



THE GREENVILLE WATER AUTHORITY
MERCER COUNTY, PENNSYLVANIA

2020 WATER SYSTEM ANNUAL REPORT & 2021 OPERATING BUDGET

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The Greenville Water Authority

Mercer County

Entech Project Number: 4631.002

February 2021

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1. INTRODUCTION

This Water System Annual Report has been prepared in accordance with the authorization given to Entech Engineering Inc., (Entech) by the Greenville Water Authority (Authority) in accordance with Article VI, Section 6.07 of the Third Supplemental Trust Indenture dated December 29, 2011 which states:

"The Consulting Engineer shall be required to report annually on (i) the condition and operation of the Water System, and (ii) on the sufficiency of the Capital Improvements and Redemption Fund. The Capital Improvements and Redemption Fund shall be funded by any additional amounts recommended by the Consulting Engineer. Furthermore, amounts on deposit in the Capital Improvements and Redemption Fund shall be used to replenish any deficiency in the Debt Service Reserve Fund."

The Annual Report, presented herein is classified under the following headings:

- Section 2 - Operational and Maintenance Status of Authority Water Facilities
- Section 3 - Revenues and Expenditures
- Section 4 - Capital Improvements and Redemption Fund
- Section 5 - Rates, Rents, and Charges for Water
- Section 6 - Insurance
- Section 7 - Conclusions and Recommendations

This report is the seventy-eighth annual report upon the operation of the water system under Authority management. Reports have been submitted annually covering operations since April 1, 1942. Additions and improvements during the past year are reviewed, and the report includes recommendations for additions and improvements, the operating budget for fiscal year 2021, and the capital expenditures proposed for the fiscal year 2021. Information used in this report has been obtained from Authority Management.

1.1. Greenville Water Authority Water System Description

The Greenville Water Authority Water System is comprised of one (1) treatment plant, five (5) storage tanks, one (1) booster pump station, distribution mains, and associated appurtenances. This system serves Greenville Borough, a portion of Hempfield Township, and West Salem Township. Pertinent information about the Authority and its water system is provided in Section 2.

2. OPERATIONAL AND MAINTENANCE STATUS OF AUTHORITY WATER FACILITIES

2.1. System Operational and Maintenance Status

The general performance of all Greenville Water Authority distribution and treatment facilities during Fiscal Year 2020 has been satisfactory. Management reports that all Authority facilities have functioned well throughout the year with no extraordinary operational or maintenance problems encountered.

2.2. Water Treatment Plant

The filtration plant contains four (4) filters that have a total of 360 square feet of surface area. Considering these filters to be rapid rate filters with multimedia beds per the Department of Environmental Protection Regulations, the filters can produce 2,000,000 gallons of water per day.

The filtration plant was operated 5,577 hours during the past year for an average of approximately 15.2 hours daily and processed sufficient quantities of water to meet all consumer requirements. A review of operating results indicates that the water produced by the plant met or exceeded primary drinking water regulations of the Safe Drinking Water Act.

In addition to performing routine maintenance, Greenville Water Authority completed installation of two (2) heat pumps (kitchen and locker room), complete fluoride feed system replacement, sludge pump and valve replacement, and rebuild of the sludge press PLC. The Authority also completed 3rd party analysis of media samples from all four (4) filters.

A portable generator was purchased to provide electricity in the event of a power outage. The unit can also be “turned down” to supply the booster station.

2.3. Distribution System

The distribution system has been properly maintained during the past year. Hydrants were regularly inspected, and repairs were made as required to the distribution system to provide for minimum interruption of service to customers.

Under the Meter Account, 19 remote meters were installed and 0 meters were tested or repaired in 2020.

A review of the operating records, as noted above, indicates that the Authority has continued to expand and improve distribution and service facilities during the past year and has operated and maintained them in accordance with accepted waterworks practice.

The Authority also continued an ongoing inspection of fire hydrants and turned valves in an effort to keep the system’s components operational. The Authority conducted system-wide flushing activities in April-May and October.

Waterline projects completed in 2020 included service relocation along Alan and N. Race St. along with the Louisa-Shenango-College Water Line Replacement (PENNVEST Change Order)

2.4. Distribution Pump Station

The Booster Pump Station is located at the former treatment facility along Hadley Road and pumps finished water from the plant zone to the east zone pressure gradient. Pumping is regulated based upon Hadley Road Tank levels.

A portable generator was purchased to provide electricity in the event of a power outage. The unit has sufficient capacity to supply the treatment plant as well.

In addition, the Authority successfully negotiated an easement on the UPMC Horizon Property Survey

2.5. Distribution Storage Facilities

The exterior surfaces and grounds surrounding the two (2), 750,000-gallon, 255,000-gallon, the high level 250,000-gallon and 1,000,000-gallon storage tanks are maintained in a satisfactory manner. Construction for the 1,000,000-gallon storage tank adjacent to the existing Hadley Road storage tank #2 was completed in December 2010. Hadley Tank #1 was repainted in 2014.

Anniversary coating inspections were completed on the North & South Tanks in 2020.

It is recommended that the Authority continue the annual inspection and maintenance program for all distribution storage tanks. This program will identify potential problems before they become major and costly.

The water storage tanks were last painted as shown in Table 2-1:

Table 2-1: Tank Painting History

Storage Unit	Volume (Gallons)	Year Last Painted
North Tank	750,000	2018
South Tank	750,000	2018
West Main Street Tank	255,000	2005
Hadley Road Tank #1	250,000	2014
Hadley Road Tank #2	1,000,000	2010

2.6. General Office Structures and Equipment

The general office structure has been well maintained and is adequate in size for Authority operations. The roof was last replaced in 2016.

Under General Shop Equipment, general tools and equipment were purchased during 2020. Adequate small tools and repair equipment are available and maintained in good condition for repairs and service to customers.

2.7. Customers

The total number of customers according to consumer classifications listed on the books of the Authority as of December 31, 2020, compared with those listed at the end of 2019, is as presented in Table 2-2.

Table 2-2: Number of Customers, By Classification (2-Year)

Classification	December 31, 2019	December 31, 2020
Residential	2,414	2,434
Commercial	249	252
Industrial	3	3
Public	21	21
Private Fire Protection	54	55
Public Fire Protection	0	0

Note that one (1) new tap was added in 2020 (Fredonia Road).

Public fire protection was transferred from municipalities (2) to a fee applied directly to end users (customer bills) in 2019.

2.8. Use of Water

Table 2-3 provides a comparison of the amount of water sold by consumer classification for the past five (5) years:

Table 2-3: Customer Sales, By Classification (5-Year)

Classification	Total Volume Sold (1,000 Gallons)				
	2016	2017	2018	2019	2020
Residential	97,037	94,345	92,171	93,080	93,274
Commercial	43,496	45,370	47,072	44,723	36,479
Industrial	1,929	2,374	2,647	3,531	2,419
Public	10,479	10,868	11,849	10,857	9,899
Bulk Sales	939	1,163	1,092	1,173	1,170
TOTALS:	153,880	154,120	154,831	153,364	143,241

Sales to metered consumers totaled 143,241,000 gallons or a daily average of approximately 391,369 gallons in 2020. This represents a decrease in total sales of 10,123,000 gallons from 2019.

A breakdown of 2020 sales per customer class indicates that residential sales increased by just 167,000 gallons. This was more than off-set by reductions in commercial sales (decreased by 8,244,000 gallons), industrial sales (decreased by 1,112,000 gallons), public sales (decreased by 958,000 gallons), and bulk sales (decreased by 3,000 gallons).

2.9. Water Treatment Plant Operation

Table 2-4 lists plant output, quantity of water sold, water used in plant operation, daily average output and the percentage of water unbilled for during the past ten (10) years.

Table 2-4: Plant Throughput and Unbilled (10-Year)

Year	Plant Output ¹	Daily Average Output ¹	Sold ¹	Other ^{1,2}	Percentage Unbilled
2020	213,521	583	143,241	14,365	26.2
2019	216,733	594	153,364	9,962	24.6
2018	217,106	595	154,831	6,166	28.7
2017	211,989	581	154,120	4,000	25.2
2016	224,767	614	153,880	4,108	29.7
2015	255,681	700	162,788	15,570	30.2
2014	255,805	701	170,087	0	33.5
2013	255,760	701	177,081	15,000	30.8
2012	268,303	733	183,751	7,500	31.5
2011	240,000	658	179,052	1,000	25.4

Notes: ¹ Units in 1,000 gallons

² Estimated for fire hydrant flushing

The unbilled percentage is based on the Plant Output and Water Sold values and accounts for unmetered water usage from hydrant flushing, automatic flushing device operation, leaks, tank drawdowns, fire protection, etc.

Table 2-5 compares chemical usage and costs for the last two (2) years:

Table 2-5: Chemical Usage and Cost (2-Year)

Chemical	2019		2020	
	Usage (lbs)	Total Cost	Usage (lbs)	Total Cost
Activated Carbon	0	\$0	0	\$0
AquaMag (gal)	713	\$9,223	540	\$6,986
Caustic Soda	59,444	\$21,909	62,206	\$23,061
Chlorine	9,044	\$7,196	9,657	\$7,726
Fluoride	13,594	\$6,053	12,363	\$4,985
Polymer N1986	208	\$636	208	\$636
Stern PAC	251,114	\$51,511	256,479	\$57,521
300-53 Polymer (Sludge Press)	2,002	\$3,423	2,130	\$3,642
Potassium Permanganate	2,087	\$5,806	1,833	\$5,004
Ammonia	10,686	\$4,810	15,219	\$6,065
TOTALS:		\$110,567		\$115,626

3. REVENUES AND EXPENDITURES

3.1. Revenues and Expenditures

Based on information provided by the Authority, Table 3-1 has been prepared to show the actual 2018 revenues and expenses compared with the projected actual (unaudited) and budgeted revenues and expenses for 2019.

Table 3-1: Revenues and Expenses for 2019, 2020, and 2020 Budget

	2019 Actual	2020 Year End (unaudited)	2020 Budget
Operating Revenue			
Metered Residential	\$1,254,197	\$1,416,070	\$1,358,822
Metered Commercial	\$388,174	\$381,583	\$430,800
Metered Industrial	\$28,436	\$26,678	\$30,636
Metered Public	\$34,584	\$29,187	\$37,044
Private Fire Protection	\$40,696	\$47,276	\$45,500
Public Fire Protection	\$28,872	\$31,855	\$31,800
Tap in Fees	\$3,308	\$2,000	\$2,000
Subtotal Operations Revenue	\$1,778,266	\$1,934,649	\$1,936,602
Non-Operations Revenue			
Bulk Water Sales	\$11,718	\$12,705	\$10,000
Well Sample Test	\$16,946	\$15,385	\$16,500
Turn On/Off Service Fee	\$8,680	\$7,320	\$9,000
DEP Safe Drinking Water Fee	\$9,936	\$10,962	\$10,000
Lien Letter Receipts	\$2,934	\$3,300	\$2,600
Collection Cost Recovery	\$44,922	\$33,591	\$43,000
Miscellaneous/Scrap	\$619	\$338	\$500
Work for Others	\$19,281	\$17,238	\$9,200
Sewer Collection Fees	\$27,743	\$27,743	\$27,744
Interest Earnings	\$5,848	\$7,986	\$5,000
Written Off Account Recovery	\$1,402	\$625	\$800
Grant and Property Sale/Lease	\$136,800	\$0	\$0
USB Trust- Debt Interest	\$5,209	\$1,069	\$4,000
USB Trust - Debt Holdings Interest	\$2,852	\$447	\$3,000
USB Capital Interest	\$471	\$85	\$200
Subtotal Non-Operations Revenue	\$295,361	\$138,795	\$141,544
TOTAL REVENUES	\$2,073,627	\$2,073,443	\$2,078,146

Table 3-1 (cont'd)
Revenues and Expenses for 2019, 2020, and 2020 Budget

	2019 Actual	2020 Year End (unaudited)	2020 Budget
General & Administrative			
Authority Board	\$6,000	\$5,900	\$6,000
Office Salaries	\$120,936	\$129,111	\$130,000
Operating Expense	\$40,343	\$43,835	\$45,000
Contracted Services	\$45,950	\$38,732	\$50,000
Utilities	\$7,046	\$6,940	\$12,800
Office Building Maintenance	\$895	\$0	\$1,500
Permits/ Right of Ways	\$12,275	\$12,417	\$15,000
General Adjusted Bank Fees	\$5,677	\$5,832	\$5,600
Engineering Retainer	\$6,300	\$4,982	\$5,000
Legal & Professional	\$18,197	\$23,844	\$18,500
Insurance Premiums	\$34,588	\$35,658	\$40,000
Social Security (FICA)	\$35,465	\$37,311	\$37,346
Health Benefits	\$114,002	\$130,963	\$137,000
Mileage Reimbursements	\$460	\$0	\$1,100
Education/Safety/ Medical	\$3,658	\$1,884	\$4,000
Unemployment Compensation	\$3,280	\$3,412	\$4,900
Retirement	\$0	\$0	\$3,000
Court Fees	\$823	\$442	\$1,200
Subtotal General Administrative Fees	\$455,893	\$481,262	\$517,946
PURIFICATION SYSTEM			
Operations Labor	\$177,382	\$190,462	\$195,000
Overtime Labor	\$8,253	\$2,911	\$10,000
Operations Expense	\$16,326	\$16,026	\$20,800
Treating Chemicals	\$103,694	\$115,626	\$112,000
Contracted Services	\$44,937	\$33,174	\$46,000
Utilities	\$50,624	\$40,849	\$57,000
Lab Chemicals	\$23,134	\$21,788	\$23,000
WTP Evaluation	\$0	\$0	\$0
Subtotal Purification	\$424,350	\$420,837	\$463,800

Table 3-1 (cont'd)
Revenues and Expenses for 2019, 2020, and 2020 Budget

HADLEY ROAD BOOSTER PUMP	2019 Actual	2020 Year End (unaudited)	2020 Budget
Electric / Building	\$0	\$0	\$0
Electric / Pump	\$7,036	\$6,767	\$7,600
Heating	\$1,246	\$961	\$2,000
Pump Maintenance	\$0	\$0	\$0
Contracted Services	\$657	\$2,482	\$1,000
Subtotal Pumping	\$8,939	\$10,210	\$10,600
DISTRIBUTION SYSTEM			
Operations Labor	\$152,500	\$160,264	\$166,500
Labor Overtime	\$4,518	\$4,928	\$10,000
Services Materials	\$6,278	\$2,496	\$7,100
Mains Material	\$9,046	\$19,052	\$14,000
Meters Material	\$16,898	\$8,522	\$22,000
Operation Expense	\$26,874	\$22,690	\$26,000
Contracted Service	\$48,710	\$54,236	\$58,000
Vehicle Expense	\$1,603	\$2,149	\$2,300
Gasoline Expense	\$4,817	\$4,133	\$5,200
Subtotal Distribution	\$271,243	\$278,470	\$311,100
TOTAL EXPENSES	\$1,160,425	\$1,190,779	\$1,303,446

As shown in Table 3-1, for Fiscal Year 2020 the unaudited operating revenues were less than budgeted operating revenues by just \$1,953. Overall total revenues missed budget by \$4,703. However, total expenses for 2020 were \$112,667 below budget. Net income available for depreciation, debt service, and capital additions was \$882,664.

Table 3-2 has been prepared to show the actual (unaudited) revenues and expenses of the Authority compared to the 2020 budget of revenues and expenses adopted by the Authority.

Table 3-2: 2020 Operating Budget

Operating Revenue	2020 (unaudited)	2021 Budget
Metered Residential	\$1,416,070	\$1,442,400
Metered Commercial	\$381,583	\$388,700
Metered Industrial	\$26,678	\$27,600
Metered Public	\$29,187	\$28,900
Private Fire Protection	\$47,276	\$47,000
Public Fire Protection	\$31,855	\$0
Tap in Fees	\$2,000	\$2,000
Subtotal Operation Revenue	\$1,934,649	\$1,936,600
Non-Operations Revenue		
Bulk Water Sales	\$12,705	\$11,500
Well Sample Test	\$15,385	\$17,000
Turn On/Off Service Fee	\$7,320	\$9,500
DEP Safe Drinking Water Fee	\$10,962	\$10,000
Lien Letter Receipts	\$3,300	\$2,900
Collection Cost Recovery	\$33,591	\$43,000
Miscellaneous/Scrap	\$338	\$500
Work for Others	\$17,238	\$10,000
Sewer Collection Fees	\$27,743	\$27,744
Interest Earnings	\$7,986	\$6,000
Written Off Account Recovery	\$625	\$800
Grant and Property Sale/Lease	\$0	\$0
USB Trust- Reserve Interest	\$1,069	\$3,000
USB Trust - Service Interest	\$447	\$2,000
USB Capital Interest	\$85	\$100
Subtotal Non-Operations Revenue	\$138,795	\$144,044
TOTAL REVENUES	\$2,073,443	\$2,080,644

Table 3-2 (cont'd)
2021 Operating Budget

General & Administrative	2020 (unaudited)	2021 Budget
Authority Board	\$5,900	\$6,000
Office Salaries	\$129,111	\$135,000
Billing Supplies	\$43,835	\$43,000
Contracted Services	\$38,732	\$49,000
Utilities	\$6,940	\$12,000
Office Building Maintenance	\$0	\$1,000
Permits/ Right of Ways	\$12,417	\$15,000
General Adjusted Bank Fees	\$5,832	\$6,500
Engineering Retainer	\$4,982	\$6,000
Legal & Professional	\$23,844	\$20,000
Insurance Premiums	\$35,658	\$41,000
Social Security	\$37,311	\$40,900
Health Benefits	\$130,963	\$136,000
Mileage Reimbursements	\$0	\$1,100
Education/Safety/ Medical	\$1,884	\$4,000
Unemployment Compensation	\$3,412	\$5,067
Retirement	\$0	\$4,000
Court Fees	\$442	\$1,000
Subtotal General Administrative Fees	\$481,262	\$526,567
PURIFICATION SYSTEM		
Operations Labor	\$190,426	\$208,000
Overtime Labor	\$2,911	\$9,000
Operations Expense	\$16,026	\$20,500
Treating Chemicals	\$115,626	\$117,000
Contracted Services	\$33,174	\$45,000
Utilities	\$40,849	\$52,000
Lab Chemicals	\$21,788	\$24,000
WTP Evaluation	\$0	\$0
Subtotal Purification	\$420,837	\$475,500

Table 3-2 (Cont'd)
2021 Operating Budget

HADLEY ROAD BOOSTER PUMP	2020 (unaudited)	2021 Budget
Electric / Building	\$0	\$0
Electric / Pump	\$6,767	\$7,600
Heating	\$961	\$2,000
Pump Maintenance	\$0	\$0
Contracted Services	\$2,482	\$2,000
Subtotal Pumping	\$10,210	\$11,600
DISTRIBUTION SYSTEM		
Operations Labor	\$160,264	\$177,000
Labor Overtime	\$4,928	\$9,000
Services Materials	\$2,496	\$7,000
Mains Material	\$19,052	\$14,500
Meters Material	\$8,522	\$19,000
Operation Expense	\$22,690	\$26,200
Contracted Service	\$54,236	\$57,000
Vehicle Expense	\$2,149	\$2,400
Gasoline Expense	\$4,133	\$4,600
Subtotal Distribution	\$278,470	\$316,700
TOTAL EXPENSES	\$1,190,779	\$1,330,367

The Operating Budgeted Expenses for 2021, included herein, total \$1,330,367. This represents an increase of approximately 11.7 percent over the unaudited operating expenses in 2020. Expenses are based on present and anticipated 2021 costs of chemicals, power, contract dewatering of treatment plant sludge, and other operating requirements.

The anticipated revenues from metered sales, fire protection, and tap-in fees revenue are estimated to provide approximately \$1,936,600 in 2021. Non-operating revenues are estimated to amount to \$144,044, which includes the fee charged to the Borough of Greenville and Hempfield Township for billing and collecting sewer charges, and interest income from investments. On the above basis, total revenues for 2021 have been anticipated to amount to \$2,080,644.

3.2. Comparative Statement of Revenues and Debt Service

A comparative statement of operating revenues and debt service for Fiscal Years 2020 and 2021 is shown in Table 3-3. The Budget FY 2021 figures reflect the Fourth Issue Water Revenue Bonds, Series of 2011 dated December 29, 2011 values.

Table 3-3: Comparative Statement of Revenue and Debt Service

	Unaudited FY 2020	Budget FY 2021
<u>Net Revenue</u>		
Total Revenue	\$2,073,443	\$2,080,644
Total Expenses	\$1,190,779	\$1,330,367
Total Revenue Available for Debt Service	\$882,664	\$750,277
<u>Debt Service</u>		
Pennvest Princ/Int. Dist. Improvement	\$248,400	\$247,000
USB Bonds Princ/ Int. Pay off Sept. 2024	\$289,713	\$287,838
New Pennvest	\$132,537	\$132,537
Total Debt Service	\$670,650	\$667,375
<u>Capital Additions</u>		
Revenue Available for Debt Service	\$882,664	\$750,227
Total Debt Service	\$670,650	\$667,375
Available for Capital Additions	\$212,014	\$82,852
Coverage Provided	1.32	1.12

The above summary indicates that revenues produced by the rate schedule effective January 1, 2021 together with other non-operating revenue will provide revenues for the year 2021 that will be sufficient to cover the minimum requirements (1.1) for operating expenses and for debt service as required by the Trust Indenture.

4. CAPITAL IMPROVEMENTS AND REDEMPTION FUND

4.1. Capital Improvements 2020

Cost of capital additions to plant and equipment of the Waterworks System in 2020 totaled \$80,103. These improvements were sufficient for proper operation of the Authority's system.

A tabulation of budgeted and actual expenses is shown in Table 4-1.

Table 4-1: Capital Improvements Program 2020

Item	Actual 2020	Budget 2020
Lab & Plant Equipment	\$26,445	\$43,000
Raw/Finish Pump	\$0	\$0
Sludge Press	\$24,271	\$24,000
Building & Lot Repairs	\$3,613	\$10,000
New Vehicles - Capital	\$0	\$0
Hydrant & Valves	\$5,780	\$6,000
Power Equipment	\$0	\$0
Main / Service Line Improvements	\$16,041	\$15,000
Storage Tanks	\$0	\$0
Admin/Billing Equipment Capital	\$3,953	\$4,000
TOTALS:	\$80,103	\$102,000

4.2. Capital Improvements Program 2021-2023

Proposed capital improvements for the years 2021, 2022 and 2023 are shown in Table 4-2. These improvements will be prioritized by the Authority and implemented based upon need and available funds.

Table 4-2: Capital Improvements Program 2021-2023

Item	Budget 2021	Budget 2022	Budget 2023
Lab/Plant Equipment	\$10,000	\$15,000	\$25,000
Raw Pumps/Finish Pumps	\$2,000	\$1,000	\$1,000
Sludge/Press Improvements	\$0	\$10,000	\$5,000
Building & Parking Lot Repairs	\$15,000	\$0	\$0
New Vehicles Replacement	\$27,000	\$28,000	\$32,000
Hydrant/Valve Program	\$7,000	\$7,000	\$8,000
Tools & Equipment	\$0	\$1,000	\$3,000
Main/Service Line Improvements - Capital	\$0	\$0	\$0
Storage Tanks	\$0	\$0	\$0
Admin/Billing Equipment Capital	\$20,000	\$2,000	\$0
TOTALS:	\$81,000	\$64,000	\$74,000

The Authority closed on a PENNVEST loan/grant package in 2018. Associated activity continued through late 2020.

5. RATES, RENTS, AND WATER CHARGES

5.1. Rate Schedule

The Authority's current rate schedule, which became effective January 1, 2021, is summarized in Table 5-1:

Table 5-1: 2021 Rates, Rents, and Water Charges

Residential, Industrial, Commercial Service - Base & Incremental Rates			
Base	Meter Size	Rate (Monthly)	Rate (Annually)
First 500 Gallons:	5/8"	\$21.05	\$252.60
	5/8" x 3/4"	\$21.05	\$252.60
	3/4"	\$31.20	\$374.40
	1"	\$46.30	\$555.55
	1 1/4"	\$55.10	\$661.23
	1 1/2"	\$64.00	\$768.00
	2"	\$95.60	\$1,147.20
	3"	\$192.85	\$2,314.24
	4"	\$315.85	\$3,790.20
	6"	\$597.75	\$7,173.00
Increment	Volume Limit (Gallons)	Rate (Monthly, Per 1,000 Gallons)	
For the Next:	3,500	\$8.95	
	29,500	\$9.10	
	66,500	\$8.90	
	233,500	\$6.60	
Over:	333,500	\$4.65	
Fire Protection Stand-By Service			
Type	Connection Size	Rate (Monthly)	Rate (Annually)
Private Hydrants:	---	\$53.20	\$638.40
Sprinkler Systems (Per Connection):	2"	\$9.60	\$115.20
	4"	\$40.45	\$485.40
	6"	\$53.20	\$638.40
	8"	\$91.60	\$1,099.20

One additional monthly fee is added to customer bills:

PADEP Safe Drinking Water Act Fee: \$0.30

Note that the \$0.80/month Public Fire Protection Fee (previously identified as a separate charge) has been combined into the monthly base rate.

5.2. Bulk Water Rates

The bulk water sale rate is \$8.95 per thousand gallons (billed monthly).

Metered bulk water use throughout the system is billed with a \$25.00 minimum.

Bulk water obtained at the water treatment plant has a \$5.00 service fee applied per load.

6. INSURANCE

Insurance in force for 2021 (as of December 31, 2020), is provided in Table 6-1 below and includes General Liability, Commercial Property Coverage, Employees, Automobile, Public Officials Liability, Employee Workers Compensation, and Employee Dishonesty, as noted. The insurance coverage is based on an appraisal by an independent professional appraiser. The appraisal is updated annually. It is recommended that this practice be continued and that the Authority's appraisal be updated annually.

Table 6-1: 2021 Schedule of Insurance

Provider	Expiration Date	Property Covered	Coverage Type	Coverage Amount
Cincinnati Insurance Company	5/1/2021	General Liability	Liability	\$1,000,000
		Commercial Property	Building Coverage	\$9,984,841
		General Liability	Inland Marine	\$38,000
			Payroll	\$317,500
			Limit	\$3,000,000
				\$1,000,000
			Employee Benefits	\$3,000,000
		Wrongful Acts & Professional Liability	Retro 5/1/2000	\$3,000,000
				\$1,000,000
		Employee Practices	Retro 5/1/2000	\$3,000,000
				\$1,000,000
		Commercial Crime	Employee Theft	\$100,000
			Forgery/ Alteration	\$100,000
			Computer Fraud	\$50,000
			Money	\$25,000
			Fund Transfer	-
			Money Orders/ Counterfeit	-
		Automobile	Liability	\$1,000,000
			Non-Owned Liability	\$1,000,000
		Excess Liability		\$1,000,000
Terrorism		\$1,000,000		
Cyber		\$1,000,000		
Earthquake		\$150,000		
Flood		\$100,000		
Cincinnati Insurance		Employee Workers Compensation		PA Standard

7. CONCLUSIONS AND RECOMMENDATIONS

In accordance with the covenants of the Trust Indenture dated December 29, 2011, as set forth in Section 6.07, the following conclusions are submitted:

- Total Expenses in the amount of **\$1,330,367** as outlined in the Budget, represent the estimate of the amount required for operational and administrative costs and maintenance of the water system for the 2021 fiscal year.
- The operating budget, as provided herein, has been approved and adopted. In our opinion, it represents the required expenditures necessary to maintain the properties of the Authority in good repair and sound operating condition.
- The insurance schedule, as set forth herein, is based on an independent professional appraisal. It is recommended that this appraisal be updated annually and insurance coverage be revisited as necessary for the coming fiscal year.
- The capital improvements budget has been developed to provide a listing of desirable improvements over the next three (3) years. These improvements will be completed based upon the Authority's prioritization and available funding.

In its seventy-eighth year of existence, the Authority has continued to provide good, sound, direction to the operation of the utility in accordance with recognized water works practices, regulatory requirements, and industry standards.

Entech is registered to provide engineering services as Entech Engineering, Inc. In the performance of its services on behalf of the Greenville Water Authority (a municipal entity), Entech is not recommending any financing action, is not acting as a municipal advisor to the Client and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act to the Authority in respect to the information and material contained in this Report. The Authority should discuss any information and material contained in this Report with any and all internal and/or external financial advisors and experts deemed appropriate before acting on the information contained herein.

8. ACKNOWLEDGMENT

Entech Engineering, Inc. would like to take this opportunity to express sincere gratitude to the Authority Board for the opportunity to serve as the Greenville Water Authority consulting engineer; and to recognize the valuable contributions of Ms. Carol Paul, Ms. Shannon McClimans, and the Greenville Water Authority staff to the preparation of this report.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "R. Horvat".

ENTECH ENGINEERING, INC.

Robert L. Horvat, PE
Regional Director/ Project Manager