

I am Dick McClelland, a homeowner in Ross Township.

I have also put a site on the web: WWW.alcosancost.com That's alcosancost all stuck together

Thank you for the opportunity to briefly comment on the Alcosan \$3 billion consent decree. I also have a hard copy to make it easier for your stenographer ... if you would like.

At the first public meeting, the presenter mentioned that a more detailed presentation was made to the municipalities. That presentation and any handouts should be posted on the Alcosan web site.

With respect to the Consent Decree itself and the following paragraphs:

- 80 The informational newsletters should also be posted on the Alcosan site. When doing this it would be most helpful if you could keep all of this in one area of the site and add the month, year, and file size to the view.
- 81 The same applies to any presentations made, or handouts at, the Customer Municipality Information Meeting. Alcosan should also make this a web cast so that questions, answers, and remarks can be heard.
- 92a and 92c The same applies to any updates or submissions of the Implementation of the Nine Minimum Controls document

With respect any undertakings relative to Appendix U (which is cost analysis), any submissions, documents, or presentations to any party—including municipalities, the EPA, etc— should also be posted concurrently on the Alcosan web site. Most particularly, Appendix U Part 1 Subpart c (which is cost impact) must clearly include all municipal add-ons and municipal projects (e.g. the \$2 billion) and the roll-up impact must be calculated for each Municipality..

Furthermore, testing at the Subpart c level (i thru x) must (I repeat must) be done at the individual municipality level including all applicable local sewer markups. Otherwise, the whole means testing and financeability analysis will be fatally flawed. All of this material should be posted on the Alcosan site as soon as it is available ...and... public comment meetings promptly implemented.

With respect to Appendix J (which is Supplemental Environmental Projects): Why was Girty's run in Millvale not on (and leading) the stream restoration list. Millvale could certainly use the flooding help ...and... clearly any flood that goes into combined sewer catch basins is an environmental event. Surely something for Millvale could be flown under stream restoration.

The cost of the consent decree is projected to be \$3 billion... of which \$1 billion is by Alcosan ...and... \$2 billion by municipalities. Presumably someone has done some kind of estimate to arrive at these. Please promptly post the projected projects and estimated costs with a brief description. For the components of the \$2 billion, please also indicate the applicable municipality.

With respect to Alcosan Consent Agreement and the Allegheny County Health Department's Administrative Consent Order with a Municipality, please summarize the rights and obligations of the two parties: Alcosan and the individual Municipality.

Also: assume the following, quite likely scenario.....

- The Municipality signs the Administrative Consent Agreement
- During the Wet Weather Control plan development, the Municipality defines its peak need as 50 million gallons per day.
- Concurrently, Alcosan defines its upgraded capacity as 20 million.
- Per the ACO, the Municipality spends a substantial amount of its own money to develop an Alternatives analysis which defines the construction cost to treat the 30 million that Alcosan represents it can not take.

- The Municipality looks at their customer impact for the combined result of Alcosan's new sewage treatment cost plus their own construction and operation. The Municipality calculates these new customer bills will be 2.5% of the Median Household Income of the Municipality.
- The Municipality concludes that impact is unaffordable to its customers and tells that to the ACHD.

What happens now?

Can the Municipality be forced to construct the unaffordable facility anyway?

Assume that lenders to the Municipality look at the customer cost impact and also note that one-third are on Social Security. The lenders refuse or will not provide money to the Municipality on terms that the Municipality deems reasonable. What happens then?

Switching to a new question....

Does Alcosan think that the \$3 billion can be financed in pieces and over time?

...or... Will the lenders having knowledge of the \$3 billion pyramidal ball-of-wax want (perhaps justifiably) to see the entire smorgasbord of built-up impacts before lending anyone anything?

What happens if portions of the \$3 billion endeavor, particularly at the municipal level, are deemed unaffordable? or unfinanceable?

Section 6 of the Third Party Review on Alcosan's web site estimates the cost impact of the Consent decree on households. It quite correctly raises the question of serious unaffordability of even a \$2 billion program. Moreover, the alcosancost website corrects the analysis for a \$3 billion expenditure. Just the monitoring and paperwork alone associated with a \$3 billion consent will cause the average household's present Alcosan sewer bill to rise rapidly...from a present \$294 per year to \$523 a year. Then, the effect of the \$3 billion of phased construction will kick in, raising a household's sewer bill to \$1,300 a year or more when the dust settles! That's for homeowners and for renters ...and... before any Municipality mark-ups. Additionally, more than 30 percent of Alcosan's customers are on Social Security.

These are the estimates on www.alcosancost.com site? Where are Alcosan's cost impact numbers based on material already on their own site?

Section 9 of the Third Party Review suggests that alternate methods of at least partially funding the consent endeavor should be explored.

I would like to suggest two for your consideration:

- A county-wide \$250 annual vehicle tax or registration fee
- an impervious area \$305 fee per 1000 square foot on commercial or industrial property only in combined sewer areas.

I'll explain briefly since both are covered on a spreadsheet at www.alcosancost.com

If used county wide, the \$250 annual vehicle fee could potentially substitute for about one-half of the sewer tax. It would reduce the impact on the elderly, low income, and Social Security households since they are less likely to own an automobile or would own fewer numbers of them. One rationale for the tax on automobile registrations is that these vehicles use roads and city streets which have catch basins that drain into combined sewer systems. I am not proposing taxes for tax sake. I would actually make out worse if the tax were adopted.

Turning to the other suggestion...

Based on rainfall runoff, the \$305 per 1,000 square feet of impervious area is the exact same amount that a homeowner would pay per gallon under the \$3 billion consent. For example, at 1.9 acres the US Steel Tower and Plaza would have a runoff 'tax' of around \$25,000 per year.

Since homeowners and apartment renters are already paying for much of the runoff into combined sewer systems (even if they don't live on a combined sewer), implementation would only be on commercial or industrial property in a combined sewer area.

To simplify implementation, the tax would be levied on the entire acreage of the property site. However, the site owner could petition for a deduction for grassy surface or for an entire elimination if the owner

added appropriate retention ponding. To make billing simple, this acreage would be converted into a quarterly phantom water use in water company sewer billing programs. Although city and county roads would not be taxable, consideration should be given to taxing applicable state road surface areas and, if possible, any applicable interstates.

In closing, you should note that Alcosan's \$3 billion consent program is the same as building 1.3 Hoover Dams to be paid for by less than 300,000 families.

I feel a bit like a shopper at a car dealership where their lawyers are pressing me to sign a contract for a new car where they will fill in the price later! In fact, given the cost of a new car this analogy is pretty much spot on with the customer impact of Alcosan's \$3 billion consent agreement!

I don't see how Alcosan or the EPA can expect any practical or useful input without any consumer costs available to be discussed.

I suggest that Alcosan fill out the reports for these meetings ...

...but...

leave them open for another round after Alcosan publishes the cost impact of the entire program on a Municipality by Municipality level.

Again the website is www.alcosancost.com with alcosancost stuck together.