



College Township Water
Authority Budget 2019

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Operating Budget Summary

**COLLEGE TOWNSHIP WATER AUTHORITY
YEAR 2019 OPERATING BUDGET SUMMARY**

OPERATING BUDGET SUMMARY

	2011 AUDITED	2012 AUDITED	2013 AUDITED	2014 AUDITED	2015 AUDITED	2016 AUDITED	2017 AUDITED	2018		2019
								BUDGET	EXPECTED	PROPOSED
OPERATING INCOME										
Water System Revenues	1,563,037	1,648,202	1,672,358	1,571,681	1,645,614	1,687,234	1,650,852	1,608,390	1,698,955	1,659,436 (1)
OPERATING EXPENSES										
Purification and Pumping	125,184	111,752	112,442	94,433	94,439	99,054	120,315	106,675	113,113	117,080
Distribution System	253,992	264,360	208,239	234,987	230,687	269,691	249,636	255,955	252,745	272,375
General Expense	397,731	415,601	441,923	486,995	467,604	444,207	438,163	470,766	492,305	504,288
TOTAL OPERATING EXPENSES	<u>776,907</u>	<u>791,713</u>	<u>762,604</u>	<u>816,415</u>	<u>792,730</u>	<u>812,952</u>	<u>808,114</u>	<u>833,396</u>	<u>858,163</u>	<u>893,743 (2)</u>
OPERATING MARGIN	786,130	856,489	909,754	755,266	852,884	874,282	842,738	774,994	840,792	765,693
NON-OPERATING INCOME (EXPENSE)	4,824	949	7,383	8,679	8,384	1,857	21,885	22,000	17,661	25,000 (3)
INCOME BEFORE DEBT SERVICE	<u>790,954</u>	<u>857,438</u>	<u>917,137</u>	<u>763,945</u>	<u>861,268</u>	<u>876,139</u>	<u>864,623</u>	<u>796,994</u>	<u>858,453</u>	<u>790,693</u>
LESS: Debt Service Requirement										717,001 (4)
AVAILABLE FOR CAPITAL, CONTINGENCIES AND RESERVE										<u><u>73,692</u></u>

CALCULATION OF COMPLIANCE WITH LOAN AGREEMENT COVERAGE REQUIREMENT

----- BUDGETED REVENUES MUST EQUAL OR EXCEED THE TOTAL OF 1) OPERATING EXPENSES AND 2) 110% OF DEBT SERVICE -----

This calculation is required by the Loan Agreement securing the 2015 Note and is referred to as the calculation of required coverage.

Water System Revenues	1,659,436 (1)
Investment Income	25,000 (3)
	<u>1,684,436</u>
Administrative and operating expenses	893,743 (2)
Debt Service	717,001 (4)
10% of Debt Service	71,700
	<u>1,682,444</u>
Excess Coverage	<u><u>1,992</u></u>

Operating Revenues

OPERATING INCOME

	2011	2012	2013	2014	2015	2016	2017	2018		2019
	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	BUDGET	EXPECTED	PROPOSED
<u>WATER SYSTEM REVENUES</u>										
METERED WATER REVENUES										
378.110 Metered Water Revenues - Residential	712,142	708,432	751,800	722,125	816,931	848,850	795,855	810,700	805,000	828,563
378.120 Metered Water Revenues - Commercial	285,115	294,954	302,268	283,528	325,376	329,873	304,294	308,200	312,000	321,131
378.130 Metered Water Revenues - Industrial	75,610	71,704	72,095	53,253	70,739	79,172	72,643	73,700	61,000	62,775
378.140 Metered Water Revenues - Other Public	16,894	20,193	27,831	21,837	27,615	24,364	16,587	18,425	15,400	15,964
378.141 Metered Water Revenues - SCI Rockview	128,500	131,708	136,125	136,500	18,261	0	0	0	0	0
378.142 Metered Water Revenues - UAJA BRW	61,174	62,446	78,424	67,938	69,905	69,407	62,827	62,855	62,605	62,743
Subtotal	1,279,435	1,289,437	1,368,543	1,285,181	1,328,827	1,351,666	1,252,206	1,273,880	1,256,005	1,291,176
FIRE SERVICES										
378.405 Fire Services - CTWA Hydrants	85,045	85,300	85,885	86,531	94,579	95,290	96,102	97,034	97,000	97,846
378.410 Fire Services - Private Hydrants	4,773	4,681	4,681	4,681	5,725	6,264	5,280	5,424	5,500	5,424
378.420 Fire Services - Sprinkler Fire Lines	149,425	150,088	152,112	153,123	167,796	168,260	171,110	170,672	170,000	173,640
Subtotal	239,243	240,069	242,678	244,335	268,100	269,814	272,492	273,130	272,500	276,910
OTHER WATER RELATED REVENUES										
378.300 Penalties	13,699	14,506	16,497	16,006	15,285	14,894	14,490	15,600	15,950	16,000
378.500 Water Main Connection Fees	7,619	101,456	23,874	21,081	27,671	46,912	89,696	30,000	140,000	60,000
378.515 Meter Depreciation Charge	0	0	0	0	0	0	0	11,280	11,300	11,350
380.000 Miscellaneous	23,041	2,734	20,766	5,078	5,731	3,948	21,968	4,500	3,200	4,000
Subtotal	44,359	118,696	61,137	42,165	48,687	65,754	126,154	61,380	170,450	91,350
TOTAL WATER SYSTEM REVENUES	1,563,037	1,648,202	1,672,358	1,571,681	1,645,614	1,687,234	1,650,852	1,608,390	1,698,955	1,659,436

OPERATING REVENUES

METERED WATER REVENUE

Effective January 1, 2019, water consumption is proposed to be billed to the majority of its customers for each meter at \$6.75 per 1,000 gallons consumed. This rate represents a .75% increase over the 2018 rate of \$6.70.

BELLEFONTE INTERCONNECT: Pursuant to a 2011 interconnection agreement with the Borough of Bellefonte and the Bellefonte Borough Authority, the College Township Water Authority agreed to supply water to the Borough in an emergency only. This agreement was terminated effective January 1, 2016, pursuant to Article 15 of the agreement.

SCI- ROCKVIEW: During 2003, the Authority entered into an agreement with the Commonwealth of Pennsylvania whereby the Authority had agreed to provide the Department of Corrections up to 700,000 gallons of potable water daily as a backup water supply. The Commonwealth had committed to a minimum purchase of 50 million gallons of water per year.

This agreement has been terminated and all usage billing ended in July 2015.

UAJA: The Authority has amended its agreement with UAJA dated November 18, 2009 which provides for reimbursement to the Authority for Beneficial Reuse Water (BRW) supplied by UAJA and used by customers of the Authority. The reimbursement for BRW used by Cintas will continue to be reimbursed at the Authority's customary rate per thousand gallons less the cost of purification and pumping. The rate adjusts annually, consistent with CTWA rate structure and purification and pumping costs. The rate for 2019 will be \$6.10 per thousand gallons. Reimbursement for Best Western and Redline Speed Shine will be one-half its customary rate per thousand gallons, to be adjusted annually consistent with the Authority's rate structure. Any current or potential customers of the Authority desiring to use beneficial reuse water may only do so with approval of the Authority and College Township. Furthermore, the Authority will determine the reimbursement from UAJA due for these new customers.

The number and types of customers expected to be served by the Authority during 2019, along with the total billed usage for those customer classes, is as shown in the following table:

OPERATING REVENUES

<u>CUSTOMER CLASS</u>	<u>NUMBER</u>	<u>BILLING USAGE (GALLONS)</u>	<u>REVENUE</u>
Residential	2,475	122,750,000	\$828,563
Commercial	316	47,575,000	321,131
Industrial	14	9,300,000	62,775
Other Public	<u>15</u>	<u>2,365,000</u>	<u>15,964</u>
	2,820	181,990,000	\$ 1,228,433
UAJA – Beneficial Reuse			
Cintas	1	7,698,000	\$47,266
Redline Speedshine	1	4,212,000	14,237
Best Western Motel	<u>1</u>	<u>367,000</u>	<u>1,240</u>
	3	12,277,000	\$62,743
TOTAL	<u>2,823</u>	<u>194,267,000</u>	<u>\$ 1,291,176</u>

FIRE SERVICES

The following table reflects the types of fire service, the number of customers utilizing these services, and the revenue to be expected in 2019:

<u>HYDRANTS</u>	<u>NUMBER</u>	<u>ANNUAL CHARGE</u>	<u>REVENUE</u>
Hydrants – Authority owned and maintained	241	\$ 406	\$ <u>97,846</u>
Hydrants – Privately owned and maintained	16	\$ 339	\$ <u>5,424</u>
<u>STANDBY FIRE LINES</u>	<u>NUMBER</u>	<u>ANNUAL CHARGE</u>	<u>REVENUE</u>
Sprinkler – 4” fire service	23	\$ 1,484	\$34,132
Sprinkler – 6” fire service	23	\$ 2,968	68,264
Sprinkler – 8” fire service	<u>12</u>	<u>\$ 5,937</u>	<u>71,244</u>
	58		<u>\$173,640</u>

OPERATING REVENUES

PENALTIES

This account covers the 10% penalty charged to customers who don't pay their bill within 30 days of the billing date.

WATER MAIN CONNECTION FEES

This account is for the revenue generated from customers connecting to the distribution system. The connection fee allows the Authority to recoup its cost to install the new service connection and includes the customer's facilities fee and the tapping fee. The fee is set so as not to exceed that allowed by state law.

WATER METER DEPRCIATION CHARGE

Replacement of water meters, which have a useful life of approximately 10 years, requires a significant ongoing expense of the Authority. This fee that is charged across the customer base is intended to provide the Authority with the capital needed to fund this ongoing expense. The fee is \$1.00 per meter per quarter, excluding fire line meters.

MISCELLANEOUS WATER REVENUES

This account is for other water system related revenues not accounted for elsewhere. This would include income from reimbursement for cost of repairs to damaged meters, mains, fire hydrants, and any other repairs made by Authority personnel. Reimbursements are paid by companies or individuals damaging our facilities primarily through their neglect.

Pumping and Purification Expenses

PURIFICATION AND PUMPING EXPENSES

	2011 AUDITED	2012 AUDITED	2013 AUDITED	2014 AUDITED	2015 AUDITED	2016 AUDITED	2017 AUDITED	2018 BUDGET	2018 EXPECTED	2019 PROPOSED
<u>PURIFICATION EXPENSE</u>										
448.202 Chemical Purchases	18,299	18,335	20,157	21,056	20,594	18,469	26,667	22,000	26,992	28,000
448.204 Water Analysis	20,055	8,411	9,875	13,037	8,758	7,964	13,311	13,000	9,200	12,000
448.206 Structure Maintenance - Mt Nittany Contact T:	0	0	0	0	0	0	0	0	0	0
TOTAL PURIFICATION	38,354	26,746	30,032	34,093	29,352	26,433	39,978	35,000	36,192	40,000
<u>PUMPING EXPENSE</u>										
PUDDINTOWN STATION										
448.311 Operating Supplies and Expense	0	0	0	0	0	0	0	0	0	0
448.312 Power Purchased	12	4	0	0	0	74	99	100	110	120
448.313 Equipment Maintenance	0	0	0	0	0	0	0	0	0	0
448.314 Structure Maintenance	204	0	804	204	204	705	0	250	13	1,700
Subtotal	216	4	804	204	204	779	99	350	123	1,820
MATILDA BOOSTER STATION										
448.321 Operating Supplies and Expense	0	0	0	0	0	0	0	0	0	0
448.322 Power Purchased	805	656	1,260	1,251	1,667	1,655	1,732	1,625	2,200	2,300
448.323 Equipment Maintenance	25	0	4,826	0	0	0	228	300	100	150
448.324 Structure Maintenance	0	0	445	0	0	0	244	150	100	150
Subtotal	830	656	6,531	1,251	1,667	1,655	2,204	2,075	2,400	2,600
LEMONT BOOSTER STATION										
448.331 Operating Supplies and Expense	0	0	0	0	0	0	0	0	0	0
448.332 Power Purchased	4,002	2,656	3,213	2,311	2,097	2,903	2,197	2,500	3,150	3,300
448.333 Equipment Maintenance	1,387	2,567	559	1	0	0	0	700	1,625	600
448.334 Structure Maintenance	377	405	295	342	622	193	2,898	800	2,700	2,000
Subtotal	5,766	5,628	4,067	2,654	2,719	3,096	5,095	4,000	7,475	5,900
SPRING CREEK PARK WELL										
448.361 Operating Supplies and Expense	0	0	0	0	0	0	0	0	63	0
448.362 Power Purchased	32,879	26,080	23,364	21,318	23,934	25,175	22,510	24,500	22,200	24,000
448.363 Equipment Maintenance	4,638	5,776	9,017	427	2,014	3,768	8,407	4,500	1,600	4,000
448.364 Structure Maintenance	486	978	485	524	208	728	212	500	1,100	800
448.365 Well Monitoring Costs	0	0	0	0	0	0	0	0	0	0
448.367 Easement Costs	5,610	5,610	5,610	5,610	5,610	5,610	5,610	5,700	5,610	5,610
Subtotal	43,613	38,444	38,476	27,879	31,766	35,281	36,739	35,200	30,573	34,410

PURIFICATION AND PUMPING EXPENSES

	2011 AUDITED	2012 AUDITED	2013 AUDITED	2014 AUDITED	2015 AUDITED	2016 AUDITED	2017 AUDITED	2018 BUDGET EXPECTED		2019 PROPOSED
ROGERS WELL										
448.371 Operating Supplies and Expense	0	1	0	0	0	0	0	0	0	0
448.372 Power Purchased	26,354	33,743	25,472	24,575	24,561	25,211	29,245	25,000	26,000	27,500
448.373 Equipment Maintenance	5,510	4,317	3,366	911	3,350	5,009	3,838	2,750	1,600	2,500
448.374 Structure Maintenance	441	118	713	0	0	539	1,694	1,000	600	800
448.375 Well Monitoring Costs	4,100	0	2,981	2,700	0	0	146	0	7,000	0
Subtotal	36,405	38,179	32,532	28,186	27,911	30,759	34,923	28,750	35,200	30,800
OAK HALL WELL										
448.391 Operating Supplies and Expense	0	0	0	65	281	16	21	50	40	50
448.392 Power Purchased	0	0	0	35	539	334	560	500	670	700
448.393 Equipment Maintenance	0	0	0	66	0	625	522	350	360	400
448.394 Structure Maintenance	0	0	0	0	0	76	174	100	80	100
448.395 Well Monitoring Costs	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	0	166	820	1,051	1,277	1,000	1,150	1,250
INTERCONNECTIONS - SCBWA ,PSU, and BELLEFONTE										
448.386 Purchased Water	0	2,095	0	0	0	0	0	200	0	200
448.388 Interconnection Maintenance	0	0	0	0	0	0	0	100	0	100
Subtotal	0	2,095	0	0	0	0	0	300	0	300
TOTAL PUMPING	86,830	85,006	82,410	60,340	65,087	72,621	80,337	71,675	76,921	77,080
TOTAL PURIFICATION AND PUMPING	125,184	111,752	112,442	94,433	94,439	99,054	120,315	106,675	113,113	117,080

PURIFICATION AND PUMPING EXPENSES

PURIFICATION

Note: At this time, Mt. Nittany Contact Tank is not operational.

448.202 CHEMICAL PURCHASES

This line item covers the purchase of chlorine, corrosion inhibitor, and other chemicals used to treat water.

448.204 WATER ANALYSIS

This line item covers the cost of testing water samples collected throughout the entire water system at EPA and DEP approved labs.

448.206 STRUCTURE MAINTENANCE

This line item covers the costs incurred in repairing and maintaining the structures at this facility.

PUMPING

PUDDINTOWN STATION

Note: At this time, Puddintown Station is not operational.

PURIFICATION AND PUMPING EXPENSES

448.311 OPERATING SUPPLIES AND EXPENSE

At this time, the Puddintown station is not operational.

448.312 POWER PURCHASED

This account covers the cost of electricity.

448.313 EQUIPMENT MAINTENANCE

At this time, the Puddintown station is not operational.

448.314 STRUCTURE MAINTENANCE

This line item covers the costs incurred in repairing and maintaining the structures at this facility.

MATILDA BOOSTER STATION

448.321 OPERATING SUPPLIES AND EXPENSE

This line item covers the cost of light bulbs, fuses, and other operating supplies specific to this facility.

PURIFICATION AND PUMPING EXPENSES

448.322 POWER PURCHASED

This account covers the cost of electricity used in this facility for light, heat, equipment, and pumps.

448.323 EQUIPMENT MAINTENANCE

This account covers costs incurred in maintaining pumps, meters, and other equipment located at the facility.

448.324 STRUCTURE MAINTENANCE

This line item covers the costs incurred in repairing and maintaining the structures at this facility.

LEMONT BOOSTER STATION

448.331 OPERATING SUPPLIES AND EXPENSE

This line item covers the cost of light bulbs, fuses, and other operating supplies specific to this facility.

448.332 POWER PURCHASED

This account covers the cost of electricity for light, heat, equipment, and pumps.

PURIFICATION AND PUMPING EXPENSES

448.333 EQUIPMENT MAINTENANCE

This account covers costs incurred in maintaining pumps, meters, and other equipment located at the facility.

448.334 STRUCTURE MAINTENANCE

This line item covers the costs incurred in repairing and maintaining the structure at this facility.

WATER SOURCE: SPRING CREEK PARK WELL

448.361 OPERATING SUPPLIES AND EXPENSE

This account covers the cost of light bulbs, fuses, and other operating supplies specific to this facility.

448.362 POWER PURCHASED

This account covers the cost of electricity used for light, heat, equipment, and pumps.

448.363 EQUIPMENT MAINTENANCE

This account covers costs incurred in maintaining pumps, chlorine residual analyzer, chlorine feeds, and meters.

PURIFICATION AND PUMPING EXPENSES

448.364 STRUCTURE MAINTENANCE

This account covers the costs incurred in repairing and maintaining the structure at this facility.

448.365 WELL MONITORING COST

The well monitoring plan was required by DEP during a four year period from the start up of the station in November 2001 to November 2005. Therefore, nothing is budgeted for this account at this time. Provides for the services of a hydrogeologist used for various purposes from time to time.

448.367 EASEMENT COSTS

Pursuant to an easement agreement with the College Township Water Authority signed July 7, 1999, the Authority paid the Township an annual fee of \$5,000 beginning 11/29/06. The fee is to be used for park and recreation purposes. The fee adjusted in 2009 and adjusts every fifth year thereafter.

WATER SOURCE: ROGERS WELL

448.371 OPERATING SUPPLIES AND EXPENSE

This line item covers the cost of light bulbs, fuses, and other operating supplies specific to this facility.

448.372 POWER PURCHASED

PURIFICATION AND PUMPING EXPENSES

This account covers the cost of electricity used in these facilities for light, heat, equipment, and pumps.

448.373 EQUIPMENT MAINTENANCE

This account covers costs incurred in maintaining pumps, chlorine residual analyzer, chlorine feeds, and meters.

448.374 STRUCTURE MAINTENANCE

This line item covers the costs incurred in repairing and maintaining the structures at this facility.

448.375 WELL MONITORING COST

This account consists primarily of costs incurred in conducting monitoring as required by DEP. It also provides for the services of a hydrogeologist used for various purposes from time to time.

WATER SOURCE: OAK HALL WELL (OH-19)

448.391 OPERATING SUPPLIES AND EXPENSE

This account covers the cost of light bulbs, fuses, and other operating supplies specific to this facility.

448.392 POWER PURCHASED

PURIFICATION AND PUMPING EXPENSES

This account covers the cost of electricity used for light, heat, equipment, and pumps.

448.393 EQUIPMENT MAINTENANCE

This account covers costs incurred in maintaining pumps, chlorine residual analyzer, chlorine feeds, and meters.

448.394 STRUCTURE MAINTENANCE

This account covers the costs incurred in repairing and maintaining the structure at this facility.

448.395 WELL MONITORING COST

Nothing is budgeted for this account at this time.

INTERCONNECTIONS – SCBWA, PSU, AND BELLEFONTE

448. 386 PURCHASED WATER

This line item covers the cost of metered water provided by agreement with Penn State University and State College Borough Water Authority as backup sources for the CTWA water system.

448. 388 INTERCONNECTION MAINTENANCE

This line item covers the cost of maintaining backflow preventors, meter pits, and PRVs incidental to the interconnections.

Distribution System Expenses

DISTRIBUTION SYSTEM EXPENSES

	2011 AUDITED	2012 AUDITED	2013 AUDITED	2014 AUDITED	2015 AUDITED	2016 AUDITED	2017 AUDITED	2018		2019
								BUDGET	EXPECTED	PROPOSED
STORAGE-DALE ST RESERVOIR										
448.341 Operating Supplies and Expense	0	0	0	0	0	0	0	0	0	0
448.342 Power Purchased	153	150	149	150	161	170	182	200	200	200
448.343 Equipment Maintenance	26	4	85	26	0	0	26	400	0	300
448.344 Structure Maintenance	404	0	4,955	3,761	8	0	12	250	0	300
Subtotal	583	154	5,189	3,937	169	170	220	850	200	800
STORAGE-STRUBLE RD TANK										
448.351 Operating Supplies and Expense	0	0	0	0	0	0	0	0	0	0
448.352 Power Purchased	309	231	197	278	231	257	322	250	250	275
448.353 Equipment Maintenance	1,135	68	0	20	68	0	0	300	100	250
448.354 Structure Maintenance	0	0	0	0	0	0	19	200	100	200
Subtotal	1,444	299	197	298	299	257	341	750	450	725
MAINTENANCE-DISTRIBUTION SYSTEM										
448.475 Maintenance of Distribution / Trans Mains	34,924	23,601	17,111	23,887	18,323	56,404	17,317	22,000	20,400	21,500
448.490 Maintenance of Service Lines	11,623	9,652	6,689	14,911	12,835	8,249	17,825	12,000	12,600	12,175
448.495 Dumping Fees	0	1	2,943	1,890	1,079	998	2,951	3,275	2,900	3,275
448.510 Maintenance of Hydrants	695	95	4,044	821	39	3,190	1,091	1,800	2,100	1,850
448.530 Meter Supplies and Maintenance	3,525	1,535	945	891	2,571	3,125	628	1,750	3,100	3,100
448.532 PRV - Penn Hills	17	1,122	937	48	2	2,013	0	100	50	100
448.534 PRV - Independence Place	0	881	52	0	1,059	7,263	0	100	50	100
448.536 PRV - Oak Hall	0	320	3	812	72	2,775	0	200	100	200
448.537 PRV - Rockview North	75	1,103	61	0	738	10	9	100	50	100
448.538 PRV - Rockview South	0	0	0	214	147	0	0	100	50	100
448.539 PRV - Bellefonte Interconnect	0	129	216	0	0	0	0	100	50	100
448.541 PRV - Nittany Commons	0	909	0	0	0	0	0	100	50	100
Subtotal	50,859	39,348	33,001	43,474	36,865	84,027	39,821	41,625	41,500	42,700
GENERAL-DISTRIBUTION SYSTEM										
448.181 Contract Labor - College Twp Personnel	46,247	53,059	28,386	29,114	25,767	34,572	30,991	25,000	38,684	35,900
448.540 Contract Labor - Technicians	136,134	146,517	126,541	141,299	143,397	136,088	158,679	168,000	160,561	161,825
448.556 Leak Detection Services	92	0	0	0	0	0	0	1,000	0	1,000
448.575 R-O-W, Regulatory Compliance	2,314	2,492	1,369	1,191	1,418	1,412	1,370	1,400	1,350	11,400
448.648 Pa One Call Service	843	1,386	586	663	594	806	904	1,100	900	1,000
448.760 Small Tools and Minor Equipment	7,748	9,018	1,898	1,974	2,036	2,357	2,090	2,000	1,500	2,000
448.761 Repairs and Maintenance-Water Equip	7,463	11,760	11,072	13,033	20,142	10,002	15,220	13,730	7,500	14,925
448.762 Safety Equipment	265	327	0	4	0	0	0	500	100	100
Subtotal	201,106	224,559	169,852	187,278	193,354	185,237	209,254	212,730	210,595	228,150
TOTAL DISTRIBUTION SYSTEM	253,992	264,360	208,239	234,987	230,687	269,691	249,636	255,955	252,745	272,375

DISTRIBUTION SYSTEM EXPENSES

STORAGE – DALE STREET RESERVOIR

448.341 OPERATING SUPPLIES AND EXPENSE

This line item covers the cost of miscellaneous supplies specific to this facility.

448.342 POWER PURCHASED

This line item covers the electricity used for monitoring equipment and in lighting the area.

448.343 EQUIPMENT MAINTENANCE

This line item covers the cost incurred in maintaining the equipment located at this site. SCADA System components are considered to be equipment.

448.344 STRUCTURE MAINTENANCE

This line item covers the cost incurred in repairing and maintaining the reservoir and other structures at this facility.

STORAGE – STRUBLE ROAD TANK

448.351 OPERATING SUPPLIES AND EXPENSE

This line item covers the cost of miscellaneous supplies specific to this facility.

DISTRIBUTION SYSTEM EXPENSES

448.352 POWER PURCHASED

This line item covers the electricity used for monitoring equipment and in lighting the area.

448.353 EQUIPMENT MAINTENANCE

This line item covers the cost incurred in maintaining the equipment located at this site. SCADA System components are considered to be equipment.

448.354 STRUCTURE MAINTENANCE

This line item covers the cost incurred in repairing and maintaining the above ground storage tank located at Struble Road.

MAINTENANCE – DISTRIBUTION SYSTEM

448.475 MAINTENANCE OF DISTRIBUTION/TRANSMISSION MAINS

Distribution waterlines deliver water to and through specific areas and to individual customers. Costs incurred in repairing distribution water mains and appurtenances, such as blow-offs and gate valves, in the distribution system are recorded here.

Transmission waterlines are those primary routes where large flows of water are expected to be conveyed across a pressure zone and typically extend from the water source to and from storage/booster facilities, and beyond to areas of high water demand. The costs involved in repairing and maintaining the various transmission lines throughout the water system are recorded here.

DISTRIBUTION SYSTEM EXPENSES

448.490 MAINTENANCE OF SERVICE LINES

This line item covers the costs incurred in maintaining service lines, curb stops, main corporations, and curb boxes in the distribution system.

448.495 DUMPING FEES

Excavated waste material from project and maintenance work is hauled to the CMJ Trucking & Construction fill site along Shiloh Road. The current dumping fee is \$35.00 per truck load. It is estimated for 2019 that 65 truckloads of waste material will be hauled to the site for a total cost of \$2,275. An additional \$1,000 is added for the rental of trucks to haul material to the Shiloh site from the temporary dump site at the Mt. Nittany Road shale pit area.

448.510 MAINTENANCE OF HYDRANTS

This item covers the cost incurred in maintaining, including painting fire hydrants.

448.530 METER SUPPLIES AND MAINTENANCE

This line item covers the costs incurred testing and calibrating meters as well as parts needed to maintain meters in good working condition.

448.532 PRV – PENN HILLS

This line item covers the cost in maintaining the pressure reducing valve located at Penn Hills.

DISTRIBUTION SYSTEM EXPENSES

448.534 PRV – INDEPENDENCE PLACE

This line item covers the cost in maintaining the pressure reducing valve located at Independence Place.

448.536 PRV – OAK HALL

This line item covers the cost in maintaining the pressure reducing valve located at Baldwin Street for the Oak Hall system.

448.537 PRV - ROCKVIEW NORTH

This line item covers the cost in maintaining the pressure reducing valve located at Rockview North.

448.538 PRV - ROCKVIEW SOUTH

This line item covers the cost in maintaining the pressure reducing valve located at Rockview South.

448.539 PRV - BELLEFONTE INTERCONNECT

This line item covers the cost in maintaining the pressure reducing valve located at Bellefonte Interconnect.

448.541 PRV – NITTANY COMMONS

This line item covers the cost in maintaining the pressure reducing valve located at Nittany Commons.

DISTRIBUTION SYSTEM EXPENSES

GENERAL – DISTRIBUTION SYSTEM

448.181 CONTRACT LABOR – COLLEGE TOWNSHIP PERSONNEL

This line item covers the labor charges incurred when College Township personnel are needed for various projects or to assist with system maintenance. Labor cost associated with capital projects is added to the cost of the project.

448.540 CONTRACT LABOR – TECHNICIANS

This line item covers the cost of labor charges, including scheduled overtime, for four full-time service technicians. Whenever technicians perform services for College Township, leaf collection for example, their time is charged to the Township. Labor cost associated with capital projects is added to the cost of the project.

448.556 LEAK DETECTION SERVICES

This line item covers the costs incurred in employing an independent company to identify leaks in the water system.

448.575 R-O-W, REGULATORY COMPLIANCE

This line item covers the cost of acquiring right of ways, producing the annual consumer confidence report, various permits required by state and federal regulatory bodies, fees associated with DEP, and CDL license expenses. Included in the budget amount is a Safe Water Drinking Fee (SDW) in the amount of \$10,000. This annual fee is assessed by the PA DEP and is based on population served.

448.648 PA ONE CALL SERVICE

This line item covers the monthly per fax charge for identifying underground facilities.

DISTRIBUTION SYSTEM EXPENSES

448.760 SMALL TOOLS AND MINOR EQUIPMENT

This line item covers the cost of acquiring and maintaining small tools used in every day operation.

448.761 REPAIRS AND MAINTENANCE – WATER EQUIPMENT

This line item covers the cost of maintaining specialized water system equipment such as the SCADA System, Chlorine Analyzers, Turbidimeters and gas chlorination equipment. For 2019, the following costs are as follows:

Hach Company Service Agreement - \$4,825

This agreement will provide four on-site preventive maintenance visits per year, once each quarter, to service the chlorine analyzers and the turbidimeters at the Spring Creek Park Station and Rogers Well. Each visit includes cleaning, calibration and the replacement of any necessary parts to keep the units functioning properly and in compliance with all DEP regulations. Any emergency visits required in between regular scheduled maintenance visits to service or repair the units would also be included in this agreement.

Tri-Star – SCADA Maintenance Agreement - \$5,100

This agreement will provide two working days/trips per year as requested by a Tri-Star technician to verify proper operation of all SCADA controls, instruments and related equipment including annual calibration of equipment to ensure accurate measuring and transmitting of data. This agreement does not provide for any miscellaneous repair of equipment or replacement parts if needed. \$2,000 has been included to correct an existing installation error.

Tri-Star Agreement	\$3,100
Repairs/Parts	<u>\$2,000</u>
	\$5,100

DISTRIBUTION SYSTEM EXPENSES

De Nora Service and Maintenance Plan - \$3,900

This service and maintenance plan provides one visit per calendar year for a De Nora representative to perform preventative maintenance, calibration and repair if necessary of the gas chlorination system cylinder mounted chlorine vacuum regulators, vacuum switchover modules, remote meter panels, secondary check valves and ejector check valves.

De Nora Service and Maintenance Plan	\$ 1,100
Repairs/Parts	<u>\$ 2,800</u>
	\$ 3,900

Cleveland Brothers Generator Maintenance Plan - \$1,100

This service and maintenance plan provides one visit per calendar year to perform inspections and preventative maintenance on the trailer mounted standby generator and the Lemont Booster Station standby generator.

448.762 SAFETY EQUIPMENT

In 2004, College Township formed a safety committee.

The purpose of the College Township Safety Committee is to bring workers and management together in a non-adversarial, cooperative effort to detect hazards, correct workplace hazards and increase safety awareness in the workplace. \$500 is budgeted for items identified by the committee during 2019 that will serve to increase safety in the work place.

General Expenses

GENERAL EXPENSES

	2011 AUDITED	2012 AUDITED	2013 AUDITED	2014 AUDITED	2015 AUDITED	2016 AUDITED	2017 AUDITED	2018		2019
								BUDGET	EXPECTED	PROPOSED
OFFICE										
448.600 Contract Labor - Billing and Cust Serv	47,037	54,269	58,115	55,398	54,168	55,600	57,875	61,000	59,780	62,600
448.605 Contract Labor - College Twp Personnel	11,942	12,809	12,856	13,735	14,139	11,544	14,205	13,000	16,042	15,000
448.610 Contract Labor - Meter Reading	9,444	6,836	7,880	9,868	4,694	2,376	2,599	3,000	2,300	2,700
448.612 Professional Employment Services	0	0	0	0	0	0	8	0	0	0
448.620 Office and Other Supplies	2,303	2,661	1,949	2,562	2,810	1,498	2,321	2,400	2,200	2,200
448.621 Computer and Software Maintenance	6,818	5,271	4,493	4,568	6,471	4,888	4,775	0	0	0
448.625 Postage and Freight Charges	4,351	4,963	5,277	5,400	5,441	5,492	5,123	5,500	5,900	6,000
448.641 Advertising	1,836	212	1,263	286	1,013	372	1,222	1,000	400	900
448.643 IT Services/Support/Software	1,727	1,674	2,094	1,778	2,641	2,330	2,960	7,296	8,600	9,100
448.645 Telephone	1,794	2,450	2,052	2,134	1,885	937	812	900	1,000	900
448.647 Cellular Phone	985	633	712	939	575	610	692	750	600	700
448.655 Uncollectible Accounts	-651	5,660	4,161	27,603	3,478	-1,145	-252	0	0	0
Subtotal	87,586	97,438	100,852	124,271	97,315	84,502	92,340	94,846	96,822	100,100
GENERAL PROPERTY										
448.702 Vehicle Repairs and Maintenance	3,485	3,110	4,315	3,969	3,300	1,479	1,129	2,500	8,600	3,000
448.731 Vehicle Fuels: Gas, Diesel, Oil, Etc	7,322	9,022	10,170	10,716	6,761	5,370	5,199	6,800	6,600	6,700
448.735 Repairs of Tools and Machinery	387	563	991	483	416	732	2,760	1,000	800	900
448.740 Materials and Supplies	1,748	2,219	7,226	3,026	945	1,588	305	2,500	2,200	2,300
448.765 Radio/Paging Equipment and Maint	384	0	0	0	152	0	0	0	100	100
448.770 Rental of Equipment	7,356	910	1,275	5,955	8,490	3,349	4,165	5,000	4,750	4,500
Subtotal	20,682	15,824	23,977	24,149	20,064	12,518	13,558	17,800	23,050	17,500
ENGINEERING AND PROFESSIONAL										
448.810 Engineering - Consulting	40,602	40,333	24,285	32,470	32,616	48,009	31,138	35,000	40,500	37,500
448.818 Engineering - Inspection	0	0	0	4,387	0	0	0	0	0	0
448.840 Accounting and Audit	12,475	14,684	14,810	18,187	16,000	13,450	14,545	15,250	14,545	16,000
448.845 Legal	8,470	7,516	12,669	7,722	7,261	5,899	6,933	9,000	6,300	6,500
448.850 Professional - Other	0	1,200	1,200	1,200	1,914	3,482	4,117	2,500	8,900	4,000
Subtotal	61,547	63,733	52,964	63,966	57,791	70,840	56,733	61,750	70,245	64,000

GENERAL EXPENSES

	2011	2012	2013	2014	2015	2016	2017	2018		2019
	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	BUDGET	EXPECTED	PROPOSED
TAXES, BENEFITS, AND INSURANCE										
448.615 Training - Distribution and Office	488	0	1,377	1,465	1,725	1,275	1,125	1,200	1,100	1,200
448.618 Conventions	1,020	1,020	0	0	0	0	0	1,000	0	500
448.738 Clothing and Uniforms	2,614	2,263	2,973	2,450	2,434	2,628	1,710	2,700	1,900	2,500
448.802 Dues, Subscriptions, and Memberships	2,202	2,260	2,487	2,493	2,499	2,705	2,711	2,800	2,800	2,800
448.855 Insurance Policies	22,063	25,384	32,294	27,546	16,206	19,285	16,545	20,000	19,400	20,000
448.858 Workers' Compensation Insurance	8,790	7,259	10,151	10,651	12,128	11,113	9,817	11,750	9,134	10,000
448.860 Pension Expense	14,305	15,351	15,737	16,300	16,780	16,213	14,068	15,908	16,650	19,747
448.865 Bond	152	0	0	152	141	164	164	175	164	175
448.870 Medical / Dental / Vision Insurance	79,108	78,083	87,833	100,158	110,066	104,515	110,742	119,000	126,735	132,750
448.871 Health Insurance Opt-Out Program	0	3,209	3,326	3,796	4,189	4,377	2,867	2,200	2,200	2,500
448.875 Group Term Life/Disability Insurance	3,552	4,127	4,036	3,079	3,208	3,138	3,768	3,600	3,700	3,000
448.880 Payroll Taxes - FICA	15,148	20,041	19,427	18,582	18,822	18,145	19,705	20,000	21,700	21,000
448.881 Unemployment Compensation Insurance	1,181	647	2,943	4,292	3,246	2,218	832	1,225	1,200	1,200
Subtotal	150,623	159,644	182,584	190,964	191,444	185,776	184,054	201,558	206,683	217,372
MISCELLANEOUS										
448.885 Operational and Management Agreement	77,160	78,960	81,540	83,556	85,872	88,560	91,392	94,212	94,212	104,616
480.470 Miscellaneous	133	2	6	89	15,118	2,011	86	500	1,293	600
481.460 Board, Staff, and Professional Meetings	0	0	0	0	0	0	0	100	0	100
493.895 Loss (Gain) on Disposal of Assets	0	0	0	0	-	-	-	0	0	0
Subtotal	77,293	78,962	81,546	83,645	100,990	90,571	91,478	94,812	95,505	105,316
TOTAL GENERAL EXPENSE	397,731	415,601	441,923	486,995	467,604	444,207	438,163	470,766	492,305	504,288

GENERAL EXPENSES

OFFICE

448.600 CONTRACT LABOR – BILLING AND CUSTOMER SERVICE

In accordance with section 5.7 of the management agreement, the Authority reimburses the Township for all non-exempt Township employees' time associated with obligations of the Authority. This account covers the cost of the Customer Service Specialist and approximately 50% of the Finance Office Assistant's wages. In prior years, prior to reassignment of EIT collection to the Centre Tax Agency, a larger percentage of the Finance Office Assistant's wages were allocated to the tax department.

448.605 CONTRACT LABOR – COLLEGE TOWNSHIP PERSONNEL

This line item covers time spent by non-exempt personnel in the performance of duties other than billing and customer service. Such duties include payables, budget preparation support, special project accounting, and scheduled overtime incurred for attendance at Authority meetings by the recording secretary.

448.610 CONTRACT LABOR – METER READER

This line item covers the wages incurred for the part-time meter reader (non-exempt) which requires approximately 400 hours per year. In addition to reading meters, this position performs other maintenance functions such as mowing, trimming, weeding, and painting from time to time. Also covered by this account is the cost of reimbursing the meter reader for using a personal vehicle for Authority business.

448.612 PROFESSIONAL EMPLOYMENT SERVICES

The Authority reimburses the Township for the cost of temporary employee services that are needed from time to time.

GENERAL EXPENSES

448.620 OFFICE AND OTHER SUPPLIES

This line item covers the cost of routine office, computer, and other miscellaneous supplies used in the day-to-day operations.

448.621 COMPUTER AND SOFTWARE MAINTENANCE

Please refer to the narrative for 448.643.

448.625 POSTAGE AND SHIPPING CHARGES

This line item covers the cost of postage, mailing services, and shipping charges.

448.641 ADVERTISING

This line item covers the cost incurred for advertising meetings, notifications, and employment opportunities.

448.643 IT SERVICE / SUPPORT / SOFTWARE

Beginning with 2018, this account captured all costs associated with information technology support, service, and software that is not capital in nature (i.e. new acquisition).

GENERAL EXPENSES

448.645 TELEPHONE

This line item covers the cost of monthly local/long distance service and required modem lines.

448.647 CELLULAR PHONE

This line item covers the cost of a cellular phone used by the Manager and a Water Technician. Personal use is reimbursed via payroll deductions.

448.655 UNCOLLECTIBLE ACCOUNTS

This line item covers the cost of employing an outside collection firm in collecting delinquent accounts.

GENERAL PROPERTY

448.702 VEHICLE REPAIRS AND MAINTENANCE

This line item covers 100% of the cost of repairing and maintaining licensed vehicles and off road equipment such as the excavator, owned by the Authority. Where title is shared with the Township, upkeep costs are shared equally.

448.731 VEHICLE FUELS: GAS, DIESEL, OIL, ETC.

This line item covers the cost of fuel and other consumable items in the operation of Authority owned vehicles and equipment. Where title is shared with the Township, these costs are shared equally.

GENERAL EXPENSES

448.735 REPAIRS OF TOOLS AND MACHINERY

This account captures the costs of repairing machinery and tools owned by the Authority.

448.740 MATERIALS AND SUPPLIES

This line item covers materials and supplies not accounted for anywhere else.

448.765 RADIO AND PAGING EQUIPMENT AND MAINTENANCE

The Authority utilizes the Township's radio trunking system which is provided at no charge through the County. Each service vehicle and the backhoe have a radio. This account is used to record the cost associated with this communication equipment.

448.770 RENTAL OF EQUIPMENT

This line item covers the cost of equipment rental in emergency type situations. Equipment rented from the Township is based on an equipment rental rate schedule. Rental cost associated with projects is included in the cost of the project.

ENGINEERING AND PROFESSIONAL

448.810 ENGINEERING - CONSULTING

GENERAL EXPENSES

This line item covers the charges from the consulting engineer for routine engineering services such as meeting attendance, completion of the annual loss water report, completion of the annual water system report for the Trustee, SRBC Quality Withdrawal report, etc. Charges related to projects such as design and construction management are added to the cost of these projects.

448.840 ACCOUNTING AND AUDIT

Outside auditor services in auditing the Authority's 2018 financial statements and preparing the 2018 Annual Report of Municipal Authorities is expected to cost \$13,500. An estimate of \$2,500 is included for professional consultation on other financial issues.

448.845 LEGAL

This budget item covers the cost for the Authority's solicitor plus other legal services that are requested during the year.

448.850 PROFESSIONAL - OTHER

In 2017, the Authority utilized the services of a hydrologist to assist with the execution of a plan for the installation of a utility in the vicinity of our well head.

Along with other possible services, it is expected that there will be an outlay of approximately \$1,000, representing the Authority's share of the cost of maintaining a web site developed by the Water Resources Monitoring Committee regarding source water education.

GENERAL EXPENSES

TAXES, BENEFITS, AND INSURANCE

448.615 TRAINING – DISTRIBUTION AND OFFICE

This line item covers the training costs of providing services or personnel certified with the appropriate class and type of certification under the Sewage Treatment Plant and Waterworks Operators Certification Act of 1968. Also, the manager authorizes non-exempt staff members' attendance at courses and seminars that will enhance their job performance. This line item is used for this purpose, as well as training for Authority board members.

448.618 CONVENTIONS

This line item covers the cost of attending the annual PRWA conference and the cost of the appointed officials and/or the manager attending the annual PMAA Conference and other selected seminars.

448.738 CLOTHING AND UNIFORMS

This account covers the following for the Authority's technicians: 1) renting and laundering uniforms, 2) \$300 bi-annual boot allowance, 3) winter jacket replacement allowance, 4) insignia shirts for field identification and 5) \$350 bi-annual safety glasses allowance.

448.802 DUES, SUBSCRIPTIONS, AND MEMBERSHIPS

This line item covers membership in the Pennsylvania Municipal Authorities Association, the Pennsylvania Rural Water Association, and the American Water Association. In addition, \$100 is budgeted for reference sources and miscellaneous subscriptions.

GENERAL EXPENSES

448.855 INSURANCE POLICIES

The Authority maintains public liability, property damage, and workers' compensation insurance. This account covers the cost of all insurance, including the Authority's share of the public official's liability insurance, other than the premiums for workers' compensation insurance which is recorded in account #448.858.

448.858 WORKERS' COMPENSATION INSURANCE

In accordance with section 6.3 of the management agreement, the Township maintains adequate workers' compensation coverage for their employees assigned to performing the obligations of the Township. This account records the annual invoice to the Authority for their portion of the premium.

448.860 PENSION EXPENSE

This line item covers the Authority's share of the cost of providing a pension for the Township employees. The amount budgeted is based on the Minimum Municipal Obligation (MMO) Certification that is completed in September, annually.

448.865 BOND

This represents the cost of bonding those individuals charged with the responsibility of handling funds relating to the Water System.

448.870 MEDICAL/ DENTAL/VISION INSURANCE

Vision:

GENERAL EXPENSES

This line item covers the Authority's share of the cost of providing a vision plan for township employees. Any incremental cost of adding family members will be the sole responsibility of the employee.

Health/Dental:

This line item covers the Authority's share of the cost of providing health and dental insurance coverage for the township employees. The monthly premiums for 2014 - 2019 prior to employee contributions are as follows:

	Health		Dental	
	<u>Single</u>	<u>Family</u>	<u>Single</u>	<u>Family</u>
2019	1,251.99	2,923.91	27.40	88.13
2018	1,114.03	2,590.48	27.40	88.13
2017	1,039.39	2,381.72	26.60	85.56
2016	961.12	2,195.53	25.65	82.51
2015	921.52	2,097.58	25.65	82.51
2014	835.74	1,892.72	32.39	100.66

The township deducts a portion of the cost of the premium from the employee's paycheck.

448.871 HEALTH INSURANCE OPT-OUT PROGRAM

Starting in 2012, employees who choose to opt-out of the Township's health insurance will receive 20% of the Township's cost to cover the employee who has single coverage, or employee and family if they have family coverage. This will only apply to health insurance, and not to dental or vision coverage. Also, the additional payment to employee will not be included in their regular salary for pension purposes.

GENERAL EXPENSES

448.875 GROUP TERM LIFE/DISABILITY INSURANCE

This line item covers the Authority's share of the cost of providing life, accident, both short-term and long-term disability insurance for the Township's regular, full-time employees.

448.880 PAYROLL TAXES – FICA

This item covers the Authority's share of the social security and Medicare taxes on employee wages. The 2019 social security rate is 6.2% of gross earnings up to \$132,900 per employee. The 2019 Medicare rate is 1.45% of gross earnings (no limit). Beginning 1/1/2013, additional .9% Medicare tax went into effect, but due to high income thresholds, this additional tax is not expected to impact College Township employees

448.881 UNEMPLOYMENT COMPENSATION INSURANCE

This covers the Authority's share of unemployment insurance, which is calculated to be 1.8% of an employee's first \$10,000 of earnings.

MISCELLANEOUS

448.885 OPERATIONAL AND MANAGEMENT AGREEMENT

College Township provides operation and management of the water system to the Authority pursuant to an AGREEMENT FOR MANAGEMENT SERVICES dated September 23, 1998. In accordance with section 5.8.1 of that agreement, the reimbursement rate has been reviewed and will be \$8,718 per month.

GENERAL EXPENSES

480.470 MISCELLANEOUS

This line item includes \$500 for the cost of other miscellaneous or one-time expenses that cannot be directly allocated to another budget item

481.460 BOARD, STAFF AND PROFESSIONAL MEETINGS

This item covers the cost of lunch for working luncheon meetings.

Non-Operating Income (Expense)

NON-OPERATING INCOME (EXPENSE)

	2011	2012	2013	2014	2015	2016	2017	2018		2019
	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	BUDGET	EXPECTED	PROPOSED
NON-OPERATING INCOME (EXPENSE)										
341.000 Investment Income	4,824	949	7,383	8,679	8,384	1,857	21,885	22,000	17,661	25,000
341.050 Investment Income - SCI Rockview	0	0	0	0	0	0	0	0	0	0
379.200 Contribution in Aid of Construction						0	0	0	0	0
NET NON-OPERATING INCOME (EXP)	4,824	949	7,383	8,679	8,384	1,857	21,885	22,000	17,661	25,000

NON-OPERATING INCOME

341.000 INVESTMENT INCOME

This category accounts for interest earnings generated from carrying balances in Authority bank accounts as well as short term and long term investment of surplus funds in allowable investments.

Capital Budget

College Township Water Authority
 PLANNED CONSTRUCTION PROJECTS AND CAPITAL ASSET PURCHASES FOR 2019

	2019 FUNDING		
	All Other Available Funds	CNB Drawdown Loan	Total
<u>Water System Upgrade Projects</u>			
Houserville Road	\$ -	\$ 50,000	\$ 50,000
East Branch Road	\$ -	\$ 160,000	\$ 160,000
Oak Hall Well Development Continuation	\$ -	\$ 100,000	\$ 100,000
<u>Water System Maintenance/Repairs</u>			
Orchard Rd Pump House: Building Maintenance/Site Restoration	\$ 1,500	\$ -	\$ 1,500
Rogers Well Turbidimeter	\$ 3,000	\$ -	\$ 3,000
<u>Capital Asset Purchases</u>			
Backflow Prevention Program and Commercial Meters	\$ 23,000	\$ -	\$ 23,000
Fire Hydrant Markers	\$ 2,375	\$ -	\$ 2,375
Replace Primary and Backup SCADA PC'S	\$ 12,500	\$ -	\$ 12,500
TOTALS	<u>\$ 42,375</u>	<u>\$ 310,000</u>	<u>\$ 352,375</u>

Estimated Costs for Future Projects & Equipment (Prioritized in order)

1	Spring Creek Well Turbidimeter	\$ 3,000
2	Replace Chlorine Vacuum Regulators (4 EA at \$1,409)	\$ 5,636
3	Puddintown Road	\$ 80,000
4	Clyde Avenue	\$ 60,000
5	Green Acres Lane	\$ 20,000
6	Rainlo Street, Oakwood Drive and Norle Street	\$ 20,000
7	Lenape Lane	\$ 25,000
8	Penn Hills PRV Vault Replacement	\$ 30,000
9	Struble Road Storage Tank Perimeter Security Fencing	\$ 25,000
10	Shady Dr to Rainlo St 8" Connection	\$ 50,000
11	Elm St to Merryhill Rd 8" Ductile Iron	\$ 50,000
12	8" RAW Water Tie-in to High Service Line - Mountain Rd	\$ 30,000
13	OH-20 CONTINUED Development	\$ 1,500,000
14	OH-20 Distribution Upgrades	\$ 1,000,000
15	Replace 6" AC Line Squirrel Drive	\$ 150,000
16	Single Axle Dump Truck	\$ 40,000
17	Jim Everhart Service Line Replacement	\$ 40,000
		<u>\$ 3,128,636</u>

CONSTRUCTION PROJECTS/CAPITAL ASSET PURCHASES

2019 WATER SYSTEM UPGRADE PROJECTS

NOTE: Estimates of Project Costs include contract costs, in-house labor, engineering, and other "soft" costs.

HOUSERVILLE ROAD - \$50,000

Replace approximately 400 LF of existing 4" AC line along Houserville Road, from Scholl Street to Gibbons Street, with 8" ductile iron pipe. Replace four service line connections. This project will complete the construction of the 8" main line along Houserville Road.

EAST BRANCH ROAD - \$160,000

Replace approximately 1,300 LF of 6" asbestos cement main line pipe with 8" ductile iron pipe from Norle Street to the E. Branch Road Bridge over the Mt. Nittany Expressway. Replace nine short side service line connections and 5 long side service line connections.

OAK HALL WELL DEVELOPMENT CONTINUATION - \$100,000

The following activities are expected to be performed in 2019 to continue the process of connecting Oak Hall Well (OH-20) to the distribution system: Discharge permits for pump test, conduct pump test (including water samples, and Dr. Parizek/Entech services during pump test. Costs are expected to be \$100,000 for the year.

2019 WATER SYSTEM MAINTENANCE/REPAIRS

ORCHARD ROAD PUMP HOUSE: BUILDING MAINTENANCE- \$1,500

CONSTRUCTION PROJECTS/CAPITAL ASSET PURCHASES

Although the Orchard Road Pump House is currently not in use, the building is in poor condition and needs maintenance. The building will be pressured washed, painted if necessary, and the roof and gutters will be repaired to make the site more aesthetically pleasing.

ROGERS WELL: TURBIDIMETER - \$3,000

Replacement of the existing Hach 1720E Turbidimeter with the Hach TU5300 Turbidimeter.

Spring Creek Well Turbidimeter will be replaced in 2020.

2019 CAPITAL ASSET PURCHASES

CROSS CONNECTION CONTROL/BACKFLOW PREVENTION PROGRAM - \$23,000

This program was started in 2009 to inspect customer interior water service connections for compliance with CTWA Rules and Regulations for the proper installation of backflow prevention devices and overall correct meter set area plumbing. Residential inspections are completed.

In 2018, CTWA completed the non-fire commercial meter inspections. In 2019, CTWA will coordinate with PAWSC to complete the fire meter inspections and also start replacing commercial meters. CTWA has set aside approximately \$23,000 to address this issue. This includes \$13,000 to replace high use (top 15) commercial meters that are more than 10 years old.

Fire Hydrant Markers - \$2,375

CONSTRUCTION PROJECTS/CAPITAL ASSET PURCHASES

There are currently 254 fire hydrants within the distribution system. Some of the fire hydrant markers are missing or broken, and on most of the remaining markers, the reflective tape has degraded. In 2018, CTWA replaced 125 of the older markers, with the remaining markers to be replaced in 2019. Cost is \$19.00 each.

(2) SCADA PC'S - \$12,500

Replace 2 pc's used solely in conjunction with the SCADA system. One of the pc's is used as a fully functional spare.

FUTURE PROJECTS

SPRING CREEK WELL: TURBIDIMETER - \$3,000

Replacement of the existing Hach 1720E Turbidimeter with the Hach TU5300 Turbidimeter.

REPLACE CHLORINE VACUUM REGULATORS - \$5,636

The service agreement for the Chlorine Gas Equipment recommended replacing our Vacuum Regulators. These are 4 EA and they cost \$1,409 each.

PUDDINTOWN ROAD - \$80,000

CONSTRUCTION PROJECTS/CAPITAL ASSET PURCHASES

Install approximately 800 LF of 8" ductile iron pipe from Meadow Lane to Spring Creek Lane to complete a main line loop in the distribution system to the Houserville Area. Connect five ¾" service lines and connect the 2" main line at Spring Creek Lane to the new 8" line.

CLYDE AVENUE - \$60,000

Construct approximately 610 lineal feet of 8" ductile iron pipe from the fire hydrant at the Waskob Industrial Park to the existing fire hydrant on Clyde Avenue to complete a main line loop in the distribution system in this area. This connection will improve the fire flow capacity at both fire hydrants.

GREEN ACRES LANE - \$20,000

Replace existing 2" steel line with 2" CTS plastic pipe. Replace service line connections.

RAINLO STREET, OAKWOOD DRIVE AND NORLE STREET - \$20,000

Install new service lines from existing main lines along these streets to properties currently connected to back-lot 1" and 2" steel lines. This change in location of the service line to the properties will require plumbing modifications inside each residence. After all properties are connected to the larger main lines along the streets, the 1" and 2" line would be abandoned in place.

LENAPE LANE LINE REPLACEMENT - \$25,000

Replace approximately 700 LF of existing 2" Galvanized Steel Pipe with 2" CTS Pipe. Replace three service line connections.

CONSTRUCTION PROJECTS/CAPITAL ASSET PURCHASES

PENN HILLS PRV VAULT - \$30,000

Replace existing Penn Hills PRV Vault with larger vault and new 8" PRV Valve and appurtenances.

STRUBLE ROAD STORAGE TANK PERIMETER SECURITY FENCING - \$25,000

Install perimeter security fencing with access gate at the driveway.

SHADY DRIVE TO RAINLO STREET CONNECTION - \$50,000

Install approximately 400 LF of 8" Ductile Iron Pipe along East Branch Road to connect existing 8" water from Shady Drive to Rainlo Street. Replace five service line connections.

ELM STREET TO MERRYHILL ROAD CONNECTION - \$50,000

Install approximately 300 LF of 8" Ductile Iron Pipe to connect existing 8" water from Elm Street to Merryhill Road. Replace one service line connections.

MOUNTAIN ROAD TIE-IN - - \$30,000

Tie-In existing abandoned 8" RAW Water Line from Chlorine Contact Tank to High Service Line. This will allow the 4" Asbestos Cement Line running along the power line from Thompson Street to Mountain Road to be abandoned in place.

OH-20 DESIGN & CONSTRUCTION - \$1,500,000

CONSTRUCTION PROJECTS/CAPITAL ASSET PURCHASES

Develop a third water supply well for the CTWA system in the vicinity of the village of Oak Hall.

OH-20 DISTRIBUTION UPGRADES - \$1,000,000

Upgrades to connect the OH-20 to the distribution system.

REPLACE 6" AC LINE SQUIRREL DRIVE - \$150,000

Replace approximately 1,345 LF of 6" AC pipe on Squirrel Drive from E. College Avenue to Oakridge Avenue to improve fire flow to the higher elevation of Oakridge Avenue.

LATE MODEL USED SINGLE AXLE DUMP TRUCK - \$40,000

This additional dump truck would be used for general hauling purposes during maintenance, repair and project work on the distribution system, hauling excavated spoil material and hauling various aggregate backfill materials. The purchase of this truck would reduce truck rental costs.

EVERHART SERVICE LINE REPLACEMENT - \$40,000

Install approximately 1,400 LF of 2" CTS to relocate existing 1.5" Schedule 40 Glued PVC service line that is installed in Cedar Run. This line serves the Everhart property.

Appendix

Appendix

Appendix 1: Debt Service Schedule

Appendix 2: Top 10 Users

Appendix 3: Gallons Produced, Billed and Unaccounted

Appendix 4: Water System Revenue and Rate History

Appendix 5: Other Key Statistics (Customers, Gallons Per Day, Debt Coverage)

Appendix 6: Equipment Replacement Schedule

College Township Water Authority
General Obligation Note, Series of 2015

Total Issue

	30	31	32	33	34	35	36	37	38	39
							Less: Deposit to Debt Service Fund	Net Annual Debt Service	Existing Annual Net Debt Service	Difference
Date	Principal	Rate	Interest	Debt Service	Debt Service	Debt Service				
12/8/2015										
1/1/2016						0.00			360,731.46	360,731.46
7/1/2016		1.98	111,650.00	111,650.00			111,650.00			
1/1/2017	487,700	1.98	99,000.00	586,700.00	698,350.00		99,000.00	487,700.00	715,405.57	227,705.57
7/1/2017		1.98	94,171.77	94,171.77						
1/1/2018	528,700	1.98	94,171.77	622,871.77	717,043.54			717,043.54	714,830.57	-2,212.97
7/1/2018		1.98	88,937.64	88,937.64						
1/1/2019	539,100	1.98	88,937.64	628,037.64	716,975.28			716,975.28	717,870.57	895.29
7/1/2019		1.98	83,600.55	83,600.55						
1/1/2020	549,800	1.98	83,600.55	633,400.55	717,001.10			717,001.10	714,095.57	-2,905.53
7/1/2020		1.98	78,157.53	78,157.53						
1/1/2021	560,700	1.98	78,157.53	638,857.53	717,015.06			717,015.06	719,060.57	2,045.51
7/1/2021		2.98	109,276.60	109,276.60						
1/1/2022	498,400	2.98	109,276.60	607,676.60	716,953.20			716,953.20	717,395.57	442.37
7/1/2022		2.98	101,850.44	101,850.44						
1/1/2023	513,300	2.98	101,850.44	615,150.44	717,000.88			717,000.88	714,715.57	-2,285.31
7/1/2023		2.98	94,202.27	94,202.27						
1/1/2024	528,600	2.98	94,202.27	622,802.27	717,004.54			717,004.54	715,723.07	-1,281.47
7/1/2024		2.98	86,326.13	86,326.13						
1/1/2025	544,300	2.98	86,326.13	630,626.13	716,952.26			716,952.26	715,465.57	-1,486.69
7/1/2025		2.98	78,216.06	78,216.06						
1/1/2026	560,600	2.98	78,216.06	638,816.06	717,032.12			717,032.12	718,903.07	1,870.95
7/1/2026		3.68	86,273.92	86,273.92						
1/1/2027	544,400	3.68	86,273.92	630,673.92	716,947.84			716,947.84	716,103.07	-844.77
7/1/2027		3.68	76,256.96	76,256.96						
1/1/2028	564,500	3.68	76,256.96	640,756.96	717,013.92			717,013.92	717,233.07	219.15
7/1/2028		3.68	65,870.16	65,870.16						
1/1/2029	585,300	3.68	65,870.16	651,170.16	717,040.32			717,040.32	716,433.07	-607.25
7/1/2029		3.68	55,100.64	55,100.64						
1/1/2030	606,800	3.68	55,100.64	661,900.64	717,001.28			717,001.28	161,837.89	-555,163.39
7/1/2030		3.68	43,935.52	43,935.52						
1/1/2031	629,100	3.68	43,935.52	673,035.52	716,971.04			716,971.04		-716,971.04
7/1/2031		4.18	36,756.83	36,756.83						
1/1/2032	643,500	4.18	36,756.83	680,256.83	717,013.66			717,013.66		-717,013.66
7/1/2032		4.18	23,307.68	23,307.68						
1/1/2033	516,300	4.18	23,307.68	539,607.68	562,915.36			562,915.36		-562,915.36
7/1/2033		4.18	12,517.01	12,517.01						
1/1/2034	537,900	4.18	12,517.01	550,417.01	562,934.02			562,934.02		-562,934.02
7/1/2034		4.18	1,274.90	1,274.90						
1/1/2035	61,000	4.18	1,274.90	62,274.90	63,549.80			63,549.80		-63,549.80
Totals	10,000,000		2,642,715.22	12,642,715.22	12,642,715.22		210,650.00	12,432,065.22	9,835,804.29	
	10,000,000		2,642,715.22	12,642,715.22	12,642,715.22		210,650.00	12,432,065.22	9,835,804.29	

SEE IMPROVEMENT
NOTE AT BOTTOM



Note: Interest expense reflected on this schedule assumes the full \$10million was drawn at closing. Because there is approximately \$2.1 million that will be drawn down as required to fund projects, actual interest expense will be lower than reflected up until the interest payment due 7/1/19.

College Township Water Authority
 Top 10 Customers - Calendar Year 2017

Customer	Service Address	Billed Gallons	Usage	Fire Service	Gallons	Revenue	REVENUE
Centre Concrete Company	2280 E. College Ave	7,312,000	\$48,990				\$ 48,990
BVRE LP	1329 Dreibelbis St	6,312,000	\$42,290				\$ 42,290
Giant Food Stores	2222 E. College Ave	4,235,000	\$28,375	\$ 5,937			\$ 34,312
The Green Hotel	1221 E. College Ave	3,357,000	\$22,492	\$ 2,968			\$ 25,460
Channel Communications	2820 E. College Ave	3,171,000	\$21,246	\$ 5,937			\$ 27,183
Hampton Inn	1101 E. College Ave	2,795,000	\$18,727	\$ 3,171			\$ 21,898
Decibel Partnership	60 Decibel Road	2,618,000	\$17,541	\$ 2,968			\$ 20,509
Highland Holding Group	1357 E. College Ave	2,414,000	\$16,174	\$ 7,966			\$ 24,140
Wal-Mart Stores	373 Benner Pike	1,787,000	\$11,973	\$ 7,154			\$ 19,127
BVRE LP	1378 Trout Road	1,344,000	\$ 9,005				\$ 9,005

College Town Water Authority
 Gallons Produced, Billed and Unaccounted

	Year Ended - December 31				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Gallons Produced	293,615,000	292,382,000	273,193,100	272,008,000	257,886,000
Gallons Billed					
SCI-Rockview Penitentiary	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
UAJA-Beneficial Reuse	14,156,000	12,482,000	13,094,000	13,015,000	12,277,000
All Other	186,738,000	179,181,000	185,015,000	191,382,000	183,613,254
	250,894,000	241,663,000	248,109,000	254,397,000	245,890,254
Unaccounted Gallons *	9.30%	11.90%	7.10%	23.50%	Not available

* this figure which involves an extensive calculation by the Consulting Engineer and is not calculated until the end of the following year

College Township Water Authority
Water System Revenue Rate History

	Year Ended - December 31				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
WATER SYSTEM REVENUE					
Metered Water Sales					
SCI-Rockview Penitentiary	136,125	136,500	18,261	-	-
UAJA-Beneficial Reuse	78,424	67,938	69,905	69,407	62,827
All Other					
Residential	751,799	722,125	816,931	848,849	795,855
Commercial	302,269	283,528	325,376	329,873	304,294
Industrial	72,095	53,253	70,739	79,172	72,643
Other Public	27,831	21,837	27,615	24,364	16,587
Total metered	1,368,543	1,285,181	1,328,827	1,351,665	1,252,206
Other Water System Revenues					
Fire Services	242,678	244,335	268,101	269,814	272,492
Other					
Penalties	16,497	16,006	15,285	14,894	14,490
Connection Fees	23,874	21,081	27,670	46,912	89,696
Meter Depreciation Charge	-	-	-	-	-
Other	20,766	5,078	5,730	3,948	21,968
Total Other	303,815	286,500	316,786	335,568	398,646
TOTAL WATER SYSTEM REVENUE	1,672,358	1,571,681	1,645,613	1,687,233	1,650,852

RATE HISTORY (Per Thousand Gallons)

Rockview	\$ 2.73	\$ 2.73	n/a	n/a	n/a
Beneficial Reuse	\$ 5.54	\$ 5.54	\$ 5.91	\$ 6.20	\$ 6.14
Regular	\$ 6.10	\$ 6.10	\$ 6.40	\$ 6.70	\$ 6.70

Note: UAJA settlement over beneficial use rate resulted in a lower usage rate beginning in 2015

	Year Ended - December 31				
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Other Key Statistics</u>					
Connections Served					
Domestic	2,406	2,425	2,435	2,452	2,467
Commercial	323	306	308	306	307
Industrial	16	14	14	14	14
Institutional	14	16	15	15	15
Bulk Sales to other PWS	3	3	3	3	3
Other	-	-	-	-	-
	<u>2,762</u>	<u>2,764</u>	<u>2,775</u>	<u>2,790</u>	<u>2,806</u>
Metered Water Use (GPD)					
Domestic	337,660	328,012	333,770	346,158	325,437
Commercial	135,760	128,787	132,937	134,521	124,430
Industrial	32,380	24,189	28,901	32,286	29,705
Institutional	12,500	9,919	11,282	9,936	6,783
Bulk Sales to other PWS	48,095	35,397	11,890	10,306	16,816
Unaccounted	238,027	274,745	229,691	209,984	203,366
Other	-	-	-	-	-
	<u>804,422</u>	<u>801,049</u>	<u>748,471</u>	<u>743,191</u>	<u>706,537</u>
% of Population Served	62.47%	63.86%	60.65%	64.48%	60.65%

(1) Source: Annual Water Supply Report

(2) Source: Audit Reports

College Township Water Authority 2019 Budget
Existing Equipment Replacement Fund Projection

PURCHASE YEAR	DISCRIPTION OF EQUIPMENT	PURCHASE PRICE	EXPECTED LIFE	YEAR TO REPLACE	REPLACEMENT PRICE	ANNUAL REVENUE NEEDED
MAINTENANCE VEHICLES:						
2010	2011 FORD F350 UTILITY BODY #61	\$37,850	10	2020	\$40,000	\$4,000
2012	2012 CHEVY VAN #64	\$28,925	10	2022	\$32,000	\$3,200
2015	2015 FORD F150 #72	\$30,600	10	2025	\$34,000	\$3,400
	TOTALS:	\$97,375			\$106,000	\$10,600
OFFICE AND STAFF VEHICLES:						
	TOTALS:	\$0			\$0	\$0
OFF ROAD EQUIPMENT:						
2006	BOBCAT 331E TRACK EXCAVATOR	\$31,250	15	2021	\$38,000	\$2,533
2009	2008 CASE BACKHOE	\$78,650	15	2024	\$85,000	\$5,667
	TOTALS:	\$109,900			\$123,000	\$8,200

College Township Water Authority 2019 Budget
Existing Equipment Replacement Fund Projection

PURCHASE YEAR	DISCRIPTION OF EQUIPMENT	PURCHASE PRICE	EXPECTED LIFE	YEAR TO REPLACE	REPLACEMENT PRICE	ANNUAL REVENUE NEEDED
TOOLS & ATTACHMENTS:						
2011	2011 STIHL MULTI PURPOSE SAW TS 800	\$1,125	8	2019	\$1,325	\$166
Unknown	MULLER TAPPING MACHINE	\$1,000	15	2020	\$1,200	\$80
1990	PIPE AND CABLE LOCATOR	\$1,000	30	2020	\$1,300	\$43
2005	2005 HONDA 2" TRASH PUMP	\$400	15	2020	\$550	\$37
2010	2010 3" PIERCING TOOL	\$4,275	10	2020	\$4,500	\$450
2002	4250W GENERATOR	\$500	20	2022	\$700	\$35
1997	1997 SCHONSTEDT METAL DETECTOR #1	\$875	25	2022	\$1,000	\$40
1997	1997 SCHONSTEDT METAL DETECTOR #2	\$875	25	2022	\$1,000	\$40
1997	1997 FORD TAPPING TOOL	\$800	25	2022	\$950	\$38
2002	2002 FIRE HYDRANT FLOW TEST KIT	\$1,200	20	2022	\$1,500	\$75
1998	1998 FIRE HYDRANT METER	\$600	25	2023	\$750	\$30
2004	2004 PIPE THREADER	\$1,200	20	2024	\$1,500	\$75
2016	2015 STIHL MP SAW MODEL TS 420	\$1,005	8	2024	\$1,200	\$150
2015	2015 GAS DETECTOR MAX XT II	\$875	10	2025	\$950	\$95
2006	2006 HOSE MONSTER	\$700	20	2026	\$900	\$45
2006	2006 RIGID NO. 460 TRI STAND	\$500	20	2026	\$700	\$35
2011	2011 HONDA 3000W GENERATOR	\$1,155	15	2026	\$1,300	\$87
2007	2007 ALLEGRO VENTILATOR	\$800	20	2027	\$1,000	\$50
2012	2012 TRACEMASTER LINE LOCATOR	\$3,775	15	2027	\$4,000	\$267
2008	2008 INGERSOLL-RAND LIGHT TOWER	\$6,885	20	2028	\$8,000	\$400
2008	2008 VALVE LUBRICATOR	\$400	20	2028	\$600	\$30
2008	2008 TRIPOD RETRIEVAL WINCH #102144	\$2,590	20	2028	\$3,000	\$150
2009	2009 SALA LIFT II 9' TRIPOD	\$800	20	2029	\$1,000	\$50
2009	2009 TRIPOD RETRIEVAL WINCH #108561	\$2,590	20	2029	\$3,000	\$150
2018	2018 12V SUBMERSIBLE PUMP	\$500	12	2030	\$650	\$54
2012	2012 SCHONSTEDT MAG LOCATOR	\$940	20	2032	\$1,000	\$50
2012	2012 FCS S-30 LEAK NOISE AMP SYSTEM	\$4,500	20	2032	\$6,000	\$300
2017	2017 CATERPILLAR 50 KW GENERATOR	\$25,000	20	2037	\$30,000	\$1,500
2017	2017 CATERPILLAR 150 KW GENERATOR	\$56,400	20	2037	\$70,000	\$3,500
	TOTALS:	\$122,140			\$148,250	\$7,856
LAWN & GROUNDS TOOLS:						
2013	POULAN LAWN MOWER	\$200	8	2021	\$250	\$31
	TOTALS:	\$200			\$250	\$31
	GRAND TOTALS:	\$329,615			\$377,500	\$26,687

Year To Replace = Purchase Year + Expected Life

Annual Reserve = (Replacement Price - 10% of Purchase Price)/Expected Life