



THE GREENVILLE WATER AUTHORITY
MERCER COUNTY, PENNSYLVANIA

2022 WATER SYSTEM ANNUAL REPORT & 2023 OPERATING BUDGET

Prepared by: Mark R. Widdersheim, PE



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

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The Greenville Water Authority

Mercer County

Entech Project Number: 4631.002

February 2023

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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 eightieth 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 2023, and the capital expenditures proposed for the fiscal year 2023. 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 2022 has been satisfactory. Management reports that all Authority facilities have functioned well throughout the year with the exception of one (1) raw water intake pump that failed and remained out-of-service through most of the year.

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 PADEP Regulations, the filters can produce 2,000,000 gallons of water per day.

The filtration plant was operated 5,993 hours during the past year for an average of approximately 16.4 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 filter media and underdrain nozzles. One (1) of the raw water pumps failed completely and the internals of the second raw pump were rebuilt. A new raw pump was procured to replace the failed unit (installed February 2023 – WC Weil). In addition, an evaluation of unusual scale build-up in a couple of the filter basins continues. Finally, jar testing for optimization of DelPAC and caustic dosages was performed.

Paperwork to support the renewal of the NPDES discharge permit was completed and submitted to PADEP on May 4, 2022; Greenville Water Authority continues to await issuance of the revised draft NPDES permit. PADEP also performed a facility inspection from November 15-18, 2022 with only minor comments/findings that are being addressed.

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.

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 and October.

In 2022, 19 main and three (3) service line leaks were repaired; one (1) curb valve/box was repaired; four (4) hydrants were replaced or repaired; one (1) distribution system valve was replaced; and three (3) remote meters were installed. These items were independent of the Phase I Waterline Replacement work performed under contract described below.

The Authority secured \$3,816,220 in **grant** funding from PENNVEST for a Phase I Waterline Work which was conducted during 2022. Work was divided into three (3) construction contracts and awarded to two (2) different contractors based on lowest responsible bidder:

- Contract 2021-01: Waterline Replacements Projects – Group 1 (Bison Construction, Inc.)
- Contract 2021-02: Waterline Replacements Projects – Group 2 (Bison Construction, Inc.)
- Contract 2021-03: Lead Service Replacement Project (Mortimer's Excavating, Inc.)

Aside from some minimal paving restoration and a half-dozen valve box maintenance items, the Phase I work was wrapped-up in December 2022. The above items are slated to be addressed in the spring once warmer weather permits.

The Authority also secured \$ \$3,851,854 in **low-interest loan** funding from PENNVEST for Phase II Waterline Work, which was awarded in 2022. Phase II Work was divided into two (2) construction contracts awarded to two (2) different contractors:

- Contract 2022-01: Waterline Replacement Project (Mortimer's Excavating, Inc.)
- Contract 2022-02: Hadley Road Booster Pump Station Relocation (Gildea Group, LLC)

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 Hadley Road Booster Pump Station on the UPMC Horizon Property easement; funding for this project is part of the Phase II Waterline Work under PennVest and is anticipated be completed in the 3Q/4Q 2023 timeframe.

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, 2022, compared with those listed at the end of 2021, is as presented in Table 2-2.

Table 2-2: Number of Customers, By Classification (2-Year)		
Classification	December 31, 2021	December 31, 2022
Residential	2,439	2,408
Commercial	253	249
Industrial	3	2
Public	20	20
Private Fire Protection	56	58
Public Fire Protection	0	0

Note that two (2) new private fire service taps were added in 2022.

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)				
	2018	2019	2020	2021	2022
Residential	92,171	93,080	93,274	90,891	91,012
Commercial	47,072	44,723	36,479	39,899	41,172
Industrial	2,647	3,531	2,419	3,581	3,430
Public	11,849	10,857	9,899	8,427	11,252
Bulk Sales	1,092	1,173	1,170	1,517	1,341
TOTALS:	154,831	153,364	143,241	144,315	148,207

Sales to metered consumers totaled 148,207,000 gallons or a daily average of approximately 406,047 gallons in 2022. This represents an overall increase in total sales of 3,892,000 gallons from 2021.

The breakdown of 2022 sales per customer class indicates (from largest increase to smallest decrease):

- Public Sales: 2,825,000-gallon increase,
- Commercial Sales: 1,273,000-gallon increase.
- Residential Sales: 121,000-gallon increase.
- Bulk Sales: 176,000-gallon decrease; and
- Industrial Sales: 151,000-gallon decrease.

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.

Year	Plant Output ¹	Daily Average Output ¹	Sold ¹	Other ^{1,2}	Percentage Unbilled
2022	230,415	631	148,207	6,669	22.3
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: ¹Units in 1,000 gallons

²Estimated 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	2021		2022	
	Usage (lbs)	Total Cost	Usage (lbs)	Total Cost
Activated Carbon	0	\$0	0	\$0
AquaMag (gal)	498	\$6,986	412	\$5,287
Caustic Soda	64,236	\$23,061	61,034	\$34,722
Chlorine	10,232	\$7,726	9,508	\$20,061
Fluoride	11,595	\$4,985	12,915	\$7,253
Polymer N1986	208	\$636	142	\$477
DelPAC	258,356	\$57,521	275,738	\$61,653
300-53 Polymer (Sludge Press)	1,550	\$3,642	1,831	\$3,330
Potassium Permanganate	2,305	\$5,004	1,541	\$4,144
Ammonium Sulfate	14,534	\$6,065	14,667	\$7,228
TOTALS:		\$115,626		\$144,156

There were substantial increases in the unit costs for chlorine, caustic soda, and fluoride that drove the overall chemical cost of operations up 24.6% from 2021 to 2022.

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 2021 revenues and expenses compared with the projected actual (unaudited) and budgeted revenues and expenses for 2022.

Table 3-1: Revenues and Expenses for 2021, 2022, and 2022 Budget			
Operating Revenue	2021 Actual	2022 Year End (unaudited)	2022 Budget
Metered Residential	\$1,397,090	\$1,461,476	\$1,440,000
Metered Commercial	\$404,941	\$452,933	\$405,000
Metered Industrial	\$32,614	\$36,895	\$34,000
Metered Public	\$32,153	\$39,525	\$29,478
Private Fire Protection	\$47,550	\$51,700	\$49,000
Tap in Fees	\$2,568	\$0	\$2,000
Subtotal Operations Revenue	\$1,916,916	\$2,042,529	\$1,959,478
Non-Operations Revenue			
Bulk Water Sales	\$15,573	\$13,523	\$12,600
Bacteria Testing	\$17,125	\$25,899	\$16,700
Turn On/Off Service Fee	\$7,113	\$6,358	\$7,700
Lien Letter Receipts	\$3,425	\$4,470	\$3,300
Collection Cost Recovery	\$39,625	\$45,040	\$42,500
Miscellaneous/Scrap	\$763	\$453	\$700
DEP Safe Drinking Water Fee	\$11,002	\$10,901	\$10,000
Work for Others	\$6,737	\$2,053	\$9,500
Sewer Collection Fees	\$27,743	\$27,743	\$27,743
Interest Earnings	\$6,166	\$1,338	\$1,000
Written Off Account Recovery	\$420	\$627	\$700
USB Trust- Debt Interest	\$9	\$1,066	\$15
USB Trust - Debt Holdings Interest	\$19	\$2,892	\$10
USB Capital Interest	\$2	\$254	\$5
Subtotal Non-Operations Revenue	\$135,722	\$142,618	\$132,473
Subtotal Operations Revenue	\$1,916,916	\$2,042,529	\$1,959,478
TOTAL REVENUES	\$2,052,638	\$2,185,148	\$2,091,951

Table 3-1 (cont'd)			
Revenues and Expenses for 2021, 2022, and 2022 Budget			
General & Administrative	2021 Actual	2022 Year End (unaudited)	2022 Budget
Authority Board	\$6,000	\$6,000	\$6,000
Office Salaries	\$134,846	\$129,686	\$149,000
Operating Expense	\$40,056	\$44,677	\$42,000
Contracted Services	\$37,478	\$40,296	\$41,000
Utilities	\$6,882	\$7,750	\$10,000
Office Building Maintenance	\$0	\$0	\$1,000
Engineering Retainer	\$5,617	\$6,000	\$6,000
Insurance Premiums	\$36,003	\$37,741	\$41,000
Social Security (FICA)	\$39,150	\$43,405	\$43,000
General Adjusted Bank Fees	\$5,992	\$8,979	\$6,000
Unemployment Compensation	\$3,901	\$3,510	\$5,000
Health Benefits	\$131,885	\$134,843	\$150,000
Permits/ Right of Ways	\$12,895	\$16,370	\$15,000
Legal & Professional	\$26,727	\$46,715	\$30,000
Mileage Reimbursements	\$624	\$934	\$1,100
Education/Safety/ Medical	\$4,697	\$3,771	\$4,000
Depreciation	\$328,000	\$328,000	\$328,000
Retirement	\$0	\$924	\$1,000
Court Fees	\$207	\$861	\$900
Subtotal General Administrative Fees¹	\$492,958	\$532,462	\$552,000
PURIFICATION SYSTEM			
Operations Labor	\$197,891	\$210,501	\$209,000
Overtime Labor	\$4,006	\$11,609	\$5,000
Operations Expense	\$14,741	\$24,364	\$18,500
Treating Chemicals	\$118,690	\$148,360	\$129,000
Contracted Services	\$37,852	\$50,997	\$39,000
Utilities	\$44,496	\$50,795	\$48,500
Lab Chemicals	\$21,030	\$36,816	\$24,000
WTP Evaluation	\$0	\$0	\$0
Subtotal Purification	\$438,705	\$533,442	\$473,000

Notes: ¹ Subtotal does not include "Depreciation"

Table 3-1 (cont'd)			
Revenues and Expenses for 2021, 2022, and 2022 Budget			
HADLEY ROAD BOOSTER PUMP	2021 Actual	2022 Year End (unaudited)	2022 Budget
Electric	\$5,575	\$5,992	\$6,600
Heating	\$776	\$1,069	\$1,500
Contracted Services	\$0	\$0	\$0
Subtotal Pumping	\$6,351	\$7,061	\$8,100
DISTRIBUTION SYSTEM			
Operations Labor	\$170,518	\$191,064	\$197,000
Labor Overtime	\$3,105	\$18,519	\$4,000
Operation Expense	\$19,048	\$15,570	\$27,200
Mains Material	\$11,297	\$18,391	\$13,000
Services Materials	\$3,414	\$1,600	\$5,000
Meters Material	\$14,430	\$8,488	\$20,000
Contracted Service	\$53,785	\$130,660	\$50,000
Vehicle Expense	\$1,709	\$2,134	\$2,300
Gasoline Expense	\$6,138	\$9,481	\$6,000
Subtotal Distribution	\$283,445	\$395,906	\$324,500
TOTAL EXPENSES	\$1,221,460	\$1,796,870	\$1,685,600

As shown in Table 3-1, for Fiscal Year 2022, unaudited operating revenues were greater than budgeted operating revenues by \$93,197. However, unaudited operating expenses also exceeded budgeted expenses \$111,270. Net income available for depreciation, debt service, and capital additions was \$716,278 (see Table 3-3).

Table 3-2 has been prepared to show the actual (unaudited) revenues and expenses of the Authority compared to the 2023 budget of revenues and expenses adopted by the Authority.

Table 3-2: 2023 Operating Budget		
Operating Revenue	2022 (unaudited)	2023 Budget
Metered Residential	\$1,461,476	\$1,540,800
Metered Commercial	\$452,933	\$433,350
Metered Industrial	\$36,895	\$36,380
Metered Public	\$39,525	\$36,077
Private Fire Protection	\$51,700	\$52,430
Tap in Fees	\$0	\$2,000
Subtotal Operations Revenue	\$2,042,529	\$2,101,037
Non-Operations Revenue		
Bulk Water Sales	\$13,523	\$13,230
Bacteria Testing	\$25,899	\$19,000
Turn On/Off Service Fee	\$6,358	\$6,000
Lien Letter Receipts	\$4,470	\$3,600
Collection Cost Recovery	\$45,040	\$43,500
Miscellaneous/Scrap	\$453	\$700
DEP Safe Drinking Water Fee	\$10,901	\$10,000
Work for Others	\$2,053	\$800
Sewer Collection Fees	\$27,743	\$27,743
Interest Earnings	\$1,338	\$1,000
Written Off Account Recovery	\$627	\$800
USB Trust- Debt Interest	\$1,066	\$1,000
USB Trust - Debt Holdings Interest	\$2,892	\$1,200
USB Capital Interest	\$254	\$125
Subtotal Non-Operations Revenue	\$142,618	\$128,698
TOTAL REVENUES	\$2,185,148	\$2,229,735

Table 3-2 (cont'd)		
2023 Operating Budget		
General & Administrative	2022 (unaudited)	2023 Budget
Authority Board	\$6,000	\$6,000
Office Salaries	\$129,686	\$151,000
Operating Expense	\$44,677	\$43,428
Contracted Services	\$40,296	\$44,001
Utilities	\$7,750	\$12,000
Office Building Maintenance	\$0	\$0
Engineering Retainer	\$6,000	\$6,000
Insurance Premiums	\$37,741	\$43,050
Social Security (FICA)	\$43,405	\$45,000
General Adjusted Bank Fees	\$8,979	\$8,100
Unemployment Compensation	\$3,510	\$5,170
Health Benefits	\$134,843	\$159,750
Permits/ Right of Ways	\$16,370	\$15,000
Legal & Professional	\$46,715	\$22,000
Mileage Reimbursements	\$934	\$1,200
Education/Safety/ Medical	\$3,771	\$5,000
Depreciation	\$328,000	\$328,000
Retirement	\$924	\$0
Court Fees	\$861	\$500
Subtotal General Administrative Fees¹	\$532,462	\$567,199
PURIFICATION SYSTEM		
Operations Labor	\$210,501	\$199,000
Overtime Labor	\$11,609	\$6,500
Operations Expense	\$24,364	\$19,000
Treating Chemicals	\$148,360	\$185,000
Contracted Services	\$50,997	\$42,000
Utilities	\$50,795	\$51,000
Lab Chemicals	\$36,816	\$35,000
WTP Evaluation	\$0	\$0
Subtotal Purification	\$533,442	\$537,500

Notes: ¹ Subtotal does not include "Depreciation"

Table 3-2 (Cont'd)		
2023 Operating Budget		
HADLEY ROAD BOOSTER PUMP	2022 (unaudited)	2023 Budget
Electric	\$5,992	\$7,000
Heating	\$1,069	\$1,800
Contracted Services	\$0	\$0
Subtotal Pumping	\$7,061	\$8,800
DISTRIBUTION SYSTEM		
Operations Labor	\$191,064	\$217,000
Labor Overtime	\$18,519	\$7,500
Operation Expense	\$15,570	\$27,000
Mains Material	\$18,391	\$16,000
Services Materials	\$1,600	\$4,000
Meters Material	\$8,488	\$15,000
Contracted Service	\$130,660	\$65,000
Vehicle Expense	\$2,134	\$3,000
Gasoline Expense	\$9,481	\$9,500
Subtotal Distribution	\$395,906	\$364,000
TOTAL EXPENSES	\$1,468,870	\$1,477,499

The Operating Budgeted Expenses for 2023, included herein, total \$1,477,499. This represents an increase of approximately 0.6 percent over the unaudited operating expenses in 2022. Expenses are based on present and anticipated 2023 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 \$2,101,037 in 2023. Non-operating revenues are estimated to amount to \$128,698, 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 2023 have been anticipated to amount to \$2,229,735.

3.2. Comparative Statement of Revenues and Debt Service

A comparative statement of operating revenues and debt service for Fiscal Years 2022 and 2023 is shown in Table 3-3. The Budget FY 2022 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 2022	Budget FY 2023
Net Revenue		
Total Revenue	\$2,185,148	\$2,229,735
Total Expenses	\$1,468,870	\$1,477,499
Total Revenue Available for Debt Service	\$716,278	\$752,236
Debt Service		
Pennvest Princ/Int. Dist. Improvement	\$246,997	\$247,000
USB Bonds Princ/ Int. Pay off Sept. 2024	\$287,838	\$281,100
2018 Pennvest	\$63,213	\$132,537
Total Debt Service	\$598,048	\$660,637
Capital Additions		
Revenue Available for Debt Service	\$716,278	\$752,236
Total Debt Service	\$598,048	\$660,637
Available for Capital Additions	\$118,230	\$91,599
Coverage Provided	1.20	1.14

The above summary indicates that revenues produced by the rate schedule effective January 1, 2023 together with other non-operating revenue will provide revenues for calendar year 2023 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 2022

Cost of capital additions to plant and equipment of the Waterworks System in 2022 totaled \$201,149. 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 2022		
Item	Actual 2022	Budget 2023
Lab & Plant Equipment	\$101,587	\$20,000
Raw/Finish Pump	\$29,860	\$25,000
Sludge Press	\$2,555	\$4,000
Building & Lot Repairs	\$0	\$0
New Vehicles - Capital	\$0	\$0
Hydrant & Valves	\$1,147	\$7,000
Power Equipment	\$4,000	\$4,000
Main / Service Line Improvements	\$0	\$2,000
Storage Tanks	\$0	\$0
Admin/Billing Equipment Capital	\$0	\$0
TOTALS:	\$201,149	\$62,000

This does not substantial capital improvements being made under the PennVest Phase I Waterline Work to replace lead service lines. These expenses are tracked separately and reimbursed by PennVest outside GMWA's annual operating budget.

4.2. Capital Improvements Program 2023-2025

Proposed capital improvements for the years 2023, 2024 and 2025 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 2023-2025			
Item	Budget 2023	Budget 2024	Budget 2025
Lab/Plant Equipment	\$20,000	\$10,000	\$10,000
Raw Pumps/Finish Pumps	\$25,000	\$1,000	\$1,000
Sludge/Press Improvements	\$4,000	\$70,000	\$70,000
Building & Parking Lot Repairs	\$0	\$0	\$0
New Vehicles Replacement	\$0	\$32,000	\$32,000
Hydrant/Valve Program	\$7,000	\$9,000	\$9,000
Tools & Equipment	\$4,000	\$4,000	\$4,000
Main/Service Line Improvements - Capital	\$2,000	\$0	\$0
Storage Tanks	\$0	\$0	\$0
Admin/Billing Equipment Capital	\$0	\$5,000	\$5,000
TOTALS:	\$62,000	\$131,000	\$131,000

Phase II Waterline Work and replacement of the Hadley Road Booster Pump Station will be capital improvements projects performed in 2023. As Phase II is being funded as a low-interest PennVest loan (as opposed to a grant), it will become a new debt service line item in future budget and annual reports.

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"	\$21.50	\$258.00
	5/8" x 3/4"	\$21.50	\$258.00
	3/4"	\$35.83	\$429.96
	1"	\$57.33	\$687.96
	1 1/2"	\$120.91	\$1,450.92
	2"	\$191.67	\$2,300.04
	3"	\$384.21	\$4,610.52
	4"	\$558.34	\$6,700.08
	6"	\$1,540.48	\$18,485.76
	Volume (Gallons)	Rate (Monthly, Per 1,000 Gallons)	
	1,000	\$6.45	
	2,000 thru 5,000	\$9.25	
	6,000 thru 199,000	\$9.68	
	Over 200,000	\$7.53	
Fire Protection Stand-By Service			
Type	Connection Size	Rate (Monthly)	Rate (Annually)
Private Hydrants:	---	\$60.04	\$720.48
Sprinkler Systems (Per Connection):	2"	\$10.86	\$130.32
	4"	\$45.63	\$547.56
	6"	\$60.04	\$720.48
	8"	\$103.36	\$1,240.32

5.2. Bulk Water Rates

The bulk water sale rate is \$9.62 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, unless waived by Greenville Water Authority.

6. INSURANCE

Insurance in force for 2023 (as of December 31, 2022), 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: 2023 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
				\$1,000,000
		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 **\$1,477,499** 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 2023 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.

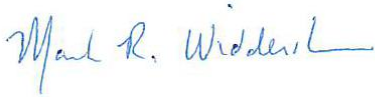
In its eightieth year of existence, the Authority has continued to provide good, sound, direction to the operation of the utility in accordance with recognized water works practices, regulatory requirements, and industry standards.

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. Jessica Kent, Ms. Shannon McClimans, and the Greenville Water Authority staff to the preparation of this report.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Mark R. Widdersheim". The signature is written in a cursive style with a long horizontal stroke at the end.

Entech Engineering, Inc.

Mark R. Widdersheim, PE
Senior Project Engineer