



**THE MUNICIPAL AUTHORITY OF THE BOROUGH
OF GREENVILLE**

MERCER COUNTY, PENNSYLVANIA

**2023 WATER SYSTEM
ANNUAL REPORT &
2024 OPERATING BUDGET**

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**Project No.: 4631.016
Report Dated: February 14, 2024**

The Municipal Authority of the Borough of Greenville

Mercer County, Pennsylvania

Entech Project Number: 4631.016

February 2024

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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 Municipal Authority of the Borough of Greenville (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 is the eighty-first annual report on 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 2024, and the capital expenditures proposed for the fiscal year 2024. Information used in this report has been obtained from Authority Management.

1.1. The Authority's Water System Description

The Authority's 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, a portion of West Salem Township, and a portion of Sugar Grove Township. Pertinent information about the Authority and its water system is provided in Section 2.

2. OPERATIONAL AND MAINTENANCE STATUS OF THE AUTHORITY WATER FACILITIES

2.1. System Operational and Maintenance Status

The general performance of all Authority distribution and treatment facilities during Fiscal Year 2023 has been satisfactory. Management reports that all Authority facilities have functioned well throughout the year, with the exception of the raw water intake pumps and the filter media. One raw water intake pump was replaced, and the other was rebuilt. The filter media in Filter 4 was noted to have significant fouling. The filter media in Filter 1 has moderate fouling. Filters 2 and 3 have minor fouling. However, this has not impacted the treatment process. The situation is being monitored closely and if it threatens to impact operations, the media will be replaced.

2.2. Water Treatment Plant

The filtration plant contains four (4) filters with 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 5,602 hours during the past year for an average of approximately 15.3 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 the primary drinking water regulations of the Safe Drinking Water Act. The Authority owns a portable generator capable of powering the plant in the event of an outage.

Paperwork to support the renewal of the NPDES discharge permit was completed and submitted to PADEP on May 4, 2022; The Authority continues to await the issuance of the revised draft NPDES permit.

2.3. Distribution System

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

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

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

In 2023, four (4) main and three (3) service line leaks were repaired; two (2) distribution system valves were replaced; four (4) hydrants were repaired; and six (6) remote meters were installed. These items were independent of the Phase II Waterline Replacement work under the below-mentioned contract.

The Authority also secured \$3,851,854 in **low-interest loan** funding from PENNVEST for Phase II Waterline Work, 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)

Contract 2022-01 replaced approximately 9,600 lineal feet of water main and associated appurtenances in Greenville Borough and Hempfield Township. Work on the project, including restoration, is complete.

Contract 2022-02 aims to replace the Hadley Road Booster Pump Station with a new, packaged station to be located on Fourth Avenue. At the time of this report, the foundation for the new pump station has been completed and is ready for the packaged station to arrive. Start-up is anticipated in early 2024.

2.4. Hadley Road Booster Pump Station

The Hadley Road Booster Pump Station is located at the former treatment facility along Hadley Road and pumps finished water from the plant zone to the east pressure zone. Operation of the pump station is based on the water levels in the Hadley Road Tanks. The Authority's portable generator can power the station during a power outage.

The new booster pump station is currently being constructed on an easement on a nearby property owned by UPMC Horizon, a health care facility. Construction completion is anticipated in Q1/Q2 2024.

2.5. Distribution Storage Facilities

The exterior surfaces and grounds surrounding the two (2) 750,000-gallon, the 255,000-gallon, the high-level 250,000-gallon, and the 1,000,000-gallon storage tanks are maintained in a satisfactory manner.

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 significant 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 the Authority operations.

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, 2023, compared with those listed at the end of 2022, is as presented in Table 2-2.

Table 2-2: Number of Customers, By Classification (2-Year)		
Classification	December 31, 2022	December 31, 2023
Residential	2,408	2,404
Commercial	249	246
Industrial	2	3
Public	20	24
Private Fire Protection	58	56
Public Fire Protection	0	0

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)				
	2019	2020	2021	2022	2023
Residential	93,080	93,274	90,891	91,012	89,888
Commercial	44,723	36,479	39,899	41,172	38,735
Industrial	3,531	2,419	3,581	3,430	2,704
Public	10,857	9,899	8,427	11,252	12,389
Bulk Sales	1,173	1,170	1,517	1,341	1,082
TOTALS:	153,364	143,241	144,315	148,207	144,798

Sales to metered consumers totaled 144,798,000 gallons, or a daily average of approximately 396,707 gallons in 2023. This represents an overall decrease in total sales of 3,409,000 gallons or 9,339 gallons per day from 2022.

The breakdown of 2023 sales per customer class indicates (from largest increase to smallest decrease):

- Public Sales: 1,137,000-gallon increase,
- Commercial Sales: 2,437,000-gallon decrease
- Residential Sales: 1,124,000-gallon decrease,
- Industrial Sales: 726,000-gallon decrease; and
- Bulk Sales: 259,000-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 unbilled water for the past ten (10) years.

Year	Plant Output ¹	Daily Average Output ¹	Sold ¹	Other ^{1,2}	Percentage Unbilled
2023	211,591	579	144,798	5,400	21.8
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

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	2022		2023	
	Usage (lbs)	Total Cost	Usage (lbs)	Total Cost
Activated Carbon	0	\$0	0	\$0
AquaMag (gal)	441	\$6,799	340	\$5,819
Caustic Soda	64,597	\$36,503	50,219	\$25,110
Chlorine	10,240	\$21,928	8,886	\$22,306
Fluoride	13,831	\$7,816	10,732	\$6,604
Polymer N1986	152	\$490	78	\$889
DelPAC	294,634	\$66,320	245,751	\$60,700
300-53 Polymer (Sludge Press)	1,911	\$3,480	1,946	\$3,640
Potassium Permanganate	1,625	\$4,392	1,494	\$4,308
Ammonium Sulfate	15,876	\$7,833	14,830	\$7,416
TOTALS:		\$155,561		\$145,783

In comparison to prices seen in 2022, the price of treatment chemicals began to stabilize in 2023. This is reflected in the decrease of the overall cost of treatment chemicals at the plant. Dosage rates for chemicals were also adjusted as part of an effort to optimize performance at the treatment plant.

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 2022 revenues and expenses compared with the projected actual (unaudited) and budgeted revenues and expenses for 2023.

Table 3-1: Revenues and Expenses for 2022, 2023, and 2023 Budget			
Operating Revenue	2022 Actual	2023 Year End (unaudited)	2023 Budget
Metered Residential	\$1,461,476	\$1,556,518	\$1,540,800
Metered Commercial	\$452,933	\$476,011	\$433,350
Metered Industrial	\$36,895	\$36,431	\$36,380
Metered Public	\$39,525	\$48,905	\$36,077
Private Fire Protection	\$51,700	\$52,589	\$52,430
Tap in Fees	\$0	\$0	\$2,000
Subtotal Operations Revenue	\$2,042,528	\$2,170,455	\$2,101,037
Non-Operations Revenue			
Bulk Water Sales	\$13,523	\$13,225	\$13,230
Bacteria Testing	\$25,899	\$17,193	\$19,000
Turn On/Off Service Fee	\$6,358	\$8,212	\$6,000
Lien Letter Receipts	\$4,470	\$4,515	\$3,600
Collection Cost Recovery	\$45,040	\$45,739	\$43,500
Miscellaneous/Scrap	\$453	\$708	\$700
DEP Safe Drinking Water Fee	\$10,901	\$10,783	\$10,000
Service Transfer Fee	\$-	\$1,113	\$600
Miscellaneous Income	\$-	\$753	\$0
Work for Others	\$2,053	\$11,820	\$800
Sewer Collection Fees	\$27,743	\$27,743	\$27,743
Interest Earnings	\$1,338	\$10,261	\$1,000
Written Off Account Recovery	\$627	\$131	\$800
USB Trust- Debt Interest	\$1,066	\$6,484	\$1,200
USB Trust - Debt Holdings Interest	\$2,892	\$12,643	\$1,000
USB Capital Interest	\$254	\$2,011	\$125
Subtotal Non-Operations Revenue	\$142,619	\$177,335	\$128,698
Subtotal Operations Revenue	\$2,042,528	\$2,170,455	\$2,101,037
TOTAL REVENUES	\$2,185,147	\$2,343,790	\$2,229,735

Table 3-1 (contd)			
Revenues and Expenses for 2022, 2023, and 2023 Budget			
General & Administrative	2022 Actual	2023 Year End (unaudited)	2023 Budget
Authority Board	\$6,000	\$6,000	\$6,000
Office Salaries	\$129,686	\$146,580	\$148,000
Operating Expense	\$44,677	\$49,076	\$43,428
Contracted Services	\$40,296	\$38,883	\$44,001
Utilities	\$7,750	\$8,163	\$12,000
Office Building Maintenance	\$0	\$0	\$0
Engineering Retainer	\$6,000	\$6,000	\$6,000
Insurance Premiums	\$37,741	\$40,945	\$43,050
Social Security (FICA)	\$43,405	\$43,411	\$45,000
General Adjusted Bank Fees	\$8,979	\$7,254	\$8,100
Unemployment Compensation	\$3,510	\$3,494	\$5,170
Health Benefits	\$134,843	\$136,572	\$155,250
Permits/ Right of Ways	\$16,370	\$15,845	\$15,000
Legal & Professional	\$46,715	\$57,293	\$22,000
Mileage Reimbursements	\$934	\$638	\$1,200
Education/Safety/ Medical	\$3,771	\$5,567	\$5,000
Depreciation	\$328,000	\$328,000	\$328,000
Retirement	\$924	\$0	\$0
Court Fees	\$861	\$0	\$500
Subtotal General Administrative Fees¹	\$532,461	\$565,721	\$559,699
TREATMENT PLANT			
Operations Labor	\$210,501	\$196,854	\$200,000
Overtime Labor	\$11,609	\$17,614	\$6,500
Operations Expense	\$24,364	\$21,982	\$19,000
Treatment Chemicals	\$148,360	\$136,898	\$185,000
Contracted Services	\$50,997	\$57,937	\$42,000
Utilities	\$50,795	\$49,313	\$51,000
Lab Chemicals	\$36,816	\$33,853	\$35,000
WTP Evaluation	\$0	\$0	\$200,000
Subtotal Purification	\$533,442	\$514,451	\$538,500

Notes: ¹ Subtotal does not include "Depreciation"

Table 3-1 (contd)			
Revenues and Expenses for 2022, 2023, and 2023 Budget			
HADLEY ROAD BOOSTER PUMP	2022 Actual	2023 Year End (unaudited)	2023 Budget
Electric	\$5,992	\$5,926	\$7,000
Heating (gas)	\$1,069	\$1,455	\$1,800
Contracted Services	\$0	\$0	\$0
Subtotal Pumping	\$7,061	\$7,381	\$8,800
DISTRIBUTION SYSTEM			
Operations Labor	\$191,064	\$191,765	\$213,000
Labor Overtime	\$18,519	\$7,713	\$7,500
Operation Expense	\$15,570	\$16,703	\$27,000
Mains Material	\$18,391	\$7,039	\$16,000
Services Materials	\$1,600	\$3,239	\$4,000
Meters Material	\$8,488	\$6,312	\$15,000
Contracted Service	\$130,660	\$62,308	\$65,000
Vehicle Expense	\$2,134	\$4,802	\$3,000
Gasoline Expense	\$9,481	\$6,714	\$9,500
Subtotal Distribution	\$395,907	\$306,595	\$360,000
TOTAL EXPENSES	\$1,468,870	\$1,394,148	\$1,466,999

As shown in Table 3-1, for Fiscal Year 2023, unaudited revenues were greater than budgeted operating revenues by \$114,055. Unaudited expenses were less than budgeted expenses by \$72,851. Net income available for depreciation, debt service, and capital additions was \$949,642 (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: 2024 Operating Budget		
Operating Revenue	2023 (unaudited)	2024 Budget
Metered Residential	\$1,556,518	\$1,567,764
Metered Commercial	\$476,011	\$440,934
Metered Industrial	\$36,431	\$37,017
Metered Public	\$48,905	\$36,708
Private Fire Protection	\$52,589	\$53,348
Tap in Fees	\$0	\$0
Subtotal Operations Revenue	\$2,170,455	\$2,135,770
Non-Operations Revenue		
Bulk Water Sales	\$13,225	\$10,000
Bacteria Testing	\$17,193	\$14,000
Turn On/Off Service Fee	\$8,212	\$7,200
Lien Letter Receipts	\$4,515	\$4,000
Collection Cost Recovery	\$45,739	\$40,000
Miscellaneous/Scrap	\$708	\$700
DEP Safe Drinking Water Fee	\$10,783	\$10,000
Work for Others	\$11,820	\$1,000
Sewer Collection Fees	\$27,743	\$27,743
Interest Earnings	\$10,261	\$5,000
Written Off Account Recovery	\$131	\$200
Grant and Property Sale/Lease	\$-	\$300,000
USB Trust- Debt Interest	\$6,484	\$10,000
USB Trust - Debt Holdings Interest	\$12,643	\$6,400
USB Capital Interest	\$2,011	\$1,800
Subtotal Non-Operations Revenue	\$177,335	\$438,043
TOTAL REVENUES	\$2,343,790	\$2,573,813

Table 3-2 (contd)		
2024 Operating Budget		
General & Administrative	2023 (unaudited)	2024 Budget
Authority Board	\$6,000	\$6,000
Office Salaries	\$146,580	\$172,000
Operating Expense	\$49,076	\$44,731
Contracted Services	\$38,883	\$45,321
Utilities	\$8,163	\$14,400
Office Building Maintenance	\$0	\$1,000
Engineering Retainer	\$6,000	\$6,000
Insurance Premiums	\$40,945	\$45,203
Social Security (FICA)	\$43,411	\$47,700
General Adjusted Bank Fees	\$7,254	\$8,375
Unemployment Compensation	\$3,494	\$5,346
Health Benefits	\$136,572	\$177,775
Permits/ Right of Ways	\$15,845	\$15,000
Legal & Professional	\$57,293	\$38,000
Mileage Reimbursements	\$638	\$1,000
Education/Safety/ Medical	\$5,567	\$10,000
Depreciation	\$328,000	\$328,000
Retirement	\$0	\$0
Court Fees	\$0	\$500
Sick Time Buyout	\$-	\$42,000
Subtotal General Administrative Fees¹	\$565,721	\$638,351
TREATMENT PLANT		
Operations Labor	\$196,854	\$241,000
Overtime Labor	\$17,614	\$6,500
Operations Expense	\$21,982	\$19,760
Treatment Chemicals	\$136,898	\$151,200
Contracted Services	\$57,937	\$45,000
Utilities	\$49,313	\$53,000
Lab Chemicals	\$33,853	\$35,000
WTP Evaluation	\$0	\$0
Subtotal Purification	\$514,451	\$551,460

Notes: ¹ Subtotal does not include "Depreciation"

Table 3-2 (contd)		
2024 Operating Budget		
HADLEY ROAD BOOSTER PUMP	2023 (unaudited)	2024 Budget
Electric	\$5,926	\$6,000
Heating	\$1,455	\$1,900
Contracted Services	\$0	\$0
Subtotal Pumping	\$7,381	\$7,900
DISTRIBUTION SYSTEM		
Operations Labor	\$191,765	\$242,000
Labor Overtime	\$7,713	\$8,500
Operation Expense	\$16,703	\$12,000
Mains Material	\$7,039	\$4,000
Services Materials	\$3,239	\$2,500
Meters Material	\$6,312	\$1,000
Contracted Service	\$62,308	\$89,000
Vehicle Expense	\$4,802	\$4,500
Gasoline Expense	\$6,714	\$6,000
Subtotal Distribution	\$306,595	\$369,500
TOTAL EXPENSES	\$1,394,148	\$1,567,211

The Operating Budgeted Expenses for 2024, included herein, total \$1,567,211. This represents an increase of approximately 12.4 percent over the unaudited operating expenses in 2023. Expenses are based on present and anticipated 2024 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 are estimated to be approximately \$2,135,770 in 2024. Non-operating revenues are estimated to amount to \$438,043, which includes the fee charged to the Borough of Greenville and Hempfield Township for billing and collecting sewer charges, interest income from investments, and the sale of the former Hadley Booster Pump Station property upon completion of its decommissioning. On the above basis, total revenues for 2024 have been anticipated to amount to \$2,573,813.

3.2. Comparative Statement of Revenues and Debt Service

A comparative statement of operating revenues and debt service for Fiscal Years 2023 and 2024 is shown in Table 3-3. The Budget FY 2024 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 2023	Budget FY 2024
<u>Net Revenue</u>		
Total Revenue	\$2,343,790	\$2,573,813
Total Expenses	\$1,394,148	\$1,567,211
Total Revenue Available for Debt Service	\$949,642	\$1,006,603
<u>Debt Service</u>		
Pennvest Princ/Int. Dist. Improvement	\$246,997	\$247,000
USB Bonds Princ/ Int. Pay off Sept. 2024	\$281,100	\$201,825
2018 Pennvest	\$108,355	\$109,000
2022 Pennvest	\$117,676	\$212,574
Total Debt Service	\$754,128	\$770,399
<u>Capital Additions</u>		
Revenue Available for Debt Service	\$949,642	\$1,006,603
Total Debt Service	\$754,128	\$770,399
Available for Capital Additions	\$195,514	\$236,204
Coverage Provided	1.259	1.307

The above summary indicates that revenues produced by the rate schedule effective January 1, 2024, together with other non-operating revenue, will provide revenues for calendar year 2024 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 2023

The cost of capital additions to the plant and equipment of the System in 2023 totaled \$56,116. These improvements were sufficient for the 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 2023		
Item	Actual 2023	Budget 2024
Lab & Plant Equipment	\$15,349	\$39,900
Raw/Finish Pump	\$24,537	\$0
Facilities Improvement	\$-	\$34,000
Sludge Press	\$3,161	\$6,070
Building & Lot Repairs	\$0	\$0
New Vehicles - Capital	\$0	\$0
Hydrant & Valves	\$9,708	\$9,000
Power Equipment	\$3,361	\$15,000
Main / Service Line Improvements	\$0	\$200,000
Storage Tanks	\$0	\$0
Admin/Billing Equipment Capital	\$0	\$7,000
TOTALS:	\$56,116	\$310,970

This does not include substantial capital improvements completed under the Pennvest Phase I Waterline Project. These expenses are tracked separately and reimbursed by Pennvest outside GMWA's annual operating budget.

This also does not include substantial capital improvements completed under the Pennvest Phase II Waterline and Hadley Booster Pump Station Replacement Projects. These expenses are tracked separately and reimbursed by Pennvest. GMWA will begin paying the loan for this project in 2024. This debt service has been accounted for in Table 3-3.

4.2. Capital Improvements Program 2024-2026

Proposed capital improvements for the years 2024, 2025, and 2026 are shown in Table 4-2. These improvements will be prioritized by the Authority and implemented based on need and available funds.

Table 4-2: Capital Improvements Program 2024-2026			
Item	Budget 2024	Budget 2025	Budget 2026
Lab/Plant Equipment	\$39,900	\$10,000	\$10,000
Raw Pumps/Finish Pumps	\$0	\$1,000	\$1,000
Facilities Improvement: Capital or Expense	\$34,000	\$1,000	\$1,000
Sludge/Press Improvements	\$6,070	\$70,000	\$70,000
Building & Parking Lot Repairs	\$0	\$0	\$0
New Vehicles Replacement	\$0	\$0	\$0
Hydrant/Valve Program	\$9,000	\$9,000	\$9,000
Tools & Equipment	\$15,000	\$4,000	\$4,000
Main/Service Line Improvements - Capital	\$200,000	\$0	\$0
Storage Tanks	\$0	\$0	\$0
Admin/Billing Equipment Capital	\$7,000	\$5,000	\$5,001
TOTALS:	\$310,970	\$100,000	\$100,001

The Hadley Road Booster Pump Station replacement will be completed as a capital improvements project in 2024. This work is being funded as part of the Phase II low-interest Pennvest loan, a new debt service line item in this annual report.

5. RATES, RENTS, AND WATER CHARGES

5.1. Rate Schedule

The Authority's current rate schedule, which became effective January 1, 2023, is summarized in Table 5-1:

Table 5-1: 2023 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 \$9.94 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 The Authority.

6. INSURANCE

Insurance in force for 2024 (as of December 31, 2023) is provided in Table 6-1 below. It includes General Liability, Commercial Property Coverage, Employee, 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.

Provider	Expiration Date	Property Covered	Coverage Type	Coverage Amount
Argonaut Great Central Insurance Company	5/1/2024	General Liability	Bodily Injury/Property Damage	\$1,000,000
			Personal Injury/Advertising Injury	\$1,000,000
			Damages to Premises Rented	\$100,000
			Employee Benefits	\$1,000,000
			General Aggregate	\$3,000,000
			Products/Completed Operations Aggregate	\$1,000,000
		Data Compromise	Data Compromise Response Expense	\$100,000
			Data Compromise Liability	\$100,000
		Cyber	Cyber Attack and Cyber Extortion	\$100,000
			Network Security Liability	\$100,000
			Electronic Media Liability	\$100,000
		Public Officials	Per Wrongful Act	\$1,000,000
			Annual Aggregate	\$2,000,000
		Employment Practices	Per Wrongful Act	\$1,000,000
			Annual Aggregate	\$2,000,000
		Automobile	Liability Limit	\$1,000,000
			Uninsured Motorist (non-stacked)	\$1,000,000
			Underinsured Motorist (non-stacked)	\$1,000,000
		Property	Building	\$11,920,949
			Business Personal Property	\$3,151,322
			Flood	\$1,000,000
			Earthquake	\$1,000,000
		Inland Marine	Computer System Coverage	\$110,000
			Contractor's Equipment	\$112,135
		Crime	Employee Theft	\$75,000
			Forgery or Alteration	\$75,000
Inside the Premises – Robbery or Safe Burglary of Other Property	\$25,000			

Table 6-1: 2024 Schedule of Insurance				
Provider	Expiration Date	Property Covered	Coverage Type	Coverage Amount
			Outside the Premises	\$25,000
			Computer and Funds Transfer Fraud	\$25,000
			Money Orders and Counterfeit Money	\$25,000
		Excess Liability	Each Occurrence, Offense, Accident or Wrongful Act	\$1,000,000
			Annual Aggregate	\$1,000,000

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 \$1,567,211, 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 2024 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 list desirable improvements over the next three (3) years. These improvements will be completed based on the Authority's prioritization and available funding.

In its eighty-first 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 Municipal Authority of the Borough of Greenville (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 consulting engineer to the Municipal Authority of the Borough of Greenville and to recognize the valuable contributions of Ms. Jessica Kent and the Authority staff to the preparation of this report.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Macy Divens". The signature is written in a cursive style with a large, prominent "D" in "Divens".

Entech Engineering, Inc.

Macy E. Divens, PE
Project Manager