



Borough of Chambersburg

A full service municipality in Franklin County celebrating over 65 years of consumer owned natural gas service over 120 years of community electric and a regional wastewater, water, storm sewer and municipal solid waste utility

FOR IMMEDIATE RELEASE

Chambersburg Ends Letterkenny Industrial Development Authority Sewer and Water Cooperation Discussion

Chambersburg, Pennsylvania – On April 23, 2018, Chambersburg Town Council authorized staff to proceed with an engineering study to assist in the consideration of acquisition of the Letterkenny Industrial Development Authority (LIDA) water and sewer facilities. The Borough engaged the engineering firm GHD of Harrisburg, Pennsylvania, to assist with the evaluation.

The engineering study, recently released to Town Council for their review, included:

- An opinion of fair market value of the water and sewer systems
- GHD's opinions of significant risks and rewards of the two systems
- An operational and budget analysis of the systems
- The feasibility analysis of intermunicipal cooperation opportunities

The LIDA water and sewer systems include:

- Reservoir: 2.9 MGD raw water
- Water Treatment Plant: 1.16 MGD
- Wastewater Treatment Plant: .25 MGD
- 170 customers (mostly split 50%-50% between civilian industrial and on-base military)

The most significant estimate in the engineer's report is the near-term need for significant capital investment in the systems. GHD estimated that in the next five to ten years, the LIDA water system would require an approximate capital investment of \$10,960,000 in new equipment and systems; and the wastewater system would require an approximate capital investment of \$2,164,000 in new equipment and systems.

The LIDA water and sewer rates were determined to be significantly higher than Borough water and sewer rates. In addition, the report concluded that there did not appear to be adequate opportunity, at this time, to add additional customers to assist in offsetting needed near-term capital improvements. Therefore, Borough staff concluded that there would be a lack of intermunicipal benefit and the proposed acquisition would not be advantageous to Borough customers, not adding enough future benefit to undertake a continued review of a potential acquisition. It was determined that the systems could provide limited interconnection to Chambersburg or other regional systems. The Borough evaluated and rejected several scenarios to interconnect LIDA systems with Borough and neighboring utilities.

It was the conclusion of staff, having reviewed the report that the facilities are better suited to be acquired by a private water/sewer utility. Staff recommended no further investigation of this issue and Town Council supported that recommendation. "On behalf of Chambersburg," added Borough Manager Jeffrey Stonehill, "I deeply appreciate the efforts of the LIDA Board and LIDA staff in assisting the Borough and its engineers in this review. These folks were excellent to deal with and shared important information to assist us in our analysis. While this potential did not prove fruitful for the Borough of Chambersburg, we sincerely wish LIDA success in its future endeavors and appreciate the significance of the public services they offer to the U.S. Army and other businesses in the Cumberland Valley Business Park at the Letterkenny Army Depot." A copy of the GHD report can be obtained by contacting the Borough at (717) 709-2285.

Chambersburg is a unique community. Chambersburg supplies more services than any other municipality in the Commonwealth of Pennsylvania. In addition to typical town functions, Chambersburg is Pennsylvania's only municipality supplying electric and gas. Chambersburg is 1 of 35 Boroughs to operate a municipal non-profit electric utility. Chambersburg is the largest municipal electric utility in the State, twice as large as the second largest, Ephrata, Lancaster County; and, the only one to operate generation stations. Chambersburg is 1 of 2 municipalities in PA to operate a natural gas utility. The other is Philadelphia, which does not operate an electric utility. Nationally, Chambersburg is 1 of 2,000 communities to have its own electric system and 1 of 800 communities to have a natural gas system but 1 of only about 50 to operate both. Chambersburg manages a regional water system, a regional sanitary sewer system (not through an independent Authority), and a new storm sewer utility; one of the first storm sewer utilities to form under the new Federal mandate to regulate stormwater.

Chambersburg currently has 20,508 residents (2013). www.chambersburgpa.gov