COLLEGE TOWNSHIP WATER AUTHORITY
YEAR 2009 OPERATING BUDGET SUMMARY

OPERATING BUDGET SUMMARY

	2003 AUDITED	2004 AUDITED	2005 AUDITED	2006 AUDITED	2007 AUDITED	2008 BUDGET	2008 YTD 10/31	2008 EXPECTED	2009 PROPOSED	OPERATING INCOME AND EXPENSES	ROCKVIEW CAPITAL RECOVERY
OPERATING INCOME											
Water System Revenues	1,012,246	1,216,552	1,539,294	1,462,263	1,646,077	1,587,041	1,389,422	1,692,553	1,534,885	1,447,209	87,676
OPERATING EXPENSES											
Purification and Pumping	92,619	123,765	144,852	145,238	140,570	137,475	97,985	134,350	145,835	145,835	0
Distribution System	161,625	172,236	148,272	213,032	195,877	218,809	188,288	212,110	245,798	245,798	0
General Expense	259,082	268,145	291,039	295,667	308,830	332,437	248,809	313,707	344,795	344,795	0
TOTAL OPERATING EXPENSES	513,326	564,146	584,163	653,937	645,277	688,721	535,082	660,167	736,428	736,428	0
OPERATING MARGIN	498,920	652,406	955,131	808,326	1,000,800	898,320	854,340	1,032,386	798,457	710,781	87,676
NON-OPERATING INCOME (EXPENSE)	9,561	43,865	68,830	82,433	72,608	57,121	48,784	54,121	48,012	47,000	1,012
	508,481	**696,271**	**1,023,961**	**890,759**	**1,073,408**	**955,441**	**903,124**	**1,086,507**	**846,469**	**757,781**	**88,688**
LESS: DEBT SERVICE REQUIREMENT	497,431	557,623	557,098	556,411	441,330	719,548	278,549	719,548	723,011	723,011	0
	11,050	**138,648**	**466,863**	**334,348**	**632,078**	**235,893**	**624,575**	**366,959**	**123,458**	**34,770**	**88,688**
LESS: DISCRETIONARY CAPITAL ITEMS						58,113		34,000	77,330	77,330	0
AVAILABLE FOR: Contingencies and Reserve						**177,780**		**332,959**	**46,128**	**(42,560)**	**88,688**
ALLOWABLE OPERATING REQUISITIONS											

Calculation of Required Coverage (Section 5.01)

Water System Revenues	1,692,553	1,534,885
Investment Income	54,121	48,012
	1,746,674	**1,582,897**
Administrative and operating expenses	660,167	736,428
110% of Debt Service Requirement	791,503	795,312
	1,451,670	**1,531,740**
Excess Coverage	**295,004**	**51,157**

Approved by Board - 12/3/08

OPERATING INCOME

	2003 AUDITED	2004 AUDITED	2005 AUDITED	2006 AUDITED	2007 AUDITED	2008 BUDGET	2008 YTD 10/31	2008 EXPECTED	2009 PROPOSED
WATER SYSTEM REVENUES									
METERED WATER REVENUES									
378.110 Metered Water Revenues - Residential	478,679	492,317	576,728	601,415	633,429	648,450	520,477	638,635	660,400
378.120 Metered Water Revenues - Commercial	164,960	189,100	212,112	226,592	250,285	252,742	190,926	225,131	234,000
378.130 Metered Water Revenues - Industrial	140,652	134,153	118,516	143,198	161,914	153,757	80,007	92,640	98,800
378.140 Metered Water Revenues - Other Public	4,499	31,125	34,199	9,441	12,999	13,484	11,657	12,271	13,000
378.141 Metered Water Revenues - SCI Rockview	0	41,567	172,921	87,444	182,204	95,700	183,525	224,173	101,750
378.142 Metered Water Revenues - UAJA BRW	0	0	0	0	0	8,080	57,628	75,428	82,360
Subtotal	**788,790**	**888,262**	**1,114,476**	**1,068,090**	**1,240,831**	**1,172,213**	**1,044,220**	**1,268,278**	**1,190,310**
FIRE SERVICES									
378.405 Fire Services - CTWA Hydrants	55,055	57,827	58,802	63,191	66,733	67,452	51,128	66,750	69,608
378.410 Fire Services - Private Hydrants	4,883	4,883	4,844	4,729	4,883	4,626	3,623	4,626	4,626
378.420 Fire Services - Sprinkler Fire Lines	120,469	120,790	122,452	127,333	131,713	137,495	100,950	131,713	140,065
Subtotal	**180,407**	**183,500**	**186,098**	**195,253**	**203,329**	**209,573**	**155,701**	**203,089**	**214,299**
OTHER WATER RELATED REVENUES									
378.300 Penalties	10,803	10,375	9,829	10,180	11,454	11,000	9,433	11,600	11,600
378.500 Water Main Connection Fees	27,916	55,831	75,305	25,947	13,003	23,000	29,325	30,000	30,000
378.505 Capital Recovery - SCI Rockview	0	73,433	151,277	157,356	163,678	170,255	141,412	170,255	87,676
378.510 Meter Sales and Installations	2,568	1,043	492	0	0	0	0	0	0
378.890 Professional Fees Reimbursement	0	0	0	0	0	0	0	0	0
378.895 Engineer Inspection Fees	0	0	0	0	0	0	0	0	0
380.000 Miscellaneous	1,762	4,108	1,817	5,437	13,782	1,000	9,331	9,331	1,000
Subtotal	**43,049**	**144,790**	**238,720**	**198,920**	**201,917**	**205,255**	**189,501**	**221,186**	**130,276**
TOTAL WATER SYSTEM REVENUES	**1,012,246**	**1,216,552**	**1,539,294**	**1,462,263**	**1,646,077**	**1,587,041**	**1,389,422**	**1,692,553**	**1,534,885**

OPERATING REVENUES

METERED WATER REVENUE

Effective January 1, 2009, water consumption is proposed to be billed to the majority of its customers for each meter at $5.20 per 1,000 gallons consumed, an increase of 5.0% over the 2008 rate.

SCI- ROCKVIEW: During 2003, the Authority entered into an agreement with the Commonwealth of Pennsylvania whereby the Authority has agreed to provide the Department of Corrections up to 700,000 gallons of potable water daily as a backup water supply. The Commonwealth has committed to a minimum purchase of 50 million gallons of water per year at an initial rate of $1.74 per 1000 gallons (i.e. $87,000 per year). The contract rate is fixed for a period of 5 years, then adjusts on an annual basis. Potable water was first made available on June 9, 2004.

UAJA: The Authority has entered into negotiations with the UAJA concerning water distribution by UAJA to existing and/or future customers of the Authority pursuant to Article 14 of the Source Water Protection Agreement executed in March 2003. It is anticipated that UAJA will reimburse the Authority for each gallon used by Authority customers served by UAJA at the full retail rate less the costs to pump and purify the water.

The number and types of customers expected to be served by the Authority during 2009, along with the total billed usage for those customer classes, is as shown in the following table:

CUSTOMER CLASS	NUMBER	BILLING USAGE (GALLONS)	REVENUE
Residential	2,358	127,000,000	$660,000
Commercial	309	45,000,000	234,000
Industrial	17	19,000,000	98,800
Other	13	2,500,000	13,000
	2,697	**193,500,000**	**$1,006,200**
UAJA – Beneficial Reuse	2	17,750,000	82,360
SCI-Rockview	1	50,000,000	101,750
TOTAL	**2,693**	**261,250,000**	**$1,190,310**

OPERATING REVENUES

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 2009:

HYDRANTS	NUMBER	ANNUAL CHARGE	REVENUE
Hydrants – Authority owned and maintained	226	$ 308	$69,608
Hydrants – Privately owned and maintained	18	$ 257	$ 4,626

STANDBY FIRE LINES	NUMBER	ANNUAL CHARGE	REVENUE
Sprinkler – 4" fire service	13	$ 1,285	$16,705
Sprinkler – 6" fire service	22	$ 2,570	56,540
Sprinkler – 8" fire service	13	$ 5,140	66,820
	48		$140,065

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 customers facilities fee and the tapping fee. The fee is set so as not to exceed that allowed by state law.

CAPITAL RECOVERY – SCI ROCKVIEW

In order to provide potable water to the Department of Corrections pursuant to the 2003 agreement, a 12-inch transmission line has been constructed from the Authority's line to the State's property. The actual cost of the project including capitalized interest and allocable debt issuance costs is $803,675. The agreement requires the Commonwealth to reimburse the Authority for the costs of the project (principal) together with interest over a 5-year period. Principal repayment is reflected here and interest is included in investment income. The final payment is scheduled for 6/9/2009.

METER SALES AND INSTALLATIONS

This item of revenue reflects the charges to customers for the installation of meters, either individuals or in groups (pits) not charged pursuant to a water main connection application.

PROFESSIONAL FEES REIMBURSEMENT

Engineering, legal, and other administrative costs incurred in connection with water main extensions are the responsibility of the customer, contractors and developers. Reimbursement of these costs as well as other reimbursable professional expenses are accounted for in this account.

ENGINEER INSPECTION FEES

Fees paid by the Authority for water system inspections and reimbursable by contractors, developers, and customers are accounted for in this account. Expenses incurred in inspections are captured in the general expense section in account #448.818.

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.

PURIFICATION AND PUMPING EXPENSES

	2003 AUDITED	2004 AUDITED	2005 AUDITED	2006 AUDITED	2007 AUDITED	2008 BUDGET	2008 YTD 10/31	2008 EXPECTED	2009 PROPOSED
PURIFICATION EXPENSE									
448.201 Operating Supplies and Exp-Mt Nittany Contact Tank	0	0	0	0	0	0	0	0	0
448.202 Chemical Purchases	21,186	27,548	31,596	24,131	25,397	26,000	14,708	19,000	20,000
448.203 Power Purchased - Mt Nittany Contact Tank	4	0	0	0	0	0	0	0	0
448.204 Water Analysis	557	3,302	17,356	14,034	11,809	12,000	16,516	20,000	20,000
448.205 Equipment Maintenance - Mt Nittany Contact Tank	0	0	0	0	0	0	0	0	0
448.206 Structure Maintenance - Mt Nittany Contact Tank	0	0	0	0	0	0	0	0	0
TOTAL PURIFICATION	**21,747**	**30,850**	**48,952**	**38,165**	**37,206**	**38,000**	**31,224**	**39,000**	**40,000**
PUMPING EXPENSE									
PUDDINTOWN STATION									
448.311 Operating Supplies and Expense	0	0	0	0	0	0	0	0	0
448.312 Power Purchased	0	0	63	51	0	75	0	60	75
448.313 Equipment Maintenance	0	0	0	0	0	0	0	0	0
448.314 Structure Maintenance	0	0	420	0	0	250	0	0	250
Subtotal	**0**	**0**	**483**	**51**	**0**	**325**	**0**	**60**	**325**
MATILDA BOOSTER STATION									
448.321 Operating Supplies and Expense	0	0	0	0	0	0	0	0	0
448.322 Power Purchased	10,380	7,724	1,591	1,416	1,262	1,000	1,207	1,450	1,500
448.323 Equipment Maintenance	1,494	867	0	13	0	250	38	40	250
448.324 Structure Maintenance	661	325	0	0	0	100	118	120	150
Subtotal	**12,535**	**8,916**	**1,591**	**1,429**	**1,262**	**1,350**	**1,363**	**1,610**	**1,900**
LEMONT BOOSTER STATION									
448.331 Operating Supplies and Expense	0	0	0	0	0	0	0	0	0
448.332 Power Purchased	0	0	3,493	3,669	2,802	4,000	2,225	3,000	4,000
448.333 Equipment Maintenance	0	0	3,018	0	3,417	1,000	1,536	1,550	2,000
448.334 Structure Maintenance	352	405	887	74	148	500	945	945	1,000
Subtotal	**352**	**405**	**7,398**	**3,743**	**6,367**	**5,500**	**4,706**	**5,495**	**7,000**
SPRING CREEK PARK WELL									
448.361 Operating Supplies and Expense	0	0	0	0	0	0	0	0	0
448.362 Power Purchased	36,486	32,132	28,943	26,258	31,208	29,500	24,078	29,000	30,000

PURIFICATION AND PUMPING EXPENSES

	2003 AUDITED	2004 AUDITED	2005 AUDITED	2006 AUDITED	2007 AUDITED	2008 BUDGET	2008 YTD 10/31	2008 EXPECTED	2009 PROPOSED
448.363 Equipment Maintenance	2,511	1,911	446	8,474	4,088	6,000	4,836	5,275	6,000
448.364 Structure Maintenance	170	1,542	13	415	0	500	310	310	500
448.365 Well Monitoring Costs	17,211	18,063	2,403	3,652	6,816	0	0	0	0
448.367 Easement Costs	0	0	0	5,000	5,000	5,000	0	5,000	5,610
Subtotal	**56,378**	**53,648**	**31,805**	**43,799**	**47,112**	**41,000**	**29,224**	**39,585**	**42,110**
ROGERS WELL									
448.371 Operating Supplies and Expense	0	0	0	0	0	0	0	0	0
448.372 Power Purchased	112	21,832	37,838	34,575	37,641	35,800	31,003	38,100	39,000
448.373 Equipment Maintenance	0	538	235	3,163	423	3,000	231	250	3,000
448.374 Structure Maintenance	0	745	34	1,715	626	1,000	234	250	1,000
448.375 Well Monitoring Costs	0	6,831	16,516	18,598	9,933	10,000	0	10,000	10,000
Subtotal	**112**	**29,946**	**54,623**	**58,051**	**48,623**	**49,800**	**31,468**	**48,600**	**53,000**
INTERCONNECTIONS - SCBWA ,PSU, and BELLEFONTE									
448.386 Purchased Water	311	0	0	0	0	1,000	0	0	1,000
448.388 Interconnection Maintenance	1,184	0	0	0	0	500	0	0	500
Subtotal	**1,495**	**0**	**0**	**0**	**0**	**1,500**	**0**	**0**	**1,500**
TOTAL PUMPING	**70,872**	**92,915**	**95,900**	**107,073**	**103,364**	**99,475**	**66,761**	**95,350**	**105,835**
TOTAL PURIFICATION AND PUMPING	**92,619**	**123,765**	**144,852**	**145,238**	**140,570**	**137,475**	**97,985**	**134,350**	**145,835**

PURIFICATION AND PUMPING EXPENSES

PURIFICATION

448.201 OPERATING SUPPLIES AND EXPENSE – MT. NITTANY

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

448.202 CHEMICAL PURCHASES

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

448.203 POWER PURCHASED – MT. NITTANY

This line item covers the cost of minimal electricity used at Mt. Nittany contact tank for lights.

448.204 WATER ANALYSIS

This line item covers the cost of testing water samples collected throughout the entire water system at EPA approved labs. Also includes endocrine disruptor testing required for testing of the Township's share of beneficial resuse water.

448.205 EQUIPMENT MAINTENANCE – MT. NITTANY
448.206 STRUCTURE MAINTENANCE – MT. NITTANY

No expenses are expected to be incurred at the Mt. Nittany Contact Tank, which is not operational at this time.

PUMPING

PUDDINTOWN STATION

448.311 OPERATING SUPPLIES AND EXPENSE

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

448.312 POWER PURCHASED

This account covers the cost of electricity.

448.313 EQUIPMENT MAINTENANCE

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

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.

448.322 POWER PURCHASED

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

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 and gas 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.

448.364 STRUCTURE MAINTENANCE

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

448.365 WELL MONITORING COST

This account consists primarily of costs incurred in conducting monitoring as required by DEP.

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. As required by the agreement, the fee will adjust to $5,610 in 2009, and then 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

This account covers the cost of electricity and gas 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.

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. At this time, there is no physical connection to the State College Borough Water Authority.

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

	2003 AUDITED	2004 AUDITED	2005 AUDITED	2006 AUDITED	2007 AUDITED	2008 BUDGET	2008 YTD 10/31	2008 EXPECTED	2009 PROPOSED
STORAGE-DALE ST RESERVOIR									
448.341 Operating Supplies and Expense	0	0	0	0	0	0	0	0	0
448.342 Power Purchased	342	325	308	285	379	250	314	375	375
448.343 Equipment Maintenance	1,075	945	855	3,555	80	1,000	5,701	5,800	2,000
448.344 Structure Maintenance	85	275	89	4,009	2,286	1,000	8,845	500	1,000
Subtotal	**1,502**	**1,545**	**1,252**	**7,849**	**2,745**	**2,250**	**14,860**	**6,675**	**3,375**
STORAGE-STRUBLE RD TANK									
448.351 Operating Supplies and Expense	0	0	0	0	0	0	0	0	0
448.352 Power Purchased	0	0	0	0	0	250	0	250	250
448.353 Equipment Maintenance	0	0	0	0	0	1,000	0	0	1,000
448.354 Structure Maintenance	0	0	0	0	0	1,000	57	60	1,000
Subtotal	**0**	**0**	**0**	**0**	**0**	**2,250**	**57**	**310**	**2,250**
MAINTENANCE-DISTRIBUTION SYSTEM									
448.475 Maintenance of Distribution / Trans Mains	15,219	17,656	16,654	29,283	20,902	18,000	9,370	12,500	18,000
448.490 Maintenance of Service Lines	13,463	7,827	10,932	17,607	5,382	10,000	8,786	10,250	10,000
448.510 Maintenance of Hydrants	3,707	7,337	852	673	4,962	4,000	715	2,500	4,000
448.530 Meter Supplies and Maintenance	2,825	2,935	1,885	2,041	2,090	3,500	1,050	1,250	3,500
448.532 PRV - Penn Hills	50	0	0	0	0	300	0	0	300
448.534 PRV - Independence Place	0	0	620	0	845	300	0	0	300
448.536 PRV - Oak Hall	450	36	460	189	845	300	279	300	300
448.537 PRV - Rockview North	0	92	0	110	115	300	0	0	300
448.538 PRV - Rockview South	0	17	5	91	217	300	0	0	300
448.539 PRV - Bellefonte Interconnect	0	0	0	0	0	300	0	0	300
Subtotal	**35,714**	**35,900**	**31,408**	**49,994**	**35,358**	**37,300**	**20,200**	**26,800**	**37,300**
GENERAL-DISTRIBUTION SYSTEM									
448.181 Contract Labor - College Twp Personnel	12,053	23,761	19,712	26,318	35,359	21,430	37,633	40,000	36,500
448.540 Contract Labor - Technicians	104,967	107,142	88,820	117,536	114,104	131,379	104,399	125,000	140,200
448.556 Leak Detection Services	4,500	1,500	4,000	5,343	0	7,000	2,311	3,800	5,000
448.570 Storage Rental	0	0	0	0	0	0	0	0	0
448.575 R-O-W, Regulatory Compliance	1,189	212	1,620	581	726	1,000	2,056	2,100	2,500
448.648 Pa One Call Service	645	659	591	780	1,163	1,250	964	1,200	1,200
448.760 Small Tools and Minor Equipment	1,055	1,517	869	4,383	1,856	3,000	2,648	3,000	3,000
448.761 Repairs and Maintenance-Water Equip	0	0	0	0	4,107	11,000	2,743	2,800	13,523
448.762 Safety Equipment	0	0	0	248	459	950	417	425	950
Subtotal	**124,409**	**134,791**	**115,612**	**155,189**	**157,774**	**177,009**	**153,171**	**178,325**	**202,873**
TOTAL DISTRIBUTION SYSTEM	**161,625**	**172,236**	**148,272**	**213,032**	**195,877**	**218,809**	**188,288**	**212,110**	**245,798**

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 and pumps 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 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 and pumps 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 reservoir and 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.

DISTRIBUTION SYSTEM EXPENSES

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.

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.

448.510 MAINTENANCE OF HYDRANTS

This item covers the cost incurred in maintaining, including painting fire hydrants. Currently, the authority maintains 219 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.

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 Oak Hall.

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.

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.

DISTRIBUTION SYSTEM EXPENSES

448.540 CONTRACT LABOR – TECHNICIANS

This line item covers the cost of labor charges, including scheduled overtime, for four full-time service technicians.

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 producing the annual water quality report, acquiring right of ways, various permits required by state and federal regulatory bodies, fees associated with regulatory reporting such as the Tier IV Report, and CDL license expenses.

448.648 PA ONE CALL SERVICE

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

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 EQUPMENT

This line item covers the cost of maintaining specialized water system equipment such as the SCADA System and Chlorine Analyzers. For 2009, the following costs are as follows:

Hach Company Service Agreement - $2,723

This agreement would provide four on-site preventive maintenance visits per year, once each quarter, to service the chlorine analyzers and turbidimeters at the Spring Creek Park Station and the Rogers Well Station. 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.

Allied Control Services, Inc. – SCADA Maintenance Agreement - $10,800

This agreement would provide a two day visit every six months by an Allied 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. An additional $6,000 has been included for repairs and parts.

Allied Agreement	**$4,800.00**
Repairs/Parts	**$6,000.00**
	$10,800.00

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. $950 is budgeted for items identified by the committee during 2009 that will serve to increase safety in the work place.

GENERAL EXPENSES

	2003 AUDITED	2004 AUDITED	2005 AUDITED	2006 AUDITED	2007 AUDITED	2008 BUDGET	2008 YTD 10/31	2008 EXPECTED	2009 PROPOSED
OFFICE									
448.600 Contract Labor - Billing and Cust Serv	36,663	33,728	35,926	38,280	40,478	42,193	31,761	36,240	39,900
448.605 Contract Labor - College Twp Personnel	4,207	4,298	3,787	6,208	7,721	5,808	8,085	8,750	9,625
448.610 Contract Labor - Meter Reading	5,690	4,144	3,974	3,877	5,782	4,464	9,141	10,950	7,000
448.612 Professional Employment Services	0	0	0	0	0	0	0	1,500	500
448.620 Office and Other Supplies	3,396	3,357	2,617	3,084	1,939	3,750	2,158	2,500	3,750
448.621 Computer and Software Maintenance	1,527	4,247	3,213	2,497	6,100	7,200	2,944	7,200	7,200
448.625 Postage and Freight Charges	4,897	6,429	3,374	5,100	4,531	5,000	3,357	4,500	5,000
448.641 Advertising	2,772	3,213	1,307	584	3,254	1,500	1,004	1,250	1,500
448.643 Internet and Email	176	192	230	1,157	1,362	3,200	1,357	1,550	1,750
448.645 Telephone	1,826	1,864	1,709	2,127	2,208	2,500	1,561	2,000	2,500
448.647 Cellular Phone	300	296	415	763	420	700	470	550	700
448.655 Uncollectible Accounts	0	2,936	(2,696)	(496)	1,251	0	0	0	0
Subtotal	**61,454**	**64,704**	**53,856**	**63,181**	**75,046**	**76,315**	**61,838**	**76,990**	**79,425**
GENERAL PROPERTY									
448.702 Vehicle Repairs and Maintenance	3,021	6,027	2,572	4,721	8,119	7,900	6,835	8,250	6,000
448.731 Vehicle Fuels: Gas, Diesel, Oil, Etc	2,322	2,621	3,007	4,062	4,251	6,000	5,068	6,100	6,100
448.735 Repairs of Tools and Machinery	0	44	167	345	309	700	117	250	500
448.740 Materials and Supplies	1,279	413	2,107	1,267	2,322	2,000	1,791	2,150	2,150
448.765 Radio/Paging Equipment and Maint	513	371	322	221	237	300	350	450	450
448.770 Rental of Equipment	1,476	0	4,130	4,887	11,712	7,500	1,523	7,500	7,500
Subtotal	**8,611**	**9,476**	**12,305**	**15,503**	**26,950**	**24,400**	**15,684**	**24,700**	**22,700**
ENGINEERING AND PROFESSIONAL									
448.810 Engineering - Consulting	42,555	31,471	43,486	34,054	21,656	25,000	14,623	20,000	25,000
448.818 Engineering - Inspection	0	1,429	0	0	2,523	2,500	0	2,500	2,500
448.840 Accounting and Audit	12,585	12,888	17,805	11,765	15,060	14,500	10,570	12,500	14,500
448.845 Legal	5,863	3,406	3,207	495	1,210	5,000	647	1,100	1,500
448.850 Professional - Other	0	0	7,000	0	1,600	1,600	800	1,600	1,600
Subtotal	**61,003**	**49,194**	**71,498**	**46,314**	**42,049**	**48,600**	**26,640**	**37,700**	**45,100**

GENERAL EXPENSES

	2003 AUDITED	2004 AUDITED	2005 AUDITED	2006 AUDITED	2007 AUDITED	2008 BUDGET	2008 YTD 10/31	2008 EXPECTED	2009 PROPOSED
TAXES, BENEFITS, AND INSURANCE									
448.615 Training - Distribution and Office	0	0	530	229	798	1,000	240	250	1,000
448.618 Conventions	1,050	1,445	1,295	1,335	1,373	2,000	1,145	1,145	2,000
448.738 Clothing and Uniforms	1,662	2,263	2,575	2,079	2,364	2,500	1,210	1,450	2,000
448.802 Dues, Subscriptions, and Memberships	1,894	1,903	1,959	2,151	2,215	2,500	2,401	2,450	2,500
448.855 Insurance Policies	14,526	19,343	19,683	21,228	12,518	22,500	13,330	14,000	16,100
448.858 Workers' Compensation Insurance	3,724	7,282	9,552	10,384	11,738	12,500	0	12,000	12,000
448.860 Pension Expense	9,594	7,032	9,218	10,487	11,347	10,283	6,652	7,600	14,850
448.865 Bond	123	0	154	0	0	200	0	200	200
448.870 Medical / Dental Insurance	18,778	25,676	29,703	37,615	36,265	35,726	43,991	44,500	48,100
448.875 Group Term Life/Disability Insurance	2,070	2,680	2,362	3,244	2,858	3,112	2,948	3,600	3,600
448.880 Payroll Taxes - FICA	12,017	11,333	11,183	13,002	12,741	15,704	11,807	13,800	18,250
448.881 Unemployment Compensation Insurance	1,126	3,575	961	1,129	549	525	638	650	650
Subtotal	**66,564**	**82,532**	**89,175**	**102,883**	**94,766**	**108,550**	**84,362**	**101,645**	**121,250**
MISCELLANEOUS									
448.885 Operational and Management Agreement	60,000	61,800	64,044	67,057	69,396	72,072	60,060	72,072	74,820
480.470 Miscellaneous	1,403	439	52	660	592	2,000	225	500	1,000
481.460 Board, Staff, and Professional Meetings	47	0	109	69	31	500	0	100	500
Subtotal	**61,450**	**62,239**	**64,205**	**67,786**	**70,019**	**74,572**	**60,285**	**72,672**	**76,320**
TOTAL GENERAL EXPENSE	**259,082**	**268,145**	**291,039**	**295,667**	**308,830**	**332,437**	**248,809**	**313,707**	**344,795**

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 31% of the Finance Office Assistant's wages. The budgeted amount includes scheduled overtime incurred for attendance at Authority meetings by the recording secretary.

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, and special project accounting.

448.610 CONTRACT LABOR – METER READING

This line item covers the wages incurred for the part-time meter reader (non-exempt) that works an average of 10 to 15 hours per week. In addition to reading meters, this position performs other maintenance functions such as mowing, trimming, weeding, and painting. 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.

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

This line item covers the cost of hardware maintenance, network software maintenance, and the maintenance contract on the billing software package.

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 INTERNET AND EMAIL

The Township entered into a new agreement with CEI Network in 2007 that provides for the use of a fiber optic line and the hosting of email accounts for township personnel. This line costs $888 per month of which $89 is charged to the Authority and $183 is charged to the Tax Collection department. The township approved a policy in 2002 governing the use of the internet and email by employees.

448.643 INTERNET AND EMAIL (Cont.)

Also, the Authority reimburses 2 employees for the cost of cable modems installed in their homes. The cable modem provides a reliable means for accessing the Authority's SCADA system when required, and serves to reduce the overtime that would otherwise be incurred.

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.

<u>GENERAL PROPERTY</u>

448.702 VEHICLE REPAIRS AND MAINTENANCE

This line item covers 100% of the cost of repairing and maintaining licensed vehicles 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. Where title is shared with the Township, these costs are shared equally.

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 which is provided at no charge through the County. Each service vehicle has a radio. Additionally, technicians carry pagers. 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 including items such as generators rented from outside vendors. Equipment rented from the Township is based on an equipment rental rate schedule.

ENGINEERING AND PROFESSIONAL

448.810 ENGINEERING - CONSULTING

This line item covers the retainer fee paid to the consulting engineer plus charges for other routine engineering services.

448.818 ENGINEERING – INSPECTION

This account covers costs incurred inspecting service line and water main installations. Some of these charges are reimbursable by customers, developers and contractors. Reimbursements are accounted for as an item of revenue account #378.895.

448.840 ACCOUNTING AND AUDIT

Outside auditor services in auditing the Authority's 2009 financial statements and preparing the 2009 Annual Report of Municipal Authorities is expected to cost $12,250. An estimate of $2,250 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

This line item covers the annual trustee's fee of $1,600.

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) $250 bi-annual boot and winter jacket replacement allowance, 3) insignia shirts for field identification and 4) $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.

448.855 INSURANCE POLICIES

Pursuant to section 10.03 of the Trust Indenture dated November 5, 2003; the Authority maintains public liability, property damage, and workers' compensation insurance satisfactory to the Trustee. This account covers the cost of <u>all insurance</u>, including the Authority's share of the public official's liability insurance, <u>other than</u> 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.

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

This line item accounts for the Authority's share of the cost of providing health, dental, and vision insurance coverage for the Township employees. The projected monthly premiums are as follows:

HEALTH INSURANCE	DENTAL INSURANCE	VISION INSURANCE
Single rate $382.60	Single rate $32.39	Single rate $4.30
Family rate $956.50	Family rate $100.66	Family rate $11.60

The Township deducts a portion of the cost of the premium from the employee's paycheck. It should be noted that dental & vision rates remain the same as 2008, while health premiums increase 3.9%.

448.875 GROUP TERM LIFE/DISABILITY INSURANCE

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

448.880 PAYROLL TAXES – FICA

This line item covers the Authority's share of the social security tax on employee wages. The 2009 rate is .062 of gross earnings up to $106,800 per employee.

Also covered is the Authority's share of the Medicare tax on employee wages. The 2009 rate is .0145 of gross earnings.

448.881 UNEMPLOYMENT COMPENSATION INSURANCE

This covers the Authority's share of unemployment insurance, which is calculated to be 1.0% of an employee's first $8,000 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 revised to an amount of $6,235 per month (from $6,006 per month). The revised reimbursement rate is effective January 1, 2009.

480.470 MISCELLANEOUS

This line item includes a $500 contribution to the Spring Creek Watershed Community's 2009 Water Resource Monitoring Project and $1,500 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)

	2003 AUDITED	2004 AUDITED	2005 AUDITED	2006 AUDITED	2007 AUDITED	2008 BUDGET	2008 YTD 10/31	2008 EXPECTED	2009 PROPOSED
NON-OPERATING INCOME (EXPENSE)									
341.000 Investment Income	9,561	26,906	43,084	62,760	59,300	50,000	42,382	47,000	47,000
341.050 Investment Income - SCI Rockview	0	16,959	25,746	19,673	13,308	7,121	6,402	7,121	1,012
NET NON-OPERATING INCOME (EXP)	**9,561**	**43,865**	**68,830**	**82,433**	**72,608**	**57,121**	**48,784**	**54,121**	**48,012**

NON-OPERATING INCOME

341.000 INVESTMENT INCOME

This category accounts for the revenue generated from the investment of Authority funds.

341.050 INVESTMENT INCOME – SCI ROCKVIEW

This line item accounts for the interest received by the Authority pursuant to the Commonwealth Agreement provision which requires reimbursing the Authority for the costs of extending the water line to the Department of Corrections (principal) together with interest over a 5-year period. The final payment is scheduled for 6/9/2009.

College Townsh'n Water Authority
PLANNED CONSTRUCTION PROJECTS .) CAPITAL ASSET PURCHASES FOR 2009

	2009 FUNDING		
	Bond Redemp & Improve Fund (1)	2009 Contingencies & Reserve	Total
Water System Upgrade Projects			
Elmwood Street	$ 40,670	$ -	$ 40,670
Meadow Lane	$ 24,700	$ -	$ 24,700
Houserville Road - Phase I	$ 147,875	$ -	$ 147,875
Clyde Avenue Phase I	$ 126,795	$ -	$ 126,795
Water System Maintenance/Repairs			
Struble Road Storage Tank	$ 34,550	$ -	$ 34,550
Capital Asset Purchases			
Replace 1994 Case 580 Backhoe	$ -	$ 65,700	$ 65,700
Cross Connection Control/Backflow Prevention Program	$ 6,380	$ -	$ 6,380
Purchase 55 Residential Meters @ $110 each	$ -	$ 6,380	$ 6,380
Hole Hog	$ 5,600	$ -	$ 5,600
Portable Valve Exerciser	$ 6,500	$ -	$ 6,500
SCADA System I/O Control and Alarm Function	$ 8,874	$ -	$ 8,874
(2) PCs and (1) Laptop	$ -	$ 5,250	$ 5,250
TOTALS	$ 401,944	$ 77,330	$ 479,274

Estimated Costs for Future Projects

Priority - Highest to Lowest

Spring Creek Park Station	$ 25,000
Puddintown Road	$ 97,130
Cedar Lane/Bathgate Drive	$ 33,530
Dale Street Reservoir	$ 150,000
Clyde Avenue Phase II	$ 58,285
	$ 363,945

NOTE:
(1) Projected balance in BR&IF at 1/1/2009 - $433,000

2009 WATER SYSTEM UPGRADE PROJECTS

ELMWOOD STREET - $40,670

Install 100 LF of 4" ductile iron pipe and approximately 235 LF of 2" CTS plastic pipe along the rear property line of five properties on Elmwood Street (812-852) connecting to an existing 8" gate valve on the 8" main line near the E. Branch Road bridge. All five of these properties have multiple apartments. Abandon the existing 2" steel line in Spring Creek.

MEADOW LANE - $24,700

Replace approximately 280 LF of 2" steel line from Puddintown Road to Bottorf Drive with 8" ductile iron pipe. Replace two ¾" service lines and one 1" service line. The new 8" line will connect to the existing 8" line at Puddintown Road and connect to the 4" line at the intersection of Bottorf Drive. It is expected the larger main line loop will improve the fire hydrant flow on Bottorf Drive.

HOUSERVILLE ROAD - $147,875

Replace 1,365 LF of the existing 8" PVC pipe with 8" ductile iron pipe from an existing valve near the Spring Creek Park access road to an existing valve at the tee for Ivy Hill Drive. Connect an existing 6" ductile iron line to the fire hydrant along Houserville Road to the new line and re-connect two ¾" service lines. This main transmission line to the Dale Street Reservoir has broken numerous times requiring extensive repairs each time. Phase II of this project would be from the Ivy Hill Drive tee to the E. College Avenue bridge over Spring Creek.

CLYDE AVENUE PHASE I - $126,795

Connect to existing 12" PVC pipe at the intersection of Struble Road. Install approximately 980 LF of 12" ductile iron pipe along Struble Road to the railroad right-of-way and along the railroad right-of-way through the Ruetgers-Nease property to an existing 12" valve. Connect Ruetgers-Nease 6" fire line to the existing 6" main line on the South side of Clyde Avenue. Abandon the existing Ruetgers-Nease office building service line at the vault and re-plumb interior pipes to split the domestic water line from the fire line and re-connect the 6" service line that crosses Struble Road to the new 12" main line. Abandon 12" PVC line along Clyde Avenue to the fire hydrant.

2009 WATER SYSTEM MAINTENANCE/REPAIRS

STRUBLE ROAD STORAGE TANK - $34,550

A leak has developed around the perimeter of the tank. It is estimated to be leaking 1-2 gallons per day. A visual inspection of the interior of the tank found a bolt leaking on the starter ring. This area was re-sealed along with about 30 feet of the starter ring at the concrete slab joint, but this failed to stop the leak. It has been recommended by Mid Atlantic Storage Systems, Inc. to coat and seal the entire 81' diameter interior concrete slab including the starter ring as there may be a crack in the concrete or the sealant on the ring. Mid Atlantic Storage Systems, Inc. was the low bidder tor this project awarded in 2008. The project was deferred until Spring 2009.

CAPITAL ASSET PURCHASES

REPLACE 1994 CASE 580 BACKHOE - $65,700

	$78,700
Less trade	$13,000
	$65,700

The backhoe/loader is used for excavation is used for excavation of water lines for leak repairs and during new line construction projects. The backhoe is also used for snow removal operations at the pumping stations.

CROSS CONNECTION CONTROL/BACKFLOW PREVENTION PROGRAM - $6,380

This new program will be 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. It is proposed that the inspections for 2009 will be the three meter reading routes with the highest elevations. An additional 55 residential meters will be purchase for the expected change out of old meters found during the inspections.

PURCHASE 55 RESIDENTIAL METERS - $6,380

The upgrade and maintenance of customer water meters is essential in tracking the efficiency of the Water System and protecting the revenue of the Authority. The accuracy of the water meters needs to be monitored, and the meters themselves are periodically replaced and/or upgraded over time. The College Township Water Authority has had a meter replacement program in place since 1997. The capital purchase of 55 additional meters will allow the Authority to continue the replacement program of all residential meters.

CONSTRUCTION PROJECTS/CAPITAL ASSET PURCHASES

HOLE HOG - $5,600

The 3" diameter Hole Hog is a pneumatic underground piercing tool used to bore under paved roadways, sidewalks, etc. when no rock is present for the installation of ¾" to 2" waterlines eliminating the need for costly open cut excavation.

PORTABLE VALVE EXERCISER - $6,500

The valve exerciser is a trailer mounted unit with a gas engine and hydraulics capable of producing sufficient torque to operate large gate valves. It would be used for the yearly exercising of the distribution system's 750 main line valves.

SCADA SYSTEM I/O CONTROL AND ALARM FUNCTION TESTING - $8,874

We have experienced numerous occasions over the last several years when certain alarms have been activated and did not identify the nature and location of the alarm on the callout and when there have been known malfunctions of the pumping stations that did not activate the specific alarm. This contract will provide for two days on onsite SCADA system testing by Allied Control Services of all system monitoring, control, and alarm functions to identify existing incorrect alarm programming.

FUTURE PROJECTS

SPRING CREEK PARK STATION - $25,000

The Spring Creek Park Well was placed in operation in November 2001. The station was designed to provide a flow of 1250 gpm from the well pump. However, an undersized pit less adapter was installed that restricts the flow from the well pump to the station wet well. The well pump is now seven years old and due for replacement. It is proposed to install a new modified well pump and properly sized pit less adapter to obtain a flow of 1250 gpm as permitted.

PUDDINTOWN ROAD - $97,130

Install approximately 780 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.

CEDAR LANE/BATHGATE DRIVE - $33,530

Replace existing 2" steel line with 2" CTS plastic pipe. Re-new and connect 12 long side service lines and 4 short side service. New line would be looped to connect to the 6" main line along Puddintown Road at Cedar Lane and Bathgate Drive.

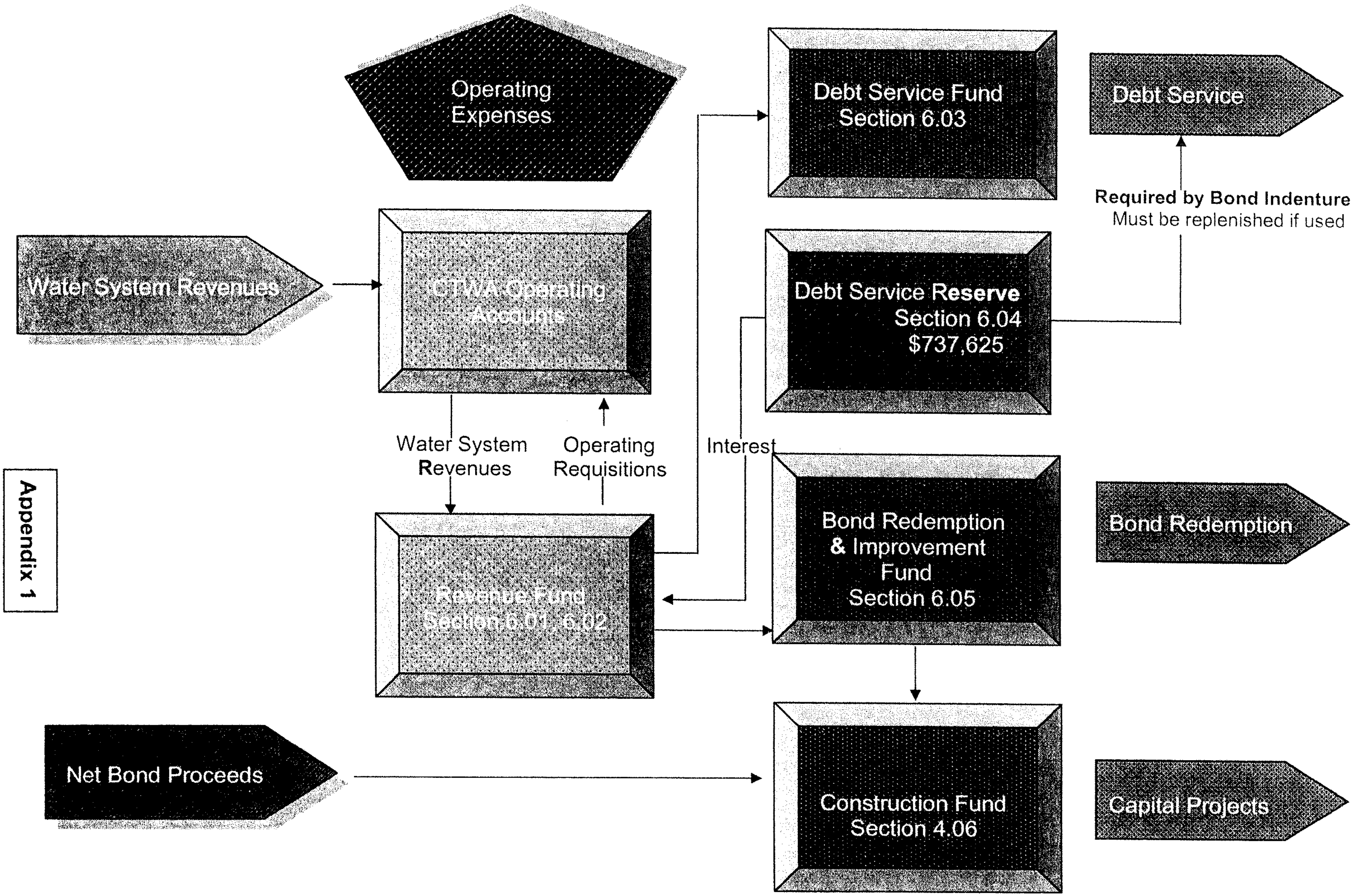
DALE STREET RESERVOIR - $150,000

Replace the liner and cover at the Dale Street Reservoir.

CLYDE AVENUE PHASE II - $58,285

Replace approximately 415 LF of 12" PVC pipe with 8" ductile iron pipe Clyde Avenue West through the field to the existing 12" valve near the railroad right-of-way. Connect the new 8" line to the existing 6" main line along Clyde Avenue and connect the existing fire hydrant on Clyde Avenue to the new 8" line.

CTWA Flow Of Funds (Trustee Account)



Appendix 1

COLLEGE TOWNSHIP WATER AUTHORITY
SERIES OF 2003

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
1/01/2004	210,000.00	3.250%	65,741.46	275,741.46
7/01/2004	-	-	193,811.88	193,811.88
1/01/2005	170,000.00	3.250%	193,811.88	363,811.88
7/01/2005	-	-	191,049.38	191,049.38
1/01/2006	175,000.00	3.250%	191,049.38	366,049.38
7/01/2006	-	-	188,205.63	188,205.63
1/01/2007	180,000.00	3.250%	188,205.63	368,205.63
7/01/2007	-	-	185,280.63	185,280.63
1/01/2008	185,000.00	3.250%	185,280.63	370,280.63
7/01/2008	-	-	182,274.38	182,274.38
1/01/2009	355,000.00	3.250%	182,274.38	537,274.38
7/01/2009	-	-	176,505.63	176,505.63
1/01/2010	370,000.00	3.250%	176,505.63	546,505.63
7/01/2010	-	-	170,493.13	170,493.13
1/01/2011	380,000.00	3.250%	170,493.13	550,493.13
7/01/2011	-	-	164,318.13	164,318.13
1/01/2012	395,000.00	3.250%	164,318.13	559,318.13
7/01/2012	-	-	157,899.38	157,899.38
1/01/2013	410,000.00	3.500%	157,899.38	567,899.38
7/01/2013	-	-	150,724.38	150,724.38
1/01/2014	425,000.00	3.500%	150,724.38	575,724.38
7/01/2014	-	-	143,286.88	143,286.88
1/01/2015	440,000.00	3.625%	143,286.88	583,286.88
7/01/2015	-	-	135,311.88	135,311.88
1/01/2016	455,000.00	3.750%	135,311.88	590,311.88
7/01/2016	-	-	126,780.63	126,780.63
1/01/2017	475,000.00	4.000%	126,780.63	601,780.63
7/01/2017	-	-	117,280.63	117,280.63
1/01/2018	495,000.00	4.000%	117,280.63	612,280.63
7/01/2018	-	-	107,380.63	107,380.63
1/01/2019	515,000.00	4.100%	107,380.63	622,380.63
7/01/2019	-	-	96,823.13	96,823.13
1/01/2020	535,000.00	4.125%	96,823.13	631,823.13
7/01/2020	-	-	85,788.76	85,788.76
1/01/2021	555,000.00	4.250%	85,788.76	640,788.76
7/01/2021	-	-	73,995.01	73,995.01
1/01/2022	580,000.00	4.375%	73,995.01	653,995.01
7/01/2022	-	-	61,307.50	61,307.50
1/01/2023	615,000.00	4.500%	61,307.50	676,307.50
7/01/2023	-	-	47,470.00	47,470.00
1/01/2024	510,000.00	4.500%	47,470.00	557,470.00
7/01/2024	-	-	35,995.00	35,995.00
1/01/2025	530,000.00	4.600%	35,995.00	565,995.00
7/01/2025	-	-	23,805.00	23,805.00
1/01/2026	560,000.00	4.600%	23,805.00	583,805.00
7/01/2026	-	-	10,925.00	10,925.00
1/01/2027	475,000.00	4.600%	10,925.00	485,925.00
Total	9,995,000.00	-	5,719,166.66	15,714,166.66

Parker/Hunter Incorporated
Public Finance

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APPENDIX 2

College Township Water Authority 2009 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:						
2001	2001 FORD F350 UTILITY BODY #30	$32,800	10	2011	$35,000	$3,500
2001	2001 FORD F350 UTILITY BODY #31	$28,400	10	2011	$35,000	$3,500
2002	2002 GMC VAN #34	$21,640	10	2012	$25,000	$2,500
	TOTALS:	$82,840			$95,000	$9,500
OFFICE AND STAFF VEHICLES:						
	TOTALS:	$0			$0	$0
OFF ROAD EQUIPMENT:						
1994	1994 CASE BACKHOE	$35,000	14	2008	$40,000	$2,857
2006	BOBCAT 331E TRACK EXCAVATOR	$31,250	15	2021	$38,000	$2,533
	TOTALS:	$66,250			$78,000	$5,390

College Township Water Authority 2009 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:						
1936	MULLER TAPPING MACHINE	$1,000	15	1951	$1,200	$80
1990	PIPE AND CABLE LOCATOR	$1,000	15	2005	$1,300	$87
1993	5000W GENERATOR	$500	15	2008	$700	$47
1997	STONE 2" TRASH PUMP	$300	15	2012	$500	$33
1997	SCHONSTEDT METAL DETECTOR #1	$875	20	2017	$1,000	$50
1997	SCHONSTEDT METAL DETECTOR #2	$875	20	2017	$1,000	$50
1997	FORD TAPPING TOOL	$800	20	2017	$950	$48
1998	FIRE HYDRANT METER	$600	15	2013	$750	$50
2001	STIHL MULTI PURPOSE SAW	$700	10	2011	$850	$85
2002	FIRE HYDRANT FLOW TEST KIT	$1,200	20	2022	$1,500	$75
2004	PIPE THREADER	$1,200	20	2024	$1,500	$75
2005	HONDA 2" TRASH PUMP	$400	15	2020	$550	$37
2006	GAS DETECTOR	$1,300	15	2021	$1,500	$100
2006	12 VOLT SUBMERSIBLE PUMP	$500	12	2018	$650	$54
2006	HOSE MONSTER	$700	20	2026	$900	$45
2006	RIGID NO. 460 TRI STAND	$500	20	2026	$700	$35
2007	SCHONSTEDT LINE LOCATOR	$3,300	15	2022	$3,500	$233
2007	ALLEGRO VENTILATOR	$800	20	2027	$1,000	$50
2008	2008 INGERSOLL-RAND LIGHT TOWER	$6,885	20	2028	$8,000	$400
2008	VALVE LUBRICATOR	$400	20	2028	$600	$30
	TOTALS:	$23,835			$28,650	$1,663
LAWN & GROUNDS TOOLS:						
	TOTALS:	$0			$0	$0
	GRAND TOTALS:	$172,925			$201,650	$16,554

Year To Replace = Purchase Year + Expected Life

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