		1,330,623
		TOTAL DISTRIBUTION RESERVOIR AND STANDPIPES	5,495,912		467,200		-		5,963,112		508,160		150,000		6,321,271
312.61	304.61	WATER ADMINISTRATION BUILDING	1,251,876		211,775		-		1,463,651		211,775		0		1,675,426
312.62	304.62	STORES, SHOP AND GARAGE BUILDINGS	195,510		11,769		-		207,279		11,781		0		219,060
312.63	304.63	MISCELLANEOUS STRUCTURES AND IMPROVEMENTS	120,370		6,730		-		127,100		6,730		0		133,830
316	311	ELECTRIC PUMPING EQUIPMENT	1,938,278		357,814		45,000		2,251,092		360,192		36,000		2,575,284
320	320	PURIFICATION SYSTEM													
		TREATMENT PLANT EQUIPMENT	7,345,286		55,425		-		7,400,711		76,735		0		7,477,447
		WILLOW STREET CHLORINE BOOSTER STATION	21,019		-		-		21,019		0		0		21,019
															-
		TOTAL PURIFICATION SYSTEM	7,366,305		55,425		-		7,421,730		76,735		-		7,498,466
321	344	LABORATORY EQUIPMENT	104,369		600		-		104,969		589		0		105,557
322	331	MAINS AND ACCESSORIES													
		CAST IRON, 4 INCH AND UNDER - INSIDE CITY	31,150		337		-		31,487		337		0		31,824
		CAST IRON, 4 INCH AND UNDER - OUTSIDE CITY	125,586		5,798		-		131,384		5,798		0		137,182
		TOTAL 4 INCH AND UNDER	156,736		6,135		-		162,871		6,135		-		169,006
		CAST IRON, 6 INCH AND OVER - INSIDE CITY	3,381,257		245,357		-		3,626,614		245,357		0		3,871,971
		CAST IRON, 6 INCH AND OVER - OUTSIDE CITY	11,145,324		441,231		173,750		11,412,805		570,877		1,543,500		10,440,182
		CAST IRON, 6 INCH AND OVER - JOINT	1,907,663		29,518		-		1,937,181		29,518		0		1,966,699
		TOTAL 6 INCH AND OVER	16,434,244		716,106		173,750		16,976,600		845,753		1,543,500		16,278,853
		MANHOLES - INSIDE CITY	100,866		2,191		-		103,057		2,191		0		105,248
		MANHOLES - OUTSIDE CITY	245,995		13,218		-		259,213		13,218		0		272,431
		MANHOLES - JOINT	110,020		697		-		110,717		684		0		111,401
		TOTAL MANHOLES	456,881		16,106		-		472,987		16,093		-		489,080
		VALVES AND VALVE BOXES - INSIDE CITY	304,379		26,368		-		330,747		26,368		0		357,115
		VALVES AND VALVE BOXES - OUTSIDE CITY	1,302,420		68,291		34,250		1,336,461		98,806		220,500		1,214,767
		VALVES AND VALVE BOXES - JOINT	192,652		1,547		-		194,199		1,522		0		195,721

CITY OF LANCASTER - BUREAU OF WATER

BRINGFORWARD OF BOOK RESERVE FROM MARCH 31, 2025 TO MARCH 31, 2027

ACCOUNT (1)	NARUC ACCOUNT (2)	DEPRECIABLE GROUP (3)	BOOK RESERVE AS OF MARCH 31, 2025 (4)	+	ACCRUALS (5)	-	RETIREMENTS (6)	=	BOOK RESERVE AS OF MARCH 31, 2026 (7)	+	ACCRUALS (8)	-	RETIREMENTS (9)	=	BOOK RESERVE AS OF MARCH 31, 2027 (10)
		TOTAL VALVES AND VALVE BOXES	1,799,451		96,206		34,250		1,861,407		100,328		220,500		1,767,603
		STEEL - OUTSIDE CITY	17,692		12,108		-		29,800		12,194		0		41,994
		STEEL - JOINT	1,784,803		3,115		-		1,787,918		2,931		0		1,790,849
		TOTAL STEEL	1,802,495		15,223		-		1,817,718		15,125		-		1,832,843
		PLASTIC - OUTSIDE CITY	77,342		982		-		78,324		972		0		79,296
		LANCASTER METER PIT - OUTSIDE CITY	11,681		-		-		11,681		0		0		11,681
		RELINING	935,434		74,934		8,000		1,002,368		75,553		0		1,077,921
		TOTAL MAINS AND ACCESSORIES	21,674,264		925,692		216,000		22,383,956		1,086,326		1,764,000		21,706,282
323	333	SERVICES													
		INSIDE CITY	814,520		30,769		170,000		675,289		46,102		0		721,391
		OUTSIDE CITY	2,970,291		61,498		49,000		2,982,789		109,282		441,000		2,651,072
		TOTAL SERVICES	3,784,811		92,267		219,000		3,658,078		155,385		441,000		3,372,463
324	334	METERS													
		INSIDE CITY	3,891,141		7,283		-		3,898,424		7,283		0		3,905,707
		OUTSIDE CITY	10,634,824		1,066		-		10,635,890		1,066		0		10,636,956
		TOTAL METERS	14,525,965		8,349		-		14,534,314		8,349		-		14,542,663
325	335	FIRE HYDRANTS													
		INSIDE CITY	333,635		19,631		-		353,266		19,631		0		372,897
		OUTSIDE CITY	788,856		35,769		-		824,625		35,880		0		860,506
		TOTAL FIRE HYDRANTS	1,122,491		55,400		-		1,177,891		55,511		-		1,233,403
328	340	OFFICE FURNITURE AND EQUIPMENT													
		FURNITURE	143,382		2,017		-		145,399		2,017		0		147,416
		EQUIPMENT	83,704		1,444		-		85,148		1,444		0		86,593
		HARDWARE AND SOFTWARE	1,504,818		34,717		-		1,539,535		35,267		0		1,574,802
		TOTAL OFFICE FURNITURE AND EQUIPMENT	1,731,904		38,178		-		1,770,082		38,729		-		1,808,811
329	341	TRANSPORTATION EQUIPMENT													
		AUTOS AND VANS	211,053		27,454		-		238,507		26,870		0		265,377
		TRUCKS	2,014,920		121,297		-		2,136,217		152,500		0		2,288,717
		TRAILERS	112,380		6,048		-		118,428		6,027		0		124,456
		TOTAL TRANSPORTATION EQUIPMENT	2,338,354		154,799		-		2,493,153		185,397		-		2,678,549
330	342	STORES EQUIPMENT	12,318		137		-		12,455		138		0		12,593
331	343.1	SHOP EQUIPMENT	30,853		-		-		30,853		0		0		30,853
332		TOOLS AND WORK EQUIPMENT													
	343.2	GENERAL	285,239		2,582		-		287,821		2,582		0		290,403
	345	CONSTRUCTION EQUIPMENT	492,297		59,941		-		552,238		60,730		0		612,968
		TOTAL TOOLS AND WORK EQUIPMENT	777,536		62,523		-		840,059		63,312		-		903,371

CITY OF LANCASTER - BUREAU OF WATER

BRINGFORWARD OF BOOK RESERVE FROM MARCH 31, 2025 TO MARCH 31, 2027

ACCOUNT	NARUC ACCOUNT	DEPRECIABLE GROUP	BOOK RESERVE AS OF MARCH 31, 2025		ACCRUALS		RETIREMENTS		BOOK RESERVE AS OF MARCH 31, 2026		ACCRUALS		RETIREMENTS		BOOK RESERVE AS OF MARCH 31, 2027
(1)	(2)	(3)	(4)	+	(5)	-	(6)	=	(7)	+	(8)	-	(9)	=	(10)
333	346	COMMUNICATION EQUIPMENT	777,315		47,997		-		825,312		54,358		0		879,670
334	347	MISCELLANEOUS EQUIPMENT	63,652		1,644		-		65,296		1,644		0		66,940
		TOTAL DEPRECIABLE PLANT	**104,123,908**		**4,801,776**		**510,000**		**108,415,684**		**5,148,811**		**2,415,000**		**111,149,495**
		TOTAL UTILITY PLANT IN SERVICE	**104,123,908**		**4,801,776**		**510,000**		**108,415,684**		**5,148,811**		**2,415,000**		**111,149,495**
		CUSTOMERS' ADVANCES FOR CONSTRUCTION													
322	331	MAINS AND ACCESSORIES													
		CAST IRON, 6 INCH AND OVER - OUTSIDE CITY	256,704		4,901		-		261,605		4,901		0		266,506
		CONTRIBUTIONS IN AID OF CONSTRUCTION													
312.2	304.2	POWER AND PUMPING STRUCTURES	133,495		2,676		-		136,171		2,610		0		138,781
312.5	330	DISTRIBUTION RESERVOIR AND STANDPIPES													
		NEFFSVILLE TANK - OUTSIDE CITY	216,913		4,384		-		221,297		4,285		0		225,583
316	311	ELECTRIC PUMPING EQUIPMENT	33,322		454		-		33,776		396		0		34,173
322	331	MAINS AND ACCESSORIES													
		CAST IRON, 4 INCH AND UNDER - INSIDE CITY	7,178		252		-		7,430		250		0		7,679
		CAST IRON, 4 INCH AND UNDER - OUTSIDE CITY	2,981		43		-		3,024		40		0		3,064
		TOTAL 4 INCH AND UNDER	10,158		295		-		10,453		290		-		10,743
		CAST IRON, 6 INCH AND OVER - INSIDE CITY	246,896		7,702		-		254,598		7,702		0		262,299
		CAST IRON, 6 INCH AND OVER - OUTSIDE CITY	1,734,219		86,285		-		1,820,504		86,285		0		1,906,789
		CAST IRON, 6 INCH AND OVER - JOINT	383,221		9,191		-		392,412		9,191		0		401,602
		TOTAL 6 INCH AND OVER	2,364,335		103,178		-		2,467,513		103,177		-		2,570,690
		MANHOLES - OUTSIDE CITY	27,568		801		-		28,369		795		0		29,164
		VALVES AND VALVE BOXES - INSIDE CITY	9,188		563		-		9,751		563		0		10,313
		VALVES AND VALVE BOXES - OUTSIDE CITY	153,652		11,161		-		164,813		11,083		0		175,896
		TOTAL VALVES AND VALVE BOXES	162,840		11,724		-		174,564		11,645		-		186,209
		TOTAL MAINS AND ACCESSORIES	2,564,901		115,998		-		2,680,899		115,907		0		2,796,806
323	333	SERVICES - OUTSIDE CITY	30,132		6,364		-		36,496		6,364		0		42,860
325	335	FIRE HYDRANTS													
		INSIDE CITY	23,587		1,375		-		24,962		1,375		0		26,337
		OUTSIDE CITY	221,917		14,777		-		236,694		14,777		0		251,471
		TOTAL FIRE HYDRANTS	245,504		16,152		-		261,656		16,152		-		277,808
		TOTAL CONTRIBUTIONS IN AID OF CONSTRUCTION	**3,224,268**		**146,028**		**-**		**6,051,194**		**261,623**		**-**		**3,516,011**
		TOTAL UTILITY PLANT	**100,977,474**		**4,657,039**		**510,000**		**102,102,885**		**4,882,288**		**2,415,000**		**107,366,978**

CITY OF LANCASTER - BUREAU OF WATER

TABLE 1. ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO WATER PLANT AS OF MARCH 31, 2027

ACCOUNT	NARUC ACCOUNT	DEPRECIABLE GROUP	SURVIVOR CURVE		ORIGINAL COST AS OF MARCH 31, 2027	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
(1)	(2)	(3)	(4)		(5)	(6)	(7)	(8)	(9)=(8)/(5)	(10)=(7)/(8)
		NONDEPRECIABLE PLANT								
303	303	LAND AND LAND RIGHTS			6,978,291.50					
		TOTAL NONDEPRECIABLE PLANT			**6,978,291.50**					
		DEPRECIABLE PLANT								
312.11	305	COLLECTING IMPOUNDING RESERVOIRS	SQUARE	*	34,130.00	31,658	2,472	107	0.31	23.1
312.12	306	LAKE, RIVER AND OTHER INTAKES	65-S1.5	*	565,270.65	347,757	217,514	10,394	1.84	20.9
312.2	304.2	POWER AND PUMPING STRUCTURES								
		WILLOW STREET BOOSTER STATION - OUTSIDE CITY	60-R3	*	2,321,747.32	201,044	2,120,704	59,385	2.56	35.7
		LAMPETER BOOSTER STATION - OUTSIDE CITY	FULLY ACCRUED		6,591.00	6,591	0	0	-	-
		KISSEL HILL BOOSTER STATION - OUTSIDE CITY	60-R3	*	71,619.00	37,781	33,838	2,140	2.99	15.8
		SUSQUEHANNA RIVER INTAKE AND HIGH SERVICE PUMP STATION - JOINT	60-R3	*	867,859.87	601,040	266,820	21,975	2.53	12.1
		CONESTOGA PUMP STATION - JOINT	60-R3	*	2,412,892.68	1,511,354	901,539	78,434	3.25	11.5
		HESS BOULEVARD PUMP STATION - OUTSIDE CITY	60-R3	*	669,298.03	81,468	587,830	32,809	4.90	17.9
		CONESTOGA STRAINER BUILDING	60-R3	*	1,264,611.00	454,144	810,467	27,362	2.16	29.6
		DELP ROAD PUMP STATION	60-R3	*	972,399.60	310,888	661,512	20,987	2.16	31.5
		WILLOW VALLEY PUMP STATION	60-R3	*	2,501,626.68	370,770	2,130,857	49,845	1.99	42.7
		EAST PUMP STATION	60-R3	*	2,013,090.96	116,910	1,896,181	42,988	2.14	44.1
		SOUTH PUMP STATION	60-R3	*	1,078,924.52	94,297	984,628	20,449	1.90	48.2
		TOTAL POWER AND PUMPING STRUCTURES			14,180,660.66	3,786,285	10,394,376	356,374	2.51	29.2
312.3	304.3	PURIFICATION BUILDINGS	65-R3	*	112,264,738.07	41,219,303	71,045,435	1,960,083	1.75	36.2
312.5	330	DISTRIBUTION RESERVOIR AND STANDPIPES								
		UNDERGROUND STORAGE RESERVOIR - OYSTER PT (MOUNTVILLE) - JOINT	60-R4	*	10,986,346.72	2,374,917	8,611,430	198,887	1.81	43.3
		WILLOW STREET STANDPIPE - OUTSIDE CITY	60-R4	*	1,114,500.84	920,273	194,228	11,305	1.01	17.2
		LAFAYETTE (ROUTE 30 EAST) STANDPIPE - OUTSIDE CITY	60-R4	*	4,340,373.60	954,869	3,385,505	147,531	3.40	22.9
		LAMPETER ELEVATED TANK - OUTSIDE CITY	60-R4	*	150,184.00	145,118	5,066	2,350	1.56	2.2
		NEFFSVILLE TANK - OUTSIDE CITY	60-R4	*	404,842.81	368,692	36,151	7,231	1.79	5.0
		BLOSSOM HILL STANDPIPE - OUTSIDE CITY	FULLY ACCRUED		19,490.00	19,490	0	0	-	-
		TANK PAINTING - OUTSIDE CITY	FULLY ACCRUED		177,263.00	177,263	0	0	-	-
		FENCING - JOINT	30-SQ		30,027.00	30,027	0	0	-	-
		SOUTH TANK	60-R4		10,789,245.24	1,330,623	9,458,623	189,856	1.76	49.8
		TOTAL DISTRIBUTION RESERVOIR AND STANDPIPES			28,012,273.21	6,321,271	21,691,003	557,160	1.99	38.9
312.61	304.61	WATER ADMINISTRATION BUILDING	65-S2.5	*	9,989,366.96	1,675,426	8,313,941	212,069	2.12	39.2
312.62	304.62	STORES, SHOP AND GARAGE BUILDINGS	SQUARE	*	352,845.99	219,060	133,786	6,715	1.90	19.9
312.63	304.63	MISCELLANEOUS STRUCTURES AND IMPROVEMENTS	SQUARE	*	229,074.00	133,830	95,245	6,736	2.94	14.1
316	311	ELECTRIC PUMPING EQUIPMENT	40-R2.5		12,231,199.48	2,575,284	9,655,916	358,040	2.93	27.0
320	320	PURIFICATION SYSTEM								
		TREATMENT PLANT EQUIPMENT	50-S1.5		11,087,207.87	7,477,447	3,609,761	81,169	0.73	44.5
		WILLOW STREET CHLORINE BOOSTER STATION	FULLY ACCRUED		21,019.10	21,019	0	0	-	-
		TOTAL PURIFICATION SYSTEM			11,108,226.97	7,498,466	3,609,761	81,169	0.73	44.5
321	344	LABORATORY EQUIPMENT	20-L3		111,048.40	105,557	5,491	570	0.51	9.6

CITY OF LANCASTER - BUREAU OF WATER

TABLE 1. ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO WATER PLANT AS OF MARCH 31, 2027

ACCOUNT	NARUC ACCOUNT	DEPRECIABLE GROUP	SURVIVOR CURVE	ORIGINAL COST AS OF MARCH 31, 2027	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(8)/(5)	(10)=(7)/(8)
322	331	MAINS AND ACCESSORIES							
		CAST IRON, 4 INCH AND UNDER - INSIDE CITY	80-R2	50,344.63	31,824	18,520	335	0.67	55.3
		CAST IRON, 4 INCH AND UNDER - OUTSIDE CITY	80-R2	531,881.25	137,182	394,700	5,766	1.08	68.5
		TOTAL 4 INCH AND UNDER		582,225.88	169,006	413,220	6,101	1.05	67.7
		CAST IRON, 6 INCH AND OVER - INSIDE CITY	110-R3	28,201,966.14	3,871,971	24,329,995	245,976	0.87	98.9
		CAST IRON, 6 INCH AND OVER - OUTSIDE CITY	110-R3	81,626,892.95	10,440,182	71,186,711	736,109	0.90	96.7
		CAST IRON, 6 INCH AND OVER - JOINT	110-R3	4,043,599.74	1,966,699	2,076,900	29,465	0.73	70.5
		TOTAL 6 INCH AND OVER		113,872,458.83	16,278,853	97,593,606	1,011,550	0.89	96.5
		MANHOLES - INSIDE CITY	80-R2.5	243,440.25	105,248	138,192	2,185	0.90	63.2
		MANHOLES - OUTSIDE CITY	80-R2.5	1,139,491.71	272,431	867,061	13,243	1.16	65.5
		MANHOLES - JOINT	80-R2.5	129,079.00	111,401	17,678	675	0.52	26.2
		TOTAL MANHOLES		1,512,010.96	489,080	1,022,931	16,103	1.07	63.5
		VALVES AND VALVE BOXES - INSIDE CITY	70-R2.5	1,967,767.30	357,115	1,610,652	26,421	1.34	61.0
		VALVES AND VALVE BOXES - OUTSIDE CITY	70-R2.5	9,490,768.91	1,214,767	8,276,002	135,735	1.43	61.0
		VALVES AND VALVE BOXES - JOINT	70-R2.5	253,687.58	195,721	57,966	1,515	0.60	38.3
		TOTAL VALVES AND VALVE BOXES		11,712,223.79	1,767,603	9,944,620	163,671	1.40	60.8
		STEEL - OUTSIDE CITY	70-R3	858,718.82	41,994	816,725	12,171	1.42	67.1
		STEEL - JOINT	70-R3	1,832,100.00	1,790,849	41,251	2,843	0.16	14.5
		TOTAL STEEL		2,690,818.82	1,832,843	857,976	15,014	0.56	57.1
		PLASTIC - OUTSIDE CITY	65-R3	102,283.00	79,296	22,987	959	0.94	24.0
		LANCASTER METER PIT - OUTSIDE CITY	50-S3	11,681.00	11,681	0	0	-	-
		RELINING	55-R2.5	4,392,616.12	1,077,921	3,314,695	75,418	1.72	44.0
		TOTAL MAINS AND ACCESSORIES		134,876,318.40	21,706,282	113,170,035	1,288,816	0.96	87.8
323	333	SERVICES							
		INSIDE CITY	70-R3	3,492,576.42	721,391	2,771,185	46,135	1.32	60.1
		OUTSIDE CITY	70-R3	14,368,200.62	2,651,072	11,717,129	199,309	1.39	58.8
		TOTAL SERVICES		17,860,777.04	3,372,463	14,488,314	245,444	1.37	59.0
324	334	METERS							
		INSIDE CITY	25-S2.5	4,046,102.13	3,905,707	140,395	7,144	0.18	19.7
		OUTSIDE CITY	25-S2.5	10,662,547.20	10,636,956	25,591	1,150	0.01	22.3
		TOTAL METERS		14,708,649.33	14,542,663	165,986	8,294	0.06	20.0
325	335	FIRE HYDRANTS							
		INSIDE CITY	75-R2.5	1,583,146.52	372,897	1,210,250	19,552	1.24	61.9
		OUTSIDE CITY	75-R2.5	2,949,594.90	860,506	2,089,089	36,292	1.23	57.6
		TOTAL FIRE HYDRANTS		4,532,741.42	1,233,403	3,299,339	55,844	1.23	59.1

CITY OF LANCASTER - BUREAU OF WATER

TABLE 1. ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO WATER PLANT AS OF MARCH 31, 2027

ACCOUNT	NARUC ACCOUNT	DEPRECIABLE GROUP	SURVIVOR CURVE		ORIGINAL COST AS OF MARCH 31, 2027	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
(1)	(2)	(3)	(4)		(5)	(6)	(7)	(8)	(9)=(8)/(5)	(10)=(7)/(8)
328	340	OFFICE FURNITURE AND EQUIPMENT								
		FURNITURE	25-SQ		183,381.81	147,416	35,966	2,038	1.11	17.6
		EQUIPMENT	20-SQ		108,602.36	86,593	22,010	1,443	1.33	15.3
		HARDWARE AND SOFTWARE	5-SQ		1,704,801.58	1,574,802	129,999	61,593	3.61	2.1
		TOTAL OFFICE FURNITURE AND EQUIPMENT			1,996,785.75	1,808,811	187,975	65,074	3.26	2.9
329	341	TRANSPORTATION EQUIPMENT								
		AUTOS AND VANS	12-L4		531,019.10	265,377	265,642	27,346	5.15	9.7
		TRUCKS	18-S1.5		4,459,060.00	2,288,717	2,170,343	153,221	3.44	14.2
		TRAILERS	20-L3		211,484.18	124,456	87,029	6,021	2.85	14.5
		TOTAL TRANSPORTATION EQUIPMENT			5,201,563.28	2,678,549	2,523,014	186,588	3.59	13.5
330	342	STORES EQUIPMENT	30-SQ		12,902.00	12,593	309	137	1.06	2.3
331	343.1	SHOP EQUIPMENT	25-SQ		30,852.54	30,853	0	0	-	-
332		TOOLS AND WORK EQUIPMENT								
	343.2	GENERAL	20-SQ		307,411.15	290,403	17,008	2,574	0.84	6.6
	345	CONSTRUCTION EQUIPMENT	20-SQ		1,314,501.42	612,968	701,533	58,215	4.43	12.1
		TOTAL TOOLS AND WORK EQUIPMENT			1,621,912.57	903,371	718,541	60,789	3.75	11.8
333	346	COMMUNICATION EQUIPMENT	15-SQ		1,700,259.66	879,670	820,590	70,747	4.16	11.6
334	347	MISCELLANEOUS EQUIPMENT	20-SQ		96,160.00	66,940	29,220	1,687	1.75	17.3
		TOTAL DEPRECIABLE PLANT			**371,717,756.38**	**111,149,495**	**260,568,263**	**5,532,837**	**1.49**	**47.1**
		TOTAL UTILITY PLANT IN SERVICE			**378,696,047.88**	**111,149,495**	**260,568,263**	**5,532,837**	**1.46**	**47.1**
		CUSTOMERS' ADVANCES FOR CONSTRUCTION								
322	331	MAINS AND ACCESSORIES								
		CAST IRON, 6 INCH AND OVER - OUTSIDE CITY	110-R3		544,557.00	266,506	278,051	4,862	0.89	57.2
		CONTRIBUTIONS IN AID OF CONSTRUCTION								
312.2	304.2	POWER AND PUMPING STRUCTURES	60-R3	*	164,176.00	138,781	25,395	2,546	1.55	10.0
312.5	330	DISTRIBUTION RESERVOIR AND STANDPIPES								
		NEFFSVILLE TANK - OUTSIDE CITY	60-R4	*	246,282.00	225,583	20,699	4,202	1.71	4.9
316	311	ELECTRIC PUMPING EQUIPMENT	40-R2.5		36,039.00	34,173	1,866	343	0.95	5.4
322	331	MAINS AND ACCESSORIES								
		CAST IRON, 4 INCH AND UNDER - INSIDE CITY	80-R2		20,996.00	7,679	13,317	247	1.18	53.9
		CAST IRON, 4 INCH AND UNDER - OUTSIDE CITY	80-R2		3,849.00	3,064	785	38	0.99	20.7
		TOTAL 4 INCH AND UNDER			24,845.00	10,743	14,102	285	1.15	49.5
		CAST IRON, 6 INCH AND OVER - INSIDE CITY	110-R3		855,758.00	262,299	593,459	7,666	0.90	77.4
		CAST IRON, 6 INCH AND OVER - OUTSIDE CITY	110-R3		9,481,850.69	1,906,789	7,575,062	85,835	0.91	88.3
		CAST IRON, 6 INCH AND OVER - JOINT	110-R3		1,021,180.00	401,602	619,578	9,183	0.90	67.5
		TOTAL 6 INCH AND OVER			11,358,788.69	2,570,690	8,788,099	102,684	0.90	85.6
		MANHOLES - OUTSIDE CITY	80-R2.5		66,227.50	29,164	37,064	788	1.19	47.0
		VALVES AND VALVE BOXES - INSIDE CITY	70-R2.5		39,919.06	10,313	29,606	562	1.41	52.7
		VALVES AND VALVE BOXES - OUTSIDE CITY	70-R2.5		786,000.98	175,896	610,105	11,085	1.41	55.0
		TOTAL VALVES AND VALVE BOXES			825,920.04	186,209	639,711	11,647	1.41	54.9
		TOTAL MAINS AND ACCESSORIES			12,275,781.23	2,796,806	9,478,976	115,404	0.94	82.1

CITY OF LANCASTER - BUREAU OF WATER

TABLE 1. ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO WATER PLANT AS OF MARCH 31, 2027

ACCOUNT	NARUC ACCOUNT	DEPRECIABLE GROUP	SURVIVOR CURVE	ORIGINAL COST AS OF MARCH 31, 2027	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(8)/(5)	(10)=(7)/(8)
323	333	SERVICES - OUTSIDE CITY	70-R3	445,019.00	42,860	402,159	6,344	1.43	63.4
325	335	FIRE HYDRANTS							
		INSIDE CITY	75-R2.5	104,151.03	26,337	77,814	1,372	1.32	56.7
		OUTSIDE CITY	75-R2.5	1,119,477.55	251,471	868,006	14,740	1.32	58.9
		TOTAL FIRE HYDRANTS		1,223,628.58	277,808	945,820	16,112	1.32	58.7
		TOTAL CONTRIBUTIONS IN AID OF CONSTRUCTION		**14,390,925.81**	**3,516,011**	**10,874,915**	**144,951**	**1.01**	**75.0**
		TOTAL UTILITY PLANT		**363,760,565.07**	**107,366,978**	**249,415,297**	**5,383,024**	**1.48**	**46.3**

*LIFE SPAN PROCEDURE WAS USED. CURVE SHOWN IS INTERIM SURVIVOR CURVE.

CITY OF LANCASTER - BUREAU OF WATER

TABLE 1. ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO WATER PLANT AS OF MARCH 31, 2027

ACCOUNT	NARUC ACCOUNT	DEPRECIABLE GROUP	SURVIVOR CURVE	ORIGINAL COST AS OF MARCH 31, 2027	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(8)/(5)	(10)=(7)/(8)
		NONDEPRECIABLE PLANT							
303	303	LAND AND LAND RIGHTS		6,978,291.50					
		TOTAL NONDEPRECIABLE PLANT		**6,978,291.50**					
		DEPRECIABLE PLANT							
312.11	305	COLLECTING IMPOUNDING RESERVOIRS	SQUARE *	34,130.00	31,658	2,472	107	0.31	23.1
312.12	306	LAKE, RIVER AND OTHER INTAKES	65-S1.5 *	565,270.65	348,281	216,990	10,603	1.88	20.5
312.2	304.2	POWER AND PUMPING STRUCTURES							
		WILLOW STREET BOOSTER STATION - OUTSIDE CITY	60-R3 *	2,321,747.32	207,312	2,114,436	61,804	2.66	34.2
		LAMPETER BOOSTER STATION - OUTSIDE CITY	FULLY ACCRUED	6,591.00	6,591	0	0	-	-
		KISSEL HILL BOOSTER STATION - OUTSIDE CITY	60-R3 *	71,619.00	37,881	33,738	2,168	3.03	15.6
		SUSQUEHANNA RIVER INTAKE AND HIGH SERVICE PUMP STATION - JOINT	60-R3 *	867,859.87	601,908	265,952	22,213	2.56	12.0
		CONESTOGA PUMP STATION - JOINT	60-R3 *	2,412,892.68	1,513,284	899,609	78,962	3.27	11.4
		HESS BOULEVARD PUMP STATION - OUTSIDE CITY	60-R3 *	669,298.03	82,131	587,167	33,281	4.97	17.6
		CONESTOGA STRAINER BUILDING	60-R3 *	1,264,611.00	456,674	807,937	28,519	2.26	28.3
		DELP ROAD PUMP STATION	60-R3 *	972,399.60	313,124	659,275	21,888	2.25	30.1
		WILLOW VALLEY PUMP STATION	60-R3 *	2,501,626.68	378,775	2,122,851	53,553	2.14	39.6
		EAST PUMP STATION	60-R3 *	2,013,090.96	123,956	1,889,135	45,953	2.28	41.1
		SOUTH PUMP STATION	60-R3 *	1,078,924.52	98,504	980,421	22,384	2.07	43.8
		TOTAL POWER AND PUMPING STRUCTURES		14,180,660.66	3,820,139	10,360,521	370,725	2.61	27.9
312.3	304.3	PURIFICATION BUILDINGS							
		CONESTOGA CREEK TREATMENT PLANT	65-R3	7,916,686.82	2,316,248	5,600,439	215,343	2.72	26.0
		SUSQUEHANNA RIVER TREATMENT PLANT	65-R3	4,991,708.02	2,268,691	2,723,017	106,744	2.14	25.5
		SUSQUEHANNA RIVER INTAKE - CARBON SLURRY BUILDING	65-R3	9,075.00	9,075	0	0	-	-
		SUSQUEHANNA MEMBRANE FACILITY	65-R3	99,362,243.23	36,759,323	62,602,921	1,752,367	1.76	35.7
		TOTAL PURIFICATION BUILDINGS		112,279,713.07	41,353,336	70,926,377	2,074,454	1.86	35.0
312.5	330	DISTRIBUTION RESERVOIR AND STANDPIPES							
		UNDERGROUND STORAGE RESERVOIR - OYSTER PT (MOUNTVILLE) - JOINT	60-R4 *	10,986,346.72	2,383,705	8,602,641	203,623	1.85	42.2
		WILLOW STREET STANDPIPE - OUTSIDE CITY	60-R4 *	1,114,500.84	920,607	193,893	11,459	1.03	16.9
		LAFAYETTE (ROUTE 30 EAST) STANDPIPE - OUTSIDE CITY	60-R4 *	4,340,373.60	955,467	3,384,907	148,361	3.42	22.8
		LAMPETER ELEVATED TANK - OUTSIDE CITY	60-R4 *	150,184.00	145,088	5,096	2,376	1.58	2.1
		NEFFSVILLE TANK - OUTSIDE CITY	60-R4 *	404,842.81	368,692	36,151	7,230	1.79	5.0
		BLOSSOM HILL STANDPIPE - OUTSIDE CITY	FULLY ACCRUED	19,490.00	19,490	0	0	-	-
		TANK PAINTING - OUTSIDE CITY	FULLY ACCRUED	177,263.00	177,263	0	0	-	-
		FENCING - JOINT	30-SQ	30,027.00	30,027	0	0	-	-
		SOUTH TANK	60-R4	10,789,245.24	1,345,727	9,443,518	197,233	1.83	47.9
		TOTAL DISTRIBUTION RESERVOIR AND STANDPIPES		28,012,273.21	6,346,067	21,666,206	570,282	2.04	38.0
312.61	304.61	WATER ADMINISTRATION BUILDING	65-S2.5 *	9,989,366.96	1,686,414	8,302,953	217,134	2.17	38.2
312.62	304.62	STORES, SHOP AND GARAGE BUILDINGS	SQUARE *	352,845.99	219,060	133,786	6,715	1.90	19.9
312.63	304.63	MISCELLANEOUS STRUCTURES AND IMPROVEMENTS	SQUARE *	229,074.00	133,830	95,245	6,736	2.94	14.1
316	311	ELECTRIC PUMPING EQUIPMENT	40-R2.5	12,231,199.48	2,751,267	9,479,933	429,882	3.51	22.1
320	320	PURIFICATION SYSTEM							
		TREATMENT PLANT EQUIPMENT	50-S1.5	11,287,207.87	7,504,924	3,782,284	102,557	0.91	36.9
		WILLOW STREET CHLORINE BOOSTER STATION	FULLY ACCRUED	21,019.10	21,019	0	0	-	-
		TOTAL PURIFICATION SYSTEM		11,308,226.97	7,525,943	3,782,284	102,557	0.91	36.9

CITY OF LANCASTER - BUREAU OF WATER

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ACCOUNT	NARUC ACCOUNT	DEPRECIABLE GROUP	SURVIVOR CURVE	ORIGINAL COST AS OF MARCH 31, 2027	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(8)/(5)	(10)=(7)/(8)
321	344	LABORATORY EQUIPMENT	20-L3	111,048.40	105,735	5,314	627	0.56	8.5
322	331	MAINS AND ACCESSORIES							
		CAST IRON, 4 INCH AND UNDER - INSIDE CITY	80-R2	50,344.63	31,996	18,349	415	0.82	44.2
		CAST IRON, 4 INCH AND UNDER - OUTSIDE CITY	80-R2	531,881.25	141,223	390,658	7,548	1.42	51.8
		TOTAL 4 INCH AND UNDER		582,225.88	173,219	409,007	7,963	1.37	51.4
		CAST IRON, 6 INCH AND OVER - INSIDE CITY	110-R3	28,201,966.14	3,953,757	24,248,209	283,991	1.01	85.4
		CAST IRON, 6 INCH AND OVER - OUTSIDE CITY	110-R3	87,247,903.45	10,622,519	76,625,385	913,314	1.05	83.9
		CAST IRON, 6 INCH AND OVER - JOINT	110-R3	4,043,599.74	1,975,191	2,068,409	33,507	0.83	61.7
		TOTAL 6 INCH AND OVER		119,493,469.33	16,551,467	102,942,003	1,230,812	1.03	83.6
		MANHOLES - INSIDE CITY	80-R2.5	243,440.25	106,246	137,194	2,640	1.08	52.0
		MANHOLES - OUTSIDE CITY	80-R2.5	1,139,491.71	278,243	861,249	15,873	1.39	54.3
		MANHOLES - JOINT	80-R2.5	129,079.00	111,581	17,498	741	0.57	23.6
		TOTAL MANHOLES		1,512,010.96	496,070	1,015,941	19,254	1.27	52.8
		VALVES AND VALVE BOXES - INSIDE CITY	70-R2.5	1,967,767.30	369,709	1,598,058	32,106	1.63	49.8
		VALVES AND VALVE BOXES - OUTSIDE CITY	70-R2.5	10,293,770.41	1,255,324	9,038,446	185,405	1.80	48.7
		VALVES AND VALVE BOXES - JOINT	70-R2.5	253,687.58	196,356	57,332	1,800	0.71	31.9
		TOTAL VALVES AND VALVE BOXES		12,515,225.29	1,821,389	10,693,836	219,311	1.75	48.8
		STEEL - OUTSIDE CITY	70-R3	858,718.82	46,202	812,517	14,085	1.64	57.7
		STEEL - JOINT	70-R3	1,832,100.00	1,791,216	40,884	3,113	0.17	13.1
		TOTAL STEEL		2,690,818.82	1,837,417	853,401	17,198	0.64	49.6
		PLASTIC - OUTSIDE CITY	65-R3	102,283.00	79,510	22,773	1,048	1.02	21.7
		LANCASTER METER PIT - OUTSIDE CITY	50-S3	11,681.00	11,681	0	0	-	-
		RELINING	55-R2.5	4,392,616.12	1,108,540	3,284,076	89,337	2.03	36.8
		TOTAL MAINS AND ACCESSORIES		141,300,330.40	22,079,293	119,221,037	1,584,923	1.12	75.2
323	333	SERVICES							
		INSIDE CITY	70-R3	3,492,576.42	733,432	2,759,145	53,144	1.52	51.9
		OUTSIDE CITY	70-R3	15,974,203.62	2,685,296	13,288,907	258,135	1.62	51.5
		TOTAL SERVICES		19,466,780.04	3,418,728	16,048,052	311,279	1.60	51.6
324	334	METERS							
		INSIDE CITY	25-S2.5	4,046,102.13	3,907,325	138,777	7,975	0.20	17.4
		OUTSIDE CITY	25-S2.5	10,662,547.20	10,636,956	25,591	1,284	0.01	19.9
		TOTAL METERS		14,708,649.33	14,544,282	164,368	9,259	0.06	17.8
325	335	FIRE HYDRANTS							
		INSIDE CITY	75-R2.5	1,583,146.52	382,396	1,200,750	23,918	1.51	50.2
		OUTSIDE CITY	75-R2.5	2,949,594.90	875,878	2,073,717	43,650	1.48	47.5
		TOTAL FIRE HYDRANTS		4,532,741.42	1,258,274	3,274,467	67,568	1.49	48.5
328	340	OFFICE FURNITURE AND EQUIPMENT							
		FURNITURE	25-SQ	183,381.81	147,416	35,966	2,038	1.11	17.6
		EQUIPMENT	20-SQ	108,602.36	86,593	22,010	1,443	1.33	15.3

CITY OF LANCASTER - BUREAU OF WATER

TABLE 1. ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO WATER PLANT AS OF MARCH 31, 2027

ACCOUNT	NARUC ACCOUNT	DEPRECIABLE GROUP	SURVIVOR CURVE		ORIGINAL COST AS OF MARCH 31, 2027	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
(1)	(2)	(3)	(4)		(5)	(6)	(7)	(8)	(9)=(8)/(5)	(10)=(7)/(8)
		HARDWARE AND SOFTWARE	5-SQ		1,704,801.58	1,574,802	129,999	61,634	3.62	2.1
		TOTAL OFFICE FURNITURE AND EQUIPMENT			1,996,785.75	1,808,811	187,975	65,115	3.26	2.9
329	341	TRANSPORTATION EQUIPMENT								
		AUTOS AND VANS	12-L4		531,019.10	268,722	262,297	28,973	5.46	9.1
		TRUCKS	18-S1.5		4,459,060.00	2,345,993	2,113,067	180,674	4.05	11.7
		TRAILERS	20-L3		211,484.18	126,401	85,083	6,922	3.27	12.3
		TOTAL TRANSPORTATION EQUIPMENT			5,201,563.28	2,741,116	2,460,447	216,569	4.16	11.4
330	342	STORES EQUIPMENT	30-SQ		12,902.00	12,593	309	137	1.06	2.3
331	343.1	SHOP EQUIPMENT	25-SQ		30,852.54	30,853	0	0	-	-
332		TOOLS AND WORK EQUIPMENT								
	343.2	GENERAL	20-SQ		307,411.15	290,403	17,008	2,574	0.84	6.6
	345	CONSTRUCTION EQUIPMENT	20-SQ		1,314,501.42	612,968	701,533	58,215	4.43	12.1
		TOTAL TOOLS AND WORK EQUIPMENT			1,621,912.57	903,371	718,541	60,789	3.75	11.8
333	346	COMMUNICATION EQUIPMENT	15-SQ		1,700,259.66	879,670	820,590	70,758	4.16	11.6
334	347	MISCELLANEOUS EQUIPMENT	20-SQ		96,160.00	66,940	29,220	1,687	1.75	17.3
		TOTAL DEPRECIABLE PLANT			**379,962,746.38**	**112,065,658**	**267,897,087**	**6,177,906**	**1.63**	**43.4**
		TOTAL UTILITY PLANT IN SERVICE			**386,941,037.88**	**112,065,658**	**267,897,087**	**6,177,906**	**1.60**	**43.4**
		CUSTOMERS' ADVANCES FOR CONSTRUCTION								
322	331	MAINS AND ACCESSORIES								
		CAST IRON, 6 INCH AND OVER - OUTSIDE CITY	110-R3		544,557.00	267,704	276,853	5,414	0.99	51.1
		CONTRIBUTIONS IN AID OF CONSTRUCTION								
312.2	304.2	POWER AND PUMPING STRUCTURES	60-R3	*	164,176.00	138,946	25,230	2,579	1.57	9.8
312.5	330	DISTRIBUTION RESERVOIR AND STANDPIPES								
		NEFFSVILLE TANK - OUTSIDE CITY	60-R4	*	246,282.00	225,607	20,675	4,198	1.70	4.9
316	311	ELECTRIC PUMPING EQUIPMENT	40-R2.5		36,039.00	34,220	1,819	357	0.99	5.1
322	331	MAINS AND ACCESSORIES								
		CAST IRON, 4 INCH AND UNDER - INSIDE CITY	80-R2		20,996.00	7,809	13,187	306	1.46	43.1
		CAST IRON, 4 INCH AND UNDER - OUTSIDE CITY	80-R2		3,849.00	3,074	775	44	1.14	17.6
		TOTAL 4 INCH AND UNDER			24,845.00	10,883	13,962	350	1.41	39.9
		CAST IRON, 6 INCH AND OVER - INSIDE CITY	110-R3		855,758.00	264,524	591,234	8,678	1.01	68.1
		CAST IRON, 6 INCH AND OVER - OUTSIDE CITY	110-R3		9,481,850.69	1,931,441	7,550,409	97,988	1.03	77.1
		CAST IRON, 6 INCH AND OVER - JOINT	110-R3		1,021,180.00	404,052	617,128	10,312	1.01	59.8
		TOTAL 6 INCH AND OVER			11,358,788.69	2,600,017	8,758,771	116,978	1.03	74.9
		MANHOLES - OUTSIDE CITY	80-R2.5		66,227.50	29,455	36,772	922	1.39	39.9
		VALVES AND VALVE BOXES - INSIDE CITY	70-R2.5		39,919.06	10,525	29,394	659	1.65	44.6
		VALVES AND VALVE BOXES - OUTSIDE CITY	70-R2.5		786,000.98	180,219	605,782	13,117	1.67	46.2
		TOTAL VALVES AND VALVE BOXES			825,920.04	190,744	635,176	13,776	1.67	46.1

CITY OF LANCASTER - BUREAU OF WATER

TABLE 1. ESTIMATED SURVIVOR CURVE, ORIGINAL COST, BOOK DEPRECIATION RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO WATER PLANT AS OF MARCH 31, 2027

ACCOUNT	NARUC ACCOUNT	DEPRECIABLE GROUP	SURVIVOR CURVE	ORIGINAL COST AS OF MARCH 31, 2027	BOOK DEPRECIATION RESERVE	FUTURE ACCRUALS	CALCULATED ANNUAL ACCRUAL AMOUNT	CALCULATED ANNUAL ACCRUAL RATE	COMPOSITE REMAINING LIFE
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)=(8)/(5)	(10)=(7)/(8)
		TOTAL MAINS AND ACCESSORIES		12,275,781.23	2,831,100	9,444,681	132,026	1.08	71.5
323	333	SERVICES - OUTSIDE CITY	70-R3	445,019.00	44,774	400,245	7,280	1.64	55.0
325	335	FIRE HYDRANTS							
		INSIDE CITY	75-R2.5	104,151.03	26,847	77,304	1,614	1.55	47.9
		OUTSIDE CITY	75-R2.5	1,119,477.55	257,293	862,185	17,447	1.56	49.4
		TOTAL FIRE HYDRANTS		1,223,628.58	284,140	939,489	19,061	1.56	49.3
		TOTAL CONTRIBUTIONS IN AID OF CONSTRUCTION		**14,390,925.81**	**3,558,786**	**10,832,139**	**165,501**	**1.15**	**65.5**
		TOTAL UTILITY PLANT		**372,005,555.07**	**108,239,167**	**256,788,095**	**6,006,991**	**1.61**	**42.7**

*LIFE SPAN PROCEDURE WAS USED. CURVE SHOWN IS INTERIM SURVIVOR CURVE.

City of Lancaster Statement No. 6R
Docket No. R-2025-3057237
January 8, 2026

REBUTTAL TESTIMONY
OF
HAROLD WALKER, III
GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC
MANAGER, FINANCIAL STUDIES

ON BEHALF OF
THE CITY OF LANCASTER
BUREAU OF WATER

RATE OF RETURN AND CAPITAL STRUCTURE

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BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
CITY OF LANCASTER - BUREAU OF WATER
DOCKET NO. R-2025-3057237
REBUTTAL TESTIMONY OF HAROLD WALKER, III

INTRODUCTION

Q. Please state your name. occupation and business address.

A. My name is Harold Walker, III. I am employed by Gannett Fleming Valuation and Rate Consultants, LLC as Manager, Financial Studies. My business address is 1010 Adams Avenue, Audubon, Pennsylvania 19403.

Q. Are you the same Harold Walker who previously submitted Direct Testimony in this proceeding?

A. Yes, I am.

SCOPE OF TESTIMONY

Q. What is the purpose of your Rebuttal Testimony?

A. The City of Lancaster Water Fund ("Water Fund") asked me to respond to and comment on the direct testimony submitted by Bureau of Investigation and Enforcement ("I&E") witness D. C. Patel and the direct testimony submitted by Office of Consumer Advocate ("OCA") witness David J. Garrett concerning rate of return. My Rebuttal Testimony is supported by Exhibit HW-1R, which is composed of 11 Schedules. Therefore, when discussing rate of return and I refer to a schedule, I am referring to the schedules contained in Exhibit HW-1R unless noted otherwise. Additionally, it should be noted, for the purposes of my Rebuttal Testimony, my reference to City of Lancaster refers to the City of Lancaster in its entirety; while my reference to Water Fund refers to that portion of the City of Lancaster's services that are accounted for as the Water Enterprise Fund.

SUMMARY OF RATE OF RETURN RECOMMENDATIONS

Q. What is your recommended overall rate of return and cost of equity?

A. My recommendation is that the Water Fund be permitted an overall rate of return of 7.75% based upon an imputed capital structure at March 31, 2027, including a 10.90% cost of common equity. My recommended cost of common equity reflects the Water Fund's unique risk characteristics. My alternative recommended cost of common equity, should the Pennsylvania Public Utility Commission ("Commission" or "PUC") decide to adjust my primary recommendation of 10.90% to reflect the income tax status of the investors of the Water Fund, is 9.48% and an overall fair rate of return recommendation would be 6.99%. A review of more recent measurable capital cost rates since I prepared my original study suggests similar results and indicates my recommendation for Water Fund in my testimony is reasonable.

Q. What overall rate of return and cost of equity do I&E and OCA recommend?

A. Mr. Patel recommends an overall rate of return of 6.72% and a 10.08% cost of common equity applicable to his imputed capital structure, at March 31, 2027, consisting of 57.13% debt and 42.87% equity.[1] Mr. Garrett recommends an overall rate of return of 6.64% and a 8.80% cost of common equity applicable to the Water Fund's claimed capital structure ratios.[2]

[1] Mr. Patel adjusts his 10.08% cost of common equity recommendation downward by applying a 22% income tax adjustment to produce his 7.86% tax adjusted common equity cost recommendation, *see* I&E Statement No. 2, D. C. Patel Direct, p. 29. His overall rate of return recommendation reflecting his tax adjustment is 5.77%, *see* I&E Statement No. 2, D. C. Patel Direct, p. 7.

[2] *See* OCA St. 2, David J. Garrett Direct, p. 3. Mr. Garrett does not recommend an income tax adjustment.

Q. Please summarize your comments on I&E's and OCA's testimonies.

A. I disagree with Mr. Patel's proposed return on equity ("ROE") of 10.08% and Mr. Garrett's proposed ROE of 8.80% for Water Fund. These aforementioned opportunity ROEs are before each witness's recommended tax adjustments. I also disagree with Mr. Patel's proposed overall rate of return ("ROR") of 5.77% (after tax adjustment) and Mr. Garrett's proposed ROR of 6.64% for Water Fund, as well as Mr. Patel's proposed capital structure for the Water Fund.

Specifically, the Commission should not accept Mr. Patel's and Mr. Garrett's proposals because:

- Mr. Patel's recommended capital structure is not support by law, financial theory, and/or regulatory practice for utilities;
- Mr. Patel's and Mr. Garrett's recommended ROEs and related overall RORs do not afford Water Fund the opportunity to earn a fair ROR;
- Mr. Patel's and Mr. Garrett's recommended ROEs and related overall RORs do not reflect current capital cost rates;
- Mr. Patel's and Mr. Garrett's recommended ROEs are below the returns their own proxy group companies will earn;
- Mr. Patel's and Mr. Garrett's proposals show a lack of understanding of the precepts of a fair ROR, including the comparable earnings standard, capital attraction standard, and the financial integrity standard.

Finally, my Rebuttal Testimony examines and refutes Mr. Patel's and Mr. Garrett's alleged criticisms of my recommendations. As I describe later in this testimony, these claims are baseless and should be rejected.

INITIAL COMMENTS

Q. Do you have any initial general comments concerning the cost of equity that I&E and OCA recommend?

A. Yes. Page 1 of Schedule 1 shows the average projected earned ROE for Mr. Patel's proxy group companies will be 10.50% for 2026, and 11.20% during the years 2028-2030.[3] Accordingly, Mr. Patel's proxy group companies average earned ROE is projected to range from 10.50% to 11.20% and average 11.0% over this 2026 to 2030 period. Mr. Patel's proxy group's average projected ROE of 11.0% is 1.65-percentage points higher than Mr. Patel's recommended cost of equity of 10.08% and highlights the inadequacy of Mr. Patel's recommendation.[4]

Similarly, page 1 of Schedule 1 shows the average projected earned ROE for Mr. Garrett's proxy group companies will be 10.60% for 2026, and 11.0% during the years 2028-2030.[5] Therefore, Mr. Garrett's proxy group companies average earned ROE is projected to range from 10.60% to 11.0% and average 10.90% over this 2026 to 2030 period. Mr. Garrett's proxy group's average projected ROE of 10.90% is 2.10-percentage points higher than Mr. Garrett's recommended cost of equity of 8.80% and highlights the inadequacy of Mr. Garrett's recommendation.

Q. Is there a difference between earned returns, or "accounting ROEs" and the ROE to be determined in this case?

[3] The projected earned return on equity shown are published by *Value Line Investment Survey* ("*Value Line*"). *Value Line* is relied upon by many investors and is the only investment advisory service of which I am aware that projects earned return on equity. *Value Line* does not publish projected earned return on equity for 2027. The median projected earned ROE for Mr. Patel's proxy group companies will be 10.9% for 2026, and 11.8% during the years 2028-2030.

[4] A percentage point is a common unit of measure for interest rates and other percentages in finance. A percentage point is the unit for the arithmetic difference between two percentages. For example, a bond yield that increased from 3.00% to 4.25% has increased by 1.25-percentage points (4.25% - 3.00% = 1.25%).

[5] The median projected earned ROE for Mr. Garrett's proxy group companies will be 10.9% for 2026, and 10.6% during the years 2028-2030.

A. No, not really. I agree there is a distinction between a market return and an accounting return. The ROE that the Commission will determine in this case will become Water Fund's accounting ROE benchmark by which under-earning and over-earning will be measured. If Mr. Patel's and Mr. Garrett's proxy groups are earning an accounting return of 10.90% to 11.0% while Water Fund earns only 10.08% or 8.80% based on their recommendations, respectively, it places Water Fund at a competitive disadvantage in the competition to attract capital. Especially in a period of increased capital investment needs and more stringent environmental standards, one can question the efficacy of signaling to relevant stakeholders that Pennsylvania is not supportive of required capital attraction.

Q. Why are I&E's and OCA's recommended cost of equity for Water Fund so much lower than their proxy groups' comparable returns?

A. Mr. Patel's recommended cost of equity is based on the result of only one model, the Discounted Cash Flow ("DCF"), while Mr. Garrett's recommended cost of equity is based on the average result of a DCF and a Capital Asset Pricing Model ("CAPM").[6] Although they provide comparative cost rates, their myopic application of each model do not reflect the relatively high interest rate environment which currently exists. Specifically, the current relatively high interest rate environment has resulted in higher capital cost rates, which are not reflected in their cost of equity recommendations.

Q. What proof do you have that a relatively high interest rate environment currently exists?

[6] Mr. Patel also used the CAPM as a comparative cost rate to his DCF, "I provide a CAPM analysis to be used as a comparison, not as a check, to the DCF results." (I&E Statement No. 2, D. C. Patel Direct, p. 20).

A. The November 2025 yield of the 10-year Treasury Notes was 4.09%. November 2025's 10-year Treasury Note yield is the 23rd highest monthly bond yield over the last 10 years (120 months). Likewise, November 2025's A Rated Public Utility Bond yield of 5.62% is the 18th highest yield over the last 10 years. November 2025's 10-year Treasury Note yield is 0.95-percentage points higher than it averaged during the 2020 to 2024 period and the November 2025's A Rated Public Utility Bond yield is 0.89-percentage points higher than it averaged during the 2020 to 2024 period.

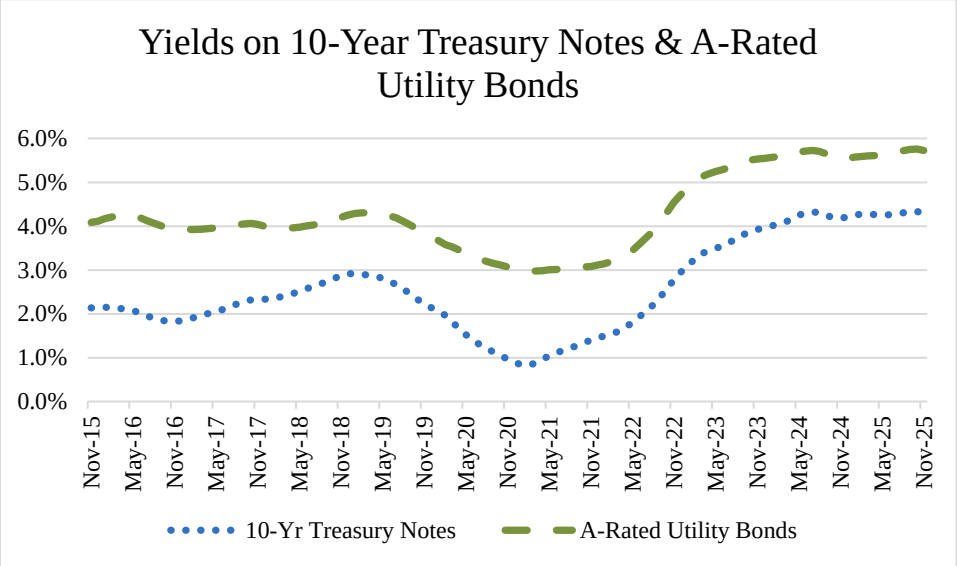
Similarly, November 2025's 12-month average yield (*i.e.*, December 2024 through November 2025) on 10-year Treasury Notes of 4.30% is the 8th highest 12-month average yield over the last 10 years (120 months).[7] Equally, the November 2025's 12-month average yield on A Rated Public Utility Bonds of 5.72% is the 4th highest 12-month average yield over the last 10 years.[8]

Figure 1 depicts the 12-month average yield on 10-year Treasury Notes and yield on A Rated Public Utility Bonds from November 2015 through November 2025.

[7] A 12-month rolling average yield is used to measure some capital cost rates considered in a typical fully litigated decision. The 12-month rolling average yield on 10-year Treasury Notes and A Rated Public Utility Bonds since November 2015 are calculated on Schedule 2.

[8] Complete monthly data for December 2025 was not available when my rebuttal was prepared. The average yield on 10-year Treasury Notes for the first 26 days of December was 4.14% and the average yield for A Rated Public Utility Bonds was 5.68%. The 12-month average yield on 10-year Treasury Notes for the same period was 4.29% and the 12-month average yield on A Rated Public Utility Bonds was 5.77%.

Figure 1



On pages 36 and 37 of my Direct Testimony I discussed the Federal Reserve's ("FED") September, November and December 2024 short-term interest rate cuts having no impact on long-term interest rates (*e.g.*, 10-year Treasury Notes, A Rated Public Utility Bonds). Since that time, the FED has made three additional short-term interest rate cuts (September, October and December 2025), which have also not had any impact on long-term interest rates. In total, the FED has reduced short-term interest rates six times by a total of 1.75 percentage points since September 2024, but long-term interest rates have continued to rise.[9] The increased capital cost rates for 10-year Treasury Notes and A Rated Public Utility Bonds shown in Figure 1 have similarly resulted in higher common equity cost rates today than existed over the last several years.

Q. On pages 27 and 28 of I&E witness Patel's testimony, he discusses the three short-term interest rate reductions made by the Federal Reserve during 2025 and the potential for additional reductions in 2026. How has the long-term credit market

[9] For example, the yield on 10-year Treasury Notes increased 0.15 percentage points during the period the FED reduced short-term interest rates by 1.75 percentage points.

reacted to the three short-term interest rate reductions made by the Federal Reserve during 2025 and the potential for additional reductions in 2026?

A. The signal from the long-term credit market indicates that investors' capital cost requirements have not been influenced by the FED's short-term interest rate reductions nor the potential for additional future reductions.[10] Table 1 shows a comparison between the current (as of 12/26/25) interest rate yield curve and the yield curve which existed on each date the FED announced short-term interest rate reductions.[11] The comparison shown in Table 1 proves that investors' capital cost requirements have not been influenced by the FED's short-term interest rate reductions nor the potential for additional future reductions as is evidenced by the increase in yields along the yield curve.

Announcement Date	FED's Reduction in Interest Rates	Yields of Treasury Notes and Bonds 5-Year	7-Year	10-Year	20-Year	30-Year
9/17/2025	-0.25%	3.62%	3.81%	4.06%	4.62%	4.66%
10/28/2025	-0.25%	3.60%	3.77%	3.99%	4.53%	4.55%
12/10/2025	-0.25%	3.72%	3.92%	4.13%	4.74%	4.78%
12/26/2025*		3.68%	3.89%	4.14%	4.76%	4.81%

* Most recent date available

Table 1

Q. On page 28 of I&E witness Patel's testimony, he discusses inflation rates by referencing the most recent monthly *Blue Chip Financial Forecasts*' (December 1,

[10] See: Xie, Ye, and Michael MacKenzie. "This Bond-Market 'mystery' Could Be a Sign of Trouble Ahead, Wall Street Economist Says. Here's Why All Investors Should Pay Attention." *Yahoo! Finance, Yahoo!*, 8 Dec. 2025, https://finance.yahoo.com/news/bond-market-mystery-could-sign-162100956.html (accessed on December 27, 2025); and Laidley, Colin. "If the Fed Is Cutting Interest Rates, Why Are 10-Year Treasury Yields Rising? How Does It Affect You?" *Investopedia*, Investopedia, 10 Dec. 2025, https://www.investopedia.com/if-the-fed-is-cutting-interest-rates-why-are-10-year-treasury-yields-rising-11866015 (accessed on December 27, 2025).

[11] The FED announced their three 2025 interest rate reductions on 9/17/25, 10/28/25, and 12/10/25. A yield curve is a line that compares interest rates of bonds that have equal credit quality but differing maturity dates.

2025) projections for the "Consumer Price Index" and the "PCE Price Index" over the next six quarters. Have the *Blue Chip Financial Forecasts*' projections for the "Consumer Price Index" and the "PCE Price Index" varied much since the Federal Reserve began reducing short-term interest rates?

A. No. The FED announced three short-term interest rate reductions in September, November and December 2024 and three more in September, October and December 2025. In total, the FED has reduced short-term interest rates six times by a total of 1.75 percentage points since September 2024. Schedule 3 shows a comparison of *Blue Chip Financial Forecasts*' projections of inflation rates, as measured by "Consumer Price Index" and the "PCE Price Index," that were published during the months of the FED's announced reduction in short-term interest rates.

As demonstrated by the comparison shown on Schedule 3, *Blue Chip Financial Forecasts*' projections of "Consumer Price Index" and the "PCE Price Index" have not varied much since the FED began reducing short-term interest rates. In fact, Schedule 3 shows that *Blue Chip Financial Forecasts*' projections of "Consumer Price Index" and the "PCE Price Index" have increased slightly during this period.

Q. On page 28 of I&E witness Patel's testimony, he discusses "potential future reductions in interest rates" and "public utilities" ability to adjust their rates. Do you agree with Mr. Patel's assessments?

A. No. Regarding "potential future reductions in interest rates," Mr. Patel states, "[p]otential future reductions in interest rates would have the effect of reducing interest rate risks in the capital costs in 2026-2027, when the City's new rates will be in effect."[12] Mr. Patel bases

[12] *See* I&E Statement No. 2, D. C. Patel Direct, p. 28.

this speculation on his discussion of the FED's three 2025 short-term interest rate reductions and an additional rate cut expected in 2026, which I have addresses previously on page 8 of this testimony. As stated, the current (as of 12/26/25) interest rate yield curve and the yield curve which existed on each date the FED announced short-term interest rate reductions does not support his speculation regarding "potential future reductions in interest rates." Mr. Patel also buttresses his speculation regarding "potential future reductions in interest rates" with his discussion of projected inflation, which was addressed previously on page 9 of this testimony.

Mr. Patel discusses his use of *Blue Chip Financial Forecasts*' projections of 10-year Treasury Note yields in his CAPM on pages 34 and 35 of his testimony. Specifically, he states, the "forecasted yield on the 10-year Treasury Note, as seen in Blue Chip Financial Forecasts, is expected to be 4.10% from the fourth quarter of 2025 through the fourth quarter of 2026, and it is forecasted to be 4.20% from 2027-2031." Accordingly, Mr. Patel's own testimony regarding the "forecasted yield on the 10-year Treasury Note" contradicts his speculation regarding "potential future reductions in interest rates" since the 10-year Treasury Note is projected to increase.

As for "public utilities" ability to adjust their rates, Mr. Patel states, "[l]astly, it is important to note that unlike unregulated companies, public utilities may file rate cases to address unforeseen increases to expenses, increases in the costs of borrowing, and equity and/or revenue shortfalls due to changes in market conditions."[13] Mr. Patel does not disclose the fact that unregulated companies can adjust their prices "to address unforeseen increases to expenses, increases in the costs of borrowing, and equity and/or revenue

[13] *See* I&E Statement No. 2, D. C. Patel Direct, p. 28.

shortfalls due to changes in market conditions" anytime, without notice. Further, Mr. Patel does not disclose the fact that public utilities are always subject to "show cause" action, while unregulated companies are not.

Q. Please explain why I&E's and OCA's recommendations understate the Water Fund's cost of equity.

A. First, as mentioned previously, the inflation rate has resulted in increases in long-term interest rates and capital costs rates. Second, the models, especially the DCF, used to estimate the cost of equity are less reliable the larger the difference between the market values and book values are. Schedule 4 shows the difference between the market values and book values for Mr. Patel's and Mr. Garrett's proxy groups.

Q. Can you explain why the models, especially the DCF, are less reliable the larger the difference between market values and book values are?

A. Yes. The basic proposition of financial theory regarding the economic value of a company is based on market value. That is, a company's value is based on its **market value** weighted average cost of capital.[14] The American Society of Appraisers, ASA Business Valuation Standards, 2009, and the National Association of Certified Valuation Analysts, Professional Standards, 2007, use the same definition:

> Weighted Average Cost of Capital (WACC). The cost of capital (discount rate) determined by the weighted average, **at market values**, of the cost of all financing sources in the business enterprise's capital structure. (*Emphasis added*).

[14] For other examples, *see* http://www.investinganswers.com/financial-dictionary/financial-statement-analysis/weighted-average-cost-capital-wacc-2905. *Also see* http://www.wallstreetmojo.com/weighted-average-cost-capital-wacc/ , or http://accountingexplained.com/misc/corporate-finance/wacc .

Accordingly, the market value derived cost rate reflects the financial risk or leverage associated with **capitalization ratios based on market value**, not book value.

As shown in Schedule 4, there is a large difference in both Mr. Patel's proxy group and Mr. Garrett's proxy group's market capitalization ratios and their proxy group's book capitalization ratios. This difference in market values and book values results in debt/equity ratios based on **market value of 33%/67% (debt/equity)** verses book value of 46%/54% (debt/equity) for Mr. Patel's proxy group and **market value of 35%/65% (debt/equity)** verses book value of 49%/51% (debt/equity) for Mr. Garrett's proxy group as shown on Schedule 4. The larger the difference between market values and book values, the less reliable the models' results are since **the models provide an estimate of the cost of capital of market value**, not book value.

Financial theory concludes capital structure and firm value are related. Since capital structure and firm value are related, a leverage adjustment (*e.g.*, Hamada adjustment) is required when a cost of common equity model is based on market value and if its results are then applied to book value. As explained previously, the market value derived cost rate reflects the financial risk or leverage associated with **capitalization ratios based on market value**, not book value. The authors Brealey, Myers and Allen provide a similar definition of the cost of capital being based on market capitalization, not book value,

> The values of debt and equity add up to overall firm value (D + E = V) and firm value V equals asset value. **These figures are all market values, not book (accounting) values**. The market value of equity is often much larger

than the book value, so the market debt ratio D/V is often much lower than a debt ratio computed from the book balance sheet.[15]

The work of Modigliani and Miller concludes that the market value of any firm is independent of its capital structure, and this is precisely the reason why the leverage adjustment (*e.g.*, Hamada adjustment) is appropriate.[16] The only way for the market value of a firm to remain independent of its capital structure is if the capital cost rates change to offset changes in the capital structure. If the capital cost rates do not change to offset changes in the capital structure, then the value of the firm will change. Clearly a leverage adjustment (*e.g.*, Hamada adjustment) is required when a cost of common equity model is based on **market value** and if its results are then applied to **book value** because the capital structure is changed from **market value** capitalization to **book value** capitalization.

Referring to Schedule 4, Mr. Patel's proxy group is based on debt/equity ratios based on **market value of 33%/67% (debt/equity),** while Mr. Garrett's proxy group's cost of capital is based on debt/equity ratios based on **market value of 35%/65% (debt/equity)**. Therefore, Mr. Patel's proxy group's market value equity cost rates reflect an equity ratio of 67%, while Mr. Garrett's proxy group's market value equity cost rates reflect an equity ratio of 65%. That is not just my opinion, but it is a cornerstone of financial theory.[17] Mr. Patel's proxy group's DCF cost rates of 10.08% reflect a 67% market value equity ratio, yet he recommends his 10.08% cost of equity be applied to a 43% (42.87% rounded) recommended equity ratio for the Water Fund based on book value. Similarly, Mr. Garrett's proxy group's DCF cost rates of 9.2% reflect a 65% market value

[15] Brealey, Myers and Allen, Principles of Corporate Finance, 10th edition, at 216. (*Emphasis added*).

[16] The Nobel Prize winning professors Franco Modigliani and Merton Miller's proposition on firm value and capital structure is well-established in academic literature and common knowledge among finance practitioners.

[17] *Id.*

equity ratio, yet he recommends his 9.2% cost of equity be applied to a 53% recommended equity ratio for the Water Fund based on book value.

Even if Mr. Patel's proxy group's 10.08% or Mr. Garrett's proxy group's 9.2% cost of equity were appropriate for a 67% or 65% market value equity ratio, respectively, it cannot simultaneously be appropriate for their recommended Water Fund 43% or 53% book value equity ratio without violation of Modigliani and Miller's precept. Accounting for the increased amount of leverage between Mr. Patel's and Mr. Garrett's market value derived DCF cost rates and book value cost rates indicate a book value DCF cost rate of 10.68% for Mr. Patel, and 9.8% for Mr. Garrett.

Q. Mr. Patel discussed the Distribution System Improvement Charge, or DSIC rate, authorized by the Commission for water and wastewater utilities on page 26 of his testimony. Do you have any comments regarding this testimony?

A. Yes. The DSIC rate is a guaranteed return since DSIC recoveries are reconciled annually and therefore there are no under (over) recoveries. A guaranteed return is different than an opportunity return related to a fair rate of return determination. As such, the DSIC rate is a less risky return and I believe investors view the DSIC rate as a foundation or sub-floor of a likely fair rate of return determination since a fair rate of return provides only an opportunity and not a guarantee.

Another aspect of the DSIC rate is its determination which indicates the Commission does not rely on a single model's results in reaching its conclusion of the rate. For example, the DSIC rate is usually set well above the cost of equity indicated by the DCF model alone. Rather, the Commission relies on informed judgment and information

provided by other models, especially in a rising interest rate environment as is currently the case.

Q. Both I&E, at pages 19, 20, 33 and 67, and OCA, at pages 11 to 17, and appendix B pages 3 and 5, discuss unsystematic risk and systematic risk in their Direct Testimonies. Do you agree with their conclusions regarding unsystematic risk and systematic risk?

A. No. I believe Mr. Patel's and Mr. Garrett's testimonies are misleading or vague in these areas because systematic risk (non-diversifiable) is the only risk germane under CAPM and portfolio theory.[18] The CAPM is based upon the assumption that investors hold diversified portfolios and that the market only recognizes or rewards systematic risk (non-diversifiable) when determining the price of a security because unsystematic risk (company-specific) is removed through diversification. However, both systematic risk (non-diversifiable) and unsystematic risk (company-specific) are relevant under the DCF, risk premium, comparable earnings, credit analyses, bond ratings, etc. and both systematic risk and unsystematic risk are precepts of a fair rate of return which must be considered.

Q. Do you have any final initial general comments concerning the testimony of I&E?

A. Yes. Mr. Patel's testimony quantifies the impact on revenue requirement and ratepayers regarding equity cost rates as a means of justifying his selections of lower cost rates.[19] This type of testimony presents a myopic view because his quantifications also represent revenue losses for inside City tax payers and investors of the Water Fund if Mr. Patel's recommendation is adopted by the Commission.

[18] It should be noted that Mr. Garrett's testimony uses the terms "unsystematic risk" (company-specific) and "firm-specific risk" interchangeable. He also uses the terms "systematic risk" (non-diversifiable) and "market risk" interchangeable.

[19] *See* I&E Statement No. 2, D. C. Patel Direct, pp. 39 and 62.

Further, Mr. Patel's testimony double count issues already considered by this Commission and other commissions regarding ROE and equity ratios. For example, the Commission already considered the impact on revenue requirement and ratepayers when they decided DSIC rates, and the various rate decisions cited by Mr. Patel.

AREA OF AGREEMENT

Q. Are there any areas of agreement in the fair rate of return testimonies presented in these proceedings?

A. Yes. Mr. Patel, Mr. Garrett, and I agree regarding the appropriate debt cost rate. We all recommend an embedded debt cost rate of 4.20% for Water Fund.

PROXY GROUPS

Q. What companies did I&E and OCA use to estimate the cost of common equity for Water Fund?

A. Mr. Garrett included the same six water utility comparison companies or proxy group that I used. Mr. Patel used four of the six water utility comparison companies that Mr. Garrett and I used.[20] Mr. Patel did not include American Water Works Company and Essential Utilities, Inc. in his four company water comparison group due to their announced merger on 10/27/25.[21] Although merger activity is often used in selecting a proxy group I note that the pre-merger and post-merger announcement market metrics are similar for both Mr. Patel's four company proxy group and my six company proxy group.

Q. If you excluded American Water Works Company and Essential Utilities, Inc. from your comparison group, do you believe your recommendation for the Water Fund

[20] Note that the phrases "proxy group," "comparison group," and "comparison companies" are used interchangeably, and to refer to the group of water utility companies utilized by each witness.

[21] These two water utility companies were included in my Water Group because my Direct Testimony reflected market data through July 2025, before the merger announcement.

would have been different?

A. No. I have reviewed my entire study, and I do not believe my recommendation for the Water Fund would change if American Water Works Company and Essential Utilities, Inc. were removed from my comparison group. That is, based on my review, I would still recommend at least a 10.90% cost of common equity for Water Fund if I used Mr. Patel's proxy group. A comparison of the results of the models discussed in my Direct Testimony, both including my six company proxy group (Water Group Followed by Analysts) and Mr. Patel's Proxy Group (four company proxy group), is shown in Table 2. As shown in Table 2, only the market value DCF result is impacted from excluding American Water Works Company and Essential Utilities, Inc. from my comparison group.

Exhibit HW-1 Schedules	Water Group Followed by Analysts	Mr. Patel's Proxy Group
Market Value DCF (Schedule 12)	9.3%	9.7%
Market Value CAPM (Schedule 17)	11.6%	11.6%
Market Value RP (Schedule 18)	10.6%	10.6%
City of Lancaster Water Fund Adjusted Common Equity Cost Rate Range (Schedule 19)	**10.5% to 11.1%**	**10.6% to 11.2%**
Check of Reasonableness of Common Equity Cost Rate (Schedule 19)	10.6% to 10.9%	11.1% to 11.6%

Table 2

Q. Do you have any other comments regarding Mr. Patel's and Mr. Garrett's proxy groups?

A. Yes. In addition to using a comparison group (or proxy group) to estimate the cost of equity, proxy groups are used as a benchmark to satisfy the long-established guideline of providing a utility the opportunity to earn a return equal to that of similar risk enterprises.

However, neither Mr. Patel nor Mr. Garrett presented any evidence regarding the similarity, or dissimilarity, of risk between their proxy groups and Water Fund. A risk analysis of Water Fund and my proxy group companies was discussed in my Direct Testimony in the sections titled "Financial Analysis" and "Risk Analysis." A risk analysis of Water Fund and the proxy groups is essential in determining a fair rate of return because risk and return counterbalance one another. That is, the greater the risk, the higher the required return and vice versa. However, as stated, neither Mr. Patel nor Mr. Garrett provided any risk analyses of their proxy groups and Water Fund. In a sense, Mr. Patel's and Mr. Garrett's common equity cost rate recommendation reflect a "one size fits all" approach since no risk reconciliation was done between their proxy groups and Water Fund. Accordingly, I do not believe the Commission can or should rely upon either Mr. Patel's or Mr. Garrett's recommendations.

CAPITAL STRUCTURE

Q. What capital structure ratios do I&E recommend to be used to develop the Water Fund's overall rate of return?

A. Mr. Patel recommends a hypothetical capital structure consisting of 57.13% long-term debt and 42.87% equity. According to Mr. Patel, his recommended "equity ratio of 42.87% matches the low end of the range of common equity ratio of my proxy group capital structures."[22] Although Mr. Patel's "recommendation is designed to comply with Title 66, Section 1301(b),"[23] his recommendation fails to do so.

According to Title 66, Section 1301(b), "the commission shall employ an imputed capital structure of **comparable public utilities providing water** or wastewater service"

[22] *See* I&E Statement No. 2, D. C. Patel Direct, p. 16.
[23] *Id*.

(*Emphasis added*). However, Mr. Patel recommends only a single utility's capital structure ratio, H2O America, since he relied only on the low end of his comparison group's range. Specifically, his recommendation is based on H2O America's five-year average (2020 to 2024) common equity of 42.87%, as shown on I&E Exhibit No. 2 Schedule 2. The fully projected future test year for these proceedings is the 12 months ending March 31, 2027, not the average of 2020 to 2024 (*i.e.*, 2022) utilized by Mr. Patel.

Additionally, regarding relying solely on H2O America's capital structure, H2O America is one of the largest and most geographically diverse U.S. publicly traded water and wastewater utility companies. H2O America provides: water services to approximately 232,000 connections that serve approximately one million people residing in portions of California; water service to approximately 142,000 service connections, which serve a population of approximately 463,000 people in 81 municipalities with a service area of approximately 275 square miles in Connecticut and Maine and approximately 3,000 wastewater connections in Southbury, Connecticut; and water service to approximately 29,000 service connections that serve approximately 88,000 people in a service area comprising more than 271 square miles in the region between San Antonio and Austin, Texas and approximately 1,000 wastewater connections.[24] Conversely, the Water Fund provides water service to about 49,300 total customers (2024) and to only about 32,100 jurisdictional[25] customers. The concentration of the Water Fund's business in southeastern Pennsylvania makes it very susceptible to any adverse development in local regulatory, economic, demographic, competitive and weather conditions. The risks

[24] S&P Capital IQ.

[25] Jurisdictional customers are also referred to herein as outside-City customers, which is intended to reference only those customers for which PUC jurisdiction is appropriate for the Water Fund.

associated with Water Fund's concentrated service area are discussed on pages 20-21 of my Direct Testimony (City of Lancaster Statement No. 6).

In addition to the enormous size difference (both in terms of customers served and geography) between H2O America and the Water Fund, Mr. Patel contradicts his use of data from only one utility when he explains, in his testimony, that information from only one utility is less reliable and should not be used,

> A proxy group is typically utilized since the use of **data exclusively from one company may be less reliable**. The **lower reliability occurs because the data for one company** may be subject to events that can cause short-term anomalies in the marketplace. The **rate of return on common equity for a single company could become distorted** in these circumstances and would therefore not be representative of similarly situated companies. Therefore, a proxy group has the effect of smoothing out potential anomalies associated with a single company.[26]

Finally, I note that the five-year average (2020-2024) capital structure ratios for Mr. Patel's comparison group, shown on I&E Exhibit No. 2 Schedule 2, consists of 48% debt and 52% equity, and the 2024 capital structure ratios consists of 47% debt and 53% equity, which are almost identical to my recommended capital structure ratios of 47% debt and 53% equity.[27] Based on the aforesaid, I believe the Commission should not accept Mr. Patel's recommendation and instead should adopt the use of the Water Fund's proposed capital structure.

Q. You said Mr. Patel based his recommended capital structure ratios on the average 2020 to 2024 capital structure ratios when the fully projected future test year for these

[26] *See* I&E Statement No. 2 at 8. (*Emphasis added*).
[27] Mr. Patel's comparison group five-year average (2020-2024) equity ratios range from a low of 42.87% equity to a high of 55.61% equity. Mr. Patel's comparison group 2024 equity ratios range from a low of 44.47% equity to a high of 59.42% equity.

proceedings is the 12 months ending March 31, 2027. Are projected capital structure ratios available for Mr. Patel's proxy group?

A. Yes. *Value Line* projects capital structure ratios for Mr. Patel's proxy group. Specifically, *Value Line* projects capital structure ratios for 2025, 2026 and for the years 2028 to 2030, which are shown on Schedule 5.[28] The five-year average (2025-2026 and 2028-2030) capital structure ratios for Mr. Patel's comparison group, shown on Schedule 5, consists of 41% debt and 59% equity, while the 2026 capital structure ratios for Mr. Patel's comparison group, consists of 43% debt and 57% equity.[29]

Although *Value Line* does not publish projected capital structure ratios for 2027, I estimated the capital structure ratios for Mr. Patel's comparison group at the end of the fully projected future test year for these proceedings (March 31, 2027) to be 42% debt and 58% equity based on *Value Line*'s capital structure ratios projections for 2026 and 2028.[30] Mr. Patel's comparison group's equity ratios estimated at March 31, 2027 range from a low of 50.6% equity to a high of 65.1% equity. I note that my recommended equity ratio of 53% equity falls within the range of Mr. Patel's comparison group's equity ratios estimated at March 31, 2027.

Q. Do you have any other information regarding I&E's recommended capital structure ratios which you believe the Commission should consider?

A. Yes. Schedule 6 summarizes I&E's recommended common equity ratios for comparable public utilities providing water service, since 2021, that I am aware of. As shown on

[28] *Value Line* does not publish projected capital structure ratios for 2027.
[29] Mr. Patel's comparison group five-year average (2025-2026 and 2028-2030) equity ratios range from a low of 51.0% equity to a high of 65.1% equity. Mr. Patel's comparison group 2026 equity ratios range from a low of 48.5% equity to a high of 62.5% equity.
[30] The estimate is based on 87.6% weight given to 2026 and 12.4% weight given to 2028 (*e.g.*, mathematically, 3/31/27 = [(12/31/26 x 87.6%) + (12/31/28 x 12.4%)].

Schedule 6, the average common equity ratio recommended by I&E in the 10 rate filings shown is 53.83%, and the median recommendation is 54.29%. Mr. Patel was I&E's rate of return witness in four of these cases, and his average common equity ratio recommendation was 53.75%, while his median common equity ratio recommendation was 54.50%. Mr. Patel's average and median common equity ratio recommendation of 53.75% and 54.50%, respectively, which are almost identical to my recommended common equity ratio of 53%.[31] Mr. Patel's average and median common equity ratio recommendation of 53.75% and 54.50%, respectively, undercuts his 42.87% recommended common equity ratio for the Water Fund, and suggests Mr. Patel's recommendation for the Water Fund may be biased.

Q. What capital structure ratios does OCA recommend be used to develop the Water Fund's overall rate of return?

A. Mr. Garrett recommends capital structure ratios consisting of 47% debt and 53% equity.[32] Mr. Garrett's recommended capital structure ratios are identical to my recommendation, and therefore meet the requirements of Title 66, Section 1301(b). Based on the aforesaid, I believe the Commission should adopt the use of Water Fund's proposed capital structure.

REVIEW OF I&E'S RECOMMENDED COST OF EQUITY

Q. What is I&E's recommended cost of equity for Water Fund?

A. Mr. Patel's recommended 10.08% cost of equity for Water Fund is based on the result of only one model, the DCF. Although he provided a "comparative" cost rate using another

[31] Mr. Patel's recommended equity ratios range from a low of 50.00% a high of 55.99%.
[32] *See* OCA St. 2, David J. Garrett Direct, p. 42.

model, the CAPM, his recommendation is based on the result of only one model, the DCF.[33]

Q. Have you reviewed I&E's DCF?

A. Yes. Mr. Patel recommends a DCF of 10.08%.[34] Page 1 of Schedule 1 shows the average projected earned ROE for Mr. Patel's proxy group companies will average 11.0% over the 2026 to 2030 period. Mr. Patel's proxy group's average projected ROE of 11.0% is 0.92-percentage points higher than Mr. Patel's recommended DCF of 10.08% highlights the inadequacy of Mr. Patel's recommendation. If Mr. Patel's proxy group is earning an accounting return of 11.0% while the Water Fund earns only 10.08% based on his DCF recommendation, it places the Water Fund at a competitive disadvantage in the competition to attract capital. Indeed, query whether investors would invest in the Water Fund, rather than companies of similar risk if those investors understand that their returns would not be set at a level consistent with their risks. The answer is that they likely would not invest, and that decision would be consistent with a deficient authorized return.

Q. What is the indicated cost of equity based on I&E's CAPM recommendation?

A. Mr. Patel used the results of two different CAPMs, a 10.17% CAPM using forecasted returns ("Forecasted CAPM")[35] and an 8.85% CAPM using Kroll ERP ("*Kroll* CAPM").[36] He then averaged the results of his two CAPM models to produce his CAPM recommendation of 9.51%.[37] In prior testimonies Mr. Patel's CAPM recommendation was based solely on his Forecasted CAPM. It appears that Mr. Patel may now be including the

[33] "Additionally, I provide a CAPM analysis to be used as a comparison, not as a check, to the DCF results." (I&E Statement No. 2, D. C. Patel Direct, p. 20)
[34] *See* I&E Statement No. 2, D. C. Patel Direct, p. 32.
[35] *See* I&E Statement No. 2, D. C. Patel Direct, pp. 35 and 36.
[36] *See* I&E Statement No. 2, D. C. Patel Direct, pp. 36 and 37.
[37] *See* I&E Statement No. 2, D. C. Patel Direct, p. 37.

results of his *Kroll* CAPM to calculate his CAPM recommendation to produce a lower CAPM recommendation than previously since Mr. Patel's prior CAPM recommendations were based solely on his Forecasted CAPM.[38]

Q. Do you agree with I&E Witness Patel's Forecasted CAPM methodology?

A. Yes, generally speaking. However, I have two areas of theoretical disagreement with Mr. Patel's Forecasted CAPM which relate to his risk-free rate and the required CAPM size premium. Mr. Patel's risk-free rate is based on the 10-year Treasury Note. However, Mr. Patel's analysis significantly understates the risk-free rate of return because he incorrectly gives the same weight to the yield on 10-year Treasury Notes for the first **five quarters** (4Q 2025 through 4Q 2026) as he does for the entire **five-year period** 2027 through 2031, which has **20 total quarters**. Had Mr. Patel given proper weighting to the projected periods represented (*i.e.*, 25 total quarters, or 4Q 2025 through 4Q 2031) his risk-free rate would be 4.18%, not 4.12%. Mr. Patel's understatement of the risk-free rate is apparent when one considers the fact the actual the yield on 10-year Treasury Notes has averaged 4.30% over the last 12 months (December 2024 – November 2025). Therefore, Mr. Patel's understates the risk-free rate of return because of improper weighting of quarters and ignoring actual 10-year Treasury Note rates.

On final point regarding Mr. Patel's selection of the 10-year Treasury Note for his risk-free rate involves financial theory. Financial theory indicates the term matching of the risk-free rate should be based on the life of the asset, not the time horizon of the investor. In this case, water assets have a much longer life than the 10 years that results

[38] *See* I&E Statement No. 2, D. C. Patel Direct, pp. 32 and 34-35, in Docket No. R-2024-3050208 (The Newtown Artesian Water Company) where his CAPM recommendation was 10.18% based on his Forecasted CAPM; and I&E Statement No. 2, D. C. Patel Direct, pp. 32-35, in Docket No. R-2024-3045192 et al. (Veolia Water Pennsylvania, Inc.) where his CAPM recommendation was 10.62% based on his Forecasted CAPM.

from using 10-year Treasury Notes. Besides matching the life of the asset, another mistake of using 10-year Treasury Notes is that they are more sensitive to monetary policy activities taken by the Federal Open Market Committee, whereas the 30-year Treasury Bonds are more of an indication of investor sentiment of their required returns.

The other area of disagreement I have with Mr. Patel's Forecasted CAPM is he did not reflect the required CAPM size premium. The size premium reflects the risks associated with Mr. Patel's proxy group's small size relative to the market and its impact on the determination of their beta.[39] The size premium adjustment is necessary because beta (systematic risk) does not capture or reflect the proxy group's small size. According to Brealey, Myers, and Allen, "the relationship among stock returns and firm size and book-to-market ratio has been well documented."[40] Brealey, Myers, and Allen also state, that "between 1926 and 2008 the difference between the annual returns on small and large capitalization stocks averaged 3.6%"[41] which should be considered in Mr. Patel's CAPM.

Additionally, Mr. Patel cites to an article on page 24 of his Direct Testimony by Eric Berg and to a second article/study by Fama and French.[42] Page 3 of the article by Eric Berg states, "[t]he professors theorize that investors view smaller companies as more vulnerable to economic downturns and therefore demand higher returns." Page 20 (*Journal of Economic Perspectives* page 44) of the article/study by Fama and French states, "[a]s a

[39] Mr. Patel incorrectly claims the CAPM's size premium is due to the Water Funds' small size. *See* I&E Statement No. 2, D. C. Patel Direct, pp. 47-48.

[40] Brealey, Myers and Allen, Principles of Corporate Finance, 10th edition, page 198.

[41] *Id.* at 202.

[42] The articles/study cited by I&E are: Berg, Eric N. "Market Place; A Study Shakes Confidence in the Volatile-Stock Theory," *The New York Times*, February 18, 1992, *nytimes.com*, March 23, 2016; and Fama, Eugene F. and French, Kenneth R., "The Capital Asset Pricing Model: Theory and Evidence." *Journal of Economic Perspectives* (2004): Volume 18, Number 3, pp. 25-46.

result, CAPM estimates of the cost of equity for high beta stocks are too high (relative to historical average returns) and estimates for low beta stocks are too low (Friend and Blume, 1970)." Both articles/studies conclude that the CAPM understated the return for **small companies** and for **companies with betas below 1.0**. Most water utilities are considered small companies relative to other publicly traded stocks, and all have betas below 1.0. My CAPM reflects these factors. However, Mr. Patel's Forecasted CAPM does not reflect the findings of the two article/studies he cited. Accordingly, Mr. Patel's Forecasted CAPM cost rate is understated.

Investors prefer liquidity to lack of liquidity. Accordingly, a share in a business is worth more if it is easily marketable or, conversely, worth less if it is not. Privately held water utilities such as Water Fund are worth less than publicly traded water utilities. Further, publicly traded water utilities are not as marketable as the larger companies which comprise the S&P 500. The size premium used in the CAPM accounts for some of these differences.

Q. Do you have any more comments regarding the articles that Mr. Patel referenced on page 24 of his Direct Testimony concerning the CAPM?

A. Yes. The articles support the widely held point of view that the return for small companies, such as Water Fund, should include a premium for the additional risk associated with their small size. Investors' expectations reflect the highly publicized existence of the small firm effect. For example, many mutual funds classify their investment strategy as small capitalization to profit from the existence of the small firm effect. Because firm size plays a role in the pricing of securities in the unregulated financial markets, it is necessary to reflect this fact when determining capital cost rates for utilities. Otherwise, a small utility

is at a competitive disadvantage in the money market when competing for capital.

On page 24 of his Direct Testimony, Mr. Patel quotes from one of the articles and then states, "[a]s a result, I conclude that the CAPM's relevance to the investment decision making process does not carry over into the regulatory rate setting process." Mr. Patel's conclusion is contrary to the Commission's position, authoritative sources, and practitioners' viewpoints. In *Columbia Water 2024*,[43] at page 107-108, the Commission stated,

> Based on the record, **we agree with the ALJs that it is appropriate to consider the CAPM results** to account for economic changes such as those occurring currently, in addition to the DCF results, to determine Columbia's ROE. As the ALJs noted, **the CAPM is more responsive to changes in interest rates**. R.D. at 59-60. While I&E did use its CAPM as a comparison to its DCF result, I&E made no CAPM based adjustment to its final ROE recommendation. I&E M.B. at 23. Additionally, we agree with the ALJs' comparison to *Aqua 2022*, wherein we stated, as follows:
>
> > We are persuaded by the arguments of Aqua that the ALJ erred by concluding I&E used its DCF *and* CAPM results to determine Aqua's ROE. I&E did use its CAPM as a comparison to its DCF result, however I&E made no CAPM based adjustment to its final ROE recommendation. I&E M.B. at 47. As Aqua points out, the U.S. economy is in a period of high inflation. To help control rising inflation, the Federal Open Market Committee has signaled that it is ending its policies designed to maintain low interest rates. Aqua Exc. at 9. **The DCF model does not directly account for interest rates, consequently it is slow to respond to interest rate changes**. However, I&E's CAPM model uses forecasted yields on 10-year Treasury bonds, accordingly its methodology captures forward looking changes in interest rates.
>
> In *Aqua 2022*, the Commission **determined the ROE by using informed judgment based on** I&E's DCF and **CAPM** methodologies. We conclude that methodologies other than the DCF can be used as a check upon the reasonableness of the DCF derived ROE calculation. We historically have primarily relied upon the DCF methodology in arriving at ROE determinations and utilized the results of the CAPM, as a check upon the

[43] *Pa. PUC v. Columbia Water Company*, Docket No. R-2023-3040258, (Order Entered January 18, 2024).

> reasonableness of the DCF derived equity return. As such, where evidence based on other methods suggests that the DCF-only results may understate the utility's ROE, we will consider those other methods, to some degree, in determining the appropriate range of reasonableness for our ROE determination. Considering the above, **we shall determine an appropriate ROE** for Columbia using informed judgment **based on** I&E's DCF and **CAPM** methodologies. (*Emphasis added*.)

Finance literature chronicles the CAPM as widely used by practitioners. Shannon Pratt and Roger Grabowski state in their book *Cost of Capital*,

> The **CAPM is the most widely used method for estimating the cost of equity capital**. For example, one survey found that 75% of firms use the CAPM to estimate the cost of equity, 34% of firms use the CAPM with additional adjustment factors (with common adjustments being adding additional premiums for such added risks as the risks of operating in developing economies), 39% of firms use historical average returns (which in essence combines systematic and unique risk), and 16% of firms impute the cost of equity (*see* Chapter 17). The survey also found that many firms use multiple methods.[44]

According to the website of the Chartered Financial Analysts ("CFA") Institute,

> Survey evidence tells us that the CAPM method is the most popular method used by companies in estimating the cost of equity. The CAPM method is more popular with larger, publicly traded companies, which is understandable considering the additional analyses and assumptions required in estimating systematic risk for a private company or project.[45]

Additionally, surveys of chief financial officers ("CFO") found, **"[w]idespread reliance on the CAPM, even in the face of evidence of the model's empirical shortcomings**, suggests that firms rely on straightforward, simple and familiar techniques. The enduring popularity of the CAPM may also reflect teaching emphasis."[46] The surveyor

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[44] Shannon P. Pratt, Roger J. Grabowski. Cost of Capital: Applications and Examples, 4th ed. (Wiley), 2010, at 103. (*Emphasis added and footnotes omitted*)

[45] "Refresher Reading: Cost of Capital," CFA Institute, accessed May 28, 2024, https://www.cfainstitute.org/en/membership/professional-development/refresher-readings/cost-capital.

[46] Graham, John. 2022. "Presidential Address: Corporate Finance And Reality." NBER Working Paper 29841, National Bureau of Economic Research, Cambridge, MA., p17. (*Emphasis added*) http://www.nber.org/papers/w29841.

asked CFOs the question, *How do you determine your firm's cost of equity capital?* The surveyor then compared the results he found in his 2001 survey to his 2022 survey's results for participants who responded, "Always or Almost Always," and reported findings that are shown in Table 3.[47]

CFOs' Survey Response to the Question:
How Do You Determine Your Firm's Cost of Equity Capital?

	Responses from Firms With Revenue Greater Than $1 Billion		Responses from Firms With Revenue Less Than $1 Billion	
Response	2001	2022	2001	2022
CAPM	83.1%	82.6%	61.9%	26.6%
Historical Average	38.0%	32.6%	41.1%	17.3%
DCF model	15.7%	17.5%	15.8%	13.3%
Market Return ('22 only)	-	16.7%	-	20.5%
Regulatory Decisions	8.6%	14.3%	5.3%	18.7%

Table 3

Mr. Patel's conclusion regarding the usefulness or the appropriateness of the CAPM is clearly divergent from the Commission's position, authoritative sources, and practitioners' views.

Q. Have you reviewed I&E's *Kroll* CAPM results?

A. Yes. Mr. Patel recommends a *Kroll* CAPM of 8.85%.[48] To begin with, Mr. Patel's *Kroll* CAPM is determined by using the "20-year U.S. Treasury yield" as the risk-free rate (*i.e.,* R_f).[49] Mr. Patel used the 10-year Treasury Note yield in his Forecasted CAPM, and states, on page 34, that the Commission has historically recognized the 10-year Treasury Note as the superior measure of the risk-free rate. Therefore, Mr. Patel's CAPM recommendation

[47] *Id.* at 64.
[48] *See* I&E Statement No. 2, D. C. Patel Direct, p. 37.
[49] *See* I&E Statement No. 2, D. C. Patel Direct, pp. 36-37.

of 9.51%, which reflects his *Kroll* CAPM, is inconsistent with the Commission's precedential use of the 10-year Treasury Note yield.

Additionally, page 1 of Schedule 1 shows the average projected earned ROE for Mr. Patel's proxy group companies will average 11.1% over the 2026 to 2030 period. Mr. Patel's proxy group's average projected ROE of 11.1% is 2.15-percentage points higher than Mr. Patel's *Kroll* CAPM of 8.85% highlights the inadequacy of Mr. Patel's recommendation. If Mr. Patel's proxy group is earning an accounting return of 11.1% while the Water Fund earns only 8.85% based on his *Kroll* CAPM recommendation, it places the Water Fund at a competitive disadvantage in the competition to attract capital.

Q. Do you agree with I&E's *Kroll* CAPM methodology?

A. No, I disagree with Mr. Patel's *Kroll* CAPM methodology for two reasons. First, I disagree with Mr. Patel's selection of the market premium that he used in his *Kroll* CAPM. The second area of disagreement I have with Mr. Patel's *Kroll* CAPM is that he did not reflect the required CAPM-related size premium, which I explained previously regarding his Forecasted CAPM.

Q. Please explain why you disagree with Mr. Patel's selection of the market premium that he used in his *Kroll* CAPM.

A. Mr. Patel relied on only one source for the market premium that he used in his *Kroll* CAPM. Specifically, Mr. Patel used the latest recommended market premium (equity risk premium) of 5.5% from Kroll (formerly Duff & Phelps).[50] Kroll's 5.5% recommended market premium was originally published, and became effective April 15, 2025 to date,

[50] Kroll, LLC Publications, Cost of Capital Resource Center, Kroll Recommended *U.S. Equity Risk Premium and Corresponding Risk-Free Rates to be Used in Computing Cost of Capital: January 2008 – Present*, released April 15, 2025.

according to Mr. Patel's source of information.[51] Kroll's corresponding risk-free rate (R_f) was 4.82% on April 15, 2025, according to Mr. Patel's source of information's "guidance." Therefore, Kroll's recommended an annual total return for the Market of 10.32% (5.5% + 4.82% = 10.32%) on April 15, 2025.

In order to test the reasonableness of Kroll's recommendation, I calculated the **actual** annual **total return for the Market**, as measured by the S&P 500, since Kroll's recommendation was published (April 15, 2025). The Market (S&P 500) provided investors with a total annualized return of 46.2% from April 15, 2025 to date.[52] Therefore, Kroll's annual total return of 10.32% for the Market **understated** the Market's actual annual total return of 46.2% by **-35.9%** (10.32% - 46.2%)**,** as shown on Schedule 7.

I calculate the actual errors (understatement/overstatement) of Kroll's recommendations which occurred over the last 10 years on Schedule 7. During this 10-year period, Kroll understated the Market's actual annual total return by -9.3% on average. Table 4 provides a summary of the errors related to each Kroll recommendation over the last 10 years which are calculated on Schedule 7.

[51] *See* I&E Statement No. 2, D. C. Patel Direct, footnote 39, p. 36.

[52] From April 15, 2025 to date (*i.e.,* 12/1/25, the date of Mr. Patel's *Kroll* CAPM), the S&P 500 provided a total holding period return of 27.06%. The holding period, 230 days, and return are annualized to produce the 46.2% total annualized return using the following formula: Annualized Return = (1+ Cumulative Return) $^{365 / \text{Days Held}}$ -1.

Kroll Guidance Dates	Error in Kroll's Recommendation
April 15, 2025 − to Present	-35.9%
June 5, 2024 − April 14, 2025	7.0%
June 8, 2023 − June 4, 2024	-15.4%
October 18, 2022 – June 7, 2023	-15.7%
June 16, 2022 – October 17, 2022	6.3%
April 7, 2022 – June 15, 2022	67.4%
December 7, 2020 – April 6, 2022	-9.1%
June 30, 2020 − December 6, 2020	-43.7%
March 25, 2020 − June 29, 2020	-116.9%
December 19, 2019 − March 24, 2020	71.1%
September 30, 2019 − December 18, 2019	-31.9%
December 31, 2018 − September 29, 2019	-18.3%
September 5, 2017 − December 30, 2018	5.5%
November 15, 2016 − September 4, 2017	-10.3%
January 31, 2016 − November 14, 2016	-7.6%
February 28, 2013 − January 30, 2016	-1.7%

Table 4

Clearly, investors' return requirements are higher than what Mr. Patel used in his *Kroll* CAPM. Based on the aforesaid, I conclude that investors in the Market have not relied upon Kroll's recommendations that were used by Mr. Patel since Kroll's recommended Market returns are considerably below the returns earned from investing. Accordingly, this is yet another reason why I believe the Commission cannot or should not rely on Mr. Patel's *Kroll* CAPM recommendation.

Q. You previously explained that Mr. Patel gave no weight to the result of his CAPM recommendation when he determined his recommended cost of equity for Water Fund. What recommended cost of equity would be indicated if Mr. Patel had given weight to his Forecasted CAPM result?

A. Depending on the weight given to Mr. Patel's Forecasted CAPM result, his recommended

cost of equity would range from 10.08%, with no weight given to CAPM, up to 10.17%, if 100% weight were given to CAPM. Table 5 shows a range of recommended cost of equity that results from giving alternative weightings to Mr. Patel's DCF and Forecasted CAPM models' results.

	Mr Patel's Model Results	Mr Patel's Actual Weighting of Models	Alternative Weighting of Models' Results				
DCF	10.08%	100%	2/3	1/2	1/3	1/4	0%
Forecasted CAPM	10.17%	0%	1/3	1/2	2/3	3/4	100%
Recommendations	10.08%		10.11%	10.13%	10.14%	10.15%	10.17%

Table 5

As shown in Table 5, if 2/3rd weight was given to the DCF result and 1/3rd weight was given to the Forecasted CAPM, Mr. Patel's recommended cost of equity would be 10.11%. If equal weight were given to both models, Mr. Patel's recommended cost of equity would be 10.13%. Since the Forecasted CAPM is more responsive to changes in interest rates than the DCF, it is imperative, given today's high-interest rate environment, that the Commission consider models that directly measure interest rate levels (*e.g.*, CAPM and RP) when determining Water Fund's cost of equity.

REVIEW OF OCA'S RECOMMENDED COST OF EQUITY

Q. What is OCA's recommended cost of equity for the Water Fund?

A. Mr. Garrett's recommends an 8.80% cost of equity for the Water Fund based on the average of his Analyst Growth DCF Model, 9.20%, and his CAPM, 8.40%. In total, Mr. Garrett considered two variations of the DCF model, the Analyst Growth DCF Model and the Sustainable Growth DCF Model, each reflecting different growth rates, and a CAPM model. Through this process, Mr. Garrett developed an initial range of common equity

cost rates of 6.70% to 9.20% based on all three model's results. It appears that Mr. Garrett may have recognized that the 6.70% common equity cost rate at the low end of his initial range, developed from his Sustainable Growth DCF Model, did not indicate an accurate cost of equity estimate for the Water Fund because he ignored its result.

After disregarding the low end of his original range of common equity cost rates (*i.e.*, 6.70%) Mr. Garrett's revised range of common equity cost rates became 8.40% to 9.20% based on his Analyst Growth DCF Model and his CAPM.[53] Mr. Garrett's recommends an 8.80% cost of equity for the Water Fund based on the average of his Analyst Growth DCF Model, 9.20%, and his CAPM, 8.40%.[54]

Q. Please explain how Mr. Garrett determined the results for his two DCF models.

A. Mr. Garrett calculated two DCF model results by using two different growth rates. First, Mr. Garrett used projected dividend growth rates in his Analyst Growth DCF Model and calculated a 9.20% cost rate. His recommended 8.80% cost of equity for Water Fund is based, in part, on his use of projected dividend growth rates in his Analyst Growth DCF Model.

Second, Mr. Garrett used what he termed "sustainable growth" in his Sustainable Growth DCF Model and calculated a 6.70% cost rate. The low end of his initial DCF Model common equity cost rate range of 6.70% to 9.20%, discussed previously, was produced by his Sustainable Growth Model's result of 6.70%. He subsequently ignored his Sustainable Growth DCF Model's result of 6.70% in determining his recommendation for the Water Fund.

Since Mr. Garrett did not rely on his 6.70% Sustainable Growth DCF Model's result

[53] *See* OCA St. 2, David J. Garrett Direct, p. 41.
[54] *Id*.

of in determining his recommendation I conclude there is no need to comment on the Sustainable Growth DCF Model's result, 6.70%, nor the growth rate used in this model.

Q. Do you believe it is appropriate to only use projected dividend growth rates in a DCF model?

A. No. Both Mr. Patel and I used projected earnings growth rates in our DCF models while Mr. Garrett used projected dividend growth rates in his Analyst Growth DCF Model. I believe Mr. Garrett improperly relied upon only growth in dividends and subjectively ignored the investor influencing earnings growth rates of security analysts. Published projected earnings growth rates are used primarily by investors. Further, academic studies[55] verify the superiority of analysts' earnings growth forecasts over other growth rates in predicting stock prices. Mr. Garrett developed an unrealistically low DCF using projected dividend growth. The market-required cost of equity represents what the market will pay for a stock based on investors' expectations of expected future earnings growth, which are not based upon Mr. Garrett's unique growth rate, they are based on investors' expectations of expected future growth. For this reason, analysts' projections of future growth prospects for water utilities are required because analysts' forecasts are relied upon by investors when they price utility stocks.

Q. Do you have any other comments regarding OCA's Analyst Growth DCF Model?

A. Yes. Page 1 of Schedule 1 shows the average projected earned ROE for Mr. Garrett's proxy group companies will average 10.9% over the 2026 to 2030 period. Mr. Garrett's proxy group's average projected ROE of 10.9% is 1.70-percentage points higher than Mr.

[55] Gordon, David, A., Gordon, Myron, J., and Gould, Lawrence, I.A Choice Among Methods of Estimating Share Yield, The Journal of Portfolio Management, 50-55, Spring 1989.

Garrett's 9.20% recommended Analyst Growth DCF Model result and highlights the inadequacy of Mr. Garrett's recommendation. If Mr. Garrett's proxy group is earning an accounting return of 10.9% while the Water Fund earns only 9.20% based on his Analyst Growth DCF Model recommendation, it places the Water Fund at a competitive disadvantage in the competition to attract capital.

Additionally, Mr. Garrett's recommended Analyst Growth DCF Model's result of 9.20% is significantly impacted by one company's result, Middlesex Water Company ("Middlesex"). Mr. Garrett's recommended Analyst Growth DCF Model for Middlesex is just 7.20%. A 7.20% cost of equity for a water utility is clearly below the zone of reasonableness since it is 3.70-percentage points below Mr. Garrett's proxy group's average projected ROE of 10.9%.

Mr. Garrett's 7.20% recommended Analyst Growth DCF Model for Middlesex is **22% below his proxy group's** Analyst Growth DCF Model result of 9.20%. Further, excluding Middlesex, his Analyst Growth DCF Model result would be 9.70%, or 35% higher than his 7.20% result for Middlesex. Mr. Garret has presented no evidence which supports the conclusion that Middlesex's cost of equity is a fraction of that of his other proxy group companies.

Q. What market value CAPM estimate does OCA recommend?

A. Mr. Garrett recommends a market value CAPM of 8.40%.[56]

Q. Is there a large difference between I&E's Forecasted CAPM estimate and OCA's CAPM estimate?

A. Yes. Mr. Patel's Forecasted CAPM is 10.17% and Mr. Garrett's CAPM is 8.40%. The

[56] *See* OCA St. 2, David J. Garrett Direct, p. 36.

1.77-percentage point difference between Mr. Patel's Forecasted CAPM of 10.17% and Mr. Garrett's CAPM of 8.40% is a result of Mr. Garrett's reliance on unique market premium projections which have substantially underestimated market performance and investors' return requirements.

Mr. Garrett's proxy group's projected accounting return of 10.9% (Schedule 1, page 1) is 2.50-percentage points higher than his recommended CAPM of 8.40%. Further, Mr. Garrett's CAPM of 8.40% is substantially below the authorized ROEs determined by the Commission in the orders cited in I&E's testimony.

Q. How did OCA calculate his 8.40% CAPM?

A. Mr. Garrett's CAPM reflects his proxy group companies' betas,[57] a 30-day average of daily Treasury yields on 30-year Treasury Bonds as his risk-free rate (R_f),[58] and an equity risk premium ("ERP") that he gathered from three articles/studies ("Published ERPs"), as well as his own ERP which he calculated ("Garrett ERP").[59] On page 38 Mr. Garrett summarizes the Published ERPs:

> The 2025 IESE Business School expert survey reports an average ERP of 5.5%. Similarly, Kroll (formerly Duff & Phelps) recently estimated an ERP of 5.0%. Dr. Damodaran, one of the leading experts on the ERP, recently estimated an ERP of only 4.2%.

The Published ERPs that Mr. Garrett utilized in his CAPM have been published and updated multiple times since at least 2015 have not varied much over time. Mr. Garrett's 5.0% Garrett ERP[60] is based on data from 2014 to 2024,[61] has also not varied much over time. Mr. Garrett recommends using a 4.9% ERP in his CAPM that based on the average

[57] *See* OCA St. 2, David J. Garrett Direct, p. 37.
[58] *See* OCA St. 2, David J. Garrett Direct, pp. 28-29.
[59] *See* OCA St. 2, David J. Garrett Direct, p. 36.
[60] *See* OCA St. 2, David J. Garrett Direct, p. 35.
[61] *See* OCA St. 2, David J. Garrett Direct, Exhibit DJG-9.

of the three Published ERPs and his own Garrett ERP (*i.e.*, 4.9% = [(5.5% + 5.0% + 4.2% + 5.0%) ÷ 4]).[62]

It should be noted that the "Kroll (formerly Duff & Phelps)" ERP used by Mr. Garrett is the same source used by Mr. Patel in his *Kroll* CAPM. I previously discussed the measurable errors produced by using Kroll's recommendations when I commented on Mr. Patel's *Kroll* CAPM and those comments equally apply to Mr. Garrett's use of the "Kroll (formerly Duff & Phelps)" ERP.

Q. Do you agree with OCA's CAPM methodology?

A. No, I disagree with Mr. Garrett's CAPM methodology for two reasons. First, I disagree with Mr. Garrett's 4.9% recommended ERP used in his CAPM. The second area of disagreement I have with Mr. Garrett's CAPM is that he did not reflect the required CAPM-related size premium, which I explained previously regarding Mr. Patel's Forecasted CAPM and will not repeat here.

Q. Please explain why you disagree with Mr. Garrett's recommended ERP that he used in his CAPM.

A. Mr. Garrett relied on a 4.9% ERP in his CAPM which reflects the average of the three Published ERPs and his own Garrett ERP. The Published ERPs relied on by Mr. Garrett have been published and updated multiple times since at least 2015, while the Garrett ERP is based on data from 2014 to 2024. During this period, Mr. Garrett's recommended ERP has substantially underestimated the actual market premium earned from investing and yet, the EPR projections made by his sourced articles/studies have only varied slightly with each publication. On Schedule 8 I test the reasonableness of Mr. Garrett's ERP

[62] *See* OCA St. 2, David J. Garrett Direct, p. 36.

recommendation. To test the reasonableness of Mr. Garrett's ERP recommendation I used the 2014 to 2025 **actual** annual **total return of the Market**, as measured by the S&P 500, and subtracted a risk-free rate (R_f) to determine the actual market premium earned from investing.[63] For example, the Market (S&P 500) provided investors with a total return of 17.81% in 2025, while the risk-free rate (R_f) was 4.78% and the actual market premium was 13.03% (17.81% - 4.78% = 13.03%) as shown on Schedule 8. Therefore, Mr. Garrett's recommended 4.9% ERP **understated** 2025's actual market premium of 13.03% by -**8.13%** (4.9% - 13.03%)**,** as shown on Schedule 8.

On Schedule 8 I calculate the actual errors (understatement/overstatement) of Mr. Garrett's recommended 4.9% ERP which has occurred over the last 12 years, 2014 to 2025, on Schedule 8. During this 12-year period, Mr. Garrett's recommended ERP understated the actual market premium by -6.60% on average. Table 6 provides a summary of the errors related to Mr. Garrett's recommended ERP for various holding period over the last 12 years which are calculated on Schedule 8.

Holding Period Measured	Error in Mr. Garrett's ERP Recommendation
Average - 2014 to 2025	-6.60%
Average - 2014 to 2019	-5.11%
Average - 2020 to 2025	-8.09%
Average - 2021 to 2025	-7.28%

Table 6

Since Mr. Garrett's recommended ERP has substantially understated the actual

[63] *See* I&E Exhibit No. 2, Schedule 10 for the actual annual total return of the Market.

market premium, his CAPM is similarly substantially understated as well. Clearly, investors' return requirements are higher than what is indicated by Mr. Garrett's CAPM. Based on the aforesaid, I conclude that investors in the Market have not, and do not rely upon Mr. Garrett's recommended ERP since Mr. Garrett's CAPM is considerably below the returns earned from investing. Accordingly, I believe the Commission should not rely on Mr. Garrett's CAPM recommendation.

RECOMMENDED INCOME TAX ADJUSTMENTS

Q. Please summarize the recommended income tax adjustments.

A. In my Direct Testimony, I recommend a maximum tax adjustment factor of 13%.[64] Mr. Patel recommends 22%[65] and Mr. Garrett does not recommend a tax adjustment factor. My income tax adjustment factor of 13% is based on the spreads between corporate public utility bonds and Pennsylvania municipal bonds with the same credit ratings (*i.e.*, A rating).

Q. Is the methodology used by I&E to determine the tax adjustment similar to the methodology that you used?

A. Conceptually, our methodologies are generally similar in that we determined an income tax adjustment factor by comparing the yield differences between municipal bonds that are rated A by Moody's to corporate utility bonds that are rated A by Moody's. Accordingly, our general methodologies ensured credit quality (*i.e.*, A bond rating) of each type of bond (municipal/corporate) is matched so that credit quality differences are not measured during our analyses.

The difference in our results is mainly due to three defects contained in Mr. Patel's analysis: changes in statutory tax rates over the measurement periods; Mr. Patel's mismatch

[64] *See* City of Lancaster Statement No. 6 Walker Direct, p. 63.
[65] *See* I&E Statement No. 2, D. C. Patel Direct, p. 41; and I&E Exhibit No. 2, Schedule 12.

in the term or lives of the bonds used in his analysis; and the types of bonds used.

Q. Please explain the "changes in statutory tax rates over the measurement periods" defect that you referred to.

A. Yes. The 2017 Tax Cuts and Jobs Act ("TCJA") included significant changes to the tax code which reduced income tax rates. About 20 beneficial tax code provisions of the TCJA were scheduled to expire by the end of 2025 including the reversing the income tax brackets to brackets that existed pre-TCJA. These expirations largely affected individual taxpayers and pass-through businesses and would have resulted in income tax rates increasing.[66] However, in late May 2025 Congress began work on the One Big Beautiful Bill Act ("OBBBA"), which extended most income tax provisions of the TCJA, including permanently codify the existing seven federal income tax brackets from TCJA beyond their original expiration dates and added additional beneficial tax code provisions. The OBBBA was signed into law in July 2025.[67]

The timing and impact of the OBBBA on Mr. Patel's monthly implied income tax rates that he used to determine his tax rate recommendation is estimated on Schedule 9. Specifically, Schedule 9 separates Mr. Patel's monthly implied income tax rates between the pre-OBBBA and post-OBBBA months. As shown, Mr. Patel's monthly **implied income tax rates decreased by 4%** when separated between the pre-OBBBA and post-OBBBA months. The average tax rate during Mr. Patel's post-OBBBA months is 20%. It

[66] Colson, Abby. 2024. "What to Know about TCJA Expiration." Tax & Accounting Blog Posts by Thomson Reuters. September 13, 2024. https://tax.thomsonreuters.com/blog/what-to-know-about-tcja-expiration/ (accessed on December 27, 2025).
[67] Arrington, Rep. 2025. "Actions - H.R.1 - 119th Congress (2025-2026): One Big Beautiful Bill Act." Congress.gov. 2025. https://www.congress.gov/bill/119th-congress/house-bill/1/all-actions (accessed on December 27, 2025).

is important to reflect the tax rate changes that occurred during 2025 to accurately reflect the implied tax savings in the tax adjustment. I acknowledge this analysis may suffer the other flaws inherent in Mr. Patel's (*i.e.*, mismatch in the term or lives of the bonds, and the types of bonds used) tax rate determination methodology, it does demonstrate the impact of tax law changes.

Q. Please explain the "mismatch in the term or lives of the bonds" defect that you referred to.

A. With reference to the mismatch in the term or lives of the bonds used in Mr. Patel's analysis, Mr. Patel used unenhanced GO bonds with an unweighted average maturity of 20 years, while the public utility bonds used by Mr. Patel have maturities as close as possible to 30 years.[68] Schedule 10 shows the yield difference in term structure or lives of the bonds. Specifically, 30-year bonds generally command a higher yield than 20-year bonds. Correcting for the difference in the term structure or lives of the bonds used in his analysis produces a lower income tax adjustment than he recommends.

Therefore, Mr. Patel's tax rate recommendation reflects a mismatch in the term or lives of the bonds used in the analysis. Specifically, Mr. Patel used General Obligation bonds ("GO") bonds with an unweighted average of 20 years, while the public utility bonds used by Mr. Patel have maturities as close as possible to 30 years and average of 28 years. The top of Schedule 10, lines 1 to 13, shows the recent yield difference, in term structure or lives of the bonds, between 20-year and 30-year bonds. As shown, when the lives of the bonds **are matched**, a recent average tax rate of 14% is implied (Schedule 10, line 13).

The bottom of Schedule 10, lines 14 to 26, shows the recent yield difference, when

[68] The term "unenhanced" indicates the GO bonds are not covered by bond insurance.

term structure or lives of the bonds **are not matched**, as Mr. Patel did in his analysis. That is, the yield difference between 20-year municipal bonds and 30-year corporate bonds suggests a recent average tax rate of 18% (Schedule 10, line 26). The difference between tax rates of bonds with **matched lives** (Line 13) of 14% and the tax rates of bonds with **unmatched lives** (Line 13) of 18% indicates Mr. Patel's tax rate analysis has overstated a proper tax rate analysis, using bonds with matching lives, by 4% (Line 27). Accordingly, correcting for the difference in the term structure or lives of the bonds used in his analysis produces a lower income tax adjustment than he recommends.

Q. Please explain the "types of bonds used" defect that you referred to.

A. The A-rated municipal bond yields used in Mr. Patel's tax adjustment factor calculation are all unenhanced GO bonds. GO bonds are supported by the full taxing authority of a government, which contributes to their lower risk profile. Conversely, Revenue bonds are financed through income generated by specific projects, such as utility fees. Revenue bonds carry a higher level of risk, require a higher interest rate and are often used for initiatives like water infrastructure systems. The fundamental distinction between the two lies in the source of repayment: GO bonds rely on general tax revenues, while Revenue bonds depend on project-specific user-generated funds.

Accordingly, the yield on Mr. Patel's GO bonds (*e.g.,* Moody's A-Rated Municipal Bond Yields) measures the ability of the City to raise taxes while the Water Fund's cost of common equity should reflect the risk of the underlining assets devoted to providing water service. Revenue bonds are a better measure of this since they are backed or secured solely by the income received by the revenue-producing enterprise (*e.g.,* a water system) being financed by the Revenue bonds. Unlike GO bonds, Revenue bonds are not backed by the

full faith and credit of the issuing entity. Unfortunately, Moody's does not publish yields for Revenue bonds. The use of GO bonds in Mr. Patel's analysis produces a higher income tax adjustment than is warranted by Revenue bonds.

Q. Do you have a more recent analysis that fixes the three defects contained in Mr. Patel's implied income tax rate adjustment?

A. Yes. Schedule 11 addresses the three defects contained in Mr. Patel's analysis: changes in statutory tax rates over the measurement periods; Mr. Patel's mismatch in the term or lives of the bonds used in his analysis; and the types of bonds used. In *Lancaster Sewer 2005*[69] the Commission relied on spot, or recent bond yield spreads between public utility and municipal bonds to measure the implied income tax rate adjustment to address periods of tax law changes. *Lancaster Sewer 2005* also addressed the mismatch in the maturity dates used in the tax adjustment factor analysis by using municipal bond yields and corporate bond yields with similar lives.

> The ALJ found that the appropriate tax savings adjustment for this proceeding is 18 percent to **reflect the tax rate changes that occurred in 2003** to accurately reflect the implied tax savings in the adjustment, and to **appropriately reflect comparable lives of bonds**. The ALJ adopted the results of the City's spot check of similarly-lived municipal and corporate bond yields on April 5, 2005, which concluded that the implied tax savings rate is now 18 percent. (R.D. at 107).[70]
>
> We observe that the methodology of comparing the tax differential between corporate and municipal bonds is not an issue. As noted previously, **the ALJ used the tax rate changes that occurred in 2003 to accurately reflect the implied tax savings in the adjustment, and to appropriately reflect comparable lives of bonds**.
>
> Accordingly, **we adopt the recommendation of the ALJ on this issue** and

69 *Pa. PUC v. City of Lancaster – Sewer Fund*; Docket No. R-00049862 (Order Entered August 26, 2005), pp. 107 and 109.
70 *Lancaster Sewer 2005*, p. 107. (*Emphasis added*).

deny the Exceptions of the City and the OTS.[71]

The recommended decision[72] in *Lancaster Sewer 2005* stated,

> In response to Mr. Plonski's 25% tax savings factor recommendation, Mr. Walker indicated that this factor did not measure the income tax rate of the Sewer Fund owners and failed to reflect the lower taxation of capital gains. He also pointed out two flaws in Mr. Plonski's methodology: (1) the Jobs and Growth Tax Relief Reconciliation Act of 2003 (H.R. 2) (Tax Relief Act), which lowered the income tax rate, was not sufficiently reflected; and (2) there was a mismatch in the maturity dates used in the analysis in that the municipal bond (tax exempt) yield was compared to the corporate bond yields with longer lives. Lancaster St. No. HW-1R, pp. 21-22.
>
> Mr. Walker recalculated Mr. Plonski's implied tax rate calculation, using data from Mr. Plonski's Schedule 2 from January 2004 to February 2005, and derived a 22% implied tax rate, to fully reflect the Tax Relief Act tax rates. He also performed a spot check of the corporate to municipal bond yields for the same lives (20 year and 30 year) on April 5, 2005, which was the week prior to the hearing, and derived an 18% implied tax rate. Lancaster St. No. HW-1R, pp. 21-22; Scheds. 5, 6; Tr. 383-384.[73]
>
> I agree with the City, however, that the appropriate tax savings adjustment for this proceeding is 18%. It is important to reflect the tax rate changes that occurred in 2003 to accurately reflect the implied tax savings in the adjustment. Also, I conclude that the most current data should be utilized.
>
> Mr. Walker performed a spot check of similarly-lived municipal and corporate bond yields on April 5, 2005, and found that the implied tax savings rate is now 18%. I recommend that the Commission accept this more recent implied tax savings rate of 18%, which appropriately reflects comparable lives of bonds, as well as the Tax Relief Act tax rates.[74]

Schedule 11 reflects a comparison of recent municipal bond yields and corporate bond yields which matches credit quality (*i.e.,* A vs. A) and term structure[75] (*e.g.,* 20-years vs. 20-years, 30-year vs. 30-year, etc.) of each type of bond to ensure bond yields with similar credit quality and lives were compared. A comparison based on the recent yield

[71] *Lancaster Sewer 2005*, p. 109. (*Emphasis added*).
[72] *Pa. PUC v. City of Lancaster – Sewer Fund;* Docket No. R-00049862, Recommended Decision of Administrative Law Judge (ALJ) Kandace F. Mellilo, issued on June 28, 2005, pp. 105 and 107.
[73] Recommended Decision, *Lancaster Sewer 2005*, p. 105.
[74] Recommended Decision, *Lancaster Sewer 2005*, p. 107.
[75] Term structure of a bond refers to the remaining life, in years, until maturity.

differences of A rated bonds, with similar term structure, is used because both the Comparison Group and the Water Fund's credit quality is A.

As shown on Schedule 11, the credit quality of each type of bond has been matched as is the term structure. Specifically, the yield of 249 corporate bonds and 246 municipal bonds with similar credit quality and term structures were compared. This analysis indicates a 15% to 16% implied income tax rate when all 246 municipal bonds were compared. The 246 municipal bonds included in the analysis included 236 Revenue bonds but only 10 GO bonds. The implied income tax rate of the 236 Revenue bonds is shown to be 14% to 16% and 17% to 19% for the 10 GO bonds.

The 246 municipal bonds used in the analysis shown on Schedule 11 included 27 Pennsylvania municipal bonds. The implied income tax rate of the 27 Pennsylvania municipal bonds is shown to be 13% to 16%, and averages 14% for Pennsylvania municipal bonds. The bond yield analysis shown on Schedule 11 addresses the three defects contained in Mr. Patel's analysis, complies with the findings of *Lancaster Sewer 2005* and suggests the maximum income tax adjustment of 14% to 16% when all municipal bonds from various States are used and 13% to 16% when Pennsylvania municipal bonds are compared.

RESPONSE TO I&E'S CRITICISMS OF MR. WALKER'S TESTIMONY

Q. I&E, at pages 47 to 51, contends size is not an indicator of risk. Is risk due to the size of a company widely accepted by the academic community and the financial community?

A. Yes. Size is a recognized and meaningful element of risk, and it is appropriate to reflect that risk in a company's cost of equity. Credit rating agencies recognize that size impacts

credit rating. Valuation professionals and courts recognize the use of a size premium. The finance literature supports the fact that, as the size of a firm decreases, its risk and, hence, its required return increases.

> When scholars have tried to explain actual security returns, several anomalies (*i.e.*, deviations from what is considered normal) have become evident. One is a *small-firm*, or *size*, *effect*. It has been found that common stocks of firms with small market capitalizations (price per share times the number of shares outstanding) provide higher returns than common stocks of firms with high capitalizations, holding other things constant.[76]

Further, since size is a recognized and meaningful element of risk, it is appropriate to reflect that risk in a company's cost of equity.

> Recent studies have provided strong evidence that the degree of risk and corresponding cost of capital increase with decreasing size of company. The studies show that this addition to the equity risk premium is over and above the amount that would be warranted just as a result from a company's systematic risk.[77]
>
> Two independent sets of empirical studies provide strong support for the proposition that cost of capital tends to increase with decreasing size. Users of cost of capital data should make themselves aware of updates of these and possibly other similar studies in order to incorporate the latest current size effect data in cost of capital estimates, whether using build-up models, CAPM, or other cost of capital models.[78]

Dr. Thomas Zepp presented research on **water utilities** that support a small firm effect in the utility industry.[79] Moreover, Professor Brigham has indicated that smaller firms have higher capital costs than otherwise similar larger firms.[80] The credit rating

[76] James C. Van Horne, John M. Wachowicz. Fundamentals of Financial Management, 13th ed. (Pearson Education Limited), 2008, at 114.

[77] Shannon P. Pratt. Cost of Capital: Estimation and Applications, (Wiley), 1998, at 64.

[78] *Id*. at 95.

[79] *See* Zepp (2002), "Utility Stocks and the Size Effect: Revisited", Economics and Finance Quarterly, 43, 578-582.

[80] *See* Fundamentals of Financial Management, 5th Edition, page 623.

agency, Standard & Poor's, documents that relationship between size and credit rating,

> Company size and diversification often plays role. While we have no minimum size criterion for any given rating level, company size tends to be significantly correlated to rating levels. This is because larger companies often benefit from economies of scale and/or diversification, translating into a stronger competitive position. Small companies are, almost by definition, -more concentrated in terms of product, number of customers, and geography. To the extent that markets and regional economies change, a broader scope of business affords protection.[81] (Underline added.)
>
> While we have no minimum size criterion for any given rating level, size and ratings do end up being correlated, given that size often provides a measure of diversification, and/or affects competitive positioning.[82] (Underline added.)

On pages 50 and 51, Mr. Patel cites a 1993 article by *Wong* to support his assertion that the size premium is not applicable to utilities. However, *Wong's* conclusion is specifically rebutted by a 2002 article by T. M. Zepp.[83] In the *Zepp* article he explains that size premium does exist and presented research on water utilities that support a small firm effect. Additional support for the use of the size premium for utilities is also found in a 1995 article by M. Annin.[84]

Q. On pages 59 to 61 I&E discusses some Commission decision regarding the leverage adjustment. Do you have any comments on this testimony?

A. Mr. Patel correctly points out that an adjustment for the increased amount of leverage between market value derived cost rates and book value cost rates was not used in the 2008 Aqua Pennsylvania, Inc. ("*Aqua 2008*") decision.[85] However, I believe the Commission

[81] *Standard & Poor's*, Corporate Ratings Criteria 2008; pg. 22.

[82] *Id*. at 23.

[83] *See* Zepp (2002), at 578-582.

[84] *See* Annin (1995), "Equity and the Small Stock Effect", Public Utilities Fortnightly, October 15, 1995, at 42-43.

[85] *See Pa. PUC v. Aqua Pennsylvania, Inc.*, at Docket No. R-00072711 (Order Entered July 31, 2008), pp. 38-39.

did not use the adjustment because they had derived a 10.78% DCF cost rate without the adjustment.[86] As such, the Commission mentioned that such an adjustment was part of their informed opinion, "an adjustment is not precedential but discretionary with the Commission."

Similarly, Mr. Patel properly points out that an adjustment was not used in the *UGI 2018* decision.[87] However, I believe the Commission did not use the adjustment because they had derived a 9.85% equity cost rate without the adjustment.

An adjustment for the increased amount of leverage between market value derived cost rates and book value cost rates **was utilized and adopted by the ALJ and the Commission** in the *Lancaster Sewer 2005* case,

> The City has proposed a market-to-book adjustment of .65%, as calculated by Mr. Walker. I acknowledge that this adjustment has been accepted by the Commission in three major base rate cases in the past 18 months. *See*, PPL 2004, supra; Aqua PA, supra; PAWC 2004, supra; *see also*, PAWC 2002, supra; Pa. P.U.C. v. Philadelphia Suburban Water Co., 219 PUR 4th 272 (2002). Moreover, the market-to-book adjustment was upheld by the Commonwealth Court in *Popowsky v Pa. P.U.C.*, 868 A.2d 606 (Pa. Commw. 2004). Therefore, I accept a .65% market-to-book adjustment to my recommended DCF result, for a cost of equity of 10.75%, modified by a 18% tax savings adjustment, for a cost of equity of 8.82% (10.75% x .82 tax savings = 8.815% rounded to 8.82%.[88]

I recommended a similar adjustment for the increased amount of leverage between market value derived cost rates and book value cost rates in the City of Bethlehem Water

[86] In *Aqua 2008*, at page 38-39, the Order states, "[i]n the cases cited by Aqua in support of its leverage adjustment, it is obvious that the DCF results in those cases were not as high as the unadjusted DCF result we have in this proceeding, since the final cost of equity in those cases was no higher than 10.6% with the leverage adjustment. The unadjusted DCF results presented by the Parties in this case are generally higher than the DCF recommendations from the earlier cases cited by Aqua".

[87] *See Pa. PUC v. UGI Utilities, Inc. - Electric Division*, Docket No. R-2017-2640058 (Order Entered October 25, 2018), pp. 93-94.

[88] *See* Recommended Decision, *Lancaster Sewer 2005*, pp. 122-123.

Department's most recent case ("*Bethlehem 2021*"). The Commission's Order in that case states,

> The ALJ noted the Settlement did not agree to a specific rate of return. However, if a rate of return must be calculated, the ALJ found the City's proposed rate of return to be reasonable and in the public interest. R.D. at 51.[89]
>
> While we adopt the Settlement, we also agree with the ALJ's rationale and recommendation on this issue, which was provided as a contingency recommendation should the Commission choose not to approve the Settlement, without modification. **We expressly agree with the ALJ's findings, favoring the City's application of traditional ROE models and its analysis of current market conditions**. We conclude that the ALJ's alternative recommendation is supported by substantial evidence.[90]

Q. On pages 50 to 62 I&E claims your leverage adjustment is a market-to-book ratio adjustment. Is he correct?

A. No. My proxy group's market-to-book ratio was 197% when my Direct Testimony was prepared. I did not, and I do not recommend adjusting the proxy group's market value cost of equity by 197%. Mr. Patel's testimony is false or misleading because a market-to-book ratio is a stock price metric and is not part of the leverage adjustment contrary to Mr. Patel's testimony.

I previously explained the foundation for the required leverage adjustment, and I will not repeat it here. However, both Mr. Patel and Mr. Garrett face a similar quandary as they did not account for the risk difference between the 34%/66% (debt/equity) market value ratios used to calculate their returns which they advocate be applied to 57%/43% (debt/equity) book value ratios of Water Fund for Mr. Patel, nor the 47%/53% (debt/equity)

[89] *Pa. PUC. City of Bethlehem – Water Department*, at Docket R-2020-3020256 (Order Entered April 15, 2021), p. 84.
90 *Id*. at 85. (*Emphasis added*).

book value ratios for Mr. Garrett.

I recommend a 10.90% fair and reasonable return for Water Fund, reflecting the required leverage adjustment. My recommended return for Water Fund is similar to the 10.6% to 11.0% return on equity projected for proxy groups (2028-203) and thus is fair and reasonable. However, neither Mr. Patel nor Mr. Garrett have shown how their recommended 10.08% or 8.80% return for Water Fund would be fair and reasonable when their proxy group companies are earning 10.6% to 11.8% (2028-203).

CONCLUSION

Q. Does this conclude your Rebuttal Testimony?

A. Yes, it does. However, I reserve the right to supplement my Rebuttal Testimony in this proceeding, as appropriate.

VERIFICATION

I, Harold Walker, III, Manager, Financial Studies, Gannett Fleming Valuation and Rate Consultants, LLC, hereby state that the facts set forth in the foregoing City of Lancaster Statement No. 6R are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter.

I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to sworn falsification to authorities).

Harold Walker, III

Date: January 8, 2026

Docket No. R-2025-3057237
Witness: H. Walker, III
Exhibit HW-1R

REBUTTAL
EXHIBIT
OF
HAROLD WALKER, III
GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC
MANAGER, FINANCIAL STUDIES

CONCERNING
RATE OF RETURN AND CAPITAL STRUCTURE

ON BEHALF OF
THE CITY OF LANCASTER
BUREAU OF WATER

Value Line Projected ROE Based on Average Equity,
For I&E's and OCA's Proxy Groups, for 2026 and 2028 - 2030

	2026	2028	2029	2030	**Average 2026 to 2030**
Proxy Group Companies					
American States Water Co	12.6%	13.5%	13.5%	13.5%	**13.3%**
American Water Works Co Inc	9.9%	10.4%	10.4%	10.4%	**10.3%**
California Water Service Gp	10.1%	10.1%	10.1%	10.1%	**10.1%**
Essential Utilities, Inc.	11.7%	10.7%	10.7%	10.7%	**11.0%**
H2O America	7.6%	7.6%	7.6%	7.6%	**7.6%**
Middlesex Water Co	11.6%	13.6%	13.6%	13.6%	**13.1%**
I&E's Proxy Goup					
Average	10.5%	11.2%	11.2%	11.2%	**11.0%**
Median	10.9%	11.8%	11.8%	11.8%	**11.6%**
OCA's Proxy Goup					
Average	10.6%	11.0%	11.0%	11.0%	**10.9%**
Median	10.9%	10.6%	10.6%	10.6%	**10.7%**

Source of Information: Value Line Investment Survey, 10/3/25

Value Line Projected ROE Based on Year-End and Average Equity,
For I&E's and OCA's Proxy Groups

	Projected Value Line Projected ROE	Projected Average ROE (1)
Staff's Proxy Group Companies		
American States Water Co	12.0 %	12.6 %
American Water Works Co Inc	9.5	9.9
California Water Service Gp	10.0	10.1
Essential Utilities, Inc.	11.5	11.7
H2O America	7.5	7.6
Middlesex Water Co	11.5	11.6
I&E's Proxy Goup		
Average	10.3 %	10.5 %
Median	10.8 %	10.9 %
OCA's Proxy Goup		
Average	10.3 %	10.6 %
Median	10.8 %	10.9 %

Notes: (1) Value Line ROE, which is a year-end ROE, is converted to average ROE by the factor derived from the following formula: 2((1+g)/(2+g)), where "g" is the rate of growth in common equity.

Source of Information: Value Line Investment Survey, 10/3/25

Value Line Projected ROE Based on Year-End and Average Equity,
For I&E's and OCA's Proxy Groups, for 2028 - 2030

	Projected Value Line Projected ROE	Projected Average ROE (1)
Staff's Proxy Group Companies		
American States Water Co	13.0 %	13.5 %
American Water Works Co Inc	10.0	10.4
California Water Service Gp	10.0	10.1
Essential Utilities, Inc.	10.5	10.7
H2O America	7.5	7.6
Middlesex Water Co	13.5	13.6
I&E's Proxy Goup		
Average	11.0 %	11.2 %
Median	11.5 %	11.8 %
OCA's Proxy Goup		
Average	10.8 %	11.0 %
Median	10.3 %	10.6 %

Notes: (1) Value Line ROE, which is a year-end ROE, is converted to average ROE by the factor derived from the following formula: 2((1+g)/(2+g)), where "g" is the rate of growth in common equity.

Source of Information: Value Line Investment Survey, 10/3/25

Yields on 10-Year Treasury Bonds and A-Rated Utility Bonds

Months & Years	Monthly		Trailing 12-Month Average	
	10-Year Treasury Bonds	A Rated Public Utility Bonds	10-Year Treasury Bonds	A Rated Public Utility Bonds
Nov 2014	2.33	4.09		
Dec 2014	2.21	3.95		
Jan 2015	1.88	3.58		
Feb 2015	1.98	3.67		
Mar 2015	2.04	3.74		
Apr 2015	1.94	3.75		
May 2015	2.20	4.17		
Jun 2015	2.36	4.39		
Jul 2015	2.32	4.40		
Aug 2015	2.17	4.25		
Sep 2015	2.17	4.39		
Oct 2015	2.07	4.29		
Nov 2015	2.26	4.40	2.13	4.08
Dec 2015	2.24	4.35	2.14	4.12
Jan 2016	2.09	4.27	2.15	4.17
Feb 2016	1.78	4.11	2.14	4.21
Mar 2016	1.89	4.16	2.12	4.24
Apr 2016	1.81	4.00	2.11	4.27
May 2016	1.81	3.93	2.08	4.25
Jun 2016	1.64	3.78	2.02	4.19
Jul 2016	1.50	3.57	1.95	4.13
Aug 2016	1.56	3.59	1.90	4.07
Sep 2016	1.63	3.66	1.86	4.01
Oct 2016	1.76	3.77	1.83	3.97
Nov 2016	2.14	4.08	1.82	3.94
Dec 2016	2.49	4.27	1.84	3.93
Jan 2017	2.43	4.14	1.87	3.92
Feb 2017	2.42	4.18	1.92	3.93
Mar 2017	2.48	4.23	1.97	3.93
Apr 2017	2.30	4.12	2.01	3.94
May 2017	2.30	4.12	2.05	3.96
Jun 2017	2.19	3.94	2.10	3.97
Jul 2017	2.32	3.99	2.17	4.01
Aug 2017	2.21	3.86	2.22	4.03
Sep 2017	2.20	3.87	2.27	4.05
Oct 2017	2.36	3.91	2.32	4.06
Nov 2017	2.35	3.83	2.34	4.04
Dec 2017	2.40	3.79	2.33	4.00
Jan 2018	2.58	3.86	2.34	3.98

Yields on 10-Year Treasury Bonds and A-Rated Utility Bonds

Months & Years	Monthly		Trailing 12-Month Average	
	10-Year Treasury Bonds	A Rated Public Utility Bonds	10-Year Treasury Bonds	A Rated Public Utility Bonds
Feb 2018	2.86	4.09	2.38	3.97
Mar 2018	2.84	4.13	2.41	3.96
Apr 2018	2.87	4.17	2.46	3.96
May 2018	2.98	4.28	2.51	3.98
Jun 2018	2.91	4.27	2.57	4.00
Jul 2018	2.89	4.27	2.62	4.03
Aug 2018	2.89	4.26	2.68	4.06
Sep 2018	3.00	4.32	2.74	4.10
Oct 2018	3.15	4.45	2.81	4.14
Nov 2018	3.12	4.52	2.87	4.20
Dec 2018	2.83	4.37	2.91	4.25
Jan 2019	2.71	4.35	2.92	4.29
Feb 2019	2.68	4.25	2.91	4.30
Mar 2019	2.57	4.16	2.88	4.31
Apr 2019	2.53	4.08	2.86	4.30
May 2019	2.40	3.98	2.81	4.27
Jun 2019	2.07	3.82	2.74	4.24
Jul 2019	2.06	3.69	2.67	4.19
Aug 2019	1.63	3.29	2.56	4.11
Sep 2019	1.70	3.37	2.45	4.03
Oct 2019	1.71	3.39	2.33	3.94
Nov 2019	1.81	3.43	2.23	3.85
Dec 2019	1.86	3.40	2.14	3.77
Jan 2020	1.76	3.29	2.07	3.68
Feb 2020	1.50	3.11	1.97	3.58
Mar 2020	0.87	3.50	1.83	3.53
Apr 2020	0.66	3.19	1.67	3.46
May 2020	0.67	3.14	1.53	3.39
Jun 2020	0.73	3.07	1.41	3.32
Jul 2020	0.62	2.74	1.29	3.24
Aug 2020	0.65	2.73	1.21	3.20
Sep 2020	0.68	2.84	1.13	3.15
Oct 2020	0.79	2.95	1.05	3.12
Nov 2020	0.87	2.85	0.97	3.07
Dec 2020	0.93	2.77	0.89	3.02
Jan 2021	1.08	2.91	0.84	2.98
Feb 2021	1.26	3.09	0.82	2.98
Mar 2021	1.61	3.44	0.88	2.98
Apr 2021	1.64	3.30	0.96	2.99

Yields on 10-Year Treasury Bonds and A-Rated Utility Bonds

Months & Years	Monthly		Trailing 12-Month Average	
	10-Year Treasury Bonds	A Rated Public Utility Bonds	10-Year Treasury Bonds	A Rated Public Utility Bonds
May 2021	1.62	3.33	1.04	3.00
Jun 2021	1.52	3.16	1.11	3.01
Jul 2021	1.32	2.95	1.16	3.03
Aug 2021	1.28	2.95	1.22	3.05
Sep 2021	1.37	2.96	1.27	3.06
Oct 2021	1.58	3.09	1.34	3.07
Nov 2021	1.56	3.02	1.40	3.08
Dec 2021	1.47	3.13	1.44	3.11
Jan 2022	1.76	3.33	1.50	3.15
Feb 2022	1.93	3.68	1.56	3.20
Mar 2022	2.13	3.98	1.60	3.24
Apr 2022	2.75	4.32	1.69	3.33
May 2022	2.90	4.75	1.80	3.44
Jun 2022	3.14	4.86	1.93	3.59
Jul 2022	2.90	4.78	2.06	3.74
Aug 2022	2.90	4.76	2.20	3.89
Sep 2022	3.52	5.28	2.38	4.08
Oct 2022	3.98	5.88	2.58	4.31
Nov 2022	3.89	5.75	2.77	4.54
Dec 2022	3.62	5.28	2.95	4.72
Jan 2023	3.53	5.20	3.10	4.88
Feb 2023	3.75	5.29	3.25	5.01
Mar 2023	3.66	5.39	3.38	5.13
Apr 2023	3.46	5.13	3.44	5.20
May 2023	3.57	5.36	3.49	5.25
Jun 2023	3.75	5.38	3.54	5.29
Jul 2023	3.90	5.41	3.63	5.34
Aug 2023	4.17	5.71	3.73	5.42
Sep 2023	4.38	5.86	3.81	5.47
Oct 2023	4.80	6.34	3.87	5.51
Nov 2023	4.50	6.05	3.92	5.53
Dec 2023	4.02	5.42	3.96	5.55
Jan 2024	4.06	5.48	4.00	5.57
Feb 2024	4.21	5.56	4.04	5.59
Mar 2024	4.21	5.55	4.09	5.60
Apr 2024	4.54	5.79	4.18	5.66
May 2024	4.48	5.74	4.25	5.69
Jun 2024	4.31	5.61	4.30	5.71
Jul 2024	4.25	5.64	4.33	5.73

Yields on 10-Year Treasury Bonds and A-Rated Utility Bonds

Months & Years	Monthly		Trailing 12-Month Average	
	10-Year Treasury Bonds	A Rated Public Utility Bonds	10-Year Treasury Bonds	A Rated Public Utility Bonds
Aug 2024	3.87	5.38	4.30	5.70
Sep 2024	3.72	5.20	4.25	5.65
Oct 2024	4.10	5.41	4.19	5.57
Nov 2024	4.36	5.55	4.18	5.53
Dec 2024	4.39	5.58	4.21	5.54
Jan 2025	4.63	5.87	4.26	5.57
Feb 2025	4.45	5.73	4.28	5.59
Mar 2025	4.28	5.72	4.28	5.60
Apr 2025	4.28	5.91	4.26	5.61
May 2025	4.42	6.05	4.26	5.64
Jun 2025	4.38	5.93	4.26	5.66
Jul 2025	4.39	5.88	4.27	5.68
Aug 2025	4.26	5.77	4.31	5.72
Sep 2025	4.12	5.61	4.34	5.75
Oct 2025	4.06	5.51	4.34	5.76
Nov 2025	4.09	5.62	4.30	5.72

Comparison of Blue Chip Financial Forecasts Projections of Inflation Rates
Published During the Month of the FED's Reduction in Interest Rates

		Blue Chip Financial Forecasts											FED's Reduction in Interest Rates	
Publication Date		Consensus Forecasts-Quarterly						Average	Median	Min	Max	Midpoint	Announcement Date	Reduction Amount
		3Q 2024	4Q 2024	1Q 2025	2Q 2025	3Q 2025	4Q 2025							
9/1/2024	Consumer Price Index	1.9%	2.3%	2.3%	2.2%	2.3%	2.3%	2.2%	2.3%	1.9%	2.3%	2.1%	9/18/2024	-0.50%
	PCE Price Index	1.9%	2.1%	2.2%	2.0%	2.1%	2.1%	2.1%	2.1%	1.9%	2.2%	2.0%		
		4Q 2024	1Q 2025	2Q 2025	3Q 2025	4Q 2025	1Q 2026							
11/1/2024	Consumer Price Index	2.4%	2.4%	2.3%	2.3%	2.3%	2.4%	2.3%	2.3%	2.3%	2.4%	2.3%	11/7/2024	-0.25%
	PCE Price Index	2.1%	2.2%	2.1%	2.1%	2.1%	2.2%	2.1%	2.1%	2.1%	2.2%	2.1%		
		4Q 2024	1Q 2025	2Q 2025	3Q 2025	4Q 2025	1Q 2026							
12/1/2024	Consumer Price Index	2.5%	2.5%	2.4%	2.4%	2.4%	2.5%	2.5%	2.5%	2.4%	2.5%	2.5%	12/18/2024	-0.25%
	PCE Price Index	2.2%	2.3%	2.2%	2.3%	2.3%	2.3%	2.3%	2.3%	2.2%	2.3%	2.3%		
		3Q 2025	4Q 2025	1Q 2026	2Q 2026	3Q 2026	4Q 2026							
9/1/2025	Consumer Price Index	3.2%	3.4%	2.8%	2.4%	2.4%	2.4%	2.8%	2.6%	2.4%	3.4%	2.9%	9/17/2025	-0.25%
	PCE Price Index	3.3%	3.2%	2.7%	2.3%	2.3%	2.2%	2.7%	2.5%	2.2%	3.3%	2.7%		
		4Q 2025	1Q 2026	2Q 2026	3Q 2026	4Q 2026	1Q 2027							
10/1/2025	Consumer Price Index	3.5%	3.0%	2.5%	2.5%	2.5%	2.4%	2.7%	2.5%	2.4%	3.5%	3.0%	10/28/2025	-0.25%
	PCE Price Index	3.3%	2.8%	2.5%	2.4%	2.3%	2.3%	2.6%	2.5%	2.3%	3.3%	2.8%		
		4Q 2025	1Q 2026	2Q 2026	3Q 2026	4Q 2026	1Q 2027							
12/1/2025	Consumer Price Index	3.3%	3.0%	2.6%	2.5%	2.4%	2.4%	2.7%	2.6%	2.4%	3.3%	2.9%	12/10/2025	-0.25%
	PCE Price Index	3.0%	2.9%	2.6%	2.4%	2.3%	2.3%	2.6%	2.5%	2.3%	3.0%	2.7%		

Source of information: Blue Chip Financial Forecasts (various months) and FED rate cuts reported by https://www.forbes.com/advisor/investing/fed-funds-rate-history/

Schedule 3

Differences in Book Value and Market Values for the
Mr. Patel's and Mr. Garrett's Proxy Groups

	Recent Book Value Capitalization Ratios 9/30/2025	Recent Market Value Capitalization Ratios 12/26/2025
Mr. Patel's Proxy Group		
Long Term Debt	46%	33%
Common Equity	54%	67%
Total	100%	100%
Mr. Garrett's Proxy Group		
Long Term Debt	49%	35%
Common Equity	51%	65%
Total	100%	100%

Value Line's Projected Capital Structure Ratios for
I&E's Proxy Group

	2025	2026	2028	2029	2030	Average	Estimated * March 31, 2027
American States Water Co.							
Long-term Debt	48.5%	49.5%	49.0%	49.0%	49.0%	49.0%	49.4%
Common Equity	51.5%	50.5%	51.0%	51.0%	51.0%	51.0%	50.6%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
California Water Service Group							
Long-term Debt	37.5%	35.0%	34.0%	34.0%	34.0%	34.9%	34.9%
Common Equity	62.5%	65.0%	66.0%	66.0%	66.0%	65.1%	65.1%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
H2O America (fka SJW Group)							
Long-term Debt	51.5%	47.0%	39.0%	39.0%	39.0%	43.1%	46.0%
Common Equity	48.5%	53.0%	61.0%	61.0%	61.0%	56.9%	54.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Middlesex Water Co.							
Long-term Debt	40.0%	39.5%	38.0%	38.0%	38.0%	38.7%	39.3%
Common Equity	60.0%	60.5%	62.0%	62.0%	62.0%	61.3%	60.7%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Proxy Group's Average Capital Structure							
Long-term Debt	**44.4%**	**42.8%**	**40.0%**	**40.0%**	**40.0%**	**41.4%**	**42.4%**
Common Equity	**55.6%**	**57.3%**	**60.0%**	**60.0%**	**60.0%**	**58.6%**	**57.6%**
	100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Proxy Group's Common Equity Ratio:							
Minimum	**48.5%**	**50.5%**	**51.0%**	**51.0%**	**51.0%**	**51.0%**	**50.6%**
Maximum	**62.5%**	**65.0%**	**66.0%**	**66.0%**	**66.0%**	**65.1%**	**65.1%**

*- Estimated based on 87.6% weight given to 2026 and 12.4% weight given to 2028.

Source of Information: Value Line Investment Survey, 10/3/25

Summary of I&E's Recommended Common Equity Ratios of
Comparable Public Utilities Providing Water Service

Comparable Public Utilities Providing Water Service	I&E's Recommended Common Equity Ratios	
R-2025-3053442 et al. The York Water Company	54.58%	
R-2024-3050208 The Newtown Artesian Water Company	55.00%	*
R-2024-3047822 et al. Aqua Pennsylvania, Inc.	53.95%	
R-2024-3045192 et al. Veolia Water Pennsylvania, Inc.	54.00%	*
R-2023-3043189 et al. PA American Water Co.	55.99%	*
R-2023-3042804 et al. Community Utilities of Pennsylvania, Inc.	50.00%	*
R-2023-3040258 Columbia Water Company	50.00%	
R-2022-3031672 et al. PA American Water Co.	56.05%	**
R-2022-3031340 et al. The York Water Company	54.77%	
R-2021-3027385 Aqua Pennsylvania, Inc.	53.95%	
Average - All	53.83%	
Median - All	54.29%	
Average - Mr. Patel's ROR cases *	53.75%	
Median - Mr. Patel's ROR cases *	54.50%	

* - Mr. Patel submitted rate of return testimony.
** - Mr. Patel was involved in the case but did not submit rate of return testimony.

Source of Information: I&E's Direct Testimony filed in each docket.

Test of Kroll's Recommended U.S. Equity Risk Premium (ERP), Corresponding Risk-free Rates (R_f), and Total Market Return

February 2013 – to Present

Kroll Recommended U.S. Equity Risk Premium (ERP), Risk-free Rates (R_f), and Corresponding Total Market Return									
Kroll Guidance Dates	Risk-free Rate (R_f)	R_f	U.S. Equity Risk Premium (ERP)	Actual Spot R_f *	R_f Used	Kroll Recommended Annual Total Market Return	Actual Annualized Total Market Return	Error in Kroll's Recommendation	
A	B	C	D	E	F	G (Col. D + F)	H	I (Col. G - H)	
April 15, 2025 – to Present*	Normalized 20-year U.S. Treasury yield*	3.50% *	5.50%	4.82%	4.82%	10.32%	46.2%	-35.9%	
June 5, 2024 – April 14, 2025*	Normalized 20-year U.S. Treasury yield*	3.50% *	5.00%	4.52%	4.52%	9.52%	2.6%	7.0%	
June 8, 2023 – June 4, 2024*	Normalized 20-year U.S. Treasury yield*	3.50% *	5.50%	4.05%	4.05%	9.55%	25.0%	-15.4%	
October 18, 2022 – June 7, 2023*	Normalized 20-year U.S. Treasury yield*	3.50% *	6.00%	4.27%	4.27%	10.27%	26.0%	-15.7%	COVID**
June 16, 2022 – October 17, 2022*	Normalized 20-year U.S. Treasury yield*	3.50% *	5.50%	3.59%	3.59%	9.09%	2.7%	6.3%	COVID**
April 7, 2022 – June 15, 2022	Normalized 20-year U.S. Treasury yield	3.00%	5.50%		3.00%	8.50%	-58.9%	67.4%	COVID**
December 7, 2020 – April 6, 2022	Normalized 20-year U.S. Treasury yield	2.50%	5.50%		2.50%	8.00%	17.1%	-9.1%	COVID**
June 30, 2020 – December 6, 2020	Normalized 20-year U.S. Treasury yield	2.50%	6.00%		2.50%	8.50%	52.2%	-43.7%	COVID**
March 25, 2020 – June 29, 2020	Normalized 20-year U.S. Treasury yield	3.00%	6.00%		3.00%	9.00%	125.9%	-116.9%	COVID**
December 19, 2019 – March 24, 2020	Normalized 20-year U.S. Treasury yield	3.00%	5.00%		3.00%	8.00%	-63.1%	71.1%	COVID**
September 30, 2019 – December 18, 2019	Normalized 20-year U.S. Treasury yield	3.00%	5.50%		3.00%	8.50%	40.4%	-31.9%	
December 31, 2018 – September 29, 2019	Normalized 20-year U.S. Treasury yield	3.50%	5.50%		3.50%	9.00%	27.3%	-18.3%	
September 5, 2017 – December 30, 2018	Normalized 20-year U.S. Treasury yield	3.50%	5.00%		3.50%	8.50%	3.0%	5.5%	
November 15, 2016 – September 4, 2017	Normalized 20-year U.S. Treasury yield	3.50%	5.50%		3.50%	9.00%	19.3%	-10.3%	
January 31, 2016 – November 14, 2016	Normalized 20-year U.S. Treasury yield	4.00%	5.50%		4.00%	9.50%	17.1%	-7.6%	
February 28, 2013 – January 30, 2016	Normalized 20-year U.S. Treasury yield	4.00%	5.00%		4.00%	9.00%	10.7%	-1.7%	

Average	**-9.3%**
Standard Deviation (+/-)	**42.7%**
Median	**-9.7%**
Min	**-116.9%**
Max	**71.1%**
Midpoint	**-22.9%**
Average Non-COVID Years **	**-12.1%**
Average COVID Years **	**-5.8%**

* Kroll recommended "using the spot 20-year U.S. Treasury yield as the proxy for the risk-free rate, if the prevailing yield as of the valuation date is higher than our U.S. normalized risk-free rate of 3.5%. This guidance is effective when developing USD-denominated discount rates as of June 16, 2022 and thereafter.

According to Kroll, "Normalized" in this context means that in months where the risk-free rate is deemed to be abnormally low, a proxy for a longer-term sustainable risk-free rate is used.

** In March 2020, the WHO officially declared the COVID-19 outbreak a pandemic. In May 2023, the WHO declared an end to the public health emergency of international concern.

Schedule 7

Test of Mr. Garrett's Equity Risk Premium (ERP) Recommendation
2014 – to Present

Periods	Year	S&P 500 Total Return *	Annual 20-Year R_f	Actual Market Premium **	Mr. Garrett's Equity Risk Premium (ERP) Recommendation ***	Error in Mr. Garrett's ERP ****
1	2014	13.69	3.07	10.62	4.90	-5.72
2	2015	1.38	2.55	-1.17	4.90	6.07
3	2016	11.96	2.23	9.73	4.90	-4.83
4	2017	21.83	2.65	19.18	4.90	-14.28
5	2018	-4.38	3.02	-7.40	4.90	12.30
6	2019	31.49	2.40	29.09	4.90	-24.19
7	2020	18.40	1.35	17.05	4.90	-12.15
8	2021	28.71	1.98	26.73	4.90	-21.83
9	2022	-18.11	3.30	-21.41	4.90	26.31
10	2023	26.29	4.25	22.04	4.90	-17.14
11	2024	25.02	4.50	20.52	4.90	-15.62
12	2025	17.81	4.78	13.03	4.90	-8.13
Average - 2014 to 2025		14.51				-6.60
Average - 2014 to 2019		12.66				-5.11
Average - 2020 to 2025		16.35				-8.09
Average - 2021 to 2025		15.94				-7.28

* - From I&E Exhibit No. 2, Schedule 10. Return for 2025 is through November 2025.
** - Actual Market Premium is based on the S&P 500 Total Return less the R_f.
*** - From Exhibit DJG-10.
**** - Error in Mr. Garrett's ERP is based on Mr. Garrett's ERP Recommendation less Actual Market Premi

* - Accessed on December 1, 2025

Impact of Tax Rate Changes on
I&E's Implied Tax Rate Determination

	I&E's Monthly Implied Tax Rate	Average Implied Tax Rate	
November 2024	24%		
December 2024	27%		
January 2025	27%		
February 2025	24%	24%	Pre-OBBBA
March 2025	23%		
April 2025	19%		
May 2025 *	22%		
June 2025	18%		
July 2025 **	19%		
August 2025	18%	20%	Post-OBBBA
September 2025	20%		
October 2025	23%		
Average	**22%**		
Change due to the OBBBA		**-4%**	

* - May 22, 2025 Congress began work on the One Big Beautiful Bill Act.
** - July 4, 2025 the One Big Beautiful Bill Act was signed into law.

Source: I&E Exhibit No. 2, Schedule 12.

Long-term Bond Market Yield Summary

Line		Corporate	Municipal	Implied Tax Rate
1.	Rating	Aaa/AAA	Aaa/AAA	
2.	20-Year	5.15%	4.35%	15%
3.	30-Year	5.31%	4.71%	11%
4.			Average	13%
5.	Rating	Aa/AA	Aa/AA	
6.	20-Year	5.40%	4.62%	14%
7.	30-Year	5.48%	4.89%	11%
8.			Average	13%
9.	Rating	A/A	A/A	
10.	20-Year	5.69%	4.82%	15%
11.	30-Year	5.99%	4.89%	18%
12.			Average	17%
13.			**Average**	**14%**

I&E's Mismatch of Lives of the Bonds
Long-term Bond Market Yield Summary

Line		Corporate	Municipal	Implied Tax Rate
14.	Rating	Aaa/AAA	Aaa/AAA	
15.	20-Year		4.35%	18%
16.	30-Year	5.31%		
17.			Average	18%
18.	Rating	Aa/AA	Aa/AA	
19.	20-Year		4.62%	16%
20.	30-Year	5.48%		
21.			Average	16%
22.	Rating	A/A	A/A	
23.	20-Year		4.82%	19%
24.	30-Year	5.99%		
25.			Average	19%
26.			**Average**	**18%**
27.	**Error Due to I&E's Mismatch of Lives of the Bonds ***			**-4%**

* - Line 13 - line 26 = Line 27.

Source: E-Trade bond resource center, January 2, 2026

Summary of Recent Representative
Corporate and Municipal Bond Yields

Bond Groups	Count (*N* =)	Group Average Yield to Maturity	Group Average Remaining Term in Years	Group Average Bond Rating	Group Median Yield to Maturity	Group Median Remaining Term in Years	Group Median Bond Rating	Implied Tax Rate Average	Implied Tax Rate Median
Corporate Utility Bonds									
All Maturates (20 to 30 Years)	249	5.67	25.2	A2	5.64	25.2	A2		
Maturing in 20 to 22 Years	59	5.62	21.8	A1 / A2	5.60	21.9	A2		
Maturing in 23 to 25 Years	87	5.65	24.4	A2	5.62	24.3	A2		
Maturing in 26 to 30 Years	103	5.72	27.9	A2	5.69	27.9	A2		
Municipal Revenue & GO Bonds									
All Maturates (20 to 30 Years)	246	4.76	23.8	A1 / A2	4.77	23.8	A2	16%	15%
Maturing in 20 to 22 Years	103	4.72	21.6	A1	4.73	21.5	A1	16%	16%
Maturing in 23 to 25 Years	81	4.76	24.4	A1 / A2	4.76	24.4	A1	16%	15%
Maturing in 26 to 30 Years	62	4.83	28.3	A1 / A2	4.85	28.5	A2	16%	15%
Municipal Revenue Bonds									
All Maturates (20 to 30 Years)	236	4.77	23.9	A1 / A2	4.78	23.9	A2	16%	15%
Maturing in 20 to 22 Years	97	4.73	21.6	A1	4.75	21.5	A1	16%	15%
Maturing in 23 to 25 Years	81	4.76	24.4	A1 / A2	4.76	24.4	A1	16%	15%
Maturing in 26 to 30 Years	58	4.85	28.3	A1 / A2	4.86	28.5	A2	15%	14%
Municipal GO Bonds									
All Maturates (20 to 30 Years)	10	4.63	22.9	A1 / A2	4.64	22.9	A1	18%	18%
Maturing in 20 to 22 Years	6	4.61	21.8	A1 / A2	4.64	21.8	A1	18%	17%
Maturing in 23 to 25 Years	0	*NA*	*NA*	*NA*	*NA*	*NA*	*NA*		
Maturing in 26 to 30 Years	4	4.66	28.2	A1 / A2	4.64	28.3	A1	19%	18%
Pennsylvania Municipal Revenue & GO Bonds									
All Maturates (20 to 30 Years)	27	4.84	24.3	A2	4.88	24.3	A2	15%	14%
Maturing in 20 to 22 Years	10	4.74	21.4	A1 / A2	4.85	21.2	A1	16%	13%
Maturing in 23 to 25 Years	10	4.88	24.4	A2	4.89	24.5	A2	14%	13%
Maturing in 26 to 30 Years	7	4.91	28.0	A2 / A3	4.91	27.9	A3	14%	14%

See pages 2 - 9 of this Schedule for the bonds used in this analysis.

Recent Representative Corporate and Municipal Bond Yields *

Issuer	Moody's Rating	Coupon (%)	Maturity	State / Country	Type of Bond	Purpose of Funds	Yield to Maturity (%)	Remaining Term in Years
Alabama Pwr Co	A1	4.3	1/2/2046	US	Corporate	Utilities	5.51	20.0
Public Svc Elec & Gas Co	A1	3.8	3/1/2046	US	Corporate	Utilities	5.48	20.2
Ameren Ill Co	A1	4.15	3/15/2046	US	Corporate	Utilities	5.55	20.2
Indiana Mich Pwr Co	A3	4.55	3/15/2046	US	Corporate	Utilities	5.60	20.2
Commonwealth Edison Co	A1	3.65	6/15/2046	US	Corporate	Utilities	5.56	20.4
Consolidated Edison Co N Y Inc	A3	3.85	6/15/2046	US	Corporate	Utilities	5.60	20.4
Public Service Co Colo	A1	3.55	6/15/2046	US	Corporate	Utilities	5.48	20.4
Baltimore Gas & Elec Co	A3	3.5	8/15/2046	US	Corporate	Utilities	5.59	20.6
Consumers Energy Co	A1	3.25	8/15/2046	US	Corporate	Utilities	5.45	20.6
Southwestern Pub Svc Co	A3	3.4	8/15/2046	US	Corporate	Utilities	5.75	20.6
Duke Energy Fla Llc	A1	3.4	10/1/2046	US	Corporate	Utilities	5.57	20.7
Virginia Elec & Pwr Co	A3	4	11/15/2046	US	Corporate	Utilities	5.64	20.9
Aep Transmission Co Llc	A2	4	12/1/2046	US	Corporate	Utilities	5.59	20.9
Oglethorpe Power Corp	A3	4.5	4/1/2047	US	Corporate	Utilities	5.80	21.2
Southern Calif Edison Co	A2	4	4/1/2047	US	Corporate	Utilities	6.06	21.2
Ppl Elec Utils Corp	A1	3.95	6/1/2047	US	Corporate	Utilities	5.42	21.4
San Diego Gas & Elec Co	A1	3.75	6/1/2047	US	Corporate	Utilities	5.61	21.4
Consolidated Edison Co N Y Inc	A3	3.875	6/15/2047	US	Corporate	Utilities	5.65	21.4
Evergy Metro Inc	A2	4.2	6/15/2047	US	Corporate	Utilities	5.67	21.4
Public Service Co Colo	A1	3.8	6/15/2047	US	Corporate	Utilities	5.62	21.4
Indiana Mich Pwr Co	A3	3.75	7/1/2047	US	Corporate	Utilities	5.65	21.5
Consumers Energy Co	A1	3.95	7/15/2047	US	Corporate	Utilities	5.51	21.5
Baltimore Gas & Elec Co	A3	3.75	8/15/2047	US	Corporate	Utilities	5.60	21.6
Commonwealth Edison Co	A1	3.75	8/15/2047	US	Corporate	Utilities	5.59	21.6
Oklahoma Gas & Elec Co	A3	3.85	8/15/2047	US	Corporate	Utilities	5.54	21.6
Southwestern Pub Svc Co	A3	3.7	8/15/2047	US	Corporate	Utilities	5.66	21.6
Virginia Elec & Pwr Co	A3	3.8	9/15/2047	US	Corporate	Utilities	5.59	21.7
Oncor Elec Delivery Co Llc	A2	3.8	9/30/2047	US	Corporate	Utilities	5.64	21.7
Aep Transmission Co Llc	A2	3.75	12/1/2047	US	Corporate	Utilities	5.51	21.9
Alabama Pwr Co	A1	3.7	12/1/2047	US	Corporate	Utilities	5.54	21.9
Ameren Ill Co	A1	3.7	12/1/2047	US	Corporate	Utilities	5.50	21.9
Public Svc Elec & Gas Co	A1	3.6	12/1/2047	US	Corporate	Utilities	5.52	21.9
Commonwealth Edison Co	A1	4	3/1/2048	US	Corporate	Utilities	5.61	22.2
Idaho Pwr Co	A2	4.2	3/1/2048	US	Corporate	Utilities	5.57	22.2
Southern Calif Edison Co	A2	4.125	3/1/2048	US	Corporate	Utilities	6.08	22.2
Evergy Metro Inc	A2	4.2	3/15/2048	US	Corporate	Utilities	5.60	22.2
Connecticut Lt & Pwr Co	A2	4	4/1/2048	US	Corporate	Utilities	5.59	22.2
Union Elec Co	A2	4	4/1/2048	US	Corporate	Utilities	5.58	22.2
Public Svc Elec & Gas Co	A1	4.05	5/1/2048	US	Corporate	Utilities	5.49	22.3
Consumers Energy Co	A1	4.05	5/15/2048	US	Corporate	Utilities	5.54	22.4
San Diego Gas & Elec Co	A1	4.15	5/15/2048	US	Corporate	Utilities	5.66	22.4
Avista Corp	A3	4.35	6/1/2048	US	Corporate	Utilities	5.67	22.4
Ppl Elec Utils Corp	A1	4.15	6/15/2048	US	Corporate	Utilities	5.48	22.5
Public Service Co Colo	A1	4.1	6/15/2048	US	Corporate	Utilities	5.69	22.5
Tampa Elec Co	A3	4.3	6/15/2048	US	Corporate	Utilities	5.60	22.4
Alabama Pwr Co	A1	4.3	7/15/2048	US	Corporate	Utilities	5.55	22.5
Berkshire Hathaway Energy Co	A3	3.8	7/15/2048	US	Corporate	Utilities	5.68	22.5
Duke Energy Fla Llc	A1	4.2	7/15/2048	US	Corporate	Utilities	5.62	22.5
Indiana Mich Pwr Co	A3	4.25	8/15/2048	US	Corporate	Utilities	5.73	22.6
Northern Sts Pwr Co Wis Disc	A1	4.2	9/1/2048	US	Corporate	Utilities	5.87	22.7

Recent Representative Corporate and Municipal Bond Yields *

Issuer	Moody's Rating	Coupon (%)	Maturity	State / Country	Type of Bond	Purpose of Funds	Yield to Maturity (%)	Remaining Term in Years
Aep Transmission Co Llc	A2	4.25	9/15/2048	US	Corporate	Utilities	5.54	22.7
Baltimore Gas & Elec Co	A3	4.25	9/15/2048	US	Corporate	Utilities	5.64	22.7
Oglethorpe Power Corp	A3	5.05	10/1/2048	US	Corporate	Utilities	5.84	22.7
Wisconsin Elec Pwr Co	A2	4.3	10/15/2048	US	Corporate	Utilities	5.62	22.8
Oncor Elec Delivery Co Llc	A2	4.1	11/15/2048	US	Corporate	Utilities	5.60	22.9
Southwestern Pub Svc Co	A3	4.4	11/15/2048	US	Corporate	Utilities	5.62	22.9
Consolidated Edison Co N Y Inc	A3	4.65	12/1/2048	US	Corporate	Utilities	5.62	22.9
Tucson Elec Pwr Co	A3	4.85	12/1/2048	US	Corporate	Utilities	5.70	22.9
Virginia Elec & Pwr Co	A3	4.6	12/1/2048	US	Corporate	Utilities	5.66	22.9
Berkshire Hathaway Energy Co	A3	4.45	1/15/2049	US	Corporate	Utilities	5.71	23.0
Pacificorp	A3	4.125	1/15/2049	US	Corporate	Utilities	6.16	23.0
Commonwealth Edison Co	A1	4	3/1/2049	US	Corporate	Utilities	5.68	23.2
Southern Calif Edison Co	A2	4.875	3/1/2049	US	Corporate	Utilities	6.14	23.2
Ameren Ill Co	A1	4.5	3/15/2049	US	Corporate	Utilities	5.60	23.2
Entergy Arkansas Llc	A2	4.2	4/1/2049	US	Corporate	Utilities	5.62	23.2
Evergy Metro Inc	A2	4.125	4/1/2049	US	Corporate	Utilities	5.59	23.2
Louisville Gas & Elec Co	A1	4.25	4/1/2049	US	Corporate	Utilities	5.58	23.2
Consumers Energy Co	A1	4.35	4/15/2049	US	Corporate	Utilities	5.57	23.3
Public Svc Elec & Gas Co	A1	3.85	5/1/2049	US	Corporate	Utilities	5.53	23.3
Consolidated Edison Co N Y Inc	A3	4.125	5/15/2049	US	Corporate	Utilities	5.68	23.4
Entergy Mississippi Llc	A2	3.85	6/1/2049	US	Corporate	Utilities	5.63	23.4
Aep Transmission Co Llc	A2	3.8	6/15/2049	US	Corporate	Utilities	5.66	23.4
San Diego Gas & Elec Co	A1	4.1	6/15/2049	US	Corporate	Utilities	5.64	23.4
Southwestern Pub Svc Co	A3	3.75	6/15/2049	US	Corporate	Utilities	5.69	23.4
Tampa Elec Co	A3	4.45	6/15/2049	US	Corporate	Utilities	5.62	23.4
Public Svc Co New Hampshire	A1	3.6	7/1/2049	US	Corporate	Utilities	5.60	23.5
Waste Mgmt Inc Del	A3	4.15	7/15/2049	US	Corporate	Utilities	5.42	23.5
Public Svc Elec & Gas Co	A1	3.2	8/1/2049	US	Corporate	Utilities	5.53	23.6
Evergy Kans Cent Inc	A2	3.25	9/1/2049	US	Corporate	Utilities	5.68	23.7
Wisconsin Pub Svc Corp	A2	3.3	9/1/2049	US	Corporate	Utilities	5.60	23.7
Aep Transmission Co Llc	A2	3.15	9/15/2049	US	Corporate	Utilities	5.57	23.7
Baltimore Gas & Elec Co	A3	3.2	9/15/2049	US	Corporate	Utilities	5.64	23.7
Oncor Elec Delivery Co Llc	A2	3.1	9/15/2049	US	Corporate	Utilities	5.64	23.7
Public Service Co Colo	A1	4.05	9/15/2049	US	Corporate	Utilities	5.69	23.7
Entergy Texas Inc	A3	3.55	9/30/2049	US	Corporate	Utilities	5.73	23.7
Alabama Pwr Co	A1	3.45	10/1/2049	US	Corporate	Utilities	5.63	23.7
Ppl Elec Utils Corp	A1	3	10/1/2049	US	Corporate	Utilities	5.52	23.7
Union Elec Co	A2	3.25	10/1/2049	US	Corporate	Utilities	5.66	23.7
Commonwealth Edison Co	A1	3.2	11/15/2049	US	Corporate	Utilities	5.64	23.9
Eastern Gas Transmission And S	A3	3.9	11/15/2049	US	Corporate	Utilities	5.99	23.9
Virginia Elec & Pwr Co	A3	3.3	12/1/2049	US	Corporate	Utilities	5.58	23.9
Public Svc Elec & Gas Co	A1	3.15	1/1/2050	US	Corporate	Utilities	5.48	24.0
Georgia Pwr Co	A3	3.7	1/30/2050	US	Corporate	Utilities	5.58	24.1
Southern Calif Edison Co	A2	3.65	2/1/2050	US	Corporate	Utilities	6.01	24.1
Consumers Energy Co	A1	3.75	2/15/2050	US	Corporate	Utilities	5.59	24.1
Pacificorp	A3	4.15	2/15/2050	US	Corporate	Utilities	6.15	24.1
Commonwealth Edison Co	A1	3	3/1/2050	US	Corporate	Utilities	5.59	24.2
Public Service Co Colo	A1	3.2	3/1/2050	US	Corporate	Utilities	5.54	24.2
Republic Svcs Inc	A3	3.05	3/1/2050	US	Corporate	Utilities	5.42	24.2
Ameren Ill Co	A1	3.25	3/15/2050	US	Corporate	Utilities	5.55	24.2

Recent Representative Corporate and Municipal Bond Yields *

Issuer	Moody's Rating	Coupon (%)	Maturity	State / Country	Type of Bond	Purpose of Funds	Yield to Maturity (%)	Remaining Term in Years
Aep Transmission Co Llc	A2	3.65	4/1/2050	US	Corporate	Utilities	5.55	24.2
Consolidated Edison Co N Y Inc	A3	3.95	4/1/2050	US	Corporate	Utilities	5.59	24.2
Evergy Kans Cent Inc	A2	3.45	4/15/2050	US	Corporate	Utilities	5.62	24.3
San Diego Gas & Elec Co	A1	3.32	4/15/2050	US	Corporate	Utilities	5.62	24.3
Public Svc Elec & Gas Co	A1	2.7	5/1/2050	US	Corporate	Utilities	5.52	24.3
Southwestern Pub Svc Co	A3	3.15	5/1/2050	US	Corporate	Utilities	5.67	24.3
Oncor Elec Delivery Co Llc	A2	3.7	5/15/2050	US	Corporate	Utilities	5.69	24.4
Kentucky Utils Co	A1	3.3	6/1/2050	US	Corporate	Utilities	5.61	24.4
Baltimore Gas & Elec Co	A3	2.9	6/15/2050	US	Corporate	Utilities	5.53	24.4
Tampa Elec Co	A3	3.625	6/15/2050	US	Corporate	Utilities	5.55	24.4
Tucson Elec Pwr Co	A3	4	6/15/2050	US	Corporate	Utilities	5.73	24.4
Nevada Power Co	A2	3.125	8/1/2050	US	Corporate	Utilities	5.70	24.6
Oglethorpe Power Corp	A3	3.75	8/1/2050	US	Corporate	Utilities	5.88	24.6
Public Svc Elec & Gas Co	A1	2.05	8/1/2050	US	Corporate	Utilities	5.38	24.6
Consumers Energy Co	A1	3.1	8/15/2050	US	Corporate	Utilities	5.52	24.6
Oglethorpe Power Corp	A3	5.25	9/1/2050	US	Corporate	Utilities	5.90	24.7
Berkshire Hathaway Energy Co	A3	4.25	10/15/2050	US	Corporate	Utilities	5.68	24.8
Waste Mgmt Inc Del	A3	2.5	11/15/2050	US	Corporate	Utilities	5.43	24.9
Virginia Elec & Pwr Co	A3	2.45	12/15/2050	US	Corporate	Utilities	5.62	24.9
Public Service Co Colo	A1	2.7	1/15/2051	US	Corporate	Utilities	5.64	25.0
Southern Calif Edison Co	A2	2.95	2/1/2051	US	Corporate	Utilities	5.89	25.1
Public Svc Elec & Gas Co	A1	3	3/1/2051	US	Corporate	Utilities	5.51	25.1
Commonwealth Edison Co	A1	3.125	3/15/2051	US	Corporate	Utilities	5.56	25.2
Georgia Pwr Co	A3	3.25	3/15/2051	US	Corporate	Utilities	5.59	25.2
Pacificorp	A3	3.3	3/15/2051	US	Corporate	Utilities	6.09	25.2
Tampa Elec Co	A3	3.45	3/15/2051	US	Corporate	Utilities	5.48	25.2
Union Elec Co	A2	2.625	3/15/2051	US	Corporate	Utilities	5.53	25.2
Indiana Mich Pwr Co	A3	3.25	5/1/2051	US	Corporate	Utilities	5.72	25.3
Tucson Elec Pwr Co	A3	3.25	5/1/2051	US	Corporate	Utilities	5.68	25.3
Berkshire Hathaway Energy Co	A3	2.85	5/15/2051	US	Corporate	Utilities	5.67	25.4
Entergy Mississippi Llc	A2	3.5	6/1/2051	US	Corporate	Utilities	5.75	25.4
Nstar Elec Co	A2	3.1	6/1/2051	US	Corporate	Utilities	5.48	25.4
Southern Calif Edison Co	A2	3.65	6/1/2051	US	Corporate	Utilities	6.05	25.4
Ameren Ill Co	A1	2.9	6/15/2051	US	Corporate	Utilities	5.59	25.4
Entergy Arkansas Llc	A2	2.65	6/15/2051	US	Corporate	Utilities	5.62	25.4
Alabama Pwr Co	A1	3.125	7/15/2051	US	Corporate	Utilities	5.58	25.5
Mississippi Power Co	A3	3.1	7/30/2051	US	Corporate	Utilities	5.65	25.6
Consumers Energy Co	A1	3.5	8/1/2051	US	Corporate	Utilities	5.52	25.6
Aep Transmission Co Llc	A2	2.75	8/15/2051	US	Corporate	Utilities	5.54	25.6
San Diego Gas & Elec Co	A1	2.95	8/15/2051	US	Corporate	Utilities	5.61	25.6
Commonwealth Edison Co	A1	2.75	9/1/2051	US	Corporate	Utilities	5.54	25.7
Oncor Elec Delivery Co Llc	A2	2.7	11/15/2051	US	Corporate	Utilities	5.55	25.9
Virginia Elec & Pwr Co	A3	2.95	11/15/2051	US	Corporate	Utilities	5.68	25.9
Consolidated Edison Co N Y Inc	A3	3.2	12/1/2051	US	Corporate	Utilities	5.64	25.9
Wisconsin Pub Svc Corp	A2	2.85	12/1/2051	US	Corporate	Utilities	5.50	25.9
Duke Energy Fla Llc	A1	3	12/15/2051	US	Corporate	Utilities	5.56	25.9
Southern Calif Edison Co	A2	3.45	2/1/2052	US	Corporate	Utilities	5.97	26.1
Alabama Pwr Co	A1	3	3/15/2052	US	Corporate	Utilities	5.53	26.2
Commonwealth Edison Co	A1	3.85	3/15/2052	US	Corporate	Utilities	5.66	26.2
San Diego Gas & Elec Co	A1	3.7	3/15/2052	US	Corporate	Utilities	5.66	26.2

Recent Representative Corporate and Municipal Bond Yields *

Issuer	Moody's Rating	Coupon (%)	Maturity	State / Country	Type of Bond	Purpose of Funds	Yield to Maturity (%)	Remaining Term in Years
Avista Corp	A3	4	4/1/2052	US	Corporate	Utilities	5.83	26.2
Union Elec Co	A2	3.9	4/1/2052	US	Corporate	Utilities	5.59	26.2
Georgia Pwr Co	A3	5.125	5/15/2052	US	Corporate	Utilities	5.59	26.4
Virginia Elec & Pwr Co	A3	4.625	5/15/2052	US	Corporate	Utilities	5.75	26.4
Baltimore Gas & Elec Co	A3	4.55	6/1/2052	US	Corporate	Utilities	5.64	26.4
Nstar Elec Co	A2	4.55	6/1/2052	US	Corporate	Utilities	5.63	26.4
Oncor Elec Delivery Co Llc	A2	4.6	6/1/2052	US	Corporate	Utilities	5.71	26.4
Public Service Co Colo	A1	4.5	6/1/2052	US	Corporate	Utilities	5.64	26.4
Southern Calif Edison Co	A2	5.45	6/1/2052	US	Corporate	Utilities	6.18	26.4
Aep Transmission Co Llc	A2	4.5	6/15/2052	US	Corporate	Utilities	5.56	26.5
Entergy Arkansas Llc	A2	3.35	6/15/2052	US	Corporate	Utilities	5.66	26.5
Pacificorp	A3	2.9	6/15/2052	US	Corporate	Utilities	6.02	26.4
Tampa Elec Co	A3	5	7/15/2052	US	Corporate	Utilities	5.59	26.5
Consumers Energy Co	A1	2.65	8/15/2052	US	Corporate	Utilities	5.30	26.6
Consumers Energy Co	A1	4.2	9/1/2052	US	Corporate	Utilities	5.58	26.7
Entergy Texas Inc	A3	5	9/15/2052	US	Corporate	Utilities	5.75	26.7
Nstar Elec Co	A2	4.95	9/15/2052	US	Corporate	Utilities	5.59	26.7
Oncor Elec Delivery Co Llc	A2	4.95	9/15/2052	US	Corporate	Utilities	5.72	26.7
Oncor Elec Delivery Co Llc	A2	5.35	10/1/2052	US	Corporate	Utilities	5.69	26.7
Consolidated Edison Co N Y Inc	A3	6.15	11/15/2052	US	Corporate	Utilities	5.73	26.9
Duke Energy Fla Llc	A1	5.95	11/15/2052	US	Corporate	Utilities	5.66	26.9
Ameren Ill Co	A1	5.9	12/1/2052	US	Corporate	Utilities	5.60	26.9
Connecticut Lt & Pwr Co	A2	5.25	1/15/2053	US	Corporate	Utilities	5.59	27.0
Public Svc Co New Hampshire	A1	5.15	1/15/2053	US	Corporate	Utilities	5.64	27.0
Commonwealth Edison Co	A1	5.3	2/1/2053	US	Corporate	Utilities	5.64	27.1
Southern Calif Edison Co	A2	5.7	3/1/2053	US	Corporate	Utilities	6.19	27.2
Aep Transmission Co Llc	A2	5.4	3/15/2053	US	Corporate	Utilities	5.56	27.2
Evergy Kans Cent Inc	A2	5.7	3/15/2053	US	Corporate	Utilities	5.71	27.2
Idaho Pwr Co	A2	5.5	3/15/2053	US	Corporate	Utilities	5.59	27.2
Public Svc Elec & Gas Co	A1	5.125	3/15/2053	US	Corporate	Utilities	5.52	27.2
Union Elec Co	A2	5.45	3/15/2053	US	Corporate	Utilities	5.66	27.2
Indiana Mich Pwr Co	A3	5.625	4/1/2053	US	Corporate	Utilities	5.65	27.2
Oklahoma Gas & Elec Co	A3	5.6	4/1/2053	US	Corporate	Utilities	5.69	27.2
Public Service Co Colo	A1	5.25	4/1/2053	US	Corporate	Utilities	5.70	27.2
San Diego Gas & Elec Co	A1	5.35	4/1/2053	US	Corporate	Utilities	5.70	27.2
Virginia Elec & Pwr Co	A3	5.45	4/1/2053	US	Corporate	Utilities	5.76	27.2
Tucson Elec Pwr Co	A3	5.5	4/15/2053	US	Corporate	Utilities	5.72	27.3
Berkshire Hathaway Energy Co	A3	4.6	5/1/2053	US	Corporate	Utilities	5.72	27.3
Nevada Power Co	A2	5.9	5/1/2053	US	Corporate	Utilities	5.78	27.3
Ppl Elec Utils Corp	A1	5.25	5/15/2053	US	Corporate	Utilities	5.49	27.4
Baltimore Gas & Elec Co	A3	5.4	6/1/2053	US	Corporate	Utilities	5.63	27.4
Public Svc Elec & Gas Co	A1	5.45	8/1/2053	US	Corporate	Utilities	5.56	27.6
Virginia Elec & Pwr Co	A3	5.7	8/15/2053	US	Corporate	Utilities	5.76	27.6
Entergy Texas Inc	A3	5.8	9/1/2053	US	Corporate	Utilities	5.77	27.7
Dominion Energy South Carolina	A2	6.25	10/15/2053	US	Corporate	Utilities	5.64	27.8
Consolidated Edison Co N Y Inc	A3	5.9	11/15/2053	US	Corporate	Utilities	5.73	27.9
Duke Energy Fla Llc	A1	6.2	11/15/2053	US	Corporate	Utilities	5.65	27.9
Oglethorpe Power Corp	A3	6.2	12/1/2053	US	Corporate	Utilities	5.89	27.9
Pacificorp	A3	5.35	12/1/2053	US	Corporate	Utilities	6.26	27.9
Southern Calif Edison Co	A2	5.875	12/1/2053	US	Corporate	Utilities	6.15	27.9

Recent Representative Corporate and Municipal Bond Yields *

Issuer	Moody's Rating	Coupon (%)	Maturity	State / Country	Type of Bond	Purpose of Funds	Yield to Maturity (%)	Remaining Term in Years
Union Elec Co	A2	5.25	1/15/2054	US	Corporate	Utilities	5.67	28.0
Virginia Elec & Pwr Co	A3	5.35	1/15/2054	US	Corporate	Utilities	5.76	28.0
Public Svc Elec & Gas Co	A1	5.45	3/1/2054	US	Corporate	Utilities	5.56	28.2
Nevada Power Co	A2	6	3/15/2054	US	Corporate	Utilities	5.78	28.2
Potomac Elec Pwr Co	A2	5.5	3/15/2054	US	Corporate	Utilities	5.68	28.2
Sierra Pac Pwr Co	A3	5.9	3/15/2054	US	Corporate	Utilities	5.79	28.2
Idaho Pwr Co	A2	5.8	4/1/2054	US	Corporate	Utilities	5.63	28.2
San Diego Gas & Elec Co	A1	5.55	4/15/2054	US	Corporate	Utilities	5.69	28.3
Southern Calif Edison Co	A2	5.75	4/15/2054	US	Corporate	Utilities	6.17	28.3
Consolidated Edison Co N Y Inc	A3	5.7	5/15/2054	US	Corporate	Utilities	5.68	28.4
Pacificorp	A3	5.5	5/15/2054	US	Corporate	Utilities	6.26	28.4
Public Service Co Colo	A1	5.75	5/15/2054	US	Corporate	Utilities	5.70	28.4
Baltimore Gas & Elec Co	A3	5.65	6/1/2054	US	Corporate	Utilities	5.66	28.4
Commonwealth Edison Co	A1	5.65	6/1/2054	US	Corporate	Utilities	5.66	28.4
Entergy Arkansas Llc	A2	5.75	6/1/2054	US	Corporate	Utilities	5.65	28.4
Entergy Mississippi Llc	A2	5.85	6/1/2054	US	Corporate	Utilities	5.73	28.4
Oglethorpe Power Corp	A3	5.8	6/1/2054	US	Corporate	Utilities	5.90	28.4
Southwestern Pub Svc Co	A3	6	6/1/2054	US	Corporate	Utilities	5.78	28.4
Northern Sts Pwr Co Wis Disc	A1	5.65	6/15/2054	US	Corporate	Utilities	5.54	28.4
Oncor Elec Delivery Co Llc	A2	5.55	6/15/2054	US	Corporate	Utilities	5.73	28.4
Ameren Ill Co	A1	5.55	7/1/2054	US	Corporate	Utilities	5.61	28.5
Public Svc Elec & Gas Co	A1	5.3	8/1/2054	US	Corporate	Utilities	5.58	28.6
Virginia Elec & Pwr Co	A3	5.55	8/15/2054	US	Corporate	Utilities	5.73	28.6
Entergy Texas Inc	A3	5.55	9/15/2054	US	Corporate	Utilities	5.70	28.7
Wisconsin Elec Pwr Co	A2	5.05	10/1/2054	US	Corporate	Utilities	5.56	28.7
Waste Mgmt Inc Del	A3	5.35	10/15/2054	US	Corporate	Utilities	5.50	28.8
Consolidated Edison Co N Y Inc	A3	4.625	12/1/2054	US	Corporate	Utilities	5.70	28.9
Pacificorp	A3	5.8	1/15/2055	US	Corporate	Utilities	6.26	29.0
Oglethorpe Power Corp	A3	5.9	2/1/2055	US	Corporate	Utilities	5.91	29.1
Ameren Ill Co	A1	5.625	3/1/2055	US	Corporate	Utilities	5.62	29.2
Public Svc Elec & Gas Co	A1	5.5	3/1/2055	US	Corporate	Utilities	5.59	29.1
Southern Calif Edison Co	A2	5.9	3/1/2055	US	Corporate	Utilities	6.12	29.2
Consolidated Edison Co N Y Inc	A3	5.5	3/15/2055	US	Corporate	Utilities	5.67	29.2
Idaho Pwr Co	A2	5.7	3/15/2055	US	Corporate	Utilities	5.67	29.2
Union Elec Co	A2	5.125	3/15/2055	US	Corporate	Utilities	5.66	29.2
Virginia Elec & Pwr Co	A3	5.65	3/15/2055	US	Corporate	Utilities	5.76	29.2
Oklahoma Gas & Elec Co	A3	5.8	4/1/2055	US	Corporate	Utilities	5.68	29.2
Entergy Mississippi Llc	A2	5.8	4/15/2055	US	Corporate	Utilities	5.72	29.3
Tucson Elec Pwr Co	A3	5.9	4/15/2055	US	Corporate	Utilities	5.70	29.3
Public Service Co Colo	A1	5.85	5/15/2055	US	Corporate	Utilities	5.72	29.4
Commonwealth Edison Co	A1	5.95	6/1/2055	US	Corporate	Utilities	5.65	29.4
Kentucky Utils Co	A1	5.85	8/15/2055	US	Corporate	Utilities	5.75	29.6
Louisville Gas & Elec Co	A1	5.85	8/15/2055	US	Corporate	Utilities	5.75	29.6
Ppl Elec Utils Corp	A1	5.55	8/15/2055	US	Corporate	Utilities	5.54	29.6
Southern Calif Edison Co	A2	6.2	9/15/2055	US	Corporate	Utilities	6.13	29.7
Virginia Elec & Pwr Co	A3	5.6	9/15/2055	US	Corporate	Utilities	5.77	29.7
Georgia Pwr Co	A3	5.5	10/1/2055	US	Corporate	Utilities	5.64	29.7
Consolidated Edison Co N Y Inc	A3	5.75	11/15/2055	US	Corporate	Utilities	5.73	29.9
Consolidated Edison Co N Y Inc	A3	4.3	12/1/2056	US	Corporate	Utilities	5.69	30.9
Municipal Elec Auth Ga	A2	5	1/1/2046	GA	Revenue	Utilities	4.80	20.0

Recent Representative Corporate and Municipal Bond Yields *

Issuer	Moody's Rating	Coupon (%)	Maturity	State / Country	Type of Bond	Purpose of Funds	Yield to Maturity (%)	Remaining Term in Years
New York St Twy Auth Gen Rev Jr Indbt Obligs	A1	3	1/1/2046	NY	Revenue	Transportation	4.90	20.0
Ohio St Hosp Rev	A3	4	1/15/2046	OH	Revenue	Healthcare	4.90	20.0
American Mun Pwr Ohio Inc Rev	A1	5	2/15/2046	OH	Revenue	Utilities	4.57	20.1
Kansas City Mo Indl Dev Auth Arpt Spl Oblig	A2	5	3/1/2046	MO	Revenue	Transportation	4.91	20.2
Miami-Dade Cnty Fla Edl Facs Auth Rev	A2	5	4/1/2046	FL	Revenue	Education	4.60	20.2
California Infrastructure & Economic Dev Bk Rev	A3	4	5/1/2046	CA	Revenue	Education	4.43	20.3
California Health Facs Fing Auth Rev	A1	4	5/15/2046	CA	Revenue	Healthcare	4.29	20.4
Northern Mich Univ Revs	A1	4	6/1/2046	MI	Revenue	Education	4.49	20.4
West Cnty Facs Fing Auth Calif Wastewater Rev	A1	4	6/1/2046	CA	Revenue	Utilities	4.18	20.4
New Jersey St Transn Tr Fd Auth	A1	3.5	6/15/2046	NJ	Revenue	Transportation	4.68	20.4
New Jersey St Transn Tr Fd Auth	A1	4	6/15/2046	NJ	Revenue	Transportation	4.45	20.4
New Jersey St Transn Tr Fd Auth	A1	5	6/15/2046	NJ	Revenue	Transportation	4.65	20.4
New York St Dorm Auth Revs Non St Supported	A2	4	7/1/2046	NY	Revenue	Education	4.64	20.5
Pennsylvania St Ctfs Partn	A1	4	7/1/2046	PA	Revenue	Government	4.42	20.5
Hallandale Beach Fla Util Sysrev	A1	4	8/1/2046	FL	Revenue	Utilities	4.25	20.6
New Mexico St Hosp Equip Ln Council Hosp Rev	A1	4	8/1/2046	NM	Revenue	Healthcare	4.69	20.6
California Statewide Cmntys Dev Auth Rev	A2	4	8/15/2046	CA	Revenue	Healthcare	4.69	20.6
Chester Cnty Pa Health & Ed Facs Auth Health S	A1	3	9/1/2046	PA	Revenue	Healthcare	4.49	20.7
Massachusetts St Dev Fin Agy Rev	A2	3.125	9/1/2046	MA	Revenue	Education	5.00	20.7
Missouri St Health & Edl Facsauth Edl Facs Rev	A2	4.125	10/1/2046	MO	Revenue	Education	4.60	20.7
Philadelphia Pa Wtr & Wastewtr Rev	A1	5	10/1/2046	PA	Revenue	Utilities	4.69	20.7
Pennsylvania Economic Dev Fing Auth Upmc Re	A2	3	10/15/2046	PA	Revenue	Healthcare	4.92	20.8
Lexington Cnty S C Health Svcs Dist Inc Hosp R	A1	4	11/1/2046	SC	Revenue	Healthcare	4.60	20.8
North Carolina Med Care Commnhealth Care Fac	A1	4	11/1/2046	NC	Revenue	Healthcare	4.61	20.8
Metropolitan Transn Auth N Y Rev	A2	4	11/15/2046	NY	Revenue	Transportation	4.82	20.9
Metropolitan Transn Auth N Y Rev	A2	4	11/15/2046	NY	Revenue	Transportation	4.75	20.9
Metropolitan Transn Auth N Y Rev	A2	4	11/15/2046	NY	Revenue	Transportation	4.89	20.9
Metropolitan Transn Auth N Y Rev	A2	3	11/15/2046	NY	Revenue	Transportation	5.24	20.9
Metropolitan Transn Auth N Y Rev	A2	4	11/15/2046	NY	Revenue	Transportation	4.80	20.9
Pennsylvania St Tpk Commn Tpkrev	A2	4	12/1/2046	PA	Revenue	Transportation	4.44	20.9
Triborough Brdg & Tunl Auth Ny Real Estate Tra	A1	5	12/1/2046	NY	Revenue	Transportation	4.48	20.9
Minnesota Agric & Economic Dev Brd Rev	A2	5.25	1/1/2047	MN	Revenue	Healthcare	4.86	21.0
Bay Area Toll Auth Calif Tollbrdg Rev	A1	4	4/1/2047	CA	Revenue	Transportation	4.32	21.2
Griffin-Spalding Cnty Ga Hospauth Rev	A2	3.75	4/1/2047	GA	Revenue	Healthcare	5.00	21.2
Lagrange-Troup Cnty Ga Hosp Rev	A2	4	4/1/2047	GA	Revenue	Healthcare	4.65	21.2
Miami-Dade Cnty Fla Edl Facs Auth Rev	A2	5.25	4/1/2047	FL	Revenue	Education	4.75	21.2
North Dakota St Brd Higher Edhsg & Auxiliary F	A1	3.5	4/1/2047	ND	Revenue	Education	4.40	21.2
South Island Pub Svc Dist S Cwtrwks & Swr Sys	A1	5	4/1/2047	SC	Revenue	Utilities	4.67	21.2
Louisiana Pub Facs Auth Rev	A3	3	5/15/2047	LA	Revenue	Healthcare	5.07	21.4
Maryland St Health & Higher Edl Facs Auth Rev	A2	4	5/15/2047	MD	Revenue	Healthcare	4.64	21.4
Maryland St Health & Higher Edl Facs Auth Rev	A2	3.75	5/15/2047	MD	Revenue	Healthcare	4.95	21.4
Philadelphia Pa Wtr & Wastewtr Rev	A1	5.5	6/1/2047	PA	Revenue	Utilities	4.90	21.4
West Virginia St Hosp Fin Auth Hosp Rev	A2	4.25	6/1/2047	WV	Revenue	Healthcare	4.63	21.4
West Virginia St Hosp Fin Auth Hosp Rev	A2	4.25	6/1/2047	WV	Revenue	Healthcare	4.60	21.4
New Jersey Economic Dev Auth St Lease Rev	A1	4	6/15/2047	NJ	Revenue	Government	4.56	21.4
Connecticut St Health & Edl Facs Auth Rev	A2	4	7/1/2047	CT	Revenue	Education	4.55	21.5
Great Lakes Wtr Auth Mich Sewdisp Sys Rev	A1	5.25	7/1/2047	MI	Revenue	Utilities	4.82	21.5
Louisiana Pub Facs Auth Hosp Rev	A1	4	7/1/2047	LA	Revenue	Healthcare	4.71	21.5
Louisiana Pub Facs Auth Hosp Rev	A1	3.75	7/1/2047	LA	Revenue	Healthcare	4.95	21.5
Maryland St Health & Higher Edl Facs Auth Rev	A1	4.125	7/1/2047	MD	Revenue	Healthcare	4.54	21.5

Recent Representative Corporate and Municipal Bond Yields *

Issuer	Moody's Rating	Coupon (%)	Maturity	State / Country	Type of Bond	Purpose of Funds	Yield to Maturity (%)	Remaining Term in Years
Ohio St Higher Edl Fac Commnrev	A2	4	7/1/2047	OH	Revenue	Education	4.75	21.5
Allen Cnty Ohio Hosp Facs Rev	A1	4	8/1/2047	OH	Revenue	Healthcare	4.68	21.6
Philadelphia Pa Auth For Indldev Revs	A3	5	9/1/2047	PA	Revenue	Healthcare	4.98	21.7
Sampson Cnty N C Ltd Oblig	A1	3.5	9/1/2047	NC	Revenue	Government	4.72	21.7
Rhode Island Health & Edl Bldg Corp Higher Ed	A1	4	9/15/2047	RI	Revenue	Housing	4.76	21.7
Rhode Island Health & Edl Bldg Corp Higher Ed	A2	5	11/1/2047	RI	Revenue	Education	4.71	21.8
South Carolina Jobs-Economic Dev Auth Health (	A1	4.25	11/1/2047	SC	Revenue	Healthcare	4.52	21.8
Metropolitan Transn Auth N Y Rev	A2	3.375	11/15/2047	NY	Revenue	Transportation	5.23	21.9
Missouri St Health & Edl Facsauth Health Facs R	A1	4	11/15/2047	MO	Revenue	Healthcare	4.73	21.9
Missouri St Health & Edl Facsauth Health Facs R	A1	3.625	11/15/2047	MO	Revenue	Healthcare	4.93	21.9
Pennsylvania Economic Dev Fing Auth Upmc Re	A2	4	11/15/2047	PA	Revenue	Healthcare	4.90	21.9
Wayne Cnty Mich Arpt Auth Rev	A1	5	12/1/2047	MI	Revenue	Transportation	4.86	21.9
Wayne Cnty Mich Arpt Auth Rev	A1	5	12/1/2047	MI	Revenue	Transportation	4.98	21.9
New Jersey St Tpk Auth Tpk Rev	A1	4	1/1/2048	NJ	Revenue	Transportation	4.34	22.0
New Jersey St Tpk Auth Tpk Rev	A1	5	1/1/2048	NJ	Revenue	Transportation	4.80	22.0
Columbia Cnty Ga Hosp Auth Rev	A2	5.125	4/1/2048	GA	Revenue	Healthcare	4.85	22.2
Miami-Dade Cnty Fla Edl Facs Auth Rev	A2	5.25	4/1/2048	FL	Revenue	Education	4.75	22.2
South Carolina Jobs-Economic Dev Auth Hosp R	A2	5	5/1/2048	SC	Revenue	Healthcare	4.93	22.3
South Carolina Jobs-Economic Dev Auth Hosp R	A2	4.25	5/1/2048	SC	Revenue	Healthcare	4.62	22.3
Pennsylvania Economic Dev Fing Auth Upmc Re	A2	4	5/15/2048	PA	Revenue	Healthcare	4.84	22.4
Rhode Island Health & Edl Bldg Corp Higher Ed	A3	5	6/1/2048	RI	Revenue	Education	4.76	22.4
Birmingham Jefferson Ala Civic Ctr Auth Spl Tax	A1	3.75	7/1/2048	AL	Revenue	Recreation	4.98	22.5
Birmingham Jefferson Ala Civic Ctr Auth Rev	A2	3.75	7/1/2048	AL	Revenue	Recreation	4.95	22.5
Louisiana Pub Facs Auth Rev	A2	5	7/1/2048	LA	Revenue	Healthcare	4.92	22.5
Maine Health & Higher Edl Facs Auth Rev	A1	4	7/1/2048	ME	Revenue	Healthcare	4.68	22.5
Maine Health & Higher Edl Facs Auth Rev	A1	5	7/1/2048	ME	Revenue	Healthcare	4.92	22.5
Maryland St Health & Higher Edl Facs Auth Rev	A2	4	7/1/2048	MD	Revenue	Healthcare	4.65	22.5
Massachusetts St Dev Fin Agy Rev	A3	5	7/1/2048	MA	Revenue	Healthcare	4.88	22.5
Salt Lake City Utah Arpt Rev	A1	5	7/1/2048	UT	Revenue	Transportation	4.89	22.5
Salt Lake City Utah Arpt Rev	A1	5.25	7/1/2048	UT	Revenue	Transportation	4.93	22.5
South Carolina St Ports Auth Ports Rev	A1	5	7/1/2048	SC	Revenue	Transportation	4.95	22.5
Tampa-Hillsborough Cnty Fla Exp Wy Auth Rev	A2	5	7/1/2048	FL	Revenue	Transportation	4.90	22.5
New Mexico St Hosp Equip Ln Council Hosp Rev	A1	4	8/1/2048	NM	Revenue	Healthcare	4.69	22.6
New Mexico St Hosp Equip Ln Council Hosp Rev	A1	3	8/1/2048	NM	Revenue	Healthcare	5.10	22.6
Kentucky Bd Dev Corp Convention Facs Rev	A2	4	9/1/2048	KY	Revenue	Recreation	4.35	22.7
Long Is Pwr Auth N Y Elec Sysrev	A2	5	9/1/2048	NY	Revenue	Utilities	4.66	22.7
Missouri St Health & Edl Facsauth Edl Facs Rev	A1	4	10/1/2048	MO	Revenue	Education	4.56	22.7
Philadelphia Pa Wtr & Wastewtr Rev	A1	5	10/1/2048	PA	Revenue	Utilities	4.86	22.7
Louisiana Pub Facs Auth Rev	A1	5	10/15/2048	LA	Revenue	Education	4.75	22.8
Henrico Cnty Va Economic Dev Auth Health Fac	A1	5	11/1/2048	VA	Revenue	Healthcare	4.67	22.8
South Carolina Jobs-Economic Dev Auth Health (	A1	5.5	11/1/2048	SC	Revenue	Healthcare	4.95	22.8
Metropolitan Transn Auth N Y Rev	A2	4	11/15/2048	NY	Revenue	Transportation	4.70	22.9
Metropolitan Transn Auth N Y Rev	A2	4	11/15/2048	NY	Revenue	Transportation	4.85	22.9
Baldwin Cnty Ala Inc Solid Waste Disp Auth Rev	A1	4.25	12/1/2048	AL	Revenue	Government	4.39	22.9
Denver Colo City & Cnty Arpt Rev	A1	4	12/1/2048	CO	Revenue	Transportation	4.88	22.9
Triborough Brdg & Tunl Auth Ny Real Estate Tra	A1	5.25	12/1/2048	NY	Revenue	Transportation	4.76	22.9
Deschutes Cnty Ore Hosp Facs Auth Hosp Rev	A2	4	1/1/2049	OR	Revenue	Healthcare	4.73	23.0
Municipal Elec Auth Ga	A2	5.25	1/1/2049	GA	Revenue	Utilities	4.91	23.0
Rock Hill S C Util Sys Rev	A2	4	1/1/2049	SC	Revenue	Utilities	4.45	23.0
Bay Area Toll Auth Calif Tollbrdg Rev	A1	4	4/1/2049	CA	Revenue	Transportation	4.33	23.2

Recent Representative Corporate and Municipal Bond Yields *

Issuer	Moody's Rating	Coupon (%)	Maturity	State / Country	Type of Bond	Purpose of Funds	Yield to Maturity (%)	Remaining Term in Years
Lee Cnty Fla Indl Dev Auth Hosp Rev	A2	4	4/1/2049	FL	Revenue	Healthcare	4.80	23.2
Louisiana Pub Facs Auth Rev	A3	4	5/15/2049	LA	Revenue	Healthcare	4.77	23.4
New Jersey Economic Dev Auth Rev	A1	4	6/15/2049	NJ	Revenue	Education	4.56	23.4
Burbank Glendale Pasadena Arpt Auth Calif Arpt	A2	5.25	7/1/2049	CA	Revenue	Transportation	4.93	23.5
Lehigh Cnty Pa Gen Purp Hosp Rev	A3	4	7/1/2049	PA	Revenue	Healthcare	5.00	23.5
Sacramento Cnty Calif Arpt Sys Rev	A2	5	7/1/2049	CA	Revenue	Transportation	4.53	23.5
Sacramento Cnty Calif Arpt Sys Rev	A2	5.25	7/1/2049	CA	Revenue	Transportation	4.63	23.5
St Louis Mo Arpt Rev	A2	5	7/1/2049	MO	Revenue	Transportation	4.88	23.5
South Carolina St Ports Auth Ports Rev	A1	4	7/1/2049	SC	Revenue	Transportation	4.76	23.5
Hallandale Beach Fla Util Sysrev	A1	4	8/1/2049	FL	Revenue	Utilities	4.41	23.6
Miami Cnty Ohio Hosp Facs Rev	A2	5	8/1/2049	OH	Revenue	Healthcare	4.95	23.6
Long Is Pwr Auth N Y Elec Sysrev	A2	5	9/1/2049	NY	Revenue	Utilities	4.67	23.7
Massachusetts St Dev Fin Agy Rev	A2	5	9/1/2049	MA	Revenue	Education	4.90	23.7
Montgomery Cnty Pa Higher Ed & Health Auth R	A3	4	9/1/2049	PA	Revenue	Healthcare	4.95	23.7
Maryland St Health & Higher Edl Facs Auth Rev	A3	5	10/1/2049	MD	Revenue	Education	4.83	23.7
North Carolina Med Care Commnhealth Care Fac	A1	4	11/1/2049	NC	Revenue	Healthcare	4.70	23.8
North Carolina Med Care Commnhealth Care Fac	A1	3.125	11/1/2049	NC	Revenue	Healthcare	5.00	23.8
Metropolitan Transn Auth N Y Rev	A2	5.25	11/15/2049	NY	Revenue	Transportation	4.85	23.9
Missouri St Health & Edl Facsauth Health Facs R	A1	4	11/15/2049	MO	Revenue	Healthcare	4.81	23.9
South Carolina St Pub Svcs Auth Rev	A3	5	12/1/2049	SC	Revenue	Utilities	4.70	23.9
Virginia Small Business Fing Auth Healthcare Fa	A1	4	12/1/2049	VA	Revenue	Healthcare	4.79	23.9
Front Royal & Warren Cnty Va Indl Dev Auth Re	A1	4	1/1/2050	VA	Revenue	Healthcare	4.79	24.0
New Jersey St Tpk Auth Tpk Rev	A1	4.75	1/1/2050	NJ	Revenue	Transportation	4.45	24.0
New York St Twy Auth Gen Rev Jr Indbt Obligs	A1	4	1/1/2050	NY	Revenue	Transportation	4.65	24.0
Pennsylvania Economic Dev Fing Auth Pkg Sys I	A3	4.25	1/1/2050	PA	Revenue	Transportation	4.77	24.0
Arizona Indl Dev Auth Hosp Rev	A1	4	2/1/2050	AZ	Revenue	Healthcare	4.69	24.1
Cobb Cnty Ga Kennestone Hosp Auth Rev	A2	5	4/1/2050	GA	Revenue	Healthcare	4.91	24.2
Fulton Cnty Ga Dev Auth Hosp Rev	A2	4	4/1/2050	GA	Revenue	Healthcare	4.75	24.2
Woodruff Facs Corp S C Installment Pur Rev	A1	5	4/1/2050	SC	Revenue	Recreation	4.83	24.2
Maryland St Health & Higher Edl Facs Auth Rev	A2	3.5	4/15/2050	MD	Revenue	Healthcare	4.96	24.3
Pennsylvania Economic Dev Fing Auth Upmc Re	A2	4	4/15/2050	PA	Revenue	Healthcare	4.88	24.3
Pennsylvania Economic Dev Fing Auth Upmc Re	A2	3.5	4/15/2050	PA	Revenue	Healthcare	5.01	24.3
Alabaster Ala Pub Bldg Auth Lease Rev	A1	4.75	5/1/2050	AL	Revenue	Government	4.62	24.3
Maryland St Stad Auth Rev	A1	5	5/1/2050	MD	Revenue	Education	4.47	24.3
Lower Colo Riv Auth Tex Transmission Contract	A1	5	5/15/2050	TX	Revenue	Utilities	4.74	24.4
New Jersey Economic Dev Auth Rev	A1	4	6/15/2050	NJ	Revenue	Education	4.62	24.4
New Jersey St Transn Tr Fd Auth	A1	4	6/15/2050	NJ	Revenue	Transportation	4.67	24.4
New Jersey St Transn Tr Fd Auth	A1	4	6/15/2050	NJ	Revenue	Transportation	4.67	24.4
New Jersey St Transn Tr Fd Auth	A1	3	6/15/2050	NJ	Revenue	Transportation	4.69	24.4
New Jersey St Transn Tr Fd Auth	A1	4	6/15/2050	NJ	Revenue	Transportation	4.61	24.4
New Jersey St Transn Tr Fd Auth	A1	3	6/15/2050	NJ	Revenue	Transportation	4.82	24.4
New Jersey St Transn Tr Fd Auth	A1	5.25	6/15/2050	NJ	Revenue	Transportation	4.89	24.4
New Jersey St Transn Tr Fd Auth	A1	5	6/15/2050	NJ	Revenue	Transportation	4.83	24.4
New Jersey St Transn Tr Fd Auth	A1	5.25	6/15/2050	NJ	Revenue	Transportation	4.84	24.4
New Jersey St Transn Tr Fd Auth	A1	4.125	6/15/2050	NJ	Revenue	Transportation	4.58	24.4
New Jersey St Transn Tr Fd Auth	A1	5	6/15/2050	NJ	Revenue	Transportation	4.74	24.4
Maine Health & Higher Edl Facs Auth Rev	A1	4	7/1/2050	ME	Revenue	Healthcare	4.75	24.5
Monroe Cnty N Y Indl Dev Corprev	A2	3	7/1/2050	NY	Revenue	Healthcare	4.90	24.5
New York St Dorm Auth Revs Non St Supported	A2	4	7/1/2050	NY	Revenue	Education	4.72	24.5
New York St Dorm Auth Revs Non St Supported	A1	4	7/1/2050	NY	Revenue	Healthcare	4.71	24.5

Recent Representative Corporate and Municipal Bond Yields *

Issuer	Moody's Rating	Coupon (%)	Maturity	State / Country	Type of Bond	Purpose of Funds	Yield to Maturity (%)	Remaining Term in Years
Bucks Cnty Pa Indl Dev Auth Hosp Rev	A3	3	8/15/2050	PA	Revenue	Healthcare	5.21	24.6
Chester Cnty Pa Health & Ed Facs Auth Health S	A1	4	9/1/2050	PA	Revenue	Healthcare	4.78	24.7
Washington St Health Care Facs Auth Rev	A3	5.25	9/1/2050	WA	Revenue	Healthcare	4.94	24.7
Henry Cnty Va Indl Dev Auth Auth Pub Fac Leas	A1	4.125	11/1/2050	VA	Revenue	Government	4.47	24.8
Philadelphia Pa Wtr & Wastewtr Rev	A1	5	11/1/2050	PA	Revenue	Utilities	4.80	24.8
South Carolina Jobs-Economic Dev Auth Health (	A1	5.5	11/1/2050	SC	Revenue	Healthcare	5.02	24.8
Pennsylvania St Tpk Commn Tpkrev	A2	4	12/1/2050	PA	Revenue	Transportation	4.52	24.9
Triborough Brdg & Tunl Auth Ny Real Estate Tra	A1	5	12/1/2050	NY	Revenue	Transportation	4.68	24.9
Louisiana Pub Facs Auth Rev	A1	4	12/15/2050	LA	Revenue	Education	4.76	24.9
Allegheny Cnty Pa Arpt Auth Arpt Rev	A2	5	1/1/2051	PA	Revenue	Transportation	4.90	25.0
Deschutes Cnty Ore Hosp Facs Auth Hosp Rev	A2	3	1/1/2051	OR	Revenue	Healthcare	5.05	25.0
Municipal Elec Auth Ga	A2	4	1/1/2051	GA	Revenue	Utilities	4.65	25.0
Municipal Elec Auth Ga	A2	4	1/1/2051	GA	Revenue	Utilities	4.77	25.0
New Jersey St Tpk Auth Tpk Rev	A1	4	1/1/2051	NJ	Revenue	Transportation	4.29	25.0
Idaho Health Facs Auth Rev	A3	3	3/1/2051	ID	Revenue	Healthcare	5.14	25.2
West Cnty Facs Fing Auth Calif Wastewater Rev	A1	4	6/1/2051	CA	Revenue	Utilities	4.66	25.4
West Virginia St Hosp Fin Auth Hosp Rev	A2	4	6/1/2051	WV	Revenue	Healthcare	4.94	25.4
Hempstead Town N Y Loc Dev Corp Rev	A2	3	7/1/2051	NY	Revenue	Education	4.71	25.5
New Jersey Health Care Facs Fing Auth Rev	A1	4	7/1/2051	NJ	Revenue	Healthcare	4.50	25.5
New Jersey Health Care Facs Fing Auth Rev	A1	3	7/1/2051	NJ	Revenue	Healthcare	4.80	25.5
Hallandale Beach Fla Util Sysrev	A1	4	8/1/2051	FL	Revenue	Utilities	4.49	25.6
Montgomery Cnty Ohio Hosp Rev	A2	3	8/1/2051	OH	Revenue	Healthcare	5.06	25.6
Montgomery Cnty Ohio Hosp Rev	A2	4	8/1/2051	OH	Revenue	Healthcare	4.80	25.6
Shelby Cnty Tenn Health Edl &Hsg Facs Brd Rev	A3	5	8/1/2051	TN	Revenue	Education	4.88	25.6
Fulton Cnty Ga Dev Auth Rev	A2	5	10/1/2051	GA	Revenue	Education	4.74	25.7
Miami-Dade Cnty Fla Wtr & Swrrev	A1	4	10/1/2051	FL	Revenue	Utilities	4.67	25.7
South Carolina St Pub Svcs Auth Rev	A3	4	12/1/2051	SC	Revenue	Government	4.74	25.9
Pennsylvania Economic Dev Fing Auth Upmc Re	A2	4	2/15/2052	PA	Revenue	Healthcare	4.83	26.1
Cobb Cnty Ga Kennestone Hosp Auth Rev	A2	4	4/1/2052	GA	Revenue	Healthcare	4.85	26.2
South Island Pub Svc Dist S Cwtrwks & Swr Sys	A1	4.5	4/1/2052	SC	Revenue	Utilities	4.54	26.2
Montgomery Cnty Pa Higher Ed & Health Auth R	A3	4	5/1/2052	PA	Revenue	Healthcare	4.91	26.3
Oregon St Facs Auth Rev	A2	4.125	6/1/2052	OR	Revenue	Healthcare	4.89	26.4
West Virginia St Hosp Fin Auth Hosp Rev	A2	5	6/1/2052	WV	Revenue	Healthcare	4.98	26.4
Maryland St Health & Higher Edl Facs Auth Rev	A2	5.25	7/1/2052	MD	Revenue	Healthcare	4.93	26.5
New Jersey Economic Dev Auth Rev	A1	5	11/1/2052	NJ	Revenue	Transportation	4.79	26.8
North Carolina Med Care Commnhealth Care Fac	A1	4	11/1/2052	NC	Revenue	Healthcare	4.72	26.8
Metropolitan Transn Auth N Y Rev	A2	5	11/15/2052	NY	Revenue	Transportation	4.93	26.9
Missouri St Health & Edl Facsauth Health Facs R	A1	5	12/1/2052	MO	Revenue	Healthcare	4.78	26.9
New York St Twy Auth Gen Rev Jr Indbt Obligs	A1	3	1/1/2053	NY	Revenue	Transportation	4.87	27.0
New York St Twy Auth Gen Rev Jr Indbt Obligs	A1	4	1/1/2053	NY	Revenue	Transportation	4.62	27.0
Pulaski Cnty Ark Hosp Rev	A1	5.25	3/1/2053	AR	Revenue	Healthcare	4.94	27.2
Augusta Ga Dev Auth Rev	A2	5.125	4/1/2053	GA	Revenue	Healthcare	4.90	27.2
Missouri St Health & Edl Facsauth Health Facs R	A1	3	6/1/2053	MO	Revenue	Healthcare	4.88	27.4
West Virginia St Hosp Fin Auth Hosp Rev	A2	4.375	6/1/2053	WV	Revenue	Healthcare	4.76	27.4
New York St Dorm Auth Revs Non St Supported	A1	4	7/1/2053	NY	Revenue	Healthcare	4.74	27.5
Northampton Cnty Pa Gen Purp Auth Hosp Rev	A3	5.25	8/15/2053	PA	Revenue	Healthcare	4.98	27.6
Rhode Island Health & Edl Bldg Corp Higher Ed	A2	5	11/1/2053	RI	Revenue	Education	4.81	27.8
Pennsylvania St Tpk Commn Oilfranchise Tax Re	A2	5	12/1/2053	PA	Revenue	Government	4.74	27.9
Port Gtr Cincinnati Dev Auth Ohio Rev	A2	5	12/1/2053	OH	Revenue	Recreation	4.77	27.9
Minnesota Agric & Economic Dev Brd Rev	A2	5.25	1/1/2054	MN	Revenue	Healthcare	5.01	28.0

Recent Representative Corporate and Municipal Bond Yields *

Issuer	Moody's Rating	Coupon (%)	Maturity	State / Country	Type of Bond	Purpose of Funds	Yield to Maturity (%)	Remaining Term in Years
New Jersey St Tpk Auth Tpk Rev	A1	4.125	1/1/2054	NJ	Revenue	Transportation	4.32	28.0
New Jersey St Tpk Auth Tpk Rev	A1	5.25	1/1/2054	NJ	Revenue	Transportation	4.81	28.0
Indiana Fin Auth Health Fac Rev	A3	5.25	3/1/2054	IN	Revenue	Healthcare	5.00	28.2
Kansas City Mo Indl Dev Auth Arpt Spl Oblig	A2	5	3/1/2054	MO	Revenue	Transportation	5.02	28.2
Bay Area Toll Auth Calif Tollbrdg Rev	A1	3	4/1/2054	CA	Revenue	Transportation	4.72	28.2
Metropolitan Knoxville Tenn Arpt Auth Arpt Rev	A3	5.25	6/1/2054	TN	Revenue	Transportation	4.91	28.4
Maryland St Health & Higher Edl Facs Auth Rev	A1	5	7/1/2054	MD	Revenue	Healthcare	4.82	28.5
Maryland St Health & Higher Edl Facs Auth Rev	A1	5.25	7/1/2054	MD	Revenue	Healthcare	4.91	28.5
Reno-Tahoe Arpt Auth Nev Arptrev	A3	5.25	7/1/2054	NV	Revenue	Transportation	5.03	28.5
Sacramento Cnty Calif Arpt Sys Rev	A2	5	7/1/2054	CA	Revenue	Transportation	4.68	28.5
Sacramento Cnty Calif Arpt Sys Rev	A2	5.25	7/1/2054	CA	Revenue	Transportation	4.80	28.5
Hallandale Beach Fla Util Sysrev	A1	4	8/1/2054	FL	Revenue	Utilities	4.47	28.6
Long Is Pwr Auth N Y Elec Sysrev	A2	5	9/1/2054	NY	Revenue	Utilities	4.76	28.7
Pennsylvania St Higher Edl Facs Auth Rev	A3	5	11/1/2054	PA	Revenue	Healthcare	4.85	28.8
South Carolina Jobs-Economic Dev Auth Health (	A1	4.5	11/1/2054	SC	Revenue	Healthcare	4.66	28.8
Colorado Health Facs Auth Rev	A3	5.25	12/1/2054	CO	Revenue	Healthcare	4.96	28.9
Columbus Ohio Regl Arpt Auth Rev	A2	5.25	1/1/2055	OH	Revenue	Transportation	4.90	29.0
Lynchburg Va Economic Dev Auth Hosp Rev	A3	4	1/1/2055	VA	Revenue	Healthcare	4.99	29.0
New Jersey St Tpk Auth Tpk Rev	A1	4.75	1/1/2055	NJ	Revenue	Transportation	4.51	29.0
Woodruff Facs Corp S C Installment Pur Rev	A1	5	4/1/2055	SC	Revenue	Recreation	4.81	29.2
Albany N Y Cap Resource Corp Rev	A2	5.5	5/1/2055	NY	Revenue	Healthcare	5.09	29.3
Montgomery Cnty Pa Higher Ed & Health Auth R	A3	3.25	5/1/2055	PA	Revenue	Healthcare	5.10	29.3
Louisiana Pub Facs Auth Rev	A3	5.5	5/15/2055	LA	Revenue	Healthcare	5.03	29.4
Lower Colo Riv Auth Tex Transmission Contract	A1	5	5/15/2055	TX	Revenue	Utilities	4.77	29.4
Mississippi Hosp Equip & Facsauth Rev	A3	5	5/15/2055	MS	Revenue	Healthcare	4.75	29.4
New Jersey St Transn Tr Fd Auth	A1	5.25	6/15/2055	NJ	Revenue	Transportation	4.92	29.4
Massachusetts St Dev Fin Agy Rev	A3	5.5	7/1/2055	MA	Revenue	Healthcare	4.95	29.5
South Carolina St Ports Auth Ports Rev	A1	4	7/1/2055	SC	Revenue	Transportation	4.86	29.5
Washington St Health Care Facs Auth Rev	A3	5.5	9/1/2055	WA	Revenue	Healthcare	5.09	29.7
Metropolitan Transn Auth N Y Rev	A2	5.25	11/15/2055	NY	Revenue	Transportation	5.10	29.9
South Carolina St Pub Svcs Auth Rev	A3	5	12/1/2055	SC	Revenue	Utilities	4.79	29.9
Allegheny Cnty Pa Arpt Auth Arpt Rev	A2	5	1/1/2056	PA	Revenue	Transportation	4.95	30.0
New York St Twy Auth Gen Rev Jr Indbt Obligs	A1	4	1/1/2056	NY	Revenue	Transportation	4.73	30.0
Dallas Fort Worth Tex Intl Arpt Rev	A1	5.25	11/1/2056	TX	Revenue	Transportation	4.90	30.8
South Carolina St Pub Svcs Auth Rev	A3	5	12/1/2056	SC	Revenue	Utilities	4.99	30.9
West Contra Costa Calif Uni Sch Dist	A1	4	8/1/2046	CA	General Obligation	Education	4.30	20.6
West Contra Costa Calif Uni Sch Dist	A1	3.5	8/1/2046	CA	General Obligation	Education	4.47	20.6
New Orleans La	A3	5	12/1/2046	LA	General Obligation	Government	4.82	20.9
Washington Twp Calif Health Care Dist	A2	5.25	8/1/2048	CA	General Obligation	Healthcare	4.64	22.6
New Orleans La	A3	5	12/1/2048	LA	General Obligation	Government	4.76	22.9
North Olmsted Ohio City Sch Dist	A1	4	12/1/2048	OH	General Obligation	Education	4.64	22.9
Washington Twp Calif Health Care Dist	A2	5.5	8/1/2053	CA	General Obligation	Healthcare	4.87	27.6
New Orleans La	A3	5	12/1/2053	LA	General Obligation	Government	4.81	27.9
West Contra Costa Calif Uni Sch Dist	A1	4	8/1/2054	CA	General Obligation	Education	4.48	28.6
West Contra Costa Calif Uni Sch Dist	A1	4	8/1/2054	CA	General Obligation	Education	4.47	28.6

Recent Representative Corporate and Municipal Bond Yields *

Issuer	Moody's Rating	Coupon (%)	Maturity	State / Country	Type of Bond	Purpose of Funds	Yield to Maturity (%)	Remaining Term in Years

* Notes:

The Corporate Utility Bonds were selected using E*TRADE's bond resource center advance screener. The corporate bonds selected included all US corporate utility bonds available on the secondary market, that are rated A1 to A3 by Moody's, with 20 to 30 years to maturity.

The Municipal Bonds were selected using E*TRADE's bond resource center advance screener. The municipal bonds selected included all unenhanced Revenue or General Obligation bonds available on the secondary market, that are rated A1 to A3 by Moody's, with 20 to 30 years to maturity, and are exempt for income taxes at both the State level and Federal level.

Source: E-Trade bond resource center.

City of Lancaster Statement No. 1RJ
Docket No. R-2025-3057237
January 26, 2026

REJOINDER TESTIMONY

OF

TINA CAMPBELL,
DIRECTOR OF ADMINISTRATIVE SERVICES

ON BEHALF OF
THE CITY OF LANCASTER
BUREAU OF WATER

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

CITY OF LANCASTER – BUREAU OF WATER
DOCKET NO. R-2025-3057237

REJOINDER TESTIMONY OF TINA CAMPBELL

I. INTRODUCTION

1. Q. Please state your name and business address.

A. My name is Tina Campbell. My business address is 120 North Duke Street, Lancaster, PA 17608-1599.

2. Q. Are you the same Tina Campbell who presented Direct and Rebuttal Testimony on behalf of the City of Lancaster – Bureau of Water (the "City") in this proceeding?

A. Yes.

3. Q. What is the purpose of your Rejoinder Testimony?

A. My Rejoinder Testimony responds briefly to the Surrebuttal Testimony of OCA Witness Lafayette Morgan concerning his reasons for continued disallowance of certain of the City's capital projects included in its claim for the fully projected future test year ("FPFTY").

4. Q. Are you sponsoring any exhibits with your Rejoinder Testimony?

A. Yes. I am sponsoring Exhibits TC-1RJ (September 23, 2025 City Council Meeting Minutes), TC-2RJ (City Council Ordinance), and TC-3RJ (PENNVEST Financing Approval) with my Rejoinder Testimony.

II. RESPONSE TO OCA SURREBUTTAL TESTIMONY ON FPFTY PROJECTS

5. Q. Mr. Morgan makes much of the timing of his receipt of the 5-Year capital improvement plan and budget information.[1] Can you provide any clarity for the record on this point?

A. As a preliminary point, Mr. Morgan makes much of the timing of his receipt of the 5-Year capital improvement plan. That, however, is a moot point, given that Mr. Morgan had the information necessary to conduct his analysis prior to the filing of his Surrebuttal Testimony.

For the record, however, Mr. Morgan is correct that I mistakenly stated in my Rebuttal Testimony that it was also attached to the Direct Testimony of Stephen Campbell as Exhibit SC-2. I intended to reference Exhibit SC-1 to Mr. Campbell's Direct Testimony, which is, in fact, the City's 5-Year capital improvement plan, referred to in the City's Home Rule Charter (the "Charter") interchangeably as a Capital Program and/ or Capital Budget. Given the different names used, perhaps that is what caused some confusion for Mr. Morgan.

In addition, the *approved* "Proposed 2026-2030 Capital Budget" (the "2026-2030 Capital Budget") was included in City Witness Gregory R. Herbert's Rebuttal Testimony, in Exhibit GRH-4R.[2] The City's 2026-2030 Capital Budget incorporates the five-year Capital Improvement Plan.[3] Both the Capital Improvement Plan and the corresponding five-year capital budget are annually approved by the City Council of the City of Lancaster ("City Council"). The 2026-

[1] OCA St. No. 1R, at pp. 2-5.
[2] *See* City St. No. 4R, Exhibit GRH-4R, at pp. 59-72.
[3] Mr. Morgan's claim that the first page only references the Capital Improvement Plan with no mention of the Budget, is inaccurate, as the first page of the relevant exhibit clearly identifies it as the 2026-2030 Capital Budget.

2030 Capital Budget, shown in each of the exhibits I have mentioned above, was *approved* by City Council on September 23, 2025. A copy of the minutes of that meeting is included as Exhibit TC-1RJ. A copy of the signed ordinance pertaining to that approval and adopting the 2026-2030 Capital Budget is included as Exhibit TC-2RJ. The approved 2026-2030 Capital Budget is also posted on the City of Lancaster's Website.[4]

6. Q. Mr. Morgan states in his Surrebuttal Testimony that the City has not provided sufficient budget approval documentation for him to recommend inclusion of certain of the identified capital project claims in its FPFTY rate base.[5] Please respond.

A. Under the Charter, City Council is required to approve a five-year Capital Budget and corresponding Capital Improvement Plan each year, so projects for Fiscal Year 2027 were approved within the currently adopted 2026-2030 Capital Budget. Annually, capital projects will be reviewed and presented to City Council for the next annual approval, no later than September 30, 2026. Next year's budget will include the next five-year Capital Budget covering the period 2027-2031.

I ask that particular attention be given to Section 1 of Ordinance No. 04-2025, which provides:

> The Capital Program for the fiscal years 2026-2030 attached hereto and incorporated herein (**a program providing for the proper acquisition, repair and provision for the necessary equipment and infrastructure for the effective and efficient delivery of public services including projects resulting in the additions, replacements or**

[4] *See* https://www.cityoflancasterpa.gov/budget-documents/ (Capital Budget → 2026-2030 Adopted Capital Budget (PDF)).
[5] OCA St. No. 1-SR, at pp. 5-6.

changes to City facilities, infrastructure and equipment) be and hereby is approved.[6]

This ordinance was adopted in accordance with Section 8.09 of the Charter, relating to the "Capital Program and Budget", which provides that:

> Council shall adopt by ordinance a long-range capital program that contains plans and objectives to provide for the proper acquisition, repair and provision of necessary equipment and infrastructure
>
> [. . .]
>
> [and which capital program contains] (ii) A list of capital improvements which are proposed to be undertaken during the subsequent five (5) year period, with appropriate supporting information as to the necessity for such improvements; (iii) Cost estimates, method of financing and recommended schedules for each such improvement; (iv) The estimated annual cost of operating and maintaining the facilities to be constructed or acquired; and (v) The estimated annual amortization costs of any debt incurred, if appropriate.[7]

The Capital Program went through a lengthy and public review process as required by the Charter, including a public hearing, a written question and answer process, the presentation of a summary of the questions posed and answers thereto, a public inspection period and two public readings of the ordinance. The Charter further provides that "the Mayor shall be responsible for and, with the assistance of the Director of Administrative Services, shall supervise the administration of the annual and capital budgets."[8] Finally, the Charter also requires that "all capital projects in process shall be reported to Council by the Mayor and/or Director of Administrative Services on a quarterly basis with an update on cost, completion

[6] Exhibit TC-2RJ, p. 1 (emphasis added).
[7] City St. No. 1, Exhibit TC-1, p. 40.
[8] *Id.* at p. 41 (Section 8.11, Budget and Capital Program Administration).

date, and estimated revised operating costs."[9] Based on the foregoing, it cannot be argued that Council and the public were not aware of all of the details in the Capital Program, that all of the provisions thereof, including those related to approval of the projects referenced therein and the costs of the same, were not approved as a legislative action of the City Council, and that the projects noted therein require no subsequent legislative approval (reporting only).

7. Q. Mr. Morgan also asserts, as a basis for his proposed disallowances, that discrepancies between the FY 2027 capital projects in the 5-year capital plan and the City's FPFTY claim differ significantly.[10] Please respond.

A. Mr. Morgan asserts that his inability to find the City's FPFTY claims are supported are based in part on an alleged inconsistency in that the City's Capital Program only shows $16.6 million for capital expenditures in FY 2027, and that amount differs significantly from the capital expenditures the City is claiming in the FPFTY.[11] However, Mr. Morgan is comparing "apples and oranges" as the saying goes. The First issue is that the City's Capital Program is done is on a FY-basis and the FPFTY does not end at the same time as the City's FY cycle. Second, it appears Mr. Morgan is also ignoring the fact that the City's Capital Budget analysis does not necessarily follow the ratemaking concepts of "used and useful" but rather focuses on construction progress and spend. Further, for a project this size, the City's Susquehanna Transmission Main (Phases 2 and 3) project will be in construction in FY 2026 (with $33.0 million spend budgeted to occur in FY 2026) and those

[9] *Id.* at p. 42.
[10] OCA St. No. 1-SR, p. 5.
[11] *Id.*

amounts are properly included in the FPFTY claim, as the period from April 2026 through December 2026 makes up 75% of the FPFTY. None of this negates, however, that the City believes that all of the projects included in is FPFTY will be completed and in-service, consistent with the used and useful standard, by March 31, 2027, the end of the FPFTY.

8. Q. In conclusion, is Mr. Morgan correct that the approximately $50 million worth of capital projects included in the City's FPFTY rate base was not approved by City Council?

A. No. All of the City's projects included in its 2026-2030 capital plan – including those in its FTY and FPFTY claims – were approved by City Council when it approved the "Proposed 2026-2030 Capital Budget"/Capital Program by adoption of Ordinance No. 04-2025.

9. Q. Do you agree with Mr. Morgan's assessment that the costs of the Susquehanna Large Diameter Transmission Main (Phases 2 and 3) project should be omitted from the City's FPFTY rate base claim?

A. No, I do not agree. Mr. Morgan contends that this project, along with five others,[12] is not eligible for inclusion in the rate base because it will not be completed, indeed, Mr. Morgan states "plant that should be included in rate base should be derived based upon those projects that are *expected to be completed and placed in service during the FPFTY*."[13]

Apart from the fact that this project was included in the City's 2026-2030 Capital Plan and the Proposed 2026-2030 Capital Budget approved by City

[12] *Id.* at pp. 9-12.
[13] *Id.* at p. 7.

Council, the City has provided ample evidence to support its belief that this project (both Phases 2 and 3) will be in-service and serving customers by the end of the FPFTY. In addition to the information included in City Witness Stephen Campbell's Direct Testimony,[14] additional information on the project was included in Mr. Campbell's Rebuttal Testimony, including that the City has completed all design and permitting for the project, and over $1 million dollars has already been spent on surveying, design, and permitting activities in furtherance of the project.[15] Interim financing in the amount of $30 million was approved by City Council in November 25, 2025, for the purchase of pipe, valves, and hydrants. Mr. Campbell's Rebuttal Testimony provided references to the details of that financing and provided a copy of the minutes of the November City Council meeting as Exhibit SC-2R.[16] . Moreover, since the time Rebuttal Testimony was filed, on January 21, 2025, the Board of the Pennsylvania Infrastructure Investment Authority (PENNVEST) approved financing for the project in the amount of $49,293,000. A copy of the PENNVEST approval is included as Exhibit TC-3RJ. The interim financing will be covered by the PENNVEST loan. With financing secured, the City will be bidding the materials procurement and three construction contracts to complete the project by March 2027.

[14] *See* City St. No. 2, at p. 11 (describing the project and noting "[t]hese phases for this project are anticipated to be *completed and in-service* by March 2027.")
[15] *See* City St. No. 2R, at pp. 3, 5-6 (confirming the City's expectation that the project will be complete in the FPFTY and providing additional information concerning progress).
[16] *Id.* at 6.

10. Q. Is there anything else you would like to say regarding the Susquehanna Large Diameter Main (Phases 2 and 3) project?

A. Yes. Mr. Morgan's claims[17] that Mr. Campbell's use of the term "substantially completed" in reference to this project in his Rebuttal Testimony[18] demonstrates that the City does not believe it will be completed, are belied by the City's own statements in its Direct and Rebuttal testimonies confirming its belief that this project will be in-service. To put the matter to rest, let me be absolutely clear – the City is confident, based on the facts and circumstances and information known as of today, that this project will be in-service and providing benefits to customers by the end of the FPFTY.

Lastly, I would note that Mr. Morgan's comments concerning customers overpaying if the claim is approved because the actual costs are not known today, ignores (i) the fact that the amount included in the City's claim is $42 million, which is $11 million *less than* the revised estimates based on information received during the course of this proceeding suggesting total anticipated costs of $52.6 million,[19] and (ii) the nature of the Pennsylvania ratemaking process which expressly permits utilities to file rate increase requests that include two years of *forecasted* expenditures.

III. CONCLUSION

11. Q. Does this conclude your Rejoinder Testimony?

A. Yes, it does.

[17] OCA St. No. 1R, p. 10.
[18] City St. No. 2R, p. 6 ("In view of all this work, the City believes that the SLDTM can be substantially completed by March of 2027 **and the project can be included in the FPFTY**.") (emphasis added).
[19] City St. No. 2R, p. 6.

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VERIFICATION

I, Tina Campbell, Director of Administrative Services, City of Lancaster, hereby state that the facts set forth in the foregoing City of Lancaster Statement No. 1RJ are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter.

I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to sworn falsification to authorities).

DocuSigned by:
Tina Campbell
3AD4C55EFEA6493...

Tina Campbell

Date: 1/25/2026

STATED MEETING - CITY COUNCIL – SEPTEMBER 23, 2025

A meeting of the Lancaster City Council was held on Tuesday, September 23, 2025 in Nelson M. Polite Sr. City Council Chambers of Lancaster City Hall, 120 North Duke Street, Lancaster, PA, at 6:30 p.m., with President Bakay presiding.

President Bakay announced that no action would be taken on Administration Bill No. 06-2025 this evening and that it will return to the agenda for the October 14 meeting.

Present – Councilors Ahmed Ahmed, Jaime Arroyo, Lochard Calixte, Faith Craig, Janet Diaz and President Amanda Bakay – 6
Excused – Councilor John Hursh - 1

The minutes of the meeting of Council for September 9, 2025 were approved by a roll-call vote.

PROCLAMATIONS, HONORS, AWARDS, AND RESOLUTIONS OF RECOGNITION

Governor's Hispanic Heritage Month Proclamation

Jose A. Núñez Ruiz, commissioner for Lancaster County on the Governor's Advisory Commission on Latino Affairs, read Governor Josh Shapiro's Hispanic Heritage Month proclamation in Spanish, as follows:

POR CUANTO, EL MES DE HERENCIA HISPANA es una oportunidad para celebrar las ricas tradiciones culturales y honrar las contribuciones y los logros significativos de nuestras comunidades hispana y latinoamericanas de medicina, leyes, negocios, tecnología, compromiso cívico, gobierno y cultura; y

POR CUANTO, los latinoamericanos son el grupo minoritario étnico más grande de los Estados Unidos, con 68 millones, y la comunidad minoritaria que crece más rapido en Pennsylvania, con 1.2 millones; y

POR CUANTO, los latinoamericanos han servido con distinción en los conflictos militares desde La Guerra de la Revolución y continuan a defender nuestro país hoy en día como miembros de las Fuerzas Armadas. Estos hombres y mujeres valientes nos traen honor y estamos agradecidos por su servicio y sacrificio; y

POR CUANTO, la dedicación de los hispanos y latinoamericanos a la comunidad es una parte integral de Pennsylvania. Han hecho enormes contribuciones a nuestra sociedad diversa al compartir su cultura y talento; y

POR CUANTO, no importa cómo se vea, de dónde venga, a quién ame, ni a quién le rece, usted tiene un lugar en Pennsylvania y éste Estado enorgullece de honrar la historia y las contribuciones de los hispanos y lantinoamericanos en nuestro estado y en toda la nación.

POR TANTO, yo, Josh Shapiro, Gobernador de Pennsylvania, proclamo por la presente el 15 de septiembre hasta el 15 de octubre, 2025, como

EL MES DE LA HERENCIA HISPANA

en reconocimiento a los hispanos y latinoamericanos pasados y presents en nuestro estado. Animo a todos los residentes de Pennsylvania a celebrar esta importante observancia.

Mr. Núñez Ruiz noted the growth of the Hispanic community in Lancaster and in the Commonwealth and stated his pride in being a Lancastrian and Puerto Rican.

President Bakay noted that Council adopted a resolution at the last meeting recognizing Hispanic Heritage Month and said the City will hold a Hispanic Heritage Month celebration on October 4 in Ewell Plaza.

REPORTS REQUESTED BY COUNCIL

2026 Budget Address of Danene Sorace, Mayor of the City of Lancaster

It is September 23rd and I am introducing the 2026 budget. This may be the earliest that any mayor in recent history has introduced a budget and is one of the many changes brought by the adoption of the Home Rule Charter last year, approved by 68 percent of voters.

The Home Rule charter has institutionalized a set of best management practices that really define my administration's strategic priority of sound government. With Home Rule, Council and the public not only have a budget introduced earlier than before, but also a comprehensive capital plan encompassing the general fund and each of the utilities. Council has been engaged in a review of the capital plan for several months and will be voting on the capital plan later this evening.

In addition, a new controller with additional responsibilities and input into the city's accounting practices, financial policies and budgeting will be elected on November 4th, alongside a new mayor and Council majority.

Plus, the administrative code, under review by Council now, contemplates a set of financial policies including an official fund balance policy, investment policy and debt policy further institutionalizing best practices.

Perhaps most notably, the Home Rule Charter allows us to move away from a cycle of regular property tax increases by adjusting the earned income tax. This was done last year and as a result, we are projecting a projecting an 11 percent increase in earned income tax revenues in 2026. Finally, relative to this budget message, the Home Rule Charter also lays out what my message should include. So, let's get those portions out of the way.

1. In the 2026 general fund, we are projecting $81.8 million in revenues and $81.7 million in expenses. No property tax or earned income tax increase is proposed. On the revenue side, overall income is projected to rise just 2 percent, which is actually a bit higher than we anticipated given that this is the first budget without American Rescue Plan Act Funds. There are a couple of other bright spots including increases in investment earnings and permit fees, which I'll come back to.

On the expense side, there is a projected increase of 6 percent, which is 2 percent higher than our goal of 4 percent due to a variety of factors including health insurance, up 5 percent, and staffing including the restoration of a chief of staff position for incoming administration, the filling of vacant positions, and the addition of a few new positions. Additionally, we have been making adjustments to salary allocations between the general fund and utilities. As you are aware, we have positions whose job responsibilities are split between the general fund and utilities. Approximately $360,000 has been moved from various utilities back to the general fund, primarily impacting the Department of Public Works.

Within the enterprise funds, there are no proposed increases in trash and recycling, stormwater, sewer or water for inside city customers. However, next week we are filing a rate case before the Public Utility Commission to raise water rates for outside City customers. We expect these rates to go into effect in mid-2026.

I also want to highlight our general fund reserve. In 2025, we projected adding $2.4 million to the general fund reserve. However, because of increases in Earned Income Tax and permitting revenues, not including the $7.8 million in building permit revenues related to the Chirisa project, we anticipate ending this year with $4.7 million in additional revenue. We are requesting that $1 million be allocated to the 2026 budget. This still provides a fund balance contribution of $3.7 million and will increase our fund balance percent from 17 percent to 22 percent, which is aligned with the proposed fund balance policy in the administrative code.

The $7.8 million generated from the Chirisa project at 260 Greenfield Road is a total outlier. In consultation with our auditor, this will be treated similar to a grant. Meaning, it is not showing in the revenues or expenses related to the 2026 budget. A separate report will be provided to Council outlining all revenues and expenses related to the data center. Council will have some decisions to make related to the utilization of these funds, for which I will be preparing a separate memo for consideration.

2. There are no significant changes to the work of the City included in this budget. However, I do want to call your attention to one area of our operations that you will be hearing more about during the department budget presentations and that is permitting. On average, the City receives approximately 3,000 permits annually, 80 percent of which are building permits. Permitting is a complicated government function with multiple city departments providing review and has been a source of ongoing frustration – both internally and externally. We've been listening and as I reported to Council last month we have been making progress and there is much more work to do to make it faster, clearer, and fully online.

This budget proposes additional investments in centralizing permitting within Administrative Services, since nearly every department has a permitting role. You'll hear more details in the department budget presentations. I want to emphasize that while this area requires additional improvements, we are also offsetting added costs by being more strategic about what kinds of work are outsourced. In turn, this generating the additional revenue to support these costs.

3. While we usually only discuss the City's debt position when we are soliciting a bond, this is a good moment to note progress. Earlier in my tenure, the City's credit outlook had been downgraded by Moody's to a negative outlook, then neutral, and now we are positive, in large measure because we demonstrated our willingness to strengthen our financial position by moving to Home Rule and increasing our Earned Income Tax.

4. Additional information regarding the budget will be presented at the October 6th Council Committee Meeting, along with the detailed line-item budget, followed by two rounds of department budget presentations. The first set of department budget presentations will be on Tuesday, October 21st and the second will be on Tuesday, November 18th. These sessions replace the all-day Saturday session traditionally held in December.

As I prepared this final budget address, I revisited Mayor Gray's final budget message delivered in 2017. He noted that over his twelve years, a priority was restoring the City's fiscal stability. Through practices that his administration put in place, a $69 million deficit by 2012 was averted. Over the last eight years, we have built on this foundation, and I'm pleased to say that with the passage of Home Rule we have eliminated our structural deficit. It is a really big deal! However, continued fiscal restraint and a continued strong economy are both necessary for the City's long term financial health. A downturn in either will have consequences, which is why I urge future administrations and councils to continue holding the line on spending and tax increases.

Finally, I want to thank the staff who have been working on the budget for months, especially the accounting team under Director Campbell's leadership. This is truly a team effort and has been one of the smoothest budget processes, especially given that this is being delivered months earlier. I look forward to continued conversation in the months ahead and thank you Council for the opportunity to present my final budget message.

President Bakay noted the full proposed 2026 budget will be available on the City website once it is provided to Council on October 6.

LEGISLATIVE AGENDA

HERITAGE CONSERVATION DISTRICT

Consider the following applications and recommendations from the Historical Commission for improvements to properties within the Heritage Conservation District:

1. Shonkyarto Holdings LLC, owner of 250 Harrisburg Avenue, proposes construction of a new elevator tower and a steel carport with an upper-level deck on the east elevation of a converted brick warehouse.

2. 201 West King Street LLC, owner, and Benjamin A. Samberg, architect, propose construction of new concrete entry steps and a rear rooftop deck.
(These applications were recommended for approval by the Historical Commission)

Councilor Craig made a motion to approve the recommendations of the Historical Commission and grant Certificates of Appropriateness to the applicants. Councilor Arroyo seconded the motion.

Council approved the motion to grant Certificates of Appropriateness for the projects by a unanimous roll-call vote.

ORDINANCES FOR FINAL PASSAGE

Administration Bill No. 07-2025, (the title) was read by the City Clerk as follows:

An ordinance of the Council of the City of Lancaster, County of Lancaster, Commonwealth of Pennsylvania, adopting a five year Capital Plan for the fiscal years of 2026-2030 (a program providing for the proper acquisition, repair and provision for the necessary equipment and infrastructure for the effective and efficient delivery of public services including projects resulting in the additions, replacements or changes to City facilities, infrastructure and equipment); allowing for a severance provision; providing for the repeal of inconsistent ordinances; and providing for an effective date.

Councilor Ahmed made a motion to approve the bill. Councilor Arroyo seconded the motion.

Councilor Arroyo noted that this bill was the subject of two public hearings where extensive presentations were given by Public Works Director Stephen Campbell and Administrative Services Director Tina Campbell. He thanked them for providing the City's first capital budget.

President Bakay noted the importance of planning and the rarity of a municipal capital budget. She thanked the directors for their efforts in preparing the budget.

Councilor Ahmed also thanked the directors and said he was impressed by the level of detail presented in the budget.

Council approved Bill No. 07-2025, as amended, by a unanimous roll-call vote. The bill will hereafter be known as Administration Ordinance No. 04-2025.

RESOLUTIONS

Administration Resolution No. 63-2025, (the title) was read by the City Clerk as follows:

A resolution of the Council of the City of Lancaster authorizing the filing of the Commonwealth Finance Authority (CFA) Local Share Account (LSA) Application for funding, in the amount not to exceed $1,000,000 for HDC MidAtlantic's Apartments at College Avenue III.

Councilor Craig made a motion to approve the resolution. Councilor Arroyo seconded the motion.

Councilor Craig noted that funding for the Local Shares Account Program comes from state gaming revenues. The sponsoring municipality, in this case the City, must apply for the funds and may pass them to a subgrantee, in this case HDC MidAtlantic.

Kim Krauter, senior vice president of real estate development for HDC MidAtlantic, provided an overview of the three phases of HDC MidAtlantic's The Apartments at College Avenue project. The recently completed first phase, at 213 College Avenue, includes 64 units, while Phase 2, in the former St. Joseph's Hospital, will include 49 apartments, and Phase 3, at 838 Wheatland Avenue, will likely include 48 units.

Ms. Krauter noted the demand for subsidized housing in Lancaster, with 500 applications received within a month of the application period opening for Phase 1 units. Those apartments are now occupied and there is a three-five-year waiting list for available units. She noted the amenities of the new apartment building and the 22 funding sources needed to raise the $22.8 million needed for that phase.

The second phase of the project includes a partnership with the Milagro House shelter. There are 14 funding sources for that $19.7 million phase. HDC has submitted its application for Low Interest Historic Tax Credits and is awaiting an award. They hope to receive an award and begin construction in fall 2026. They hope to complete construction and begin occupancy in summer 2028.

She noted that the third phase is in the early stages of planning but is expected to cost about $19 million to provide 40-50 units of family housing. They plan to submit an application for tax credits in early 2027. With approval, they would begin construction in fall 2028 and hope to begin occupancy in summer 2030.

Responding to a question from President Bakay, Ms. Krauter said limited funds have been committed for Phase 3, for which the Local Shares Account funding would be allocated.

Councilor Craig commented on the development of the College Avenue project from its conception several years ago.

President Bakay noted again that Local Shares Program funds come from state gaming revenue and no City tax funds are being provided with this resolution.

Responding to questions from Tony Dastra, of the 700 block of New Holland Avenue, Ms. Krauter said federal funding for this project is limited and residents of the project are legal residents.

Jose A. Núñez Ruiz, of the 100 block of South Prince Street, spoke in support of the resolution and the development of affordable housing.

Nancy Millan, of Garden Court, congratulated HDC and the City for the development of the affordable units, particularly the units being developed in the vacant hospital building.

Council approved Resolution No. 63-2025 by a unanimous roll-call vote.

PUBLIC COMMENT

Frank Arcoleo, of Old Trinity Place, proposed a draft ordinance for the regulation of data centers within the Zoning Ordinance. He described data centers and requirements for the permitting of data centers under the proposed ordinance.

Tony Dastra, of the 700 block of New Holland Avenue, expressed his concern with the soundness of City government. He noted the cancellation of a Zoning Hearing Board meeting and called for adoption of a rent control ordinance.

President Bakay adjourned the meeting at 7:22 p.m.

Attest:

Bernard W. Harris Jr., City Clerk

Amanda Bakay, Council President

Approved by Council: October 14, 2025

FILE OF THE CITY CLERK

ADMINISTRATION ORDINANCE NO. 04 - 2025

ADMINISTRATION BILL NO. 07 - 2025

INTRODUCED – SEPTEMBER 9, 2025

ADOPTED BY COUNCIL – SEPTEMBER 23, 2025

AN ORDINANCE OF THE COUNCIL OF THE CITY OF LANCASTER, COUNTY OF LANCASTER, COMMONWEALTH OF PENNSYLVANIA, ADOPTING A FIVE YEAR CAPITAL PLAN FOR THE FISCAL YEARS OF 2026-2030 (A PROGRAM PROVIDING FOR THE PROPER ACQUISITION, REPAIR AND PROVISION FOR THE NECESSARY EQUIPMENT AND INFRASTRUCTURE FOR THE EFFECTIVE AND EFFICIENT DELIVERY OF PUBLIC SERVICES INCLUDING PROJECTS RESULTING IN THE ADDITIONS, REPLACEMENTS OR CHANGES TO CITY FACILITIES, INFRASTRUCTURE AND EQUIPMENT); ALLOWING FOR A SEVERANCE PROVISION; PROVIDING FOR THE REPEAL OF INCONSISTENT ORDINANCES; AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT ORDAINED AND ENACTED, by the Council for the City of Lancaster, Lancaster County, Pennsylvania:

Section 1. The Capital Program for the fiscal years 2026-2030 attached hereto and incorporated herein (a program providing for the proper acquisition, repair and provision for the necessary equipment and infrastructure for the effective and efficient delivery of public services including projects resulting in the additions, replacements or changes to City facilities, infrastructure and equipment) be and hereby is approved and adopted.

Section 2. The provisions of this Ordinance are severable, and if any section, sentence, clause, part or provision hereof shall be held to be illegal, invalid or unconstitutional by any court of competent jurisdiction, such decision of the Court shall not affect or impair the remaining sections, sentences, clauses, parts or provisions of this Ordinance. It is hereby declared to be the intent of the City Council of the City of Lancaster, Lancaster County, Pennsylvania, that this Ordinance would have been enacted if such illegal, invalid or unconstitutional section, sentence, clause, part or provision had not been included herein.

Section 3. Any and all Ordinances or parts of Ordinances inconsistent herewith shall be and hereby are repealed.

Section 4. This Ordinance shall take effect twenty (20) days after its date of adoption.

DULY ORDAINED AND ENACTED this 23rd day of September, 2025 by the Council of the City of Lancaster, Lancaster County, Pennsylvania, in lawful session duly assembled.

CITY OF LANCASTER

By: _____
Danene Sorace, Mayor

Attest:

_____
Bernard W. Harris, Jr., City Clerk

Pennsylvania Infrastructure Investment Authority
Board Summary Review

Approval Date: 1/21/2026

SUMMARY

Project Name: City of Lancaster - Susquehanna Large Diameter Transmission Main
Project ID: 361528232502-CW **Funding Request Type:** Drinking Water

County(s)	Service Area Population	Service Connections	Senate District(s)	House of Reps District(s)
Lancaster	123184	45624	Malone, James Andrew	Miller, Brett

Legal Entity Name: City of Lancaster

Address: 120 North Duke Street
ATTN: Mayor
Lancaster PA 17602

Telephone: 7172914739

Organization Type: Municipality

Contact's Name: Christine VolkayHilditch
Address: 1220 New Danville Pike
Lancaster PA 17603

Telephone: 7172935531

Year Incorporated:

PUC Regulated: Yes

TECHNICAL

Project Description:

This project will include the construction of a new 7,200-foot, 42-inch raw water transmission main between the City's Susquehanna River intake and the water treatment facility, and a new 28,200-foot, 42-inch finished water transmission main between the water treatment facility and the Oyster Point Reservoir.

Public Health	Economic Development	Infrastructure Health	Source Water Protection	Community Health	Compliance
L	L	M	NSDI	L	L

Proposed Construction Schedule: **Start Date:** 4/15/2026 **Completion Date:** 3/31/2027

FINANCIAL/LEGAL

Est. Total Project Cost: $49,293,000.00

Proposed Method of Financing Remainder of Project Costs:

Non-Repayment	N/A	$0.00
Other Loans	N/A	$0.00
Other Sources	N/A	$0.00

Amount of Project Cost To Be Obtained Through Other Sources: $0.00

Legal Review: Recommended

Est. Annual Avg. Residential User Rate: $411.00

Advance Funding Loan Amounts:

Loan: $0.00

Non-Repayment: $0.00

Collateral (Hard) The note of the City of Lancaster secured by a lien on its water revenues and a pledge of its taxing authority.

STAFF RECOMMENDATION

PENNVEST Recommendation: <X> **Approved** < > **Defer** < > **Disapprove**

Loan Amount: $49,293,000.00

Non-Repayment: $0.00

Total PENNVEST Funding: $49,293,000.00

Term of Loan: 240

Interest Only Period and First 5 Yrs of Amort: 1.743%

Yrs 6 to Maturity Amort: 2.179%

SIGNATURE: Robert M. Bass **DATE:** 1/14/2026 12:00:00 AM

PROJECT NAME: City of Lancaster - Susquehanna Large Diameter Transmission Main

APPLICANT: City of Lancaster

TOTAL PROJECT COST: $49,293,000.00

PROBLEM TO BE SOLVED BY PROJECT:

Two of the City's transmission mains are primarily steel construction and have reached the end of useful life. As the only means of transmission for approximately 70 percent of the water supply for the City's service area, these mains were identified as critical assets that require improved resiliency to maintain safe, reliable water service.

PROJECT DESCRIPTION:

This project will include the construction of a new 7,200-foot, 42-inch raw water transmission main between the City's Susquehanna River intake and the water treatment facility, and a new 28,200-foot, 42-inch finished water transmission main between the water treatment facility and the Oyster Point Reservoir.

MAJOR BENEFITS AND FINANCIAL IMPACT STATEMENT:

FINANCIAL IMPACT: This existing system serves communities with a median household income level greater than the state median household income level. The PENNVEST low-interest loan funding will provide the grant-equivalent of $14,734,700 over the life of the loan.

PUBLIC HEALTH: New raw and finished water transmission mains will be installed to increase resiliency in the distribution system. The City will no longer be reliant on 70-year-old transmission mains, which are increasingly prone to breaks and leaks.

INFRASTRUCTURE HEALTH: Infrastructure will be upgraded in a system with an unaccounted-for water percentage of 12 percent.

COMMUNITY HEALTH: The system will be able to provide improved service reliability and water savings to city residents upon completion of this project.

COMPLIANCE: This project will ensure continued adequate quantity and quality of water for its customers.

PLANNING COMMENTS:

The project is consistent with land use planning and farmland preservation efforts.

City of Lancaster Statement No. 4RJ
Docket No. R-2025-3057237
January 26, 2026

REJOINDER TESTIMONY

OF

GREGORY R. HERBERT,
PROJECT MANAGER

GANNETT FLEMING VALUATION
AND RATE CONSULTANTS, LLC

ON BEHALF OF
CITY OF LANCASTER
BUREAU OF WATER

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
CITY OF LANCASTER – BUREAU OF WATER
DOCKET NO. R-2025-3057237
REJOINDER TESTIMONY OF GREGORY R. HERBERT

I. INTRODUCTION

1. Q. State your name and business address.

A. My name is Gregory R. Herbert. My business address is 300 Sterling Parkway, Suite 200, Mechanicsburg, Pennsylvania.

2. Q. By whom are you employed?

A. I am employed by Gannett Fleming Valuation and Rate Consultants, LLC.

3. Q. Are you the same Gregory R. Herbert that submitted Direct Testimony and Rebuttal Testimony in this proceeding?

A. Yes.

4. Q. What is the purpose of your Rejoinder Testimony in this proceeding?

A. My Rejoinder Testimony addresses the Surrebuttal Testimony of Bureau of Investigation and Enforcement ("I&E") Witness Getachew Bedasa, relating to proposed Purchased Power and Administrative Indirect Cost operations & maintenance ("O&M") expense adjustments, and the Surrebuttal Testimony of Office of Consumer Advocate ("OCA") Witness Jerome Mierzwa concerning Public Fire Hydrant rates.

5. Q. Are you sponsoring any exhibits with your Rejoinder Testimony?

A. Yes, I am. I am sponsoring Exhibit GRH-1RJ, which contains the CCOSS and rate design, assuming a recovery of 10% of the Public Fire class's allocated cost of service under Public Fire hydrant rates, utilizing the City's proposed overall

increase of $6,941,619 (for the outside City customers), as presented in my Rebuttal Testimony.

II. RESPONSE TO I&E WITNESS GETACHEW BEDASA'S SURREBUTTAL TESTIMONY

6. Q. Please discuss the portions of OCA Witness Bedasa's Surrebuttal Testimony related to O&M Expense adjustments that you will address in your Rejoinder Testimony?

A. Mr. Bedasa has withdrawn several of his recommended O&M Expense adjustments based on his review of my Rebuttal Testimony. However, Mr. Bedasa maintains his recommended adjustments which would fully disallow the City's (i) Power Expense adjustments for the Conestoga and Susquehanna Treatment Plants, and (ii) Administrative Indirect Costs Expense adjustment, based on a purported lack of adequate justification for these expenses in the FPFTY. Mr. Bedasa also maintains his recommended adjustments for Rate Case Expense, Postage Expense and Cash Working Capital. However, my Rebuttal Testimony provides sufficient reasoning as to why his adjustments should be rejected, so my Rejoinder Testimony will only address Mr. Bedasa's recommended adjustments to the Power Expense and Administrative Indirect Costs Expense.

7. Q. Mr. Bedasa continues to claim the City did not provide adequate justification to increase the Conestoga and Susquehanna Treatment Plants' Power Expense by 54% based on the new generation contract rate for the City's treatment plants. How do you respond?

A. The City's generation rate increased from $0.05419 per kWh to $0.08351 per kWh under its new generation contract rate, which equates to a 54% increase. The City

provided documentation of the new contract rate in discovery and proof of the old contract rate in a sample bill in my Rebuttal Testimony. Mr. Bedasa claims one electric bill that was provided is not enough information to estimate one year's worth of usage to determine an appropriate increase to the generation portion of the electric bill. However, the City is not claiming an increase in the kWh used during the FPFTY for the treatment plants than that which was used during the HTY. Therefore, one bill should be sufficient to determine what the increase to the annual costs will be under the new generation rate since each monthly bill during the HTY would produce the same increase as one sample monthly bill from the HTY. I calculated the difference in the costs, based *solely on the change to the generation rate*, assuming the same usage as in the HTY, which is shown in Table 1 below.

Table 1. Power Bill Comparison Under Old and New Contract Rate	**Rates Under Old Contract**	**Rates Under New Contract**
Conestoga Dec. 2024 Billed Usage (kWh)	436,200	436,200
Generation and Transmission Rate	**0.05419**	**0.08351**
Gross Receipts Tax	6.27%	6.27%
Total Generations and Transmission Charges	**25,120**	**38,711**
Dist. Charges (Remain the Same)	2,344.58	2,344.58
Total Bill	**27,464.34**	**41,055.62**
Total Increase ($)		**13,591.28**
Total Increase (%)		**49.5%**

Table 1 illustrates the increase in the expense, using the Conestoga Treatment Plant's December 2024 sample bill, as an example, which was provided in my Rebuttal Testimony. Importantly, I did not make any adjustments to Power Expense for any increases to the distribution charges, a reason Mr. Bedasa asserts is cause for disallowance of my adjustment. My decision not to make any

adjustment for an increase in the distribution rate was conservative, however, because the City's electric provider, PPL Electric, is currently in a base rate case, in which it has proposed an increase to the base distribution rate. If the rate is increased, the City could experience an increase to its distribution rates in the FTY and the FPFTY.

As Table 1 shows, applying the new generation rate and the gross receipts tax while maintaining the current distribution charges results in a 49.5% total bill increase. The City's 54% estimated increase applied to Power Expense for both the Conestoga and Susquehanna Treatment Plants and is not unreasonable, especially with the potential that distribution rates, riders and surcharges could soon increase for the City. To fully disallow the Power Expense increase, as Mr. Bedasa recommends for lack of adequate justification, when the City has provided proof of its old generation rate, proof of its new generation rate, and now an example of the increase on a HTY monthly bill is unreasonable. For these reasons, I recommend the Commission reject Mr. Bedasa's Conestoga and Susquehanna Treatment Plants' Power Expense adjustments.

8. Q. Mr. Bedasa also maintains his recommendation to fully remove the Administrative Indirect Costs Expense from the City's FPFTY claim for lack of a comprehensive breakdown of the items included in the claim. Do you agree with his recommendation?

A. No, I do not. As I explained in my Rebuttal Testimony, and as the MAXIMUS report I provided in Exhibit GRH-5R reveals, a detailed breakdown of these expenses, as they are incurred in real time, is not available because the MAXIMUS

report develops each City Department/Fund's allocation of these shared costs, based on an established allocation methodology. Exhibit GRH-5R, page 212 (of 214) shows the Indirect Full Costs For the Year Ended December 31, 2022 Applicable to the Water Fund. This provides the best information of what is included in the Indirect Costs claimed in this expense item. Mr. Bedasa claims there is not a comprehensive breakdown of the costs. However, the City has provided all the documentation that is available to support these costs.. Again, as stated in my Rebuttal Testimony, these Indirect Costs pay for support services such as administrative, legal, fringe benefits and insurance provided by Lancaster City to the City, which are necessary for the City to operate the water system safely and efficiently. These costs are no different than costs allocated from a service company to a utility for an investor-owned water utility. For these reasons and the reasons stated in my Rebuttal Testimony, I respectfully disagree with Mr. Bedasa and recommend the Commission reject his recommended adjustment.

III. RESPONSE TO OCA WITNESS JEROME MIERZWA'S SURREBUTTAL TESTIMONY

9. Q. Please describe OCA Witness Mierzwa's recommendations that you will address in your Rejoinder Testimony.

A. There are two items that I will address. Mr. Mierzwa makes the following recommendations in his Surrebuttal Testimony:

1. Limiting the increase to the customer charge for outside City customers to the system average increase, or 30.7%; and

2. Proposing that the City implement a public fire charge on outside City municipalities to recover 25% of the costs of public fire protection service.

10. Q. Please describe Mr. Mierzwa's recommendation regarding the outside-City customer charge, Item 1.

A. Mr. Mierzwa recommends a lower increase to the customer charge based on the concepts of gradualism and understandability, limiting the increase to the overall system average increase of 30.7%.

11. Q. What is your response?

A. As stated in my Rebuttal Testimony, one must consider the dollar magnitude of the increase. Though the City is recommending a 46.2% increase for the jurisdictional customers, the overall increase is only $3.67 (increasing from $7.95 to $11.62 per month). Additionally, Mr. Mierzwa comments that the rate design does not provide for understandability since the customer charge increase is significantly in excess of the system average increase. I have no reason to believe customers are concerned about the individual components (fixed or volumetric) of the charges. If there was considerable concern that customers would not understand the increases of the different components of rates, the Commission would require utilities to provide more details in the customer notice than providing the increases for an average bill. Most customers, in my opinion, are only concerned about the increases to the total bill. I also believe the concept of understandability for rate design applies more to drastic rate structure changes from the current rate structures in place, and as the City is not making drastic changes to the current rate structure it is not appropriately cited by Mr. Garrett in this context. Furthermore, the customer charge calculation is supported by the CCOSS in Schedule H of Exhibit GRH-2 and GRH-2R, and the Commission has historically accepted this customer charge analysis. Lastly, the

City did not propose to move the outside-City customer charges to the full amount supported by the CCOSS of $12.61 that was calculated on Schedule H. For these reasons, I recommend that the Commission reject Mr. Mierzwa's recommendation and approve the City's proposed customer charge.

12. Q. Please describe Mr. Mierzwa's recommendation regarding Public Fire hydrant rates, Item 2.

A. In his Surrebuttal Testimony, Mr. Mierzwa continues to recommend that the City implement a Public Fire hydrant rate that recovers 25% of the costs to provide public fire protection service from the municipalities serving customers outside the City in this rate case. He asserts that recovering these costs through the customer charge is not fair and equitable, and that charging these municipalities a Public Fire rate is not burdensome, based on his review of each municipalities' operating budget. He cites the fact that, in his experience, renters frequently pay the water bill, but the property owners also benefit from Public Fire protection. In addition, in support of his argument on fairness, he states that those properties that have a larger water meter may not always have an expensive property. He uses the examples of a car wash, that would have a larger water meter but would have a low risk of fire loss and a lumberyard or warehouse that would have a small water meter but a high risk of fire loss. Finally, he states that municipally-owned parks and playgrounds also benefit from public fire protection and should pay some direct share for this protection.

13. Q. Please comment on Mr. Mierzwa's assertions.

A. First, Mr. Mierzwa asserts that renters often pay the water bill. However, it is City policy that the water bill is sent to the owner of the property unless a renter presents a lease to the City in order to be billed, instead of the property owner. More often than not, the City bills the owner of the property for water service. Therefore, the same entity, the property owner, would either pay for public fire protection through real estate taxes or through the payment of their water bill. As to Mr. Mierzwa's car wash example, it presents a relatively uncommon situation. In addition, his lumberyard or warehouse example is not compelling in that it ignores the fact that the property owner of warehouse/lumberyard would most likely have a private fire line attached to a private hydrant or fire sprinkler system to protect their investment (and for insurance purposes) and would be paying a charge for that fire protection service – through the Private Fire rates – in addition to the small charge for Public Fire protection that is included in the fixed charged based on the size of their smaller water meter.

Additionally, Mr. Mierzwa assumes that municipalities do not pay for Public Fire protection for their parks and playgrounds. This assertion is predicated on the fact that there is no water service for the parks and playgrounds. Most parks and playgrounds have some type of water service either for irrigation, water fountains or public bathrooms and, therefore, the municipality would be paying for Public Fire protection in its water bill, based on the size of the meter serving those properties. As a result, I believe Mr. Mierzwa's claims regarding lack of fairness and equity are not compelling.

14. Q. Does the City agree that it should charge the local municipalities for public fire protection?

A. No. As stated in my Rebuttal Testimony, the City has a long history of not charging the outside municipalities for public fire protection costs related to the City's water system. The City believes that collecting costs related to public fire protection from all customers as part of its customer charge is a fair and equitable method of recovering these costs, particularly since the City's proposed customer charge is only $11.62 per month (and is not at the full cost of service).

However, as stated in my Rebuttal Testimony to address Mr. Mierzwa's concerns, if the City was directed to charge Public Fire rates, the City believes that proposing a phase-in, where 10% of the jurisdictional Public Fire costs are recovered through proposed Public Fire rates in this proceeding, with jurisdictional Public Fire rates reflecting the full 25% of Public Fire costs in the City's next rate proceeding to be a reasonable approach that takes into consideration the facts and circumstances present here, as well as the concept of gradualism.

15. Q. Did the City develop a CCOSS to address Mr. Mierzwa's concerns about whether the City filed a CCOSS with Public Fire costs allocated to the jurisdictional municipalities for which the City provides public fire protection?

A. All of the CCOSS studies that were filed develop a cost allocation for the Public Fire service class, which is shown on Schedule D of the CCOSS. However, the allocation to the jurisdictional municipalities is not explicitly shown on summary Schedule A, that illustrates the results of the Public Fire cost of service, because the

City has maintained its position that all Public Fire costs are appropriately reallocated to the other customer classes. Accordingly, and in response to Mr. Mierzwa's concern, in Exhibit GRH-1RJ I have included a Proof of Revenue and an updated Schedule A from the CCOSS in Exhibit GRH-2R showing the Public Fire class that sets forth the City's proposed monthly Public Fire hydrant rate, assuming the Commission were to adopt the City's alternative proposal, as set forth in my Rebuttal Testimony. The proposed monthly Public Fire hydrant rate was calculated by taking $236,336, or 10% of the jurisdictional Public Fire class's cost of service, and dividing it by the number of outside City Public Fire hydrants (4,179 hydrants) multiplied by 12 months, totaling 50,148 ($236,336 divided by 50,148 = $4.71 per hydrant per month). The other customer classes rates were then scaled back proportionally to the proposed revenue increases by class that were presented on Schedule A of the CCOSS presented in Rebuttal Testimony as Exhibit GRH-2R.

16. Q. Please describe Mr. Mierzwa's response to the phase-in of Public Fire rates?

A. Mr. Mierzwa reviewed the municipalities' operating budgets and disagrees with the phase-in because the Public Fire charges would represent a tiny fraction of each municipalities' operating budget.

17. Q. Do you agree with Mr. Mierzwa's recommendation to not phase in Public Fire rates?

A. No, I do not. Mr. Mierzwa speaks of gradualism for his arguments against the customer charge increase. The City believes its proposed $3.67 per month increase to the customer charge is consistent with the concept of gradualism, despite Mr. Mierzwa's characterizations of it as significant. Mr. Mierzwa's rejection to phasing

in the Public Fire hydrant rates is contradictory to his gradualism assertions related to the customer charge. Mr. Meirzwa appears to find the concept of gradualism important when it supports his argument to reduce the amount of the proposed customer charge (which directly affects the Residential class). However, he does not consider gradualism important when advocating that municipalities be allocated 25% of the costs for Public Fire protection, up from 0%; perhaps it is because this shifting of costs related to Public Fire service would mitigate the increase to the Residential class. For these reasons, I respectfully disagree with Mr. Mierzwa's position, and I recommend that if the Commission is inclined to impose Public Fire hydrant rates on the municipalities that it adopt the City's phase-in proposal of the Public Fire rates, as reflected in Exhibit GRH-1RJ.

IV. CONCLUSION

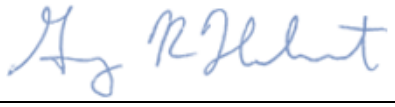
18. Q. Does this conclude your Rejoinder Testimony?

A. Yes, it does.

VERIFICATION

I, Gregory R. Herbert, Project Manager, Gannett Fleming Valuation and Rate Consultants, LLC, hereby state that the facts set forth in the foregoing City of Lancaster Statement No. 4RJ are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter.

I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to sworn falsification to authorities).



Gregory R. Herbert

Date: January 26, 2026

Exhibit GRH-1RJ

CITY OF LANCASTER – BUREAU OF WATER

Lancaster, Pennsylvania

REJOINDER TESTIMONY

PROOF OF REVNUE

IN SUPPORT OF

PROPOSED SUPPLEMENT NO. 49

TO TARIFF WATER PA P.U.C. NO. 6

GANNETT FLEMING VALUATION AND RATE CONSULTANTS, LLC

Mechanicsburg, Pennsylvania

CITY OF LANCASTER - BUREAU OF WATER

COMPARISON OF COST OF SERVICE WITH REVENUES UNDER PRESENT AND PROPOSED RATES
FOR THE TEST YEAR ENDED MARCH 31, 2027

Customer Classification	Cost of Service		Revenue Present Rates		Revenue Proposed Rates		Proposed Increase	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent Increase
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Inside the City								
Residential	$ 6,220,346	15.2%	$ 6,082,532	17.9%	$ 6,082,532	14.9%	$ -	0.0%
Commercial	4,461,136	10.9%	4,674,563	13.8%	4,674,563	11.4%	-	0.0%
Industrial	334,024	0.8%	374,318	1.1%	374,318	0.9%	-	0.0%
Private Fire	360,332	0.9%	244,426	0.7%	244,426	0.6%	-	0.0%
Total Inside the City	11,375,839	27.8%	11,375,839	33.5%	11,375,839	27.8%	$ -	0.0%
Outside the City								
Residential	14,108,859	34.5%	10,728,219	31.6%	14,080,174	34.5%	3,351,955	31.2%
Commercial	10,730,612	26.2%	8,358,266	24.6%	10,722,623	26.2%	2,364,357	28.3%
Industrial	1,980,800	4.8%	1,531,162	4.5%	1,980,983	4.8%	449,821	29.4%
Large Industrial	1,281,059	3.1%	1,000,202	2.9%	1,271,197	3.1%	270,995	27.1%
Other Water Utilities	686,764	1.7%	543,555	1.6%	693,301	1.7%	149,746	27.5%
Private Fire	525,273	1.3%	446,682	1.3%	532,903	1.3%	86,221	19.3%
Public Fire	236,336	0.6%	-		236,336	0.6%	236,336	
Total Outside the City	29,549,705	72.2%	22,608,086	66.5%	29,517,518	72.2%	6,909,432	30.6%
Total Sales	$ 40,925,544	100.0%	$ 33,983,925	100.0%	$ 40,893,357	100.0%	$ 6,909,432	20.3%
Other Revenues								
Inside the City	280,958		255,963		280,958		24,996	9.8%
Outside the City	548,617		541,570		548,617		7,047	1.3%
Total	$ 41,755,119		$ 34,781,458		$ 41,722,932		$ 6,941,474	20.0%

Schedule A
(From Exhibit GRH-2R)

CITY OF LANCASTER
BUREAU OF WATER

SUMMARY OF PRESENT AND PROPOSED RATES

			2024 Present Rates		Proposed Rates			
			Inside	Outside	Inside	Inside % increase	Outside	Outside % increase
Customer Charges:								
Monthly								
5/8"			9.10	7.95	9.10	0.0%	11.62	46.2%
3/4"			9.10	9.30	9.10	0.0%	13.59	46.1%
3/4x1"				16.70			24.41	46.2%
1"			24.18	21.10	24.18	0.0%	30.84	46.2%
1 1/2"			37.96	33.20	37.96	0.0%	48.53	46.2%
2"			59.28	51.90	59.28	0.0%	75.86	46.2%
3"			117.26	102.40	117.26	0.0%	149.67	46.2%
4"			183.04	159.90	183.04	0.0%	233.72	46.2%
6"			364.00	318.00	364.00	0.0%	464.80	46.2%
8"			576.42	503.60	576.42	0.0%	736.08	46.2%
10"			762.58	666.20	762.58	0.0%	973.74	46.2%
12"				1,004.55			1,468.29	46.2%
Consumption Charges per 1,000 gallons								
	Monthly							
First 25	25,000		$ 6.8400	$ 4.7960	6.8400	0.0%	5.9530	24.1%
Next 575	575,000		5.7000	3.9490	5.7000	0.0%	4.8000	21.5%
Over 600	600,000		4.5000	3.7100	4.5000	0.0%	4.8340	30.3%
Large Industrial	All Usage	All Usage		3.5680	NA		4.5250	26.8%

CITY OF LANCASTER
BUREAU OF WATER

SUMMARY OF PRESENT AND PROPOSED RATES

	2024 Present Rates		Proposed Rates			
	Inside	Outside	Inside	Inside % increase	Outside	Outside % increase
Sales for Resale						
Customer Charges:						
Monthly						
4"		$ 159.90			$ 233.72	46.2%
6"		318.00			464.80	46.2%
8"		503.60			736.08	46.2%
10"		666.20			973.74	46.2%
Consumption Charges per 1,000 gallons						
Monthly						
All Usage		$ 3.7580			4.7730	27.0%
Private Fire						
Monthly						
1"	$ 2.46	$ 3.23	$ 2.46	0.0%	$ 3.85	19.2%
1 1/2"	5.52	7.27	5.52	0.0%	8.67	19.3%
2"	9.80	12.92	9.80	0.0%	15.41	19.3%
3"	22.06	29.06	22.06	0.0%	34.67	19.3%
4"	32.14	42.34	32.14	0.0%	50.51	19.3%
6"	52.30	68.90	52.30	0.0%	82.20	19.3%
8"	90.46	119.15	90.46	0.0%	142.15	19.3%
10"	121.40	159.91	121.40	0.0%	190.77	19.3%
12"	252.63	231.01	252.63	0.0%	275.59	19.3%

CITY OF LANCASTER - WATER FUND

STATEMENT OF OPERATING REVENUES FOR THE TWELVE MONTHS ENDED MARCH 31, 2025 AND MARCH 31, 2027
AND THE CALCULATION OF THE PROPOSED REVENUE INCREASE FROM INSIDE-CITY AND OUTSIDE-CITY CUSTOMERS BY CUSTOMER CLASSIFICATION

Pursuant To Subsection 53.53 Exhibit D II(2) of Tariff Regulations

Customer Classification	Revenues Per Books, 12 Months Ended 31-Mar-25	Historic Test Year Pro Forma Adjustments Under Present Rates*		Pro Forma Future and FPFTY				Under Proposed Rates, Supplement No. 49 to Tariff Water Pa-PUC No. 6		
					Pro Forma Adjustments Under Present Rates			Increase		
		Ref.	Amount	Pro Forma, Present Rates, 31-Mar-25	Ref.	Amount	Pro Forma, Present Rates 31-Mar-27	Percent	Amount	Pro Forma, Proposed Rates 31-Mar-27
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
OUTSIDE-CITY										
Sales of Water										
Residential	$ 10,684,388	R2	$ 713	$ 10,685,101	R5	$ 43,118	$ 10,728,219	31.2%	$ 3,351,955	$ 14,080,174
Commercial	8,319,887	R2,R3	(693)	8,319,194	R5	39,073	8,358,266	28.3%	2,364,357	10,722,623
Industrial	1,531,162	R2	-	1,531,162	R5	-	1,531,162	29.4%	449,821	1,980,983
Large Industrial	1,000,202			1,000,202			1,000,202	27.1%	270,995	1,271,197
Other Water Utilities	543,555			543,555			543,555	27.5%	149,746	693,301
Private Fire Protection	443,910	R3	2,772	446,682	R7	-	446,682	19.3%	86,221	532,903
Public Fire Protection	-			-			-		236,336	236,336
Total Sales of Water	22,523,104		2,792	22,525,896		82,191	22,608,086	30.6%	6,909,432	29,517,518
Other Operating Revenues										
Lien Interest and Costs	774			774			774			774
Rental Income	199,694			199,694			199,694			199,694
Sewer Reimb - Meter Shop	32,244			32,244			32,244			32,244
Misc. Revenue	36,606			36,606			36,606			36,606
State Aid for Pension Expense	279,298			279,298			279,298			279,298
Total Other Revenues	548,617		-	548,617		-	548,617	0.0%	-	548,617
Total Outside City	23,071,721		2,792	23,074,513		82,191	23,156,703	29.8%	6,909,432	30,066,135
Total Inside & Outside City	$ 34,672,828		$ 66,083	$ 34,738,911		$ 74,589	$ 34,813,500	19.8%	$ 6,909,432	$ 41,722,932

CITY OF LANCASTER - WATER FUND
HISTORIC TEST YEAR

PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation	HTY Adjustment Increase (Decrease)

R1 To annualize Inside-City Operating Revenues for the net gain or loss in the number of customers during the twelve months ended 3/31/2025 under present rates.

Customer Classification	Number of Customers 31-Mar-24	31-Mar-25	Customer Gain/(Loss)	Annual Bill, Present Rates	HTY Annualized Revenue Adjustment (Half Year)	
(1)	(2)	(3)	(4)	(5)	(6)	
Residential	14,960	14,960	-	$ 430.26	$ -	$ -
Commercial	1,872	1,864	(8)	2,558.70	$ (10,235)	(10,235)
Industrial	41	41	-	8,562.48	-	-
Total	16,873	16,865	(8)		(10,235)	

R2 To annualize Outside-City Operating Revenues for the net gain or loss in the number of customers during the twelve months ended 3/31/2025 under present rates.

Customer Classification	Number of Customers 31-Mar-24	31-Mar-25	Average Customer Gain/(Loss)	Average Annual Bill, Present Rates	Annualized Revenue Adjustment (Half Year)	
(1)	(2)	(3)	(4)	(5)	(6)	
Residential	29,659	29,663	4	$ 356.35	$ 713	$ 713
Commercial	1,893	1,892	(1)	4,341.40	(2,171)	(2,171)
Industrial	69	69	-	20,762.69	-	-
Total	31,621	31,624	3		(1,458)	

CITY OF LANCASTER - WATER FUND
HISTORIC TEST YEAR

PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation	HTY Adjustment Increase (Decrease)
R3	To impute Inside-City and Outside-City operating revenues for City-owned properties, not recorded by the City under present rates.	

Customer Classification	Number of Bills	Usage, 1,000 Gals.	Present Rates	Revenue	
INSIDE-CITY - Commercial					
5/8" Monthly	295		$ 9.10	$ 2,685	
3/4" Monthly	22		$ 9.10	200	
1" Monthly	44		$ 24.18	1,064	
1-1/2" Monthly	12		$ 37.96	456	
2" Monthly	39		$ 59.28	2,312	
3" Monthly	112		$ 117.26	13,133	
4" Monthly	11		$ 183.04	2,013	
6" Monthly	33		$ 364.00	12,012	
Consumption					
First Block		4,692	6.8400	32,093	
Second Block		890	5.7000	5,073	
Subtotal	568	5,582		71,041	$ 71,041
INSIDE-CITY - Fire					
4" Monthly	24		32.14	771	
6" Monthly	12		52.30	628	
8" Monthly	12		90.46	1,086	
Subtotal	48	-		2,485	2,485
Total	616	5,582		73,526	
OUTSIDE-CITY - Commercial					
2" Monthly	22		51.90	1,142	
Consumption					
First Block		70	4.796	336	
Second Block		-	3.949	-	
Subtotal	22	70		1,478	1,478
OUTSIDE-CITY - Fire					
12" Monthly	12		231.01	2,772	2,772
	34	70		4,250	
Total Historic Test Year, Pro Forma Operating Revenue Adjustments Under Present Rates					$ 66,083

CITY OF LANCASTER WATER FUND
FULLY PROJECTED FUTURE TEST YEAR

PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation	FPFTY Adjustment Increase (Decrease)

R4 To adjust Inside-City Operating Revenues for the projected gain in the number of customers through March 31, 2027

Customer Classification	Gain in Number of Customers, 12 Months Ended 31-Mar-24	31-Mar-25	Annual Average Gain/Loss in Customers	FPFTY Gain/Loss in Customers	Average Annual Bill, Present Rates	FPFTY Revenue Adjustment		
Residential	2	-	1.0	2.0	$ 430.26	$ 861	$	861
Commercial	(2)	(8)	(5.0)	(10.0)	2,558.70	(25,587)		(25,587)
Industrial	2	-	1.0	2.0	8,562.48	17,125		17,125
Total	2	(8)	(3.0)	(6.0)		(7,601)		

R5 To adjust Outside-City Operating Revenues for the projected gain in the number of customers through March 31, 2027

Customer Classification	Gain in Number of Customers, 12 Months Ended 31-Mar-24	31-Mar-25	Annual Average Gain/Loss in Customers	FPFTY Gain/Loss in Customers	Average Annual Bill, Present Rates	FPFTY Revenue Adjustment		
Residential	117	4	60.5	121.0	$ 356.35	$ 43,118	$	43,118
Commercial	10	(1)	4.5	9.0	4,341.40	39,073		39,073
Industrial	-	-	-	-	20,762.69	-		-
Total	127	3	65.0	130.0		82,191		

CITY OF LANCASTER WATER FUND
FULLY PROJECTED FUTURE TEST YEAR

PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation	FPFTY Adjustment Increase (Decrease)
R6	To adjust Inside-City Operating Revenues for projected gain in the number of private fire lines.	

INSIDE-CITY - Private Fire Protection:

Size	Number of Units, 31-Mar-24	Number of Units, 31-Mar-25	Change in Units	FPFTY Change in Units	Present Rates	FPFTY Revenue Adjustment
Monthly						
1-inch	2.0	2.0	-	-	$ 2.46	$ -
2-inch	1.0	1.0	-	-	9.80	$ -
3-inch	2.0	2.0	-	-	22.06	$ -
4-Inch	93.0	93.0	-	-	32.14	-
6-Inch	182.0	182.0	-	-	52.30	-
8-Inch	71.0	71.0	-	-	90.46	-
10-Inch	7.0	7.0	-	-	121.40	-
12-Inch	1.0	1.0	-	-	252.63	-
Total	356.0	356.0	0.0	0.0		$ -

$ -

CITY OF LANCASTER WATER FUND
FULLY PROJECTED FUTURE TEST YEAR

PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PRESENT RATES

Adj. Ref.	Explanation							FPFTY Adjustment Increase (Decrease)
	To adjust Outside-City Operating Revenues for projected gain in the number of private fire lines.							
R7		Change in Number of Units,		Change in	FPFTY Change in	Present	FPFTY Revenue	
	OUTSIDE-CITY	31-Mar-24	31-Mar-25	Units	Units	Rates	Adjustment	
	Size							
	Monthly							
	2-inch	1	1	-	-	$ 12.92	-	
	4-Inch	37.0	37.0	-	-	42.34	-	
	6-Inch	251.0	251.0	-	-	68.90	-	
	8-Inch	125.0	125.0	-	-	119.15	-	
	10-Inch	15.0	15.0	-	-	159.91	-	
	12-Inch	3.0	3.0	-	-	231.01	-	
	Total	431.0	431.0	0.0	0.0		0	$ -
	Total Future Test Year, Pro Forma Operating Revenue Adjustments Under Present Rates							$ 74,589

CITY OF LANCASTER - BUREAU OF WATER

SUMMARY OF APPLICATION OF PRESENT AND PROPOSED RATES TO CONSUMPTION ANALYSIS AS OF 3/31/2025
AND PRO FORMA REVENUES UNDER PROPOSED RATES AS OF 3/31/2027

Customer Classification	Revenues Per Books, 31-Mar-25	Application of Present Rates to Bill Analysis	Adjustment Factor	Application of Proposed Rates to Bill Analysis	Adjusted Revenues at Proposed Rates	Historic Test Year Pro Forma Adjustments Under Proposed Rates*		Pro Forma, Proposed Rates, 31-Mar-25	Future Test Year Pro Forma Adjustments Under Proposed Rates*		Pro Forma, Proposed Rates 31-Mar-27
						Ref.	Amount		Ref.	Amount	
(1)	(2)	(3)	(4)=(2)/(3)	(5)	(6)=(5)X(4)	(7)	(8)	(9)	(10)	(11)	(12)
INSIDE-CITY											
Residential	$ 6,081,671	$ 6,062,335	1.003190	$ 6,062,335	$ 6,081,671	R8	$ -	$ 6,081,671	R11	$ 861	$ 6,082,532
Commercial	4,639,344	4,624,594	1.003190	4,624,594	4,639,344	R8,R10	60,806	4,700,150	R11	(25,587)	4,674,563
Industrial	357,193	356,057	1.003191	356,057	357,193			357,193	R11	17,125	374,318
Private Fire	241,941	241,172	1.003188	241,172	241,941	R10	2,485	244,426	R13	-	244,426
Total Inside	11,320,149	11,284,158		11,284,158	11,320,149		63,291	11,383,440		(7,601)	11,375,839
OUTSIDE-CITY											
Residential	$ 10,684,388	$ 10,650,419	1.003189	$ 13,978,599	$ 14,023,183	R9,R10	$ 927	$ 14,024,110	R12	$ 56,064	$ 14,080,174
Commercial	8,319,887	8,293,434	1.003190	10,640,128	10,674,066	R9,R10	(648)	10,673,417	R12	49,206	10,722,623
Industrial	1,531,162	1,526,294	1.003190	1,974,684	1,980,983	R9	-	1,980,983	R12	-	1,980,983
Large Industrial	1,000,202	997,022	1.003190	1,267,155	1,271,197			1,271,197			1,271,197
Other Water Utilities	543,555	541,826	1.003190	691,097	693,301			693,301			693,301
Private Fire	443,910	442,500	1.003187	527,914	529,596	R10	3,307	532,903	R14	-	532,903
Public Fire	-	-	1.000000	236,336	236,336			236,336		-	236,336
Total Outside	22,523,104	22,451,494		29,315,913	29,408,663	-	3,586	29,412,249		105,270	29,517,518
Total Sale of Water	$ 33,843,253	$ 33,735,652		$ 40,600,070	$ 40,728,812	$ -	$ 66,877	$ 40,795,689		$ 97,668	$ 40,893,357

CITY OF LANCASTER - WATER FUND
HISTORIC TEST YEAR

PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PROPOSED RATES

Adj. Ref.	Explanation	HTY Adjustment Increase (Decrease)

R8 To annualize Inside-City Operating Revenues for the net gain or loss in the number of customers during the twelve months ended 3/31/2025, under proposed rates.

	Number of Customers		Customer	Average Annual Bill, Proposed	Annualized Revenue Adjustment	
	31-Mar-24	31-Mar-25	Gain/(Loss)	Rates	(Half Year)	
	(2)	(3)	(4)	(5)	(6)	
Residential	14,960	14,960	-	$ 430.26	$ -	$ -
Commercial	1,872	1,864	(8)	2,558.70	(10,235)	(10,235)
Industrial	41	41	-	8,562.48	-	-
						-
Total	16,873	16,865	(8)		(10,235)	

R9 To annualize Outside-City Operating Revenues for the net gain or loss in the number of customers during the twelve months ended 12/31/2024, under proposed rates.

Customer	Number of Customers		Customer	Average Annual Bill, Proposed	Annualized Revenue Adjustment	
Classification	31-Mar-24	31-Mar-25	Gain/(Loss)	Rates	(Half Year)	
(1)	(2)	(3)	(4)	(5)	(6)	
Residential	29,659	29,663	4	$ 463.34	$ 927	$ 927
Commercial	1,893	1,892	(1)	5,467.31	(2,734)	(2,734)
Industrial	69	69	-	25,427.35	-	-
Total	31,621	31,624	3		(1,807)	

CITY OF LANCASTER - WATER FUND
HISTORIC TEST YEAR

PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PROPOSED RATES

Adj. Ref.	Explanation	HTY Adjustment Increase (Decrease)

R10 To impute Inside-City and Outside-City operating revenues for City-owned properties not recorded by the City under proposed rates.

Customer Classification	Number of Bills	Usage, 1,000 Gals.	Proposed Rates	Revenue	
INSIDE-CITY - Commercial					
5/8" Monthly	295		$ 9.10	$ 2,685	
3/4" Monthly	22		$ 9.10	200	
1" Monthly	44		$ 24.18	1,064	
1-1/2" Monthly	12		$ 37.96	456	
2" Monthly	39		$ 59.28	2,312	
3" Monthly	112		$ 117.26	13,133	
4" Monthly	11		$ 183.04	2,013	
6" Monthly	33		$ 364.00	12,012	
Consumption					
First Block		4,692	6.8400	32,093	
Second Block		890	5.7000	5,073	
Subtotal	568	5,582		71,041	$ 71,041
INSIDE-CITY - Fire					
4" Monthly	24		32.14	771	
6" Monthly	12		52.30	628	
8" Monthly	12		90.46	1,086	2,485
				2,485	
Total	1,184	5,582		73,526	
OUTSIDE-CITY - Commercial					
2" Monthly	22		75.86	1,669	
Consumption					
First Block		70	5.9530	417	
Second Block		-	4.8000	0	
Subtotal	22	70		2,086	2,086
OUTSIDE-CITY - Fire					
12" Monthly	12		275.59	3,307	3,307
Total	34	70		5,393	
Total Historic Test Year, Pro Forma Operating Revenue Adjustments Under Proposed Rates					$ 66,877

CITY OF LANCASTER WATER FUND
FULLY PROJECTED FUTURE TEST YEAR

PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PROPOSED RATES

Adj. Ref.	Explanation	FPFTY Adjustment Increase (Decrease)

R11 To adjust Inside-City Operating Revenues for the projected gain in the number of customers through March 31, 2027

Customer Classification	Gain in Number of Customers, 12 Months Ended 31-Mar-24	31-Mar-25	Annual Average Gain in Customers	FPFTY Gain/Loss in Customers	Average Annual Bill, Proposed Rates	FPFTY Revenue Adjustment	
Residential	2	-	1.0	2.0	$ 430.26	$ 861	$ 861
Commercial	(2)	(8)	(5.0)	(10.0)	2,558.70	(25,587)	(25,587)
Industrial	2	-	1.0	2.0	8,562.48	17,125	17,125
Public		-	-		-	-	-
Total	2	(8)	(3.0)	(6.0)		(7,601)	

R12 To adjust Outside-City Operating Revenues for the projected gain in the number of customers through March 31, 2027

Customer Classification	Gain in Number of Customers, 12 Months Ended 31-Mar-24	31-Mar-25	Annual Average Gain in Customers	FPFTY Gain/Loss in Customers	Average Annual Bill, Proposed Rates	Annualized Revenue Adjustment	
Residential	117	4	60.5	121.0	$ 463.34	$ 56,064	$ 56,064
Commercial	10	(1)	4.5	9.0	5,467.31	49,206	49,206
Industrial	-	-	-	-	25,427.35	-	-
Total	127	3	65.0	130.0		105,270	

CITY OF LANCASTER WATER FUND
FULLY PROJECTED FUTURE TEST YEAR

PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PROPOSED RATES

Adj. Ref.	Explanation	FPFTY Adjustment Increase (Decrease)
R13	To adjust Inside-City Operating Revenues for projected gain in the number of private fire lines under proposed rates.	

INSIDE-CITY - Private Fire Protection:

Size	Number of Units, 31-Mar-24	Number of Units, 31-Mar-25	Change in Units	FPFTY Gain/Loss in Customers	Proposed Rates	Revenue
Monthly						
1-inch	2.0	2.0	-	-	$ 2.46	$ -
2-inch	1.0	1.0	-	-	9.80	-
3-inch	2.0	2.0	-	-	22.06	-
4-Inch	93.0	93.0	-	-	32.14	-
6-Inch	182.0	182.0	-	-	52.30	-
8-Inch	71.0	71.0	-	-	90.46	-
10-Inch	7.0	7.0	-	-	121.40	-
12-Inch	1.0	1.0	-	-	252.63	-
Total	359.0	359.0	0.0	0.0		$ -

$ -

CITY OF LANCASTER WATER FUND
FULLY PROJECTED FUTURE TEST YEAR

PRO FORMA OPERATING REVENUE ADJUSTMENTS
UNDER PROPOSED RATES

Adj. Ref.	Explanation	FPFTY Adjustment Increase (Decrease)

R14 To adjust Outside-City Operating Revenues for projected gain in the number of private fire lines, under proposed rates.

OUTSIDE-CITY	Number of Units, 31-Mar-24	31-Mar-25	Change in Units	FPFTY Gain/Loss in Customers	Proposed Rates	Revenue
Size						
Monthly						
2-inch	1.0	1.0	-	-	$ 15.41	$ -
4-Inch	37.0	37.0	-	-	50.51	-
6-Inch	251.0	251.0	-	-	82.20	-
8-Inch	125.0	125.0	-	-	142.15	-
10-Inch	15.0	15.0	-	-	190.77	-
12-Inch	3.0	3.0	-	-	275.59	-
Total	432.0	432.0	0.0	0.0		$ -

Total Future Test Year, Pro Forma Operating Revenue Adjustments Under Proposed Rates	$ 97,668

CITY OF LANCASTER - BUREAU OF WATER
OUTSIDE THE CITY

APPLICATION OF PRESENT RATES AND PROPOSED RATES TO CONSUMPTION ANALYSIS
YEAR ENDED MARCH 31, 2025

Rate Block 1000 Gallons	Number Of Bills	Present Consumption	Present Rate	Revenue	Proposed Consumption	Proposed Rate	Proposed Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			Residential - Monthly				
Service Charge							
5/8"	223,681	-	$ 7.95	$ 1,778,264	-	$ 11.62	$ 2,599,173
3/4"	33,148	-	9.30	308,276	-	13.59	450,481
3/4" x 1"	56,462		16.70	942,915		24.41	1,378,237
1"	18,020	-	21.10	380,222	-	30.84	555,737
1 1/2"	521	-	33.20	17,297	-	48.53	25,284
2"	237	-	51.90	12,300	-	75.86	17,979
3"	-		102.40	-		149.67	-
4"	11		159.90	1,759		233.72	2,571
6"	11		318.00	3,498		464.80	5,113
8"	31		503.60	15,612		736.08	22,818
Total - Service Charge	332,122	-		3,460,144	-		5,057,394
First 25	-	1,468,322	$ 4.7960	$ 7,042,072	1,468,322	$ 5.9530	$ 8,740,921
Next 575	-	37,112	3.9490	146,555	37,112	4.8000	178,138
Over 600	-	444	3.7100	1,647	444	4.8340	2,146
	-	1,505,878		7,190,275	1,505,878		8,921,205
Total Residential	332,122	1,505,878		$ 10,650,419	1,505,878		$ 13,978,599
			Commercial - Monthly				
Service Charge							
5/8"	3,871	-	$ 7.95	$ 30,774	-	$ 11.62	$ 44,981
3/4"	2,019	-	9.30	18,777	-	13.59	27,438
1"	5,265	-	21.10	111,092	-	30.84	162,373
1 1/2"	2,746	-	33.20	91,167	-	48.53	133,263
2"	6,353	-	51.90	329,721	-	75.86	481,939
3"	395	-	102.40	40,448	-	149.67	59,120
4"	749	-	159.90	119,765	-	233.72	175,056
6"	1,018	-	318.00	323,724	-	464.80	473,166
8"	649	-	503.60	326,836	-	736.08	477,716
10"	138	-	666.20	91,936	-	973.74	134,376
Total - Service Charge	23,203	-		1,484,240	-		2,169,428
First 25		270,050	$ 4.7960	$ 1,295,160	270,050	$ 5.9530	$ 1,607,608
Next 575		930,788	3.9490	3,675,682	930,788	4.8000	4,467,782
Over 600		495,513	3.7100	1,838,353	495,513	4.8340	2,395,310
	-	1,696,351		6,809,195	1,696,351		8,470,700
Total Commercial	23,203	1,696,351		8,293,434	1,696,351		10,640,128

CITY OF LANCASTER - BUREAU OF WATER
OUTSIDE THE CITY

APPLICATION OF PRESENT RATES AND PROPOSED RATES TO CONSUMPTION ANALYSIS
YEAR ENDED MARCH 31, 2025

Rate Block 1000 Gallons	Number Of Bills	Present Consumption	Present Rate	Revenue	Proposed Consumption	Proposed Rate	Proposed Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			Industrial - Monthly				
Service Charge							
5/8"	67	-	$ 7.95	$ 533	-	$ 11.62	$ 779
3/4"	33		9.30	307		13.59	448
1"	121	-	21.10	2,553	-	30.84	3,732
1 1/2"	81	-	33.20	2,689	-	48.53	3,931
2"	309	-	51.90	16,037	-	75.86	23,441
3"	12	-	102.40	1,229	-	149.67	1,796
4"	101	-	159.90	16,150	-	233.72	23,606
6"	69	-	318.00	21,942	-	464.80	32,071
8"	59	-	503.60	29,712	-	736.08	43,429
10"	34	-	666.20	22,651	-	973.74	33,107
Total - Service Charge	886	-		$ 113,803	-		$ 166,339
First 25	-	12,391	$ 4.7960	$ 59,427	12,391	$ 5.9530	$ 73,764
Next 575	-	82,259	3.9490	324,841	82,259	4.8000	394,843
Over 600	-	277,149	3.7100	1,028,223	277,149	4.8340	1,339,738
	-	371,799		1,412,491	371,799		1,808,345
Subtotal	886	371,799		1,526,294	371,799		1,974,684
			Large Industrial - Monthly				
Service Charge							
8"	12		$ 503.60	$ 6,043		$ 736.08	$ 8,833
10"	12		666.20	7,994		973.74	11,685
	24	-		14,038	-		20,518
All Usage		275,500	3.5680	$ 982,984	275,500	4.5250	$ 1,246,638
Subtotal	24	275,500		997,022	275,500		1,267,155
Total Industrial	910	647,299		2,523,315	647,299		3,241,840

CITY OF LANCASTER - BUREAU OF WATER
OUTSIDE THE CITY

APPLICATION OF PRESENT RATES AND PROPOSED RATES TO CONSUMPTION ANALYSIS
YEAR ENDED MARCH 31, 2025

Rate Block 1000 Gallons	Number Of Bills	Present Consumption	Present Rate	Revenue	Proposed Consumption	Proposed Rate	Proposed Revenue
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			Sales for Resale - Monthly				
Service Charge							
4"	24	-	$ 159.90	$ 3,838	-	$ 233.72	$ 5,609
6"	36	-	318.00	11,448	-	464.80	16,733
Total - Service Charge	60	-		15,286	-		22,342
All Usage	-	140,112	$ 3.758	$ 526,541	140,112	$ 4.773	$ 668,755
	-	140,112		526,541	140,112		668,755
Subtotal	60	140,112		$ 541,826	140,112		$ 691,097
			Private Fire - Monthly				
Service Charge							
2"	12		$ 29.06	$ 349		$ 34.67	$ 416
4"	444		42.34	18,799		50.51	22,426
6"	3,012		68.90	207,527		82.20	247,586
8"	1,500		119.15	178,725		142.15	213,225
10"	180		159.91	28,784		190.77	34,339
12"	36		231.01	8,316		275.59	9,921
Total Private Fire	5,172			442,500			527,914
			Public Fire - Monthly				
Service Charge							
Hydrant	50,148		-	$ -		$ 4.71	$ 236,336
Total Public Fire	50,148			-			236,336
Total Outside	411,615	3,989,640		$ 22,451,494	3,989,640		$ 29,315,913

City of Lancaster Statement No. 5RJ
Docket No. R-2025-3057237
January 26, 2026

REJOINDER TESTIMONY

OF

JOHN J. SPANOS
PRESIDENT

GANNETT FLEMING
VALUATION AND RATE CONSULTANTS, LLC

ON BEHALF OF
THE CITY OF LANCASTER
BUREAU OF WATER

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

CITY OF LANCASTER – BUREAU OF WATER
DOCKET NO. R-2025-3057237

REJOINDER TESTIMONY OF JOHN J. SPANOS

I. INTRODUCTION

1. Q. Please state your name and business address.

A. My name is John J. Spanos. My business address is 300 Sterling Parkway, Mechanicsburg, Pennsylvania, 17050 (formerly 207 Senate Avenue, Camp Hill, Pennsylvania, 17011).

2. Q. Are you the same John J. Spanos who presented Direct and Rebuttal Testimony on behalf of the City of Lancaster – Bureau of Water (the "City") in this proceeding?

A. Yes.

3. Q. What is the purpose of your Rejoinder Testimony?

A. My Rejoinder Testimony responds briefly to the depreciation-related statements in the Surrebuttal Testimony of OCA Witness David J. Garrett.

II. RESPONSE TO OCA SURREBUTTAL TESTIMONY ON DEPRECIATION

4. Q. Mr. Garrett states that the City's proposal to use the ELG method results in higher cash flow "in the present," and suggests that this is the "primary motivation" [1] for using ELG. Do you agree?

A. No. That assertion is speculative and it misstates the ratemaking impacts of depreciation. Depreciation effects the revenue requirement in two ways: (1) through depreciation expense, and (2) recognition of accumulated depreciation,

[1] OCA St. 2-SR, p. 9.

which is a reduction to rate base. Focusing only on depreciation expense ignores that higher accumulated depreciation reduces rate base and the return component customers pay. Over time, properly aligned depreciation tends to mitigate overall customer rates compared with an approach that produces a higher rate base over extended periods.

5. Q. Does Mr. Garrett's Surrebuttal Testimony identify any technical error in the ELG procedure itself as presented in your Rebuttal Testimony?

A. No. His testimony primarily focuses on his beliefs regarding the City's alleged "motive"[2] for proposing the use of ELG and asserts that other jurisdictions frequently use ALG. Neither point refutes that ELG is a recognized procedure, is more precise mathematically in matching recovery with dispersion in service lives, and is consistent with longstanding Pennsylvania practice.

6. Q. Mr. Garrett asserts that you did not dispute that ELG can result in higher depreciation rates for current customers relative to future customers. Is that accurate?

A. No. My Rebuttal Testimony explained that differences between ELG and ALG relate to the timing of accruals, and that both procedures are designed to recover the same total service value over the life of a group of assets. My Rebuttal Testimony also explained that focusing only on near-term expense, without considering rate base and long-term revenue requirement impacts, presents an incomplete and misleading picture of customer rate impacts.

[2] OCA St. 2-SR, p. 9.

7. Q. Mr. Garrett claims that for ELG to produce accurate depreciation rates, "'customers' rates … would need to be adjusted every year."[3] Is that correct?

A. No. Depreciation accrual rates, whether developed using ELG or ALG, should be updated regularly through periodic depreciation reviews so that rates remain aligned with current plant balances, reserve levels, and updated service life and net salvage expectations. That does not mean that annual rate cases are needed for ELG to be valid.

8. Q. Mr. Garrett suggests that because ALG is widely used in other jurisdictions, your position that ELG is "more equitable"[4] in this case is invalid. Do you agree?

A. No. The selection of a depreciation procedure is jurisdiction- and circumstance-specific. In Pennsylvania, ELG has been the predominant Commission-approved group procedure for decades and has been widely used by Pennsylvania utilities since the 1980s. Mr. Garrett's generalized comparison to other jurisdictions (or, more specifically, my proposals or recommendations for the use of ALG vs. ELG in other jurisdictions) does not provide a valid basis to reject or otherwise discount its widespread use in Pennsylvania and its appropriateness for the City on the facts as presented in this case.

[3] OCA St. 2-SR, p. 8
[4] OCA St. 2-SR, p. 7

9. Q. Mr. Garrett defends the development of his proposed ALG rates and contends his approach is "reasonable,"[5] because he did not apply terminal life spans to certain accounts. Does his testimony sufficiently respond to the calculation issues you identified?

A. No, it does not. The key issue remains that Mr. Garrett's proposed ALG rates for the forecasted test years (FTY and FPFTY) (i) are not developed in a manner that is consistent with the established Pennsylvania process and, specifically, (ii) his developed depreciation rates and expense rely on depreciation reserve balances that are based on projected ELG accruals while simultaneously applying an ALG framework. If ALG were to be applied for the forecasted test years, then the reserve must also be forecasted consistently under that same framework. Because Mr. Garrett did not do so, his proposed rates are incorrect and unreliable.

10. Q. Has Mr. Garrett appropriately explained why the accounts that have typically been depreciated based on a terminal life span component should now be depreciated differently?

A. No. The life span technique is applied to accounts that will have a concurrent retirement date as part of the typical life characteristics. For water companies this applies to reservoirs, intakes, pumping structures, treatment plants, standpipes and miscellaneous structures. All of these accounts have had life spans in place for many years and the corresponding depreciation rates have been developed consistently with the life cycles of the assets. Mr. Garrett is incorrect when he ignores this component in his developed rates.

[5] OCA St. 2-SR, p. 9.

III. CONCLUSION

11. Q. Does this conclude your Rejoinder Testimony?

A. Yes, it does.

VERIFICATION

I, John J. Spanos, President, Gannett Fleming Valuation and Rate Consultants, LLC, hereby state that the facts set forth in the foregoing City of Lancaster Statement No. 5RJ are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter.

I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to sworn falsification to authorities).

Date: January 26, 2026

John J. Spanos

City of Lancaster Statement No. 6RJ
Docket No. R-2025-3057237
January 26, 2026

REJOINDER TESTIMONY

OF

HAROLD WALKER, III
MANAGER, FINANCIAL STUDIES

GANNETT FLEMING VALUATION AND
RATE CONSULTANTS, LLC

ON BEHALF OF
THE CITY OF LANCASTER
BUREAU OF WATER

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BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION
CITY OF LANCASTER - BUREAU OF WATER
DOCKET NO. R-2025-3057237
REJOINDER TESTIMONY OF HAROLD WALKER, III

INTRODUCTION

Q. Please state your name. occupation and business address.

A. My name is Harold Walker, III. I am employed by Gannett Fleming Valuation and Rate Consultants, LLC as Manager, Financial Studies. My business address is 1010 Adams Avenue, Audubon, Pennsylvania 19403.

Q. Are you the same Harold Walker who previously submitted Direct Testimony and Rebuttal Testimony in this proceeding?

A. Yes, I am.

SCOPE OF TESTIMONY

Q. What is the purpose of your Rejoinder Testimony?

A. The City of Lancaster Water Fund ("Water Fund") asked me to respond to and comment on the Surrebuttal Testimony submitted by Bureau of Investigation and Enforcement ("I&E") witness D. C. Patel concerning rate of return and capital structure. It should be noted, for the purposes of my Rejoinder Testimony, my reference to City of Lancaster refers to the City of Lancaster in its entirety; while my reference to Water Fund refers to that portion of the City of Lancaster's services that are accounted for as the Water Enterprise Fund.

COMMENTS

Q. On page 13, at lines 5 to 11, of I&E witness Patel's Surrebuttal Testimony, he states, "Mr. Walker provides Value Line's projection for my proxy group utilities' capital structure ratios for 2025-2030 and claims that his recommended equity ratio of 53% falls within the Value Line projected average equity ratio range of 51% and 65%. He tries to gain support for his recommended equity ratio based on Value Line's projections, but he misses that the Commission has relied on historic actual capital structure of the utility concerned and the historic capital structure of the proxy group to ascertain reasonableness of a utility's claim for the equity ratio." Is Mr. Patel's testimony accurate?

A. No. Although Mr. Patel's testimony is partially accurate regarding my testimony, since I provided both the historic capital structure and *Value Line's* projected average equity ratio for all proxy group companies, his statements concerning the Commission's evaluation of the reasonableness of a utility's proposed capital structure is inaccurate. .

Specifically, in the Commission's Opinion and Order in Aqua Pennsylvania, Inc.'s 2022 base rate case ("*Aqua 2022*"), the Commission stated:

> Next, we note that using I&E's proposed proxy group, Aqua's witness, Mr. Paul R. Moul, provided the below chart in his rebuttal testimony, which we have set forth in Table 4. Namely, **this chart details the forecasted common equity ratios for 2024 through 2026 for each of the companies in I&E's proposed proxy group**, as outlined in *Value Line* as of October 8, 2021.

Company	Projected Common Equity Ratio for 2024-2026
American States Water	46.50%
American Water Works	39.00%
California Water Serv. Group	59.00%
Essential Utilities, Inc.	45.00%
Middlesex Water Company	60.00%
SJW Corporation	62.00%
York Water Company	62.50%
Average	**53.43%**

Table 4: Forecasted Common Equity Ratios for 2024 through 2026 for I&E's Water Proxy Group Companies Aqua St. 7-R at 9-10.

In comparing the Company's proposed common equity ratio to the forecasted common equity ratios of I&E's proxy group, **we find that the above table lends support to Aqua's argument that its proposed actual common equity ratio falls well within the range of the forecasted common equity ratios of similarly situated water companies**. In this regard, the data in this table demonstrates that Aqua's proposed common equity ratio of 53.95% is very close to the forecasted average common equity ratio for the entire proxy group of 53.43%. Furthermore, Aqua's proposed common equity ratio is below four of the companies in the I&E proxy group (*i.e.,* California Water Serv. Group, Middlesex Water Company, SJW Corporation, and York Water Company), whose forecasted common equity ratios range from 59.00% to 62.50%.

Based on the forgoing, we find that the record underscores that Aqua's proposed actual capital structure is not atypical and is within the range of reasonableness.[1]

Q. On page 21, at lines 8 to 12, of Mr. Patel's Surrebuttal Testimony, he states, "Lastly, in the context of Mr. Walker's opinion that the Commission should not rely on my Kroll CAPM recommendation, the Commission has acknowledged and accepted I&E's Kroll CAPM analysis results in computing a composite CAPM result with the

[1] *Pa. PUC v. Aqua Pennsylvania, Inc.*, Docket Nos. R-2021-3027385 & R-2021-3027386, p. 140 (Opinion and Order, entered May 16, 2022) (*Emphasis added*).

traditional CAPM results in the 2025 Columbia Gas rate case." Do you agree with Mr. Patel?

A. No. Although the Commission accepted I&E's Kroll CAPM analysis results in the 2025 Columbia Gas rate case, there is no mention in that Order indicating they were aware that: (1) I&E's *Kroll* CAPM was/is determined by using the "20-year U.S. Treasury yield" as the risk-free rate[2]; (2) *Kroll's* last 16 recommendations have understated the Market's actual annual total return by -9.3% on average[3]; or (3) *Kroll's* current recommendation utilized by Mr. Patel has understated the Market's actual annual total return by -35.9% since it was issued.[4]

Q. On page 25, at lines 3 to 9, of Mr. Patel's Surrebuttal Testimony, he states, "Notably, Mr. Walker calculated his implied tax adjustment of 13% comparing the yield difference between *Pennsylvania* utility *revenue bonds* and corporate utility (*nationwide*) bonds while the City uses GO bonds for financing the Water Fund's assets and GO bonds and revenue bonds have different yields. In fact, my calculation using the yield difference between public utility (*nationwide*) bonds and municipal (*nationwide*) GO bonds produces a true result for the Water Fund." Do you agree with Mr. Patel?

A. No, for several reasons. First, the Water Fund is located in *Pennsylvania*, not *nationwide.* Therefore, the municipal bonds used in the comparison should be *Pennsylvania* municipal bonds, not *nationwide* municipal bonds. Second, although I believe *Pennsylvania* utility

[2] Mr. Patel used the 10-year Treasury Note yield in his Forecasted CAPM and stated that the Commission has historically recognized the 10-year Treasury Note as the superior measure of the risk-free rate. *See* I&E Statement No. 2, D. C. Patel Direct, p. 34.
[3] *See* City of Lancaster Statement No. 6R, p. 31.
[4] *See* City of Lancaster Statement No. 6R, p. 32, Table 4.

Revenue bonds are more appropriate for yield comparison, I also used *Pennsylvania GO bonds* in my Direct Testimony and found a 12% to 13% implied income tax rate.[5] Third, since Mr. Patel used *nationwide* municipal bonds in his analysis, I used *nationwide* municipal bonds in my Rebuttal Testimony[6] and found (i) a 15% to 16% implied income tax rate when all *nationwide* municipal bonds (i.e., GO and Revenue bonds) were used, (ii) a 14% to 16% implied income tax rate when just *nationwide Revenue* bonds were used, and (iii) a 17% to 19% implied income tax rate when just *nationwide GO* bonds were used. The implied income tax rate of the *Pennsylvania* municipal bonds included in my Rebuttal Testimony were shown to be 13% to 16% and averaged 14% for the *Pennsylvania* municipal bonds.

CONCLUSION

Q. Does this conclude your Rejoinder Testimony?

A. Yes, it does.

[5] *See* City of Lancaster Statement No. 6, p. 64, and Schedule 20 of Exhibit HW-1.
[6] *See* City of Lancaster Statement No. 6R, p. 46, and Schedule 11 of Exhibit HW-1R.

VERIFICATION

I, Harold Walker, III, Manager, Financial Studies, Gannett Fleming Valuation and Rate Consultants, LLC, hereby state that the facts set forth in the foregoing City of Lancaster Statement No. 6RJ are true and correct to the best of my knowledge, information and belief, and that I expect to be able to prove the same at a hearing held in this matter.

I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to sworn falsification to authorities).

Harold Walker, III

Date: January 26, 2026