



March 2, 2026

**VIA E-FILING**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, Second Floor  
Harrisburg, PA 17120

RE: City of Lancaster, Bureau of Water's Asset Optimization Plan  
Docket No. P-2022-3035591

Utility No. 221800

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Dear Secretary Chiavetta:

Enclosed for filing is the City of Lancaster, Bureau of Water's 2025 Annual Asset Optimization Plan.

Please do not hesitate to contact me if you have any questions concerning this filing.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Angela M. Boyle'.

Angela M. Boyle, Paralegal to  
Barry N. Handwerger, Solicitor

Enclosures

cc: W/enclosures  
Stephen Campbell  
Christine-Volkay Hilditch  
Courtney L. Shultz, Esquire  
Ken Shaffer @ [Kennshaffe@pa.gov](mailto:Kennshaffe@pa.gov)

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## CITY OF LANCASTER 2025 AAOP

The City of Lancaster Bureau of Water (“City”) submits this Annual Asset Optimization Plan (“AAOP”) pursuant to its obligations under its Long Term Infrastructure Improvement Plan (“LTIIIP”), as approved by the Pennsylvania Public Utilities Commission (“PUC”) on December 21, 2023 at Docket No. P-2022-303559, and consistent with the requirements of Pa. C.S. §§ 1350 to 1360. The City’s LTIIIP concerns infrastructure investment through its established Distribution System Improvement Charge (“DSIC”). This AAOP provides information on the reporting period ended December 31, 2025 and a forecast for the year commencing January 1, 2026 and ending December 31, 2026.

### Optimization Plan

The City of Lancaster’s LTIIIP outlined expenditures for various projects over a 5-year period beginning in 2023 and ending in 2027. Eligible property listed in the LTIIIP to be replaced included main replacements and connected appurtenances, residential meter replacements on a 20-year cycle, and replacement of lead services on both the utility and customer owned side of the service.

The attached Table 1 lists the actual eligible property and the expenditures finished in 2024. The City of Lancaster had estimated that it would spend \$19,641,740 for the 2025 year, the actual expenditures were only \$1,157,636.73. The estimated expenditures included \$2,750,000 for a transite pipe replacement project as well as main replacement for old main outside of the city (another \$633,600). In April 2023, the City of Lancaster applied for an ARPA grant through the Commonwealth Financing Agency. This grant was to complete Phase 2 of the Large Diameter Transmission Main. Part of the requirements of this grant was that we held a match in a separate account. This took a good portion of the City’s capital money that was planned for LTIIIP projects. Because of this match, we were unable to complete some of the projects that we had set aside funds for. These projects were pushed to the next year. The Commonwealth Financing Agency also kept pushing back the grant award hearings. Originally grant awards were to be announced in July 2023, but it was pushed back a few times and ended up being announced in December 2023. We were partially funded for this grant; we received \$4 million of the \$30 million we asked for. Getting this grant also changes when Phase 2 of the Large Diameter Transmission main will be installed. This is ARPA money, so the project will need to be completed by September of 2026. With this, we will need to get more funding to start construction. The total cost of this project was estimated at \$31,758,099. Originally, 40% of the Phase 2 costs was included in this filing, but now 100% of the project will be completed in 2026. The city has come into trouble with the design of the plans, and construction was pushed back. The city had all of its permits in November of 2025, and applied for a PennVEST loan in October 2025, which was approved in January 2026. The design was originally meant to be completed in July, with construction starting later in 2025. Now the new construction date will start in June 2026. It will be completed in 2027.

The City is expected to increase costs from 2025 to 2026, with the majority coming from the Large Diameter Transmission main. The City already has the materials out to bid and are expected to have a construction bid out in mid-march 2026.

Enclosures: Table 1

Table 1 LTIP Expenditures by Year																														
Project Designation & Description*							Total Cost	Estimated Annual Expenditure					2023 Actual Expenditures					2024 Actual Expenditures					2025 Actual Expenditures							
Improvement	Description	S	H	M	V	P		2023	2024	2025	2026	2027	S	H	M	V	P		S	H	M	V	P		S	H	M	V	P	
Main Replacement for old main outside of the city	Replacement of some portion of the water mains over 100 years old outside of the city. (Assuming a 10-year replacement of all 100 year old main)	330	21			53	~10,560	\$3,168,000.00	\$633,600.00	\$633,600.00	\$633,600.00	\$633,600.00											160	\$	54,474.55					
2023 Transite Pipe Replacement	\$2,000,000 allowance for replacement of AC Mains	180	13			33	~6,700	\$2,250,000.00	\$2,250,000.00																					
2024 Transite Pipe Replacement	\$2,000,000 allowance for replacement of AC Mains	180	13			33	~6,700	\$2,500,000.00	\$2,500,000.00										95	8		37	6,345	\$1,345,087.37						
2025 Transite Pipe Replacement	\$2,000,000 allowance for replacement of AC Mains	180	13			33	~6,700	\$2,750,000.00		\$2,750,000.00															38				2311	\$ 663,605.72
2026 Transite Pipe Replacement	\$2,000,000 allowance for replacement of AC Mains	180	13			33	~6,700	\$2,000,000.00			\$2,000,000.00																			
2027 Transite Pipe Replacement	\$2,000,000 allowance for replacement of AC Mains	180	13			33	~6,700	\$2,000,000.00				\$2,000,000.00																		
Replace 8/10" Main N. George Street 0 Frederick Street to Landis Avenue	Based on discussions with City staff, this main has had several repairs and ranks as #3 in desired replacement.	80	4			32	3,600	\$800,000.00	\$800,000.00																					
Large Diameter Transmission Main Phase 2	Existing 25,100 l.f. of 42-inch steel pipe installed in 1955-1956; no redundancy in main (sole-source); City staff indicate breaks are occurring at water tap-ins and near/at elbows and other fittings.	0	10			20	10,040	\$31,758,099.00		\$15,879,049.50	\$15,879,049.50																			
Meter Replacement Program	replace meters during Radio Read Project			12,205				\$1,220,450.00	\$244,090.00	\$244,090.00	\$244,090.00	\$244,090.00			697			\$ 226,674.09			914			\$	121,468.98		601		\$	194,031.01
City owned Lead Service Replacement	Replacing City Owned led service lines	20						\$300,000.00		\$75,000.00	\$75,000.00	\$75,000.00	\$75,000.00	2				\$ 30,000.00		5				\$	75,000.00	12			\$	180,000.00
Customer owned Lead Service replacement	Replacing Customer Owned led service lines	20						\$240,000.00		\$60,000.00	\$60,000.00	\$60,000.00	\$60,000.00	2						5							10		\$	120,000.00
<b>Total</b>		<b>1,350</b>	<b>100</b>	<b>12,205</b>	<b>270</b>	<b>57,700</b>		<b>\$48,986,549.00</b>	<b>\$3,127,690.00</b>	<b>\$4,312,690.00</b>	<b>\$19,641,739.50</b>	<b>\$18,891,739.50</b>	<b>\$3,012,690.00</b>					<b>\$ 256,674.09</b>					<b>\$</b>	<b>1,596,030.90</b>					<b>\$</b>	<b>1,157,636.73</b>

\*Note S=Services H=Hydrants M=Meters V=Valves P=Pipe Length