



THE GREENVILLE WATER AUTHORITY
MERCER COUNTY, PENNSYLVANIA

2021 WATER SYSTEM ANNUAL REPORT & 2022 OPERATING BUDGET

Prepared by: **Robert L. Horvat, PE**



Entech Engineering, Inc.
400 Industry Drive | Suite 200 | Pittsburgh, PA 15275
(p) 412.264.2800 (f) 412.264.2850

Project No.: 4631.002
Report Dated: February 9, 2022

The Greenville Water Authority

Mercer County

Entech Project Number: 4631.002

February 2022

Table of Contents

<u>Section</u>	<u>Page</u>
1. INTRODUCTION	1
1.1. Greenville Water Authority Water System Description	1
2. OPERATIONAL & MAINTENANCE STATUS OF AUTHORITY WATER FACILITIES.....	2
2.1. System Operational and Maintenance Status.....	2
2.2. Water Treatment Plant	2
2.3. Distribution System	2
2.4. Distribution Pump Station	3
2.5. Distribution Storage Facilities	3
2.6. General Office Structures and Equipment	4
2.7. Customers.....	4
2.8. Use of Water.....	5
2.9. Water Treatment Plant Operation.....	6
3. REVENUES AND EXPENDITURES	8
3.1. Revenues and Expenses.....	8
3.2. Comparative Statement of Revenues, Expenses, and Debt Service.....	14
4. CAPITAL IMPROVEMENTS AND REDEMPTION FUND	15
4.1. Capital Improvements 2021.....	15
4.2. Capital Improvements Program 2022-2024	16
5. RATES, RENTS, AND CHARGES FOR WATER	17
5.1. Rate Schedule.....	17
5.2. Bulk Water Rates	18
6. INSURANCE	19
7. CONCLUSIONS AND RECOMMENDATIONS.....	20
8. ACKNOWLEDGEMENT	21

The Greenville Water Authority
Mercer County
Entech Project Number: 4631.002
February 2022
Table of Contents

<u>TABLES</u>	<u>Page</u>
Table 2-1 Tank Painting History.....	3
Table 2-2 Number of Customers, By Classification (2-Year)	4
Table 2-3 Customer Sales, By Classification (5-Year)	5
Table 2-4 Plant Throughput and Unbilled (10-Year)	6
Table 2-5 Chemical Usage and Cost (2-Year)	7
Table 3-1 Revenues and Expenses for the Years 2021 and 2022 and 2022 Budget.....	8-10
Table 3-2 Operating Budget for 2022	11-13
Table 3-3 Comparative Statement of Revenues and Debt Service	14
Table 4-1 Capital Improvements Program 2021	15
Table 4-2 Capital Improvements Program 2022-2024.....	16
Table 5-1 2022 Rates, Rents, and Water Charges	17
Table 6-1 2022 Schedule of Insurance	19

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-ninth 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 2022, and the capital expenditures proposed for the fiscal year 2022. 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 2021 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 5,905 hours during the past year for an average of approximately 16.2 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. The Authority owns a portable generator which is capable of powering the plant in the event of an outage.

In addition to performing routine maintenance, Greenville Water Authority completed replacement of the “Greenleaf” filter controls, vacuum assembly and adjacent support structure. Additional fluoride feed and analysis equipment was purchased through a grant from the PA Coalition for Oral Health. The Authority also secured permitting for replacement of filter media and underdrain nozzles.

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 2021.

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.

While there were no full waterline projects completed in 2021, the Authority secured significant grant funding from PENNVEST for a “Lead Line Replacement Project” which will commence in 2022.

A new Ford F-150 was purchased for the distribution fleet in 2021.

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.

The Authority's portable generator is capable of powering the booster in the event of an electrical service interruption.

The Authority has secured PWS permitting for construction of a new booster station on the UPMC Horizon Property easement and is currently seeking funding to move forward with this project.

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.

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 2021. 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, 2021, compared with those listed at the end of 2020, is as presented in Table 2-2.

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

Classification	December 31, 2020	December 31, 2021
Residential	2,434	2,441
Commercial	252	255
Industrial	3	3
Public	21	23
Private Fire Protection	55	55
Public Fire Protection	0	0

Note that one (1) new tap (a private fire service) was added in 2021 (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)				
	2017	2018	2019	2020	2021
Residential	94,345	92,171	93,080	93,274	90,891
Commercial	45,370	47,072	44,723	36,479	39,899
Industrial	2,374	2,647	3,531	2,419	3,581
Public	10,868	11,849	10,857	9,899	8,427
Bulk Sales	1,163	1,092	1,173	1,170	1,517
TOTALS:	154,120	154,831	153,364	143,241	144,315

Sales to metered consumers totaled 144,314,850 gallons or a daily average of approximately 395,380 gallons in 2021. This represents an increase in total sales of 1,073,850 gallons from 2020.

A breakdown of 2021 sales per customer class indicates that residential sales decreased by 2,383,000 gallons. This was more than off-set by an increase in commercial sales (increased by 3,420,000 gallons). Industrial sales (increased by 1,162,000 gallons), public sales (decreased by 1,472,000 gallons), and bulk sales (increased by 347,000 gallons) generally balanced out.

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
2021	208,815	572	144,315	6,152	27.9
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

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	2020		2021	
	Usage (lbs)	Total Cost	Usage (lbs)	Total Cost
Activated Carbon	0	\$0	0	\$0
AquaMag (gal)	540	\$6,986	498	\$6,444
Caustic Soda	62,206	\$23,061	64,236	\$28,086
Chlorine	9,657	\$7,726	10,232	\$9,470
Fluoride	12,363	\$4,985	11,595	\$5,900
Polymer N1986	208	\$636	208	\$642
Stern PAC	256,479	\$57,521	258,356	\$53,045
300-53 Polymer (Sludge Press)	2,130	\$3,642	1,550	\$2,651
Potassium Permanganate	1,833	\$5,004	2,305	\$6,183
Ammonia	15,219	\$6,065	14,534	\$6,268
TOTALS:		\$115,626		\$118,689

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 2020 revenues and expenses compared with the projected actual (unaudited) and budgeted revenues and expenses for 2021.

Table 3-1: Revenues and Expenses for 2020, 2021, and 2021 Budget

	2020 Actual	2021 Year End (unaudited)	2021 Budget
Operating Revenue			
Metered Residential	\$1,405,736	\$1,397,090	\$1,442,400
Metered Commercial	\$376,799	\$404,941	\$388,700
Metered Industrial	\$26,464	\$32,614	\$27,600
Metered Public	\$28,491	\$32,153	\$28,900
Private Fire Protection	\$47,276	\$47,550	\$47,000
Tap in Fees	\$2,000	\$2,568	\$2,000
Subtotal Operations Revenue	\$1,915,981	\$1,916,916	\$1,936,600
Non-Operations Revenue			
Bulk Water Sales	\$12,705	\$15,573	\$11,700
Bacteria Testing	\$15,360	\$17,125	\$17,000
Turn On/Off Service Fee	\$7,320	\$7,113	\$9,500
Lien Letter Receipts	\$3,300	\$3,425	\$2,900
Collection Cost Recovery	\$33,591	\$39,625	\$43,000
Miscellaneous/Scrap	\$338	\$763	\$500
DEP Safe Drinking Water Fee	\$10,962	\$11,002	\$10,000
Work for Others	\$17,601	\$6,737	\$10,000
Sewer Collection Fees	\$27,743	\$27,743	\$27,744
Interest Earnings	\$7,986	\$6,166	\$6,000
Written Off Account Recovery	\$625	\$420	\$800
USB Trust- Debt Interest	\$1,069	\$9	\$3,000
USB Trust - Debt Holdings Interest	\$447	\$19	\$2,000
USB Capital Interest	\$85	\$2	\$100
Subtotal Non-Operations Revenue	\$138,593	\$135,722	\$144,244
TOTAL REVENUES	\$2,054,574	\$2,052,638	\$2,080,844

Table 3-1 (cont'd)
Revenues and Expenses for 2020, 2021, and 2021 Budget

	2020 Actual	2021 Year End (unaudited)	2021 Budget
General & Administrative			
Authority Board	\$5,500	\$6,000	\$6,000
Office Salaries	\$130,046	\$134,846	\$135,000
Operating Expense	\$43,835	\$40,056	\$43,000
Contracted Services	\$38,732	\$37,478	\$49,000
Utilities	\$6,940	\$6,882	\$12,000
Office Building Maintenance	\$0	\$0	\$1,000
Engineering Retainer	\$5,399	\$5,617	\$6,000
Insurance Premiums	\$35,658	\$36,003	\$41,000
Social Security (FICA)	\$37,311	\$39,150	\$40,900
General Adjusted Bank Fees	\$5,832	\$5,992	\$6,500
Unemployment Compensation	\$3,412	\$3,901	\$5,067
Health Benefits	\$130,963	\$131,885	\$136,000
Permits/ Right of Ways	\$12,417	\$12,895	\$15,000
Legal & Professional	\$24,709	\$26,727	\$20,000
Mileage Reimbursements	\$0	\$624	\$1,100
Education/Safety/ Medical	\$1,884	\$4,697	\$4,000
Depreciation	\$347,516	\$328,000	\$328,000
Retirement	\$0	\$0	\$4,000
Court Fees	\$442	\$207	\$1,000
Subtotal General Administrative Fees¹	\$483,479	\$492,958	\$526,567
PURIFICATION SYSTEM			
Operations Labor	\$191,930	\$197,891	\$208,000
Overtime Labor	\$2,911	\$4,006	\$9,000
Operations Expense	\$16,026	\$14,741	\$20,500
Treating Chemicals	\$115,048	\$118,690	\$117,000
Contracted Services	\$33,174	\$37,852	\$45,000
Utilities	\$40,849	\$44,496	\$52,000
Lab Chemicals	\$21,788	\$21,030	\$24,000
WTP Evaluation	\$0	\$0	\$0
Subtotal Purification	\$421,727	\$438,705	\$475,500

Notes: ¹ Subtotal does not include "Depreciation"

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

HADLEY ROAD BOOSTER PUMP	2020 Actual	2021 Year End (unaudited)	2021 Budget
Electric / Building	\$0	\$0	\$0
Electric / Pump	\$6,767	\$5,575	\$7,600
Heating	\$961	\$776	\$2,000
Pump Maintenance	\$0	\$0	\$0
Contracted Services	\$2,482	\$0	\$2,000
Subtotal Pumping	\$10,210	\$6,351	\$11,600
DISTRIBUTION SYSTEM			
Operations Labor	\$160,979	\$170,518	\$177,000
Labor Overtime	\$4,928	\$3,105	\$9,000
Operation Expense	\$22,690	\$19,048	\$26,200
Mains Material	\$18,473	\$11,297	\$14,500
Services Materials	\$2,496	\$3,414	\$7,000
Meters Material	\$8,522	\$14,430	\$19,000
Contracted Service	\$41,829	\$53,785	\$57,000
Vehicle Expense	\$2,149	\$1,709	\$2,400
Gasoline Expense	\$4,133	\$6,138	\$4,600
Subtotal Distribution	\$266,199	\$283,445	\$316,700
TOTAL EXPENSES	\$1,181,615	\$1,221,460	\$1,330,367

As shown in Table 3-1, for Fiscal Year 2021 the unaudited operating revenues were less than budgeted operating revenues by \$19,684. Overall total revenues missed budget by \$28,206. However, total expenses for 2021 were \$108,907 below budget. Net income available for depreciation, debt service, and capital additions was \$831,178.

Table 3-2 has been prepared to show the actual (unaudited) revenues and expenses of the Authority compared to the 2022 budget of revenues and expenses adopted by the Authority.

Table 3-2: 2022 Operating Budget

Operating Revenue	2021 (unaudited)	2022 Budget
Metered Residential	\$1,442,400	\$1,440,000
Metered Commercial	\$388,700	\$405,000
Metered Industrial	\$27,600	\$34,000
Metered Public	\$28,900	\$29,487
Private Fire Protection	\$47,000	\$49,000
Public Fire Protection	\$2,000	\$0
Tap in Fees	\$1,936,600	\$2,000
Subtotal Operation Revenue	\$1,442,400	\$1,959,478
Non-Operations Revenue		
Bulk Water Sales	\$15,573	\$12,600
Bacteria Testing	\$17,125	\$16,700
Turn On/Off Service Fee	\$7,113	\$7,700
Lien Letter Receipts	\$3,425	\$3,300
Collection Cost Recovery	\$39,625	\$42,500
Miscellaneous/Scrap	\$763	\$700
DEP Safe Drinking Water Fee	\$11,002	\$10,000
Work for Others	\$6,737	\$9,500
Sewer Collection Fees	\$27,743	\$27,743
Interest Earnings	\$6,166	\$1,000
Written Off Account Recovery	\$420	\$700
USB Trust- Debt Interest	\$9	\$10
USB Trust - Debt Holdings Interest	\$19	\$15
USB Capital Interest	\$2	\$5
Subtotal Non-Operations Revenue	\$135,722	\$132,473
TOTAL REVENUES	\$2,052,638	\$2,091,951

Table 3-2 (cont'd)
2022 Operating Budget

General & Administrative	2021 (unaudited)	2022 Budget
Authority Board	\$6,000	\$6,000
Office Salaries	\$134,846	\$149,000
Operating Expense	\$40,056	\$42,000
Contracted Services	\$37,478	\$41,000
Utilities	\$6,882	\$10,000
Office Building Maintenance	\$0	\$1,000
Engineering Retainer	\$5,617	\$6,000
Insurance Premiums	\$36,003	\$41,000
Social Security (FICA)	\$39,150	\$43,000
General Adjusted Bank Fees	\$5,992	\$6,000
Unemployment Compensation	\$3,901	\$5,000
Health Benefits	\$131,885	\$150,000
Permits/ Right of Ways	\$12,895	\$15,000
Legal & Professional	\$26,727	\$30,000
Mileage Reimbursements	\$624	\$1,100
Education/Safety/ Medical	\$4,697	\$4,000
Depreciation	\$328,000	\$328,000
Retirement	\$0	\$1,000
Court Fees	\$207	\$900
Subtotal General Administrative Fees¹	\$492,958	\$552,000
PURIFICATION SYSTEM		
Operations Labor	\$197,891	\$209,000
Overtime Labor	\$4,006	\$5,000
Operations Expense	\$14,741	\$18,500
Treating Chemicals	\$118,690	\$129,000
Contracted Services	\$37,852	\$39,000
Utilities	\$44,496	\$48,500
Lab Chemicals	\$21,030	\$24,000
Subtotal Purification	\$438,705	\$473,000

Notes: ¹ Subtotal does not include "Depreciation"

Table 3-2 (Cont'd)
2022 Operating Budget

HADLEY ROAD BOOSTER PUMP	2021 (unaudited)	2022 Budget
Electric / Building	\$0	\$0
Electric / Pump	\$5,575	\$6,600
Heating	\$776	\$1,500
Pump Maintenance	\$0	\$0
Contracted Services	\$0	\$0
Subtotal Pumping	\$6,351	\$8,100
DISTRIBUTION SYSTEM		
Operations Labor	\$170,518	\$198,000
Labor Overtime	\$3,105	\$4,000
Operation Expense	\$19,048	\$27,200
Mains Material	\$11,297	\$13,000
Services Materials	\$3,414	\$5,000
Meters Material	\$14,430	\$20,000
Contracted Service	\$53,785	\$50,000
Vehicle Expense	\$1,709	\$2,300
Gasoline Expense	\$6,138	\$6,000
Subtotal Distribution	\$283,445	\$325,500
TOTAL EXPENSES	\$1,221,460	\$1,358,600

The Operating Budgeted Expenses for 2022, included herein, total \$1,358,600. This represents an increase of approximately 11.2 percent over the unaudited operating expenses in 2021. Expenses are based on present and anticipated 2022 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 \$1,959,478 in 2022. Non-operating revenues are estimated to amount to \$132,473, 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 2022 have been anticipated to amount to \$2,091,951.

3.2. Comparative Statement of Revenues and Debt Service

A comparative statement of operating revenues and debt service for Fiscal Years 2021 and 2022 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 2021	Budget FY 2022
<u>Net Revenue</u>		
Total Revenue	\$2,052,638	\$2,091,951
Total Expenses	\$1,221,460	\$1,358,600
Total Revenue Available for Debt Service	\$831,178	\$733,351
<u>Debt Service</u>		
Pennvest Princ/Int. Dist. Improvement	\$246,997	\$247,000
USB Bonds Princ/ Int. Pay off Sept. 2024	\$287,838	\$284,550
2018 Pennvest	\$63,213	\$132,537
Total Debt Service	\$598,048	\$664,087
<u>Capital Additions</u>		
Revenue Available for Debt Service	\$831,178	\$733,351
Total Debt Service	\$598,048	\$664,087
Available for Capital Additions	\$233,130	\$69,254
Coverage Provided	1.39	1.10

The above summary indicates that revenues produced by the rate schedule effective January 1, 2022 together with other non-operating revenue will provide revenues for the year 2022 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 2021

Cost of capital additions to plant and equipment of the Waterworks System in 2021 totaled \$257,950. 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 2021

Item	Actual 2021	Budget 2022
Lab & Plant Equipment	\$227,473	\$45,000
Raw/Finish Pump	\$2,106	\$1,000
Sludge Press	\$0	\$2,000
Building & Lot Repairs	\$0	\$0
New Vehicles - Capital	\$22,365	\$0
Hydrant & Valves	\$0	\$7,000
Power Equipment	\$5,806	\$2,000
Main / Service Line Improvements	\$200	\$0
Storage Tanks	\$0	\$0
Admin/Billing Equipment Capital	\$0	\$2,000
TOTALS:	\$257,950	\$59,000

4.2. Capital Improvements Program 2022-2024

Proposed capital improvements for the years 2022, 2023 and 2024 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 2022-2024

Item	Budget 2022	Budget 2023	Budget 2024
Lab/Plant Equipment	\$45,000	\$25,000	\$10,000
Raw Pumps/Finish Pumps	\$1,000	\$1,000	\$1,000
Sludge/Press Improvements	\$2,000	\$5,000	\$70,000
Building & Parking Lot Repairs	\$0	\$0	\$0
New Vehicles Replacement	\$0	\$0	\$32,000
Hydrant/Valve Program	\$7,000	\$8,000	\$9,000
Tools & Equipment	\$2,000	\$3,000	\$4,000
Main/Service Line Improvements - Capital	\$0	\$0	\$0
Storage Tanks	\$0	\$0	\$0
Admin/Billing Equipment Capital	\$2,000	\$0	\$5,000
TOTALS:	\$59,000	\$42,000	\$131,000

The Authority was awarded funding for PENNVEST grant package in 2021. Settlement is anticipated to occur in early 2022.

5. RATES, RENTS, AND WATER CHARGES

5.1. Rate Schedule

The Authority's current rate schedule, which became effective January 1, 2022, is summarized in Table 5-1:

Table 5-1: 2022 Rates, Rents, and Water Charges

Residential, Industrial, Commercial Service - Base & Incremental Rates			
Base	Meter Size	Rate (Monthly)	Rate (Annually)
Service Fee	5/8"	\$20.00	\$240.00
	5/8" x 3/4"	\$20.00	\$240.00
	3/4"	\$33.35	\$400.20
	1"	\$49.80	\$597.60
	1 1/2"	\$98.50	\$1,182.00
	2"	\$154.00	\$1,848.00
	3"	\$309.75	\$3,717.00
	4"	\$400.00	\$4,800.00
	6"	\$1,433.00	\$17,194.00
	Volume (Gallons)	Rate (Monthly, Per 1,000 Gallons)	
	1,000	\$6.00	
	2,000 thru 5,000	\$8.60	
	6,000 thru 199,000	\$9.00	
	Over 200,000	\$7.00	
Fire Protection Stand-By Service			
Type	Connection Size	Rate (Monthly)	Rate (Annually)
Private Hydrants:	---	\$55.85	\$670.20
Sprinkler Systems (Per Connection):	2"	\$10.10	\$121.20
	4"	\$42.45	\$509.40
	6"	\$55.85	\$670.20
	8"	\$96.15	\$1,153.80

One additional monthly fee is added to customer bills:

PADEP Safe Drinking Water Act Fee: \$0.30

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 2022 (as of December 31, 2021), 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: 2022 Schedule of Insurance

Provider	Expiration Date	Property Covered	Coverage Type	Coverage Amount
Cincinnati Insurance Company	5/1/2023	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	2/28/2022	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 **\$1,358,600** 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 2022 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-ninth 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