

# THE HARRISBURG AUTHORITY

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## **The Harrisburg Authority's response to The Patriot News Editorial Opinion, regarding Sewer Services, March 30, 2010**

The Harrisburg Authority (THA) would like to provide some facts that dispute the assertions made in your Editorial Opinion published March 30, 2010. While THA owns the sewage conveyance and treatment systems, THA does not set sewer rates or receive revenue from customers of the system. In 1975, THA leased the sewage conveyance and treatment system to the City of Harrisburg for operation and use. This lease has been supplemented four times, most recently in December 2009 to extend the lease through May 1, 2031. Consideration for the lease is made to THA in the form of lease payments from the City to THA, which cover debt service and authority expenses related to the sewer system. THA is obligated by Bond Indentures to ensure that THA is receiving the lease payments from the City and that the system is being maintained in good repair and operating condition. The City is obligated under the lease agreement to receive revenues sufficient to ensure THA's Indenture obligations are met and to properly operate and maintain the system. The City accomplishes this through the setting and collecting of sewer rentals, rates or charges.

Since THA is concerned with the impact of impending increased operating and debt service costs related to current and planned major upgrades to the conveyance and treatment facilities on the rate payers of the system, THA has requested that the City provide a full accounting of this underpayment situation, and will be reviewing the findings to determine if the City has met their obligations under the lease agreement.

Respectfully Submitted By:

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Executive Director