

**DRAFT**

**The Greenville Water Authority**  
Mercer County, Pennsylvania

**2008 Water System  
Annual Report and  
2009 Operating Budget**

February 2009



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## **1. INTRODUCTION**

### **1.1 Introduction**

This Water System Annual Report has been prepared in accordance with the authorization given to Gannett Fleming, Inc. by the Greenville Water Authority (Authority) in accordance with Article VI, Section 6.07 of the First Supplemental Trust Indenture dated January 15, 1994, from the Authority to the First National Bank of Mercer County, which states:

"The Consulting Engineer shall be required to report annually on (1) 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:

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

This report is the sixty-sixth 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 2009, and the capital expenditures proposed for the fiscal year 2009. Information used in this report has been obtained from Authority Management.

## **1.2 The Greenville Water Authority Water System Description**

The Greenville Water Authority Water System is comprised of one treatment plant, four storage tanks, distribution mains, and associated appurtenances. This system serves Greenville Borough and a portion of Hempfield Township. Pertinent information about the Authority and its water system is provided in Section 2.

## **2. OPERATIONAL AND MAINTENANCE STATUS OF AUTHORITY FACILITIES**

### **2.1 System Operational and Maintenance Status**

The general performance of all Greenville Water Authority distribution and treatment facilities during Fiscal Year 2008 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 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 5,949 hours during the past year for an average of approximately 16 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.

Filtration Plant equipment purchased in 2008 included a polymer chemical feed system, a flash mix VFD, an Auma filter valve motor, three Hach 1720E Turbidity meters, a large sump pump for the sludge pit, and a DBS sludge thickener drive unit. A SCADA system was also installed to replace the original control mechanism.

### **2.3 Distribution System**

The distribution system has been properly maintained during the past year, and extensions were made as required to serve customers. The 6" main line on Canal St. was upgraded, a 2" loop on Donation Road was completed, and the west Main Street waterline was upgraded to 8" from Water Street to the bridge and to 12" from Water Street to the railroad. A 2" loop was also

installed on Sylvan Way and 3 new fire hydrants were added to the system. The waterline along Alhambra Avenue was also replaced. 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, 201 remote meters were installed and 172 meters were tested or repaired in 2008.

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 operated. The Authority flushed the system in April and October of 2008.

The Authority began a phased approach to modeling and mapping of the entire distribution system in 2001. Phase I covered the high service district and was utilized to size the 12" fire supply line extension to the Hospital. The Authority authorized Phase 2 of the modeling in 2001, Phase 2 consists primarily of remapping and updating of the distribution system onto one map. There are presently two maps covering the distribution system.

#### **2.4 Distribution Storage Facilities**

The exterior surfaces and grounds surrounding the two 750,000 gallon, 255,000-gallon, and the high level 250,000-gallon storage tanks are maintained in a satisfactory manner. A fall protection system was purchased for the 255,000-gallon tank.

It is recommended that the Authority continue the yearly inspection, maintenance, cleaning, and disinfection program for all distribution storage tanks. If implemented, this program will spot potential problems before they become major and costly.

The water storage tanks were last painted as follows:

<u>Tank</u>	<u>Year</u>
750,000-Gallon, South Tank	1997
750,000-Gallon, North Tank	1995
250,000-Gallon, Hadley Road Tank	1988
255,000-Gallon, West Main Street	2005

## **2.5 General Office Structures and Equipment**

The general office structure has been well maintained and is adequate in size for Authority operations. A new computer monitor and keyboard and software were purchased in 2008.

Under General Shop Equipment, general tools and equipment were purchased during 2008. Adequate small tools and repair equipment are available and maintained in good condition for repairs and service to customers.

## **2.6 Consumers**

The total number of customers according to consumer classifications listed on the books of the Authority as of December 31, 2008, compared with those listed at the end of 2007, is as follows:

**Number of Consumers**

	<u>December 31, 2007</u>	<u>December 31, 2008</u>
Domestic	2,506	2,489
Commercial	406	398
Industrial	3	3
Public	<u>23</u>	<u>21</u>
	2,938	2,911
Private Fire Protection	43	45
Public Fire Protection	2	2

The customer total as of December 31, 2008, included 192 domestic multiple minimum accounts and 163 commercial multiple minimum accounts.

**2.7 Use of Water**

The comparison of the amount of water sold by consumer classification for the past five years is tabulated in the following summary:

<b>Classification</b>	<b>Total Gallons Sold (in 1,000 Gallons)</b>				
	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>
Domestic	107,070	105,765	116,470	107,400	107,073
Commercial	77,395	79,925	69,321	67,456	55,136
Industrial	2,199	3,501	4,432	5,764	5,625
Public	5,044	2,324	5,637	16,693	17,444
Bulk Sales	<u>33.2</u>	<u>522.8</u>	<u>629.45</u>	<u>1,141.22</u>	<u>1,034.9</u>
TOTAL	191,741	192,038	196,489	200,461	186,313

Sales to metered consumers totaled 186,312,900 gallons or a daily average of approximately 509,051 gallons in 2008 and represents a decrease in total sales of 12,141,320 gallons from 2007. A breakdown of sales per customer class indicates that domestic sales decreased by 327,000 gallons, commercial decreased by 12,320,000 gallons, industrial decreased by 139,000 gallons,



public increased by 751,000 gallons and Bulk sales decreased by 106,320 gallons in 2008.

## 2.8 Filter Plant

The following tabulation lists plant output, quantity of water sold, water used in plant operation, daily average output and the percentage of water unaccounted for during the past ten years.

<u>Year</u>	<u>Plant Output<sup>(1)</sup></u>	<u>Sold<sup>(1)</sup></u>	<u>Other<sup>(1,2)</sup></u>	<u>Daily Average Output<sup>(1)</sup></u>	<u>Percentage Unaccounted For</u>
2008	265,236	186,313	5,500	725	26.5
2007	314,148	198,454	11,497	861	33.2
2006	336,783	211,846	2,965 <sup>(4)</sup>	923	36.2
2005	315,901 <sup>(3)</sup>	192,038	0 <sup>(4)</sup>	865	39.2
2004	328,425 <sup>(3)</sup>	191,741	0 <sup>(4)</sup>	897	41.6
2003	234,345	190,009	0 <sup>(4)</sup>	642	18.9
2002	283,317	225,500	0 <sup>(4)</sup>	776	20.4
2001	269,868	205,514	0 <sup>(4)</sup>	739	23.8
2000	244,087	234,917	0 <sup>(4)</sup>	668	10.0
1999	233,221	223,996	0 <sup>(4)</sup>	639	4.0

Notes: <sup>(1)</sup> Water unit in 1,000 gallons.

<sup>(2)</sup> Water use estimated for hydrant flushing, fire protection, sludge building, etc.

<sup>(3)</sup> Water use estimated due to meter inaccuracies.

<sup>(4)</sup> Water used in plant operation is supplied before output meter.

The following tabulation compares the chemical usage and cost for the last two years:

<u>Chemical</u>	<u>2007</u>		<u>2008</u>	
	<u>Amount Used, lbs.</u>	<u>Total Cost</u>	<u>Amount Used, lbs.</u>	<u>Total Cost</u>
Activated Carbon	690	\$539	0	\$0
AquaMag	513	4,753	311	3,517
Caustic Soda	10,966	2,499	4,264	1,173
Chlorine	11,645	5,357	10,349	4,761
Fluoride	13,179	3,166	12,516	5,446
PolyEZ N1986	232	554	149	364
Stern PAC	222,090	36,645	157,650	26,012
EX 692/300-53 Polymer (Sludge Press)	1,308	3,100	2,549	6,041
Potassium Permanganate	3,503	8,515	1,809	4,794
Ammonia	8,980	<u>2,135</u>	9,853	<u>2,820</u>
TOTAL		\$67,263		\$54,928

Bacteriological analysis reports (10 reports per month) were submitted to the Department of Environmental Protection during the year.

### **3. REVENUES AND EXPENDITURES**

#### **3.1 Revenues and Expenditures**

Based on information provided by the Authority, Table 1 has been prepared to show the actual 2007 revenues and expenses compared with the projected actual (unaudited) and budgeted revenues and expenses for 2008.

**TABLE 1**  
**REVENUES AND EXPENSES FOR THE YEARS 2007 AND 2008**  
**AND 2008 BUDGET**

<b>OPERATING REVENUE</b>	<b><u>Actual 2007</u></b>	<b><u>Projected 2008</u> <u>Year End (unaudited)</u></b>	<b><u>Budget 2008</u></b>
Metered Domestic	\$844,474	\$833,050	\$809,183
Metered Commercial	357,056	329,166	342,391
Metered Industrial	26,171	25,492	25,053
Metered Public	27,503	27,041	26,329
Private Fire Protection	18,386	18,933	18,374
Public Fire Protection	21,548	21,548	21,548
Tap Fees	<u>2,056</u>	<u>4,112</u>	<u>10,280</u>
<b>Subtotals Operating Revenue</b>	<b>\$1,297,194</b>	<b>\$1,259,342</b>	<b>\$1,253,158</b>
<b>NON-OPERATING REVENUE</b>			
Bulk Water Sales	\$6,002	\$5,607	\$6,000
Well Sample Test	2,420	3,320	2,500
Turn on/off Service Fee (\$20)	10,700	10,620	10,000
Lien Letter Receipts (\$ 20)	2,600	1,340	2,500
Collection Costs Recovered @ \$10.00	24,754	21,466	24,200
Miscellaneous	1,028	27,254	500
Theft of Service Recovered	0	2,846	200
Job Work Revenue	2,396	12,526	3,500
Sewer Collection Fees	25,273	25,273	25,273
Interest Earnings	6,546	8,081	6,500
Uncollectible Recovery	580	933	500
Grants, Land & Timber Sales	239,800	332,300	375,000
FNB Trust - Debt Interest	1,826	1,541	1,800
FNB Trust - Debt Holdings	14,214	7,696	14,000
FNB Capital Interest	<u>10,075</u>	<u>4,715</u>	<u>10,500</u>
<b>Subtotals Non-Operating Revenue</b>	<b>\$348,214</b>	<b>\$465,518</b>	<b>\$482,973</b>
<b>TOTAL REVENUES</b>	<b>\$1,645,408</b>	<b>\$1,724,860</b>	<b>\$1,736,131</b>

**TABLE 1 (Cont'd)**

**REVENUES AND EXPENSES FOR THE YEARS 2007 AND 2008  
AND 2008 BUDGET**

<b>GENERAL AND ADMINISTRATIVE</b>	<b><u>Actual 2007</u></b>	<b><u>Projected 2008 Year End (unaudited)</u></b>	<b><u>Budget 2008</u></b>
Authority Board	\$6,000	\$6,900	\$6,000
Office Salaries	102,076	103,320	102,331
Supplies & Expense (including Postage)	39,375	39,981	33,000
Contracted Services	13,230	18,621	13,627
Utility Expenses (Building)	13,580	15,332	13,987
Office Building Maintenance	2,580	1,812	2,500
Pipe Line Permits (Railroad and Borough)	6,851	5,405	5,300
Uncollectible Consumer (Writeoffs)	0	2,150	1,000
Engineer Expense (Not including Projects)	5,000	5,000	9,439
Legal and Professional	25,711	31,023	24,000
Insurance Expense (Liability & Workers Comp)	37,003	38,113	38,113
Social Security	28,741	31,623	29,603
Employee Health Benefits	81,290	92,736	92,948
Mileage Reimbursement	454	237	500
Education Expense	2,334	1,606	2,404
Unemployment Comp.	3,708	3,531	3,819
Retirement Expense	22,931	23,441	23,441
Miscellaneous	11,050	13,786	10,500
<b>Subtotal General &amp; Administrative</b>	<b>\$401,914</b>	<b>\$434,617</b>	<b>\$412,512</b>
<b>PURIFICATION SYSTEM</b>			
Operating Labor	\$115,232	\$126,480	\$118,113
Labor Overtime	11,622	12,094	13,000
Operating Expenses	37,997	26,376	21,113
Chemicals	68,238	54,913	73,761
Contracted Services	27,810	32,811	28,644
Utilities	71,931	69,726	74,089
Lab Chemicals	<u>4,538</u>	<u>6,818</u>	<u>6,000</u>
<b>Subtotals Purification System</b>	<b>\$337,368</b>	<b>\$329,218</b>	<b>\$334,720</b>

TABLE 1 (Cont'd)

REVENUES AND EXPENSES FOR THE YEARS 2007 AND 2008  
AND 2008 BUDGET

	<u>Actual 2007</u>	<u>Projected 2008 Year End (unaudited)</u>	<u>Budget 2008</u>
<b>HADLEY BOOSTER PUMP</b>			
Electric/Building	\$933	\$1,168	\$961
Electric/Pumps	6,689	6,050	8,000
National Fuel	1,892	2,444	1,949
Pump Maintenance	<u>0</u>	<u>431</u>	<u>500</u>
<b>Subtotals Pumping</b>	<b>\$9,514</b>	<b>\$10,093</b>	<b>\$11,410</b>
<b>DISTRIBUTION SYSTEM</b>			
General Labor	\$48,094	\$50,103	\$49,296
Labor Overtime	10,147	9,879	10,401
Meter Reading	14,000	12,145	14,350
Distribution Labor @ Plant	11,265	11,819	12,800
Gratuitous Labor (No charge, 1-Call, On/Off)	21,849	24,680	22,504
Mains, Labor	8,458	8,399	10,000
Maintenance - Hydrants	2,186	6,592	3,815
Services, Labor	11,197	16,179	11,533
Meters, Labor	3,191	6,195	4,000
Maintenance - Tanks	2,520	380	876
Services, Materials	5,741	10,901	7,932
Mains, Materials	5,848	4,153	5,361
Meters, Materials	136	923	500
Operating Expense	6,218	8,872	6,405
Contracted Service	34,339	66,948	32,079
Vehicle Expense	885	676	1,407
Gasoline Expense	<u>4,269</u>	<u>6,289</u>	<u>3,732</u>
<b>Subtotal Distribution System</b>	<b>\$190,343</b>	<b>\$245,133</b>	<b>\$196,991</b>
<b>TOTAL EXPENSES</b>	<b>\$939,139</b>	<b>\$1,019,061</b>	<b>\$955,633</b>

As shown in Table 1, for Fiscal Year 2008 the total projected operating revenue was \$11,271 under budget due to decreases in commercial sales and tap fees. For the same year, the total operating expenses were over budget by \$63,428 and the net operating income available for depreciation and capital additions is \$705,799.

Table 2 has been prepared to show the projected actual (unaudited) revenues and expenses of the Authority compared to the 2009 budget of revenues and expenses adopted by the Authority.

TABLE 2

**OPERATING BUDGET FOR 2009**

	<b>Projected 2008 <u>Year End (unaudited)</u></b>	<b><u>2009 Budget</u></b>
<b>OPERATING REVENUE</b>		
Metered Domestic	\$833,050	\$850,000
Metered Commercial	329,166	339,000
Metered Industrial	25,492	26,000
Metered Public	27,041	28,000
Private Fire Protection	18,933	19,000
Public Fire Protection	21,548	21,548
Tap Fees	<u>4,112</u>	<u>4,112</u>
<b>Subtotals Operating Revenue</b>	<b>\$1,259,342</b>	<b>\$1,287,660</b>
<b>NON-OPERATING REVENUE</b>		
Bulk Water Sales	\$5,607	\$6,000
Well Sample Test	3,320	3,000
Turn on/off Service Fee (\$20)	10,620	10,800
Lien Letter Receipts (\$20)	1,340	1,500
Collection Cost Recovery (\$10)	21,466	22,000
Miscellaneous	27,254	1,000
Theft of Service Recovered	2,846	300
Job Work Revenue	12,526	3,500
Sewer Collection Fees	25,273	25,273
Interest Earnings	8,081	7,000
Uncollectible Recovery	933	550
Loans and Grants	332,300	36,500
FNB Trust - Debt Interest	1,541	1,500
FNB Trust Debt Holding	7,696	8,200
FNB - Capital Interest	<u>4,715</u>	<u>5,400</u>
<b>Subtotals Non-Operating Revenue</b>	<b>\$465,518</b>	<b>\$132,523</b>
<b>TOTAL REVENUES</b>	<b>\$1,724,860</b>	<b>\$1,420,183</b>



TABLE 2 (Cont'd)

**OPERATING BUDGET FOR 2009**

	<b><u>Projected 2008</u></b> <b><u>Year End (unaudited)</u></b>	<b><u>2009 Budget</u></b>
<b>GENERAL AND ADMINISTRATIVE</b>		
Authority Board	\$6,900	\$7,200
Office Salaries	103,320	105,000
Office Supplies and Expenses (Incl. Postage)	39,981	40,781
Contracted Services	18,621	20,000
Utility Expense (Building)	15,332	15,639
Office Building Maintenance	1,812	2,500
Pipe Line Permits (Railroad and Borough)	5,405	5,500
Uncollectible Consumer (Writeoffs)	2,150	2,200
Engineer Expense (Not including Projects)	5,000	5,000
Legal & Professional	31,023	20,000
Insurance Expense (Liability & Workers Comp)	38,113	38,500
Social Security	31,623	32,256
Employee Health Benefits	92,736	98,432
Mileage Reimbursement	237	500
Education Expense	1,606	3,000
Unemployment Comp,	3,531	3,637
Retirement Expense	23,441	17,359
Miscellaneous	<u>13,786</u>	<u>12,500</u>
<b>Subtotals General and Administrative</b>	<b>\$434,617</b>	<b>\$430,004</b>
<b>PURIFICATION SYSTEM</b>		
Operating Labor	\$126,480	\$137,565
Labor Overtime	12,094	12,336
Operating Expense	26,376	24,000
Chemicals	54,913	56,011
Contracted Services	32,811	35,000
Utilities	69,726	71,120
Lab Chemicals	<u>6,818</u>	<u>6,954</u>
<b>Subtotals Purification System</b>	<b>\$329,218</b>	<b>\$342,986</b>

TABLE 2 (Cont'd)

**OPERATING BUDGET FOR 2009**

	<b>Projected 2008 <u>Year End (unaudited)</u></b>	<b><u>2009 Budget</u></b>
<b>HADLEY BOOST PUMP</b>		
Electric/Building	\$1,168	\$1,191
Electric/Pumps	6,050	6,232
National Fuel	2,444	2,517
Pump Maintenance	<u>431</u>	<u>1,000</u>
<b>Subtotals Pumping System</b>	<b>\$10,093</b>	<b>\$10,940</b>
<b>DISTRIBUTION SYSTEM</b>		
General Labor	\$50,103	\$53,000
Labor Overtime	9,879	10,077
Meter Reading	12,145	13,500
Distribution Labor @ Plant	11,819	14,000
Gratuitous Labor (No charge, 1-call, On/Off)	24,680	25,174
Mains Labor	8,399	10,000
Maintenance - Hydrants	6,592	6,952
Services Labor	16,179	14,000
Meters Labor	6,195	7,000
Maintenance - Tanks	380	2,000
Services Materials	10,901	9,482
Mains Materials	4,153	4,236
Meters Materials	923	942
Operating Expense	8,872	7,000
Contracted Services	66,948	50,000
Vehicle Expense	676	689
Gasoline Expense	<u>6,289</u>	<u>5,500</u>
<b>Subtotals Distribution</b>	<b>\$245,133</b>	<b>\$233,552</b>
<b>TOTAL EXPENSES</b>	<b>\$1,019,061</b>	<b>\$1,017,482</b>

The Operating Budgeted Expenses for 2009, included herein, total \$1,017,482. This represents a decrease of approximately 0.2 percent over the projected operating expenses in 2008. Expenses are based on present and anticipated 2009 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 \$1,287,660 in 2009. Non-operating revenues are estimated to amount to \$132,523, which includes the fee charged to the Borough of Greenville for billing and collecting sewer charges, office rentals, and interest income from investments. On the above basis, total revenues for 2009 have been anticipated to amount to \$1,420,183.

### 3.2 Comparative Statement of Revenues, Expenses, and Debt Service

A comparative statement of operating revenues, expenses, and debt service for Fiscal Years 2008 and 2009 is shown in Table.

**TABLE 3**

#### **COMPARATIVE STATEMENT OF REVENUE, EXPENSES AND DEBT SERVICE**

	<u>Projected FY 2008</u>	<u>Budget FY 2009</u>
<b><u>Net Revenue</u></b>		
Total Revenue	\$1,724,860	\$1,420,183
Total Operating Expenses	<u>\$1,019,061</u>	<u>1,017,482</u>
Total Revenue Available for Debt Service	\$705,799	\$402,701
<b><u>Debt Service</u></b>		
1989 Bond Issue	\$177,945	\$181,695
PENNVEST	119,735	89,880
Hospital Loan	22,501	22,502
Total Debt Service	\$320,181	\$294,077
<b><u>Capital Additions</u></b>		
Revenue Available for Debt Service	\$705,799	\$402,701
Total Debt Service	<u>(\$320,181)</u>	<u>(\$294,077)</u>
Available for Capital Additions	\$385,618	\$108,624
<b>Coverage provided</b>	<b>2.20</b>	<b>1.37</b>

The above summary indicates that revenues produced by the rate schedule effective September 2006 together with other non-operating revenue will provide revenues for the year 2009 that will be sufficient to cover the requirements for operating expenses and for debt service as required by the Trust Indenture. Funds will also be available from the 2009 land and timber sales, anticipated grants/loans, and prior account balances to provide for recommended capital expenditures in the amount of \$545,400.

#### 4. CAPITAL IMPROVEMENTS AND REDEMPTION FUND

##### 4.1 Capital Improvements 2008

Cost of capital additions to plant and equipment of the Waterworks System in 2008 totaled \$448,731.

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

TABLE 4

#### CAPITAL IMPROVEMENTS PROGRAM 2008

<u>ITEM</u>	<u>Budget 2008</u>	<u>Actual 2008</u>
Plant Evaluation	\$5,925	\$7,168
Discharge to River	11,500	11,257
SCADA System	103,000	112,361
Lab / Plant Equipment	50,000	38,390
Finish Pumps	6,000	3,250
Sludge/Press Pump Improvements	5,000	0
Plant Rubber Roof	90,000	1,419
Building & Parking Lot Repairs	7,000	454
System Map and Model	8,000	0
Meter Reading & Meter Replacement Program	11,330	10,883
Pick-up Truck	27,000	0
Hydrant/Valve Program	15,000	6,476
Tools & Equipment	7,000	6,911
Main Line Improvements	250,000	239,245
Storage Tank Maintenance/Painting	10,000	7,748
Land Right of Way Acquisition River Crossing	70,000	0
Computer Hardware	3,000	246
Computer Software	3,000	490
Office Improvements	3,000	350
Source Water Protection Program	<u>4,500</u>	<u>2,083</u>
<b>Total</b>	<b>\$690,255</b>	<b>\$448,731</b>

## 4.2 Capital Improvements Program 2009-2010

Proposed capital improvements for the years 2009, 2009 and 2010 are shown in Table 5.

**TABLE 5**

### **CAPITAL IMPROVEMENTS PROGRAM 2009, 2010 AND 2011**

<b><u>ITEM</u></b>	<b><u>Budget 2009</u></b>	<b><u>Budget 2010</u></b>	<b><u>Budget 2011</u></b>
Plant Evaluation	\$6,500	\$6,630	\$6,829
Lab / Plant Equipment	39,200	39,974	40,784
Raw Pumps	11,000	0	0
Finish Pumps	0	0	4,000
Sludge/Press Pump Improvements	10,000	1,000	1,000
Plant Rubber Roof	90,000	0	0
Building & Parking Lot Repairs	4,000	2,500	2,750
System Map and Model	5,000	5,000	5,000
Meter Reading & Meter Replacement Program	12,000	12,240	12,485
Pick-up Truck	16,000	0	0
Hydrant/Valve Program	7,000	7,140	7,283
Tools & Equipment	7,000	7,140	7,283
Main Line Improvements	250,000	200,000	200,000
Storage Tank Maintenance/Painting	10,000	10,000	10,000
Land Right of Way Acquisition River Crossing	70,000	0	0
Computer Hardware	350	375	400
Computer Software	350	375	400
Office Improvements	2,500	2,750	3,000
Source Water Protection Program	<u>4,500</u>	<u>4,500</u>	<u>0</u>
<b>Total</b>	<b>\$545,400</b>	<b>\$299,624</b>	<b>\$301,214</b>

## 5. RATES, RENTS AND CHARGES FOR WATER

The Authority's current rate schedule, which became effective September 1, 2006, is summarized as follows:

### Bi monthly minimum charge for which 1,000 gallons of water is allowed

<u>Size of meter</u>	<u>Rate</u>
5/8"	\$24.09
3/4"	\$35.64
1"	\$52.99
1 1/4"	\$63.53
1 1/2"	\$72.02
2"	\$109.67
3"	\$220.99
4"	\$362.10
6"	\$685.92

### Bi monthly consumption charges, per thousand gallons for water used by one consumer

for the next	7,000 gallons	\$5.26
for the next	59,000 gallons	\$5.45
for the next	133,000 gallons	\$5.25
for the next	467,000 gallons	\$3.91
over	667,000 gallons	\$2.76

Sewer charge is 80% of gross water consumption charge. Industrial users for Sewer only accounts will be \$8.56 per employee. Private systems are charged \$52.10 gross bi-monthly.

### STAND BY SERVICE FOR PRIVATE FIRE PROTECTION

2" Hydrant - each	\$68.47
4" Hydrant - each	\$289.08
4" Hydrant - each	\$380.36
2" Connection - each	\$68.47
4" Connection - each	\$289.08
6" Connection - each	\$380.36
8" Connection - each	\$654.22



Public Fire Protection includes main line (4" size or larger) and Fire Hydrants include supply line from the treatment plant.

Borough of Greenville	\$14,986.07 per year
Hempfield Township	\$6,562.49 per year

**Bulk water rates, per thousand gallons for water used per event per month**

for the first	1,000 gallons	\$10.50
over	1,000 gallons	\$5.25

## **6. INSURANCE**

Insurance in force as of December 31, 2009, is tabulated on the following page and includes general Liability, Property Coverage, Earthquake/Flood, Employees, Vehicles, Public Officials Liability, Boiler and Machinery and Employee Dishonesty as noted. The insurance coverage is based on an appraisal by an independent professional appraiser. The appraisal is updated periodically. It is recommended that this practice be continued and that the Authority's appraisal be updated annually.

SCHEDULE OF INSURANCE  
AS OF DECEMBER 31, 2008

<u>Policy No.</u>	<u>Property Covered</u>	<u>Type of Coverage</u>	<u>Amount of Coverage</u>	<u>Expiration Date</u>
Great American Insurance Co.	General Liability	Liability	\$1,000,000	5/1/09
	Property Coverage	Building Coverage	\$6,748,084	5/1/09
		Content		
		Extra Expense		
		Flood & Earthquake		
	Umbrella Coverage		1,000,000	5/1/09
	2006 Ford Ranger	Property damage	1,000,000	5/1/09
1999 Ford Dump Truck	Comprehensive Collision			
2002 Ford Ranger				
	Public Officials and Employment Practices Liability		1,000,000	5/1/09
Rockwood Casualty Insurance Co. WC 620505	Employee Workers Compensation		PA Standard	2/2/10

## 7. CONCLUSIONS AND RECOMMENDATIONS

In accordance with the covenants of the Trust Indenture dated as of January 15, 1994, asset forth in Section 6.07, the following conclusions and recommendations are submitted:

1. Operating Expenses in the amount of \$1,017,482, as outlined in the Budget, represent the estimate of the amount required for operating and administrative costs and maintenance of the water system for the 2009 fiscal year.
2. The operating and capital expenditures budgets, as provided herein, have been approved and adopted. In our opinion, they represent the required expenditures necessary to maintain the properties of the Authority in good repair and sound operating condition.
3. 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 revised as necessary for the coming fiscal year.
4. We recommend that the Authority develop and implement a yearly inspection. Maintenance, cleaning, and disinfection program of all distribution storage tanks.
5. We recommend that the Authority continue with the modeling study of the Distribution System.

In its [sixty-seventh](#) 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

## **ACKNOWLEDGMENT**

Gannett Fleming, Inc. would like to take this opportunity to express its sincere thanks to the Authority Board and Mr. William M. Brady and his staff for their work and valuable contributions to this report.

Respectfully submitted,  
GANNETT FLEMING, INC.

THOMAS L. THOMPSON, P.E.  
Senior Project Manager