

College Township Water Authority

2016 Budget

Table of Contents

1. Budget Summary
2. Operating Income
3. Pumping and Purification Expenses
4. Distribution System Expenses
5. General Expenses
6. Non-Operating Income (Expense)
7. Capital Budget
8. Appendix

Budget Summary

COLLEGE TOWNSHIP WATER AUTHORITY
YEAR 2016 OPERATING BUDGET SUMMARY

OPERATING BUDGET SUMMARY

	2008 AUDITED	2009 AUDITED	2010 AUDITED	2011 AUDITED	2012 AUDITED	2013 AUDITED	2014 AUDITED	2015		2016	
								BUDGET	YTD 12/4	EXPECTED	PROPOSED
OPERATING INCOME											
Water System Revenues	1,693,859	1,349,488	1,535,441	1,563,037	1,648,202	1,672,358	1,571,681	1,659,785	1,470,652	1,648,292	1,631,827 (1)
OPERATING EXPENSES											
Purification and Pumping	149,208	130,872	135,815	125,184	111,752	112,442	94,267	121,470	83,511	94,010	106,975
Distribution System	226,458	194,766	259,475	253,992	264,360	208,239	234,987	216,290	204,911	222,150	240,275
General Expense	295,096	338,010	359,875	397,731	415,601	441,923	486,995	481,067	391,128	468,884	487,850
TOTAL OPERATING EXPENSES	670,762	663,648	755,165	776,907	791,713	762,604	816,249	818,827	679,550	785,044	835,100 (2)
OPERATING MARGIN	1,023,097	685,840	780,276	786,130	856,489	909,754	755,432	840,958	791,102	863,248	796,727
NON-OPERATING INCOME (EXPENSE)	47,660	25,223	6,027	4,824	949	7,383	8,679	6,100	4,981	5,250	5,250 (3)
INCOME BEFORE DEBT SERVICE	1,070,757	711,063	786,303	790,954	857,438	917,137	764,111	847,058	796,083	868,498	801,977
LESS: Debt Service Requirement											717,000 (4)
AVAILABLE FOR CAPITAL, CONTINGENCIES AND RESERVE											<u>84,977</u>

CALCULATION OF COMPLIANCE WITH LOAN AGREEMENT COVERAGE REQUIREMENT

---- BUDGETED REVENUES MUST EQUAL OR EXCEED THE TOTAL OF 1) OPERATING EXPENSES AND 2) 110% OF DEBT SERVICE ----

This calculation is required by the Loan Agreement securing the 2015 Note and is referred to as the calculation of required coverage.

Water System Revenues	1,631,827 (1)
Investment Income	<u>5,250 (3)</u>
	1,637,077
Administrative and operating expenses	835,100 (2)
Debt Service	717,000 (4)
10% of Debt Service	<u>71,700</u>
	<u>1,623,800</u>
Excess Coverage	<u>13,277</u>

Operating Income

OPERATING INCOME

	2008	2009	2010	2011	2012	2013	2014	2015		2016	
	AUDITED	BUDGET	YTD 12/4	EXPECTED	PROPOSED						
<u>WATER SYSTEM REVENUES</u>											
METERED WATER REVENUES											
378.110 Metered Water Revenues - Residential	638,160	632,052	717,258	712,142	708,432	751,800	722,125	781,440	720,033	815,000	815,725
378.120 Metered Water Revenues - Commercial	223,313	243,537	272,542	285,115	294,954	302,268	283,528	307,840	320,770	331,000	331,650
378.130 Metered Water Revenues - Industrial	92,555	71,793	71,189	75,610	71,704	72,095	53,253	58,880	70,658	71,000	71,020
378.140 Metered Water Revenues - Other Public	12,296	10,005	18,354	16,894	20,193	27,831	21,837	24,118	24,582	27,000	26,130
378.141 Metered Water Revenues - SCI Rockview	235,330	103,272	125,000	128,500	131,708	136,125	136,500	125,125	18,336	18,336	0
378.142 Metered Water Revenues - UAJA BRW	57,627	44,001	40,486	61,174	62,446	78,424	67,938	64,880	69,905	69,905	69,598
Subtotal	1,259,281	1,104,660	1,244,829	1,279,435	1,289,437	1,368,543	1,285,181	1,362,283	1,224,284	1,332,241	1,314,123
FIRE SERVICES											
378.405 Fire Services - CTWA Hydrants	68,427	69,659	84,249	85,045	85,300	85,885	86,531	87,084	70,934	94,580	95,004
378.410 Fire Services - Private Hydrants	4,883	5,037	5,081	4,773	4,681	4,681	4,681	4,620	4,269	5,726	4,746
378.420 Fire Services - Sprinkler Fire Lines	134,681	136,210	146,933	149,425	150,088	152,112	153,123	153,798	125,872	167,795	167,704
Subtotal	207,991	210,906	236,263	239,243	240,069	242,678	244,335	245,502	201,075	268,101	267,454
OTHER WATER RELATED REVENUES											
378.300 Penalties	11,416	14,115	13,812	13,699	14,506	16,497	16,006	16,500	13,463	14,750	14,750
378.500 Water Main Connection Fees	35,756	11,943	32,761	7,619	101,456	23,874	21,081	30,000	26,965	28,000	30,000
378.505 Capital Recovery - SCI Rockview	170,255	0	0	0	0	0	0	0	0	0	0
378.510 Meter Sales and Installations	0	0	0	0	0	0	0	0	0	0	0
380.000 Miscellaneous	9,160	7,864	7,776	23,041	2,734	20,766	5,078	5,500	4,865	5,200	5,500
Subtotal	226,587	33,922	54,349	44,359	118,696	61,137	42,165	52,000	45,293	47,950	50,250
TOTAL WATER SYSTEM REVENUES	1,693,859	1,349,488	1,535,441	1,563,037	1,648,202	1,672,358	1,571,681	1,659,785	1,470,652	1,648,292	1,631,827

OPERATING REVENUES

METERED WATER REVENUE

Effective January 1, 2016, water consumption is proposed to be billed to the majority of its customers for each meter at \$6.70 per 1,000 gallons consumed. This rate is the same as 2015.

BELLEFONTE INTERCONNECT: Pursuant to a 2011 interconnection agreement with the Borough of Bellefonte and the Bellefonte Borough Authority, the College Township Water Authority agreed to supply water to the Borough in an emergency only. This agreement has been terminated effective January 1, 2016, pursuant to Article 15 of the agreement.

SCI- ROCKVIEW: During 2003, the Authority entered into an agreement with the Commonwealth of Pennsylvania whereby the Authority had agreed to provide the Department of Corrections up to 700,000 gallons of potable water daily as a backup water supply. The Commonwealth had committed to a minimum purchase of 50 million gallons of water per year.

This agreement has been terminated and all usage billing ended in July 2015.

UAJA: The Authority has amended its agreement with UAJA dated November 18, 2009 which provides for reimbursement to the Authority for Beneficial Reuse Water (BRW) supplied by UAJA and used by customers of the Authority. The reimbursement for BRW used by Cintas will continue to be reimbursed at the Authority's customary rate per thousand gallons less the cost of purification and pumping. The rate adjusts annually, consistent with CTWA rate structure and purification and pumping costs. The rate for 2016 will be \$6.16 per thousand gallons. Reimbursement for Best Western and Redline Speed Shine will be one-half its customary rate per thousand gallons, to be adjusted annually consistent with the Authority's rate structure. Any current or potential customers of the Authority desiring to use beneficial reuse water may only do so with approval of the Authority and College Township. Furthermore, the Authority will determine the reimbursement from UAJA due for these new customers.

The number and types of customers expected to be served by the Authority during 2016, along with the total billed usage for those customer classes, is as shown in the following table:

CUSTOMER CLASS

NUMBER

BILLING USAGE (GALLONS)

REVENUE

OPERATING REVENUES

Residential	2,435	121,750,000	\$815,725
Commercial	308	49,500,000	331,650
Industrial	14	10,600,000	71,020
Other Public	<u>15</u>	<u>3,900,000</u>	<u>26,130</u>
	2,772	185,750,000	\$ 1,244,525
UAJA – Beneficial Reuse			
Cintas	1	9,150,000	\$56,364
Other	<u>2</u>	<u>3,950,000</u>	<u>13,234</u>
	<u>3</u>	<u>13,100,000</u>	<u>69,598</u>
TOTAL	<u>2,775</u>	<u>198,850,000</u>	<u>\$ 1,314,123</u>

FIRE SERVICES

The following table reflects the types of fire service, the number of customers utilizing these services, and the revenue to be expected in 2016:

<u>HYDRANTS</u>	<u>NUMBER</u>	<u>ANNUAL CHARGE</u>	<u>REVENUE</u>
Hydrants – Authority owned and maintained	234	\$ 406	\$ <u>95,004</u>
Hydrants – Privately owned and maintained	14	\$ 339	\$ <u>4,746</u>
<u>STANDBY FIRE LINES</u>	<u>NUMBER</u>	<u>ANNUAL CHARGE</u>	<u>REVENUE</u>
Sprinkler – 4” fire service	19	\$ 1,484	\$28,196
Sprinkler – 6” fire service	23	\$ 2,968	68,264
Sprinkler – 8” fire service	<u>12</u>	\$ 5,937	<u>71,244</u>
	54		<u>\$167,704</u>

OPERATING REVENUES

PENALTIES

This account covers the 10% penalty charged to customers who don't pay their bill within 30 days of the billing date.

WATER MAIN CONNECTION FEES

This account is for the revenue generated from customers connecting to the distribution system. The connection fee allows the Authority to recoup its cost to install the new service connection and includes the customer's facilities fee and the tapping fee. The fee is set so as not to exceed that allowed by state law.

METER SALES AND INSTALLATIONS

This item of revenue reflects the charges to customers for the installation of meters, either individuals or in groups (pits) not charged pursuant to a water main connection application.

MISCELLANEOUS WATER REVENUES

This account is for other water system related revenues not accounted for elsewhere. This would include income from reimbursement for cost of repairs to damaged meters, mains, fire hydrants, and any other repairs made by Authority personnel. Reimbursements are paid by companies or individuals damaging our facilities primarily through their neglect.

Purification and Pumping Expenses

PURIFICATION AND PUMPING EXPENSES

	2008	2009	2010	2011	2012	2013	2014	2015		2016	
	AUDITED	BUDGET	YTD 12/4	EXPECTED	PROPOSED						
<u>PURIFICATION EXPENSE</u>											
448.201 Operating Supplies and Exp-Mt Nittany Conta	0	0	0	0	0	0	0	0	0	0	0
448.202 Chemical Purchases	22,565	21,323	21,460	18,299	18,335	20,157	21,056	23,000	20,513	22,000	22,000
448.203 Power Purchased - Mt Nittany Contact Tank	0	0	0	0	0	0	0	0	0	0	0
448.204 Water Analysis	17,972	15,243	8,685	20,055	8,411	9,875	13,037	13,000	8,408	9,500	9,500
448.205 Equipment Maintenance - Mt Nittany Contact	0	0	0	0	0	0	0	0	0	0	0
448.206 Structure Maintenance - Mt Nittany Contact T	0	0	0	0	0	0	0	0	0	0	0
TOTAL PURIFICATION	40,537	36,566	30,145	38,354	26,746	30,032	34,093	36,000	28,921	31,500	31,500
<u>PUMPING EXPENSE</u>											
PUDDINTOWN STATION											
448.311 Operating Supplies and Expense	0	0	0	0	0	0	0	0	0	0	0
448.312 Power Purchased	0	180	56	12	4	0	0	50	0	0	50
448.313 Equipment Maintenance	0	0	0	0	0	0	0	0	0	0	0
448.314 Structure Maintenance	612	204	204	204	0	804	204	250	204	250	250
Subtotal	612	384	260	216	4	804	204	300	204	250	300
MATILDA BOOSTER STATION											
448.321 Operating Supplies and Expense	0	0	0	0	0	0	0	0	0	0	0
448.322 Power Purchased	1,656	1,315	883	805	656	1,260	1,251	1,260	1,491	1,625	1,625
448.323 Equipment Maintenance	38	0	0	25	0	4,826	0	250	0	0	250
448.324 Structure Maintenance	118	0	952	0	0	445	0	150	0	0	150
Subtotal	1,812	1,315	1,835	830	656	6,531	1,251	1,660	1,491	1,625	2,025
LEMONT BOOSTER STATION											
448.331 Operating Supplies and Expense	0	0	0	0	0	0	0	0	0	0	0
448.332 Power Purchased	3,212	2,777	2,763	4,002	2,656	3,213	2,311	2,730	1,872	2,050	2,050
448.333 Equipment Maintenance	1,536	179	0	1,387	2,567	559	1	700	0	0	700
448.334 Structure Maintenance	945	289	214	377	405	295	342	700	551	575	700
Subtotal	5,693	3,245	2,977	5,766	5,628	4,067	2,654	4,130	2,423	2,625	3,450
SPRING CREEK PARK WELL											
448.361 Operating Supplies and Expense	0	0	0	0	0	0	0	0	0	0	0
448.362 Power Purchased	32,691	32,361	35,473	32,879	26,080	23,364	21,318	25,200	19,747	22,000	22,000
448.363 Equipment Maintenance	5,376	3,269	9,276	4,638	5,776	9,017	427	7,500	2,006	2,500	7,500
448.364 Structure Maintenance	310	101	0	486	978	485	524	500	208	225	500
448.365 Well Monitoring Costs	0	3,540	106	0	0	0	0	0	0	0	0
448.367 Easement Costs	5,000	5,610	5,610	5,610	5,610	5,610	5,610	5,700	5,610	5,610	5,700
Subtotal	43,377	44,881	50,465	43,613	38,444	38,476	27,879	38,900	27,571	30,335	35,700

PURIFICATION AND PUMPING EXPENSES

	2008	2009	2010	2011	2012	2013	2014	2015		2016	
	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	BUDGET	YTD 12/4	EXPECTED	PROPOSED
ROGERS WELL											
448.371 Operating Supplies and Expense	0	0	0	0	1	0	0	0	0	0	0
448.372 Power Purchased	45,061	37,196	37,956	26,354	33,743	25,472	24,575	29,400	21,045	25,500	25,500
448.373 Equipment Maintenance	231	2,250	2,757	5,510	4,317	3,366	911	2,750	1,038	1,250	2,750
448.374 Structure Maintenance	234	12	4,373	441	118	713	0	1,000	0	0	1,000
448.375 Well Monitoring Costs	11,651	5,023	4,792	4,100	0	2,981	2,700	3,000	0	0	3,000
Subtotal	57,177	44,481	49,878	36,405	38,179	32,532	28,186	36,150	22,083	26,750	32,250
OAK HALL WELLS											
448.391 Operating Supplies and Expense	0	0	0	0	0	0	0	500	5	25	100
448.392 Power Purchased	0	0	0	0	0	0	0	2,730	276	300	500
448.393 Equipment Maintenance	0	0	0	0	0	0	0	300	537	600	350
448.394 Structure Maintenance	0	0	0	0	0	0	0	100	0	0	100
448.395 Well Monitoring Costs	0	0	0	0	0	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0	0	3,630	818	925	1,050
INTERCONNECTIONS - SCBWA ,PSU, and BELLEFONTE											
448.386 Purchased Water	0	0	0	0	2,095	0	0	500	0	0	500
448.388 Interconnection Maintenance	0	0	255	0	0	0	0	200	0	0	200
Subtotal	0	0	255	0	2,095	0	0	700	0	0	700
TOTAL PUMPING	108,671	94,306	105,670	86,830	85,006	82,410	60,174	85,470	54,590	62,510	75,475
TOTAL PURIFICATION AND PUMPING	149,208	130,872	135,815	125,184	111,752	112,442	94,267	121,470	83,511	94,010	106,975

PURIFICATION AND PUMPING EXPENSES

PURIFICATION

Note: At this time, Mt. Nittany Contact Tank is not operational.

448.202 CHEMICAL PURCHASES

This line item covers the purchase of chlorine, corrosion inhibitor, and other chemicals used to treat water.

448.204 WATER ANALYSIS

This line item covers the cost of testing water samples collected throughout the entire water system at EPA and DEP approved labs.

PUMPING

PUDDINTOWN STATION

Note: At this time, Puddintown Station is not operational.

448.311 OPERATING SUPPLIES AND EXPENSE

At this time, the Puddintown station is not operational.

PURIFICATION AND PUMPING EXPENSES

448.312 POWER PURCHASED

This account covers the cost of electricity.

448.313 EQUIPMENT MAINTENANCE

At this time, the Puddintown station is not operational.

448.314 STRUCTURE MAINTENANCE

This line item covers the costs incurred in repairing and maintaining the structures at this facility.

MATILDA BOOSTER STATION

448.321 OPERATING SUPPLIES AND EXPENSE

This line item covers the cost of light bulbs, fuses, and other operating supplies specific to this facility.

448.322 POWER PURCHASED

This account covers the cost of electricity used in this facility for light, heat, equipment, and pumps.

PURIFICATION AND PUMPING EXPENSES

448.323 EQUIPMENT MAINTENANCE

This account covers costs incurred in maintaining pumps, meters, and other equipment located at the facility.

448.324 STRUCTURE MAINTENANCE

This line item covers the costs incurred in repairing and maintaining the structures at this facility.

LEMONT BOOSTER STATION

448.331 OPERATING SUPPLIES AND EXPENSE

This line item covers the cost of light bulbs, fuses, and other operating supplies specific to this facility.

448.332 POWER PURCHASED

This account covers the cost of electricity for light, heat, equipment, and pumps.

448.333 EQUIPMENT MAINTENANCE

PURIFICATION AND PUMPING EXPENSES

This account covers costs incurred in maintaining pumps, meters, and other equipment located at the facility.

448.334 STRUCTURE MAINTENANCE

This line item covers the costs incurred in repairing and maintaining the structure at this facility.

WATER SOURCE: SPRING CREEK PARK WELL

448.361 OPERATING SUPPLIES AND EXPENSE

This account covers the cost of light bulbs, fuses, and other operating supplies specific to this facility.

448.362 POWER PURCHASED

This account covers the cost of electricity used for light, heat, equipment, and pumps.

448.363 EQUIPMENT MAINTENANCE

This account covers costs incurred in maintaining pumps, chlorine residual analyzer, chlorine feeds, and meters.

448.364 STRUCTURE MAINTENANCE

PURIFICATION AND PUMPING EXPENSES

This account covers the costs incurred in repairing and maintaining the structure at this facility.

448.365 WELL MONITORING COST

The well monitoring plan was required by DEP during a four year period from the start up of the station in November 2001 to November 2005. Therefore, nothing is budgeted for this account at this time. Provides for the services of a hydrogeologist used for various purposes from time to time.

448.367 EASEMENT COSTS

Pursuant to an easement agreement with the College Township Water Authority signed July 7, 1999, the Authority paid the Township an annual fee of \$5,000 beginning 11/29/06. The fee is to be used for park and recreation purposes. As required by the agreement, the fee adjusted to \$5,610 in 2009, and was adjusted for 2014 to amount of \$5,700 and every fifth year thereafter.

WATER SOURCE: ROGERS WELL

448.371 OPERATING SUPPLIES AND EXPENSE

This line item covers the cost of light bulbs, fuses, and other operating supplies specific to this facility.

448.372 POWER PURCHASED

PURIFICATION AND PUMPING EXPENSES

This account covers the cost of electricity used in these facilities for light, heat, equipment, and pumps.

448.373 EQUIPMENT MAINTENANCE

This account covers costs incurred in maintaining pumps, chlorine residual analyzer, chlorine feeds, and meters.

448.374 STRUCTURE MAINTENANCE

This line item covers the costs incurred in repairing and maintaining the structures at this facility.

448.375 WELL MONITORING COST

This account consists primarily of costs incurred in conducting monitoring as required by DEP. It also provides for the services of a hydrogeologist used for various purposes from time to time.

WATER SOURCE: OAK HALL WELL (OH-19)

448.391 OPERATING SUPPLIES AND EXPENSE

This account covers the cost of light bulbs, fuses, and other operating supplies specific to this facility.

448.392 POWER PURCHASED

PURIFICATION AND PUMPING EXPENSES

This account covers the cost of electricity used for light, heat, equipment, and pumps.

448.393 EQUIPMENT MAINTENANCE

This account covers costs incurred in maintaining pumps, chlorine residual analyzer, chlorine feeds, and meters.

448.394 STRUCTURE MAINTENANCE

This account covers the costs incurred in repairing and maintaining the structure at this facility.

448.395 WELL MONITORING COST

Nothing is budgeted for this account at this time.

INTERCONNECTIONS – SCBWA, PSU, AND BELLEFONTE

448. 386 PURCHASED WATER

This line item covers the cost of metered water provided by agreement with Penn State University and State College Borough Water Authority as backup sources for the CTWA water system.

448. 388 INTERCONNECTION MAINTENANCE

This line item covers the cost of maintaining backflow preventors, meter pits, and PRVs incidental to the interconnections.

Distribution System Expenses

DISTRIBUTION SYSTEM EXPENSES

	2008 AUDITED	2009 AUDITED	2010 AUDITED	2011 AUDITED	2012 AUDITED	2013 AUDITED	2014 AUDITED	2015		2016	
								BUDGET	YTD 12/4	EXPECTED	PROPOSED
STORAGE-DALE ST RESERVOIR											
448.341 Operating Supplies and Expense	0	0	0	0	0	0	0	0	0	0	0
448.342 Power Purchased	438	113	266	153	150	149	150	150	147	150	150
448.343 Equipment Maintenance	5,701	1,659	0	26	4	85	26	500	0	0	500
448.344 Structure Maintenance	8,855	304	3,184	404	0	4,955	3,761	500	8	50	500
Subtotal	14,994	2,076	3,450	583	154	5,189	3,937	1,150	155	200	1,150
STORAGE-STRUBLE RD TANK											
448.351 Operating Supplies and Expense	0	0	0	0	0	0	0	0	0	0	0
448.352 Power Purchased	0	289	152	309	231	197	278	250	215	250	250
448.353 Equipment Maintenance	0	1,443	0	1,135	68	0	20	500	68	100	500
448.354 Structure Maintenance	57	530	0	0	0	0	0	250	0	0	250
Subtotal	57	2,262	152	1,444	299	197	298	1,000	283	350	1,000
MAINTENANCE-DISTRIBUTION SYSTEM											
448.475 Maintenance of Distribution / Trans Mains	14,073	8,710	52,536	34,924	23,601	17,111	23,887	20,000	15,003	16,500	20,000
448.490 Maintenance of Service Lines	9,913	18,831	14,986	11,623	9,652	6,689	14,911	10,000	11,769	12,750	11,000
448.495 Dumping Fees	0	0	0	0	1	2,943	1,890	3,400	1,079	1,250	2,875
448.510 Maintenance of Hydrants	2,186	1,394	3,099	695	95	4,044	821	2,000	39	50	2,000
448.530 Meter Supplies and Maintenance	1,370	2,392	2,059	3,525	1,535	945	891	1,250	2,431	2,750	1,750
448.532 PRV - Penn Hills	0	0	11	17	1,122	937	48	100	2	25	100
448.534 PRV - Independence Place	2	0	0	0	881	52	0	100	4	25	100
448.536 PRV - Oak Hall	279	1,693	0	0	320	3	812	100	72	100	100
448.537 PRV - Rockview North	0	85	1,281	75	1,103	61	0	100	738	750	100
448.538 PRV - Rockview South	0	0	0	0	0	0	214	100	147	150	100
448.539 PRV - Bellefonte Interconnect	0	76	0	0	129	216	0	100	0	0	100
448.541 PRV - Nittany Commons	0	0	0	0	909	0	0	100	0	0	100
Subtotal	27,823	33,181	73,972	50,859	39,348	33,001	43,474	37,350	31,284	34,350	38,325
GENERAL-DISTRIBUTION SYSTEM											
448.181 Contract Labor - College Twp Personnel	40,711	24,365	33,523	46,247	53,059	28,386	29,114	12,000	23,803	25,475	28,000
448.540 Contract Labor - Technicians	127,111	122,848	132,438	136,134	146,517	126,541	141,299	144,000	131,501	143,500	150,000
448.556 Leak Detection Services	2,311	0	0	92	0	0	0	2,000	0	0	2,000
448.575 R-O-W, Regulatory Compliance	2,142	1,692	2,119	2,314	2,492	1,369	1,191	1,300	1,418	1,425	1,300
448.648 Pa One Call Service	1,152	783	1,120	843	1,386	586	663	1,000	533	600	1,000
448.760 Small Tools and Minor Equipment	3,541	1,224	5,640	7,748	9,018	1,898	1,974	2,500	2,036	2,250	2,500
448.761 Repairs and Maintenance-Water Equip	2,750	5,060	6,791	7,463	11,760	11,072	13,033	13,490	13,898	14,000	14,500
448.762 Safety Equipment	3,866	1,275	270	265	327	0	4	500	0	0	500
Subtotal	183,584	157,247	181,901	201,106	224,559	169,852	187,278	176,790	173,189	187,250	199,800
TOTAL DISTRIBUTION SYSTEM	226,458	194,766	259,475	253,992	264,360	208,239	234,987	216,290	204,911	222,150	240,275

DISTRIBUTION SYSTEM EXPENSES

STORAGE – DALE STREET RESERVOIR

448.341 OPERATING SUPPLIES AND EXPENSE

This line item covers the cost of miscellaneous supplies specific to this facility.

448.342 POWER PURCHASED

This line item covers the electricity used for monitoring equipment and in lighting the area.

448.343 EQUIPMENT MAINTENANCE

This line item covers the cost incurred in maintaining the equipment located at this site. SCADA System components are considered to be equipment.

448.344 STRUCTURE MAINTENANCE

This line item covers the cost incurred in repairing and maintaining the reservoir and other structures at this facility.

STORAGE – STRUBLE ROAD TANK

448.351 OPERATING SUPPLIES AND EXPENSE

This line item covers the cost of miscellaneous supplies specific to this facility.

DISTRIBUTION SYSTEM EXPENSES

448.352 POWER PURCHASED

This line item covers the electricity used for monitoring equipment and in lighting the area.

448.353 EQUIPMENT MAINTENANCE

This line item covers the cost incurred in maintaining the equipment located at this site. SCADA System components are considered to be equipment.

448.354 STRUCTURE MAINTENANCE

This line item covers the cost incurred in repairing and maintaining the above ground storage tank located at Struble Road.

MAINTENANCE – DISTRIBUTION SYSTEM

448.475 MAINTENANCE OF DISTRIBUTION/TRANSMISSION MAINS

Distribution waterlines deliver water to and through specific areas and to individual customers. Costs incurred in repairing distribution water mains and appurtenances, such as blow-offs and gate valves, in the distribution system are recorded here.

Transmission waterlines are those primary routes where large flows of water are expected to be conveyed across a pressure zone and typically extend from the water source to and from storage/booster facilities, and beyond to areas of high water demand. The costs involved in repairing and maintaining the various transmission lines throughout the water system are recorded here.

DISTRIBUTION SYSTEM EXPENSES

448.490 MAINTENANCE OF SERVICE LINES

This line item covers the costs incurred in maintaining service lines, curb stops, main corporations, and curb boxes in the distribution system.

448.495 DUMPING FEES

Excavated waste material from project and maintenance work is hauled to the CMJ Trucking & Construction fill site along Shiloh Road. In past years, there has not been a fee to dump at this site. However, beginning in 2012, the owner of the site began charging Municipalities and Authorities the dumping fee which is currently \$25.00 per truck load. It is estimated for 2016 that 75 truckloads of waste material will be hauled to the site for a total cost of \$1,875. An additional \$1,000 is added for the rental of trucks to haul material to the Shiloh site from the temporary dump site at the Mt. Nittany Road shale pit area.

448.510 MAINTENANCE OF HYDRANTS

This item covers the cost incurred in maintaining, including painting fire hydrants. Currently, the authority maintains 234 hydrants.

448.530 METER SUPPLIES AND MAINTENANCE

This line item covers the costs incurred testing and calibrating meters as well as parts needed to maintain meters in good working condition.

448.532 PRV – PENN HILLS

DISTRIBUTION SYSTEM EXPENSES

This line item covers the cost in maintaining the pressure reducing valve located at Penn Hills.

448.534 PRV – INDEPENDENCE PLACE

This line item covers the cost in maintaining the pressure reducing valve located at Independence Place.

448.536 PRV – OAK HALL

This line item covers the cost in maintaining the pressure reducing valve located at Baldwin Street for the Oak Hall system.

448.537 PRV - ROCKVIEW NORTH

This line item covers the cost in maintaining the pressure reducing valve located at Rockview North.

448.538 PRV - ROCKVIEW SOUTH

This line item covers the cost in maintaining the pressure reducing valve located at Rockview South.

448.539 PRV - BELLEFONTE INTERCONNECT

This line item covers the cost in maintaining the pressure reducing valve located at Bellefonte Interconnect.

448.541 PRV – NITTANY COMMONS

DISTRIBUTION SYSTEM EXPENSES

This line item covers the cost in maintaining the pressure reducing valve located at Nittany Commons.

GENERAL – DISTRIBUTION SYSTEM

448.181 CONTRACT LABOR – COLLEGE TOWNSHIP PERSONNEL

This line item covers the labor charges incurred when College Township personnel are needed for various projects or to assist with system maintenance.

448.540 CONTRACT LABOR – TECHNICIANS

This line item covers the cost of labor charges, including scheduled overtime, for four full-time service technicians.

448.556 LEAK DETECTION SERVICES

This line item covers the costs incurred in employing an independent company to identify leaks in the water system.

448.575 R-O-W, REGULATORY COMPLIANCE

This line item covers the cost of acquiring right of ways, producing the annual consumer confidence report, various permits required by state and federal regulatory bodies, fees associated with DEP, and CDL license expenses.

448.648 PA ONE CALL SERVICE

DISTRIBUTION SYSTEM EXPENSES

This line item covers the monthly per fax charge for identifying underground facilities.

448.760 SMALL TOOLS AND MINOR EQUIPMENT

This line item covers the cost of acquiring and maintaining small tools used in every day operation.

448.761 REPAIRS AND MAINTENANCE – WATER EQUIPMENT

This line item covers the cost of maintaining specialized water system equipment such as the SCADA System, Chlorine Analyzers, Turbidimeters and gas chlorination equipment. For 2016, the following costs are as follows:

Hach Company Service Agreement - \$3,946

This agreement would provide four on-site preventive maintenance visits per year, once each quarter, to service the chlorine analyzers and the turbidimeters at the Spring Creek Park Station and Rogers Well in 2016. Each visit includes cleaning, calibration and the replacement of any necessary parts to keep the units functioning properly and in compliance with all DEP regulations. Any emergency visits required in between regular scheduled maintenance visits to service or repair the units would also be included in this agreement.

Tri-Star – SCADA Maintenance Agreement - \$6,800

This agreement will provide two working days/trips per year as requested by a Tri-Star technician to verify proper operation of all SCADA controls, instruments and related equipment including annual calibration of equipment to ensure accurate measuring and transmitting of data. This agreement does not

DISTRIBUTION SYSTEM EXPENSES

provide for any miscellaneous repair of equipment or replacement parts if needed. \$4,000 has been included for repairs and parts.

Tri-Star Agreement	\$2,800
Repairs/Parts	<u>\$4,000</u>
	\$6,800

De Nora Service and Maintenance Plan - \$3,700

This service and maintenance plan provides one visit per calendar year for a De Nora representative to perform preventative maintenance, calibration and repair if necessary of the gas chlorination system cylinder mounted chlorine vacuum regulators, vacuum switchover modules, remote meter panels, secondary check valves and ejector check valves.

De Nora Service and Maintenance Plan	\$ 1,000
Repairs/Parts	<u>\$ 2,700</u>
	\$ 3,700

448.762 SAFETY EQUIPMENT

In 2004, College Township formed a safety committee.

The purpose of the College Township Safety Committee is to bring workers and management together in a non-adversarial, cooperative effort to detect hazards, correct workplace hazards and increase safety awareness in the workplace. \$500 is budgeted for items identified by the committee during 2016 that will serve to increase safety in the work place.

General Expenses

GENERAL EXPENSES

	2008	2009	2010	2011	2012	2013	2014	2015		2016	
	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	BUDGET	YTD 12/4	EXPECTED	PROPOSED
OFFICE											
448.600 Contract Labor - Billing and Cust Serv	37,054	31,058	45,232	47,037	54,269	58,115	55,398	57,000	49,577	54,000	59,000
448.605 Contract Labor - College Twp Personnel	8,508	10,038	11,272	11,942	12,809	12,856	13,735	13,400	13,646	14,500	15,250
448.610 Contract Labor - Meter Reading	10,997	12,930	10,841	9,444	6,836	7,880	9,868	11,000	4,417	4,900	5,100
448.612 Professional Employment Services	1,468	11,742	386	0	0	0	0	0	0	0	0
448.620 Office and Other Supplies	2,301	4,681	1,895	2,303	2,661	1,949	2,562	2,000	2,795	3,050	2,500
448.621 Computer and Software Maintenance	4,384	4,564	6,347	6,818	5,271	4,493	4,568	6,000	6,266	6,350	6,350
448.625 Postage and Freight Charges	4,403	4,100	4,510	4,351	4,963	5,277	5,400	5,750	5,439	5,950	5,950
448.641 Advertising	1,004	653	647	1,836	212	1,263	286	750	897	925	750
448.643 Internet and Email	1,535	1,714	1,737	1,727	1,674	2,094	1,778	2,200	2,641	2,775	2,375
448.645 Telephone	1,862	1,630	1,712	1,794	2,450	2,052	2,134	2,200	1,855	1,885	2,000
448.647 Cellular Phone	548	487	560	985	633	712	939	1,000	522	650	750
448.655 Uncollectible Accounts	1,806	-1,286	285	-651	5,660	4,161	27,603	0	0	0	0
Subtotal	75,870	82,311	85,424	87,586	97,438	100,852	124,271	101,300	88,055	94,985	100,025
GENERAL PROPERTY											
448.702 Vehicle Repairs and Maintenance	7,496	2,626	2,549	3,485	3,110	4,315	3,969	4,000	3,230	3,550	4,000
448.731 Vehicle Fuels: Gas, Diesel, Oil, Etc	5,741	3,082	4,526	7,322	9,022	10,170	10,716	10,000	6,615	7,250	9,000
448.735 Repairs of Tools and Machinery	117	15	617	387	563	991	483	800	390	475	800
448.740 Materials and Supplies	2,064	2,606	1,845	1,748	2,219	7,226	3,026	3,100	557	600	3,100
448.765 Radio/Paging Equipment and Maint	4,024	180	150	384	0	0	0	0	152	175	0
448.770 Rental of Equipment	1,523	3,351	6,052	7,356	910	1,275	5,955	5,000	7,670	8,350	5,000
Subtotal	20,965	11,860	15,739	20,682	15,824	23,977	24,149	22,900	18,614	20,400	21,900
ENGINEERING AND PROFESSIONAL											
448.810 Engineering - Consulting	19,795	29,243	32,083	40,602	40,333	24,285	32,470	35,000	26,576	33,000	35,000
448.818 Engineering - Inspection	0	0	0	0	0	0	4,387	0	0	0	0
448.840 Accounting and Audit	12,868	18,059	14,640	12,475	14,684	14,810	18,187	15,000	12,250	13,250	15,250
448.845 Legal	647	5,556	4,795	8,470	7,516	12,669	7,722	9,000	7,261	8,750	9,000
448.850 Professional - Other	1,600	1,600	800	0	1,200	1,200	1,200	1,200	1,915	1,915	1,500
Subtotal	34,910	54,458	52,318	61,547	63,733	52,964	63,966	60,200	48,002	56,915	60,750

GENERAL EXPENSES

	2008	2009	2010	2011	2012	2013	2014	2015		2016	
	AUDITED	BUDGET	YTD 12/4	EXPECTED	PROPOSED						
TAXES, BENEFITS, AND INSURANCE											
448.615 Training - Distribution and Office	240	58	300	488	0	1,377	1,465	1,500	1,725	1,725	1,500
448.618 Conventions	1,145	980	1,050	1,020	1,020	0	0	1,050	0	0	1,050
448.738 Clothing and Uniforms	1,413	1,977	2,080	2,614	2,263	2,973	2,450	3,000	2,434	2,750	3,000
448.802 Dues, Subscriptions, and Memberships	2,401	2,460	2,171	2,202	2,260	2,487	2,493	2,625	2,499	2,625	2,625
448.855 Insurance Policies	14,990	19,644	25,265	22,063	25,384	32,294	27,546	33,000	686	33,000	33,000
448.858 Workers' Compensation Insurance	0	6,627	8,718	8,790	7,259	10,151	10,651	14,000	0	14,000	14,000
448.860 Pension Expense	8,102	11,572	11,931	14,305	15,351	15,737	16,300	16,800	14,838	16,800	17,340
448.865 Bond	0	0	0	152	0	0	152	175	141	141	175
448.870 Medical / Dental Insurance	44,438	52,186	60,094	79,108	78,083	87,833	100,158	109,580	100,725	109,900	113,850
448.871 Health Insurance Opt-Out Program	0	0	0	0	3,209	3,326	3,796	4,200	3,867	4,200	4,300
448.875 Group Term Life/Disability Insurance	3,867	3,399	3,866	3,552	4,127	4,036	3,079	3,225	2,941	3,225	3,500
448.880 Payroll Taxes - FICA	13,820	13,459	14,880	15,148	20,041	19,427	18,582	17,475	17,368	18,850	19,125
448.881 Unemployment Compensation Insurance	638	1,960	1,080	1,181	647	2,943	4,292	3,465	3,246	3,246	2,450
Subtotal	91,054	114,322	131,435	150,623	159,644	182,584	190,964	210,095	150,470	210,462	215,915
MISCELLANEOUS											
448.885 Operational and Management Agreement	72,072	74,820	74,820	77,160	78,960	81,540	83,556	85,872	85,872	85,872	88,560
480.470 Miscellaneous	225	239	32	133	2	6	89	500	115	250	500
481.460 Board, Staff, and Professional Meetings	0	0	107	0	0	0	0	200	0	0	200
Subtotal	72,297	75,059	74,959	77,293	78,962	81,546	83,645	86,572	85,987	86,122	89,260
TOTAL GENERAL EXPENSE	295,096	338,010	359,875	397,731	415,601	441,923	486,995	481,067	391,128	468,884	487,850

GENERAL EXPENSES

OFFICE

448.600 CONTRACT LABOR – BILLING AND CUSTOMER SERVICE

In accordance with section 5.7 of the management agreement, the Authority reimburses the Township for all non-exempt Township employees' time associated with obligations of the Authority. This account covers the cost of the Customer Service Specialist and approximately 75% of the Finance Office Assistant's wages. In prior years, prior to reassignment of EIT collection to the Centre Tax Agency, a larger percentage of the Finance Office Assistant's wages were allocated to the tax department.

448.605 CONTRACT LABOR – COLLEGE TOWNSHIP PERSONNEL

This line item covers time spent by non-exempt personnel in the performance of duties other than billing and customer service. Such duties include payables, budget preparation support, special project accounting, and scheduled overtime incurred for attendance at Authority meetings by the recording secretary.

448.610 CONTRACT LABOR – METER READER

This line item covers the wages incurred for the part-time meter reader (non-exempt) which requires approximately 460 hours per year. In addition to reading meters, this position performs other maintenance functions such as mowing, trimming, weeding, and painting. Also covered by this account is the cost of reimbursing the meter reader for using a personal vehicle for Authority business.

448.612 PROFESSIONAL EMPLOYMENT SERVICES

The Authority reimburses the Township for the cost of temporary employee services that are needed from time to time.

GENERAL EXPENSES

448.620 OFFICE AND OTHER SUPPLIES

This line item covers the cost of routine office, computer, and other miscellaneous supplies used in the day-to-day operations.

448.621 COMPUTER AND SOFTWARE MAINTENANCE

This line item covers the cost of hardware maintenance, network software maintenance, 50% of the notification software, and the maintenance contract on the billing software package.

448.625 POSTAGE AND SHIPPING CHARGES

This line item covers the cost of postage, mailing services, and shipping charges.

448.641 ADVERTISING

This line item covers the cost incurred for advertising meetings, notifications, and employment opportunities.

448.643 INTERNET AND EMAIL

Internet:

The Borough of State College, CATA, Centre Region COG, and the townships entered into an Intermunicipal agreement in 2012 for the operation and maintenance of a Local Area Network/Wide Area Network joint

GENERAL EXPENSES

network structure. The annual cost to the township to benefit from this arrangement is approximately \$15,000 of which \$1,560 is borne by the CTWA and \$3,120 by the tax department.

Also, the Authority reimburses 2 employees for the cost of cable modems installed in their homes. The cable modem provides a reliable means for accessing the Authority's SCADA system when required, and serves to reduce the overtime that would otherwise be incurred.

448.645 TELEPHONE

This line item covers the cost of monthly local/long distance service and required modem lines.

448.647 CELLULAR PHONE

This line item covers the cost of a cellular phone used by the Manager and a Water Technician. Personal use is reimbursed via payroll deductions.

448.655 UNCOLLECTIBLE ACCOUNTS

This line item covers the cost of employing an outside collection firm in collecting delinquent accounts.

GENERAL PROPERTY

448.702 VEHICLE REPAIRS AND MAINTENANCE

GENERAL EXPENSES

This line item covers 100% of the cost of repairing and maintaining licensed vehicles and off road equipment such as the excavator, owned by the Authority. Where title is shared with the Township, upkeep costs are shared equally.

448.731 VEHICLE FUELS: GAS, DIESEL, OIL, ETC.

This line item covers the cost of fuel and other consumable items in the operation of Authority owned vehicles and equipment. Where title is shared with the Township, these costs are shared equally.

448.735 REPAIRS OF TOOLS AND MACHINERY

This account captures the costs of repairing machinery and tools owned by the Authority.

448.740 MATERIALS AND SUPPLIES

This line item covers materials and supplies not accounted for anywhere else.

448.765 RADIO AND PAGING EQUIPMENT AND MAINTENANCE

The Authority utilizes the Township's radio trunking system which is provided at no charge through the County. Each service vehicle and the backhoe have a radio. This account is used to record the cost associated with this communication equipment.

448.770 RENTAL OF EQUIPMENT

GENERAL EXPENSES

This line item covers the cost of equipment rental in emergency type situations including items such as generators rented from outside vendors. Equipment rented from the Township is based on an equipment rental rate schedule.

ENGINEERING AND PROFESSIONAL

448.810 ENGINEERING - CONSULTING

This line item covers the charges from the consulting engineer for routine engineering services such as meeting attendance, completion of the annual loss water report, completion of the annual water system report for the Trustee, SRBC Quality Withdrawal report, etc. Charges related to projects such as design and construction management are added to the cost of these projects.

448.840 ACCOUNTING AND AUDIT

Outside auditor services in auditing the Authority's 2015 financial statements and preparing the 2015 Annual Report of Municipal Authorities is expected to cost \$12,750. An estimate of \$2,500 is included for professional consultation on other financial issues.

448.845 LEGAL

This budget item covers the cost for the Authority's solicitor plus other legal services that are requested during the year.

GENERAL EXPENSES

448.850 PROFESSIONAL - OTHER

No other professional services are anticipated for 2016.

TAXES, BENEFITS, AND INSURANCE

448.615 TRAINING – DISTRIBUTION AND OFFICE

This line item covers the training costs of providing services or personnel certified with the appropriate class and type of certification under the Sewage Treatment Plant and Waterworks Operators Certification Act of 1968. Also, the manager authorizes non-exempt staff members' attendance at courses and seminars that will enhance their job performance. This line item is used for this purpose, as well as training for Authority board members.

448.618 CONVENTIONS

This line item covers the cost of attending the annual PRWA conference and the cost of the appointed officials and/or the manager attending the annual PMAA Conference and other selected seminars.

448.738 CLOTHING AND UNIFORMS

This account covers the following for the Authority's technicians: 1) renting and laundering uniforms, 2) \$300 bi-annual boot allowance, 3) winter jacket replacement allowance, 4) insignia shirts for field identification and 5) \$350 bi-annual safety glasses allowance.

GENERAL EXPENSES

448.802 DUES, SUBSCRIPTIONS, AND MEMBERSHIPS

This line item covers membership in the Pennsylvania Municipal Authorities Association, the Pennsylvania Rural Water Association, and the American Water Association. In addition, \$100 is budgeted for reference sources and miscellaneous subscriptions.

448.855 INSURANCE POLICIES

The Authority maintains public liability, property damage, and workers' compensation insurance. This account covers the cost of all insurance, including the Authority's share of the public official's liability insurance, other than the premiums for workers' compensation insurance which is recorded in account #448.858.

448.858 WORKERS' COMPENSATION INSURANCE

In accordance with section 6.3 of the management agreement, the Township maintains adequate workers' compensation coverage for their employees assigned to performing the obligations of the Township. This account records the annual invoice to the Authority for their portion of the premium.

448.860 PENSION EXPENSE

This line item covers the Authority's share of the cost of providing a pension for the Township employees.

448.865 BOND

GENERAL EXPENSES

This represents the cost of bonding those individuals charged with the responsibility of handling funds relating to the Water System.

448.870 MEDICAL/ DENTAL/VISION INSURANCE

Vision:

This line item covers the Authority's share of the cost of providing a vision plan for township employees. Any incremental cost of adding family members will be the sole responsibility of the employee.

Health/Dental:

This line item covers the Authority's share of the cost of providing health and dental insurance coverage for the township employees. The monthly premiums for 2012 - 2016 prior to employee contributions are as follows:

	Health		Dental	
	<u>Single</u>	<u>Family</u>	<u>Single</u>	<u>Family</u>
2016	961.12	2195.53	25.65	82.51
2015	921.52	2,097.58	25.65	82.51
2014	835.74	1,892.72	32.39	100.66
2013	733.50	1,647.81	32.39	100.66
2012	707.30	1,587.36	32.39	100.66

GENERAL EXPENSES

The township deducts a portion of the cost of the premium from the employee's paycheck.

448.871 HEALTH INSURANCE OPT-OUT PROGRAM

Starting in 2012, employees who choose to opt-out of the Township's health insurance will receive 20% of the Township's cost to cover the employee who has single coverage, or employee and family if they have family coverage. This will only apply to health insurance, and not to dental or vision coverage. Also, the additional payment to employee will not be included in their regular salary for pension purposes.

448.875 GROUP TERM LIFE/DISABILITY INSURANCE

This line item covers the Authority's share of the cost of providing life, accident, both short-term and long-term disability insurance for the Township's regular, full-time employees.

448.880 PAYROLL TAXES – FICA

This item covers the Authority's share of the social security and Medicare taxes on employee wages. The 2016 social security rate is 6.2% of gross earnings up to \$118,500 per employee. The 2016 Medicare rate is 1.45% of gross earnings (no limit). Beginning 1/1/2013, additional .9% Medicare tax went into effect, but due to high income thresholds, this additional tax is not expected to impact College Township employees

448.881 UNEMPLOYMENT COMPENSATION INSURANCE

This covers the Authority's share of unemployment insurance, which is calculated to be 3.7% of an employee's first \$9,500 of earnings.

GENERAL EXPENSES

MISCELLANEOUS

448.885 OPERATIONAL AND MANAGEMENT AGREEMENT

College Township provides operation and management of the water system to the Authority pursuant to an AGREEMENT FOR MANAGEMENT SERVICES dated September 23, 1998. In accordance with section 5.8.1 of that agreement, the reimbursement rate has been reviewed and will be \$7,380 per month.

480.470 MISCELLANEOUS

This line item includes \$500 for the cost of other miscellaneous or one-time expenses that cannot be directly allocated to another budget item

481.460 BOARD, STAFF AND PROFESSIONAL MEETINGS

This item covers the cost of lunch for working luncheon meetings.

Non-Operating Income (Expense)

NON-OPERATING INCOME (EXPENSE)

	2008	2009	2010	2011	2012	2013	2014	2015		2016	
	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	BUDGET	YTD 12/4	EXPECTED	PROPOSED
NON-OPERATING INCOME (EXPENSE)											
341.000 Investment Income	40,943	24,420	6,027	4,824	949	7,383	8,679	6,100	4,981	5,250	5,250
341.050 Investment Income - SCI Rockview	6,717	803	0	0	0	0	0	0	0	0	0
NET NON-OPERATING INCOME (EXP)	47,660	25,223	6,027	4,824	949	7,383	8,679	6,100	4,981	5,250	5,250

NON-OPERATING INCOME

341.000 **INVESTMENT INCOME**

This category accounts for the revenue generated from the investment of Authority funds.

Capital Budget

College Township Water Authority
 PLANNED CONSTRUCTION PROJECTS AND CAPITAL ASSET PURCHASES FOR 2016

	2016 FUNDING		
	All Other Available Funds	CNB Drawdown Loan (1)	Total
<u>Water System Upgrade Projects</u>			
Oak Hall (Not in the Park)	\$ -	\$ 28,685	\$ 28,685
Limerock Terrace Phase III	\$ -	\$ 43,000	\$ 43,000
Houserville Road	\$ -	\$ 54,000	\$ 54,000
OH-20 Development	\$ -	\$ 79,500	\$ 79,500
<u>Water System Maintenance/Repairs</u>			
Spring Creek Park Well Replace Drop Pipe	\$ 11,325	\$ -	\$ 11,325
Replace Controller for Rogers Turbidimeter	\$ 1,675	\$ -	\$ 1,675
Chlorine Injection System - Spring Creek Park Well	\$ 5,000	\$ -	\$ 5,000
<u>Capital Asset Purchases</u>			
Backflow Prevention Program and Residential Meters - 90 @ \$155	\$ 14,000	\$ -	\$ 14,000
Standby Generators Spring Creek Park Well/Lemont Station	\$ 62,425	\$ -	\$ 62,425
Replace 2001 Stihl Multi-Purpose Saw	\$ 1,100	\$ -	\$ 1,100
(2) SCADA PC's	\$ 3,900	\$ -	\$ 3,900
TOTALS	\$ 99,425	\$ 205,185	\$ 304,610

Estimated Costs for Future Projects & Equipment (Prioritized in order)

1 Limerock Terrace Phase II	\$ 51,000
2 Berry Street	\$ 73,910
3 Merryhill Road	\$ 54,000
4 Raino Street, Oakwood Drive and Norle Street	\$ 20,000
5 Puddintown Road	\$ 65,000
6 East Branch Road	\$ 110,000
7 Clyde Avenue	\$ 60,000
8 Houserville Road (Gibbons to Scholl)	\$ -
9 Boalsburg Road	\$ 330,000
10 Single Axle Dump Truck	\$ 40,000
11 OH-20 CONTINUED Development	\$ 1,500,000
12 OH-20 Distribution Upgrades	\$ 500,000
	<u>\$ 2,803,910</u>

Note: Flushing valve at end of Oak Hall Line maybe be required based on new regulations.

(1) - The following funds are estimated to be available as of 1/1/16 to fund projects and capital purchases:

Drawdown Loan Balance (CNB Bank)	\$ 2,125,000	← Time Constraint to Spend CNB
Balance of '10 Trustee Revenue Fund now held at FNB	\$ 299,000	
Balance of '10 Trustee Bond Redemption and Improvement fund now held at FNB	\$ 185,000	
Total Available to Fund Capital Projects	<u>\$ 2,609,000</u>	

CONSTRUCTION PROJECTS/CAPITAL ASSET PURCHASES

2016 WATER SYSTEM UPGRADE PROJECTS

OAK HALL – \$28,685

Install approximately 220 LF of 2" CTS pipe connected to the existing 3" PVC line in the former railroad bed to the existing 1" PVC line that runs to and crosses Boalsburg Road.

The new 2" CTS pipe will be installed in a 4" PVC casing by directional drilling.

With the installation of this new 2" pipe, approximately 400 LF of 2" steel line and approximately 150 LF of 1" PVC line will be abandoned in place.

LIMEROCK TERRACE UPGRADE PHASE III - \$43,000

Phase III of the Limerock Terrace project will be the construction of approximately 460 lineal feet of 8" ductile iron pipe to complete the 8" main line from Pike Street to Limerock Courts.

HOUSERVILLE ROAD - \$54,000

Replace approximately 620 LF of existing 8" PVC line and 6" or 4" AC line from 1400 Houserville Road to Creekside Drive, with 8" ductile iron pipe. The 8" PVC section of this line is off PennDot right-of-way on private property underneath WPPCO, telephone and TV lines. The two major repairs that have been made on the 8" PVC line have been difficult to complete with the location of other utilities. Install four new service line connections and install a tee to connect the 6" main line pipe to Old Mill Road.

OH-20 DEVELOPMENT - \$79,500

CONSTRUCTION PROJECTS/CAPITAL ASSET PURCHASES

Development of Oak Hall Well OH-20 is expected to get underway in 2016. It is expected that the time frame required to bring this water source online is 3-4 years. The estimated cost of this project, including upgrades required to connect OH-20 to the distribution system is approximately \$2 million.

The process includes the following broad categories of activities: Pump Test Plan, Conduct 72-Hour Pump Test, Hydrological Report, Well Facility Design and Construction, and Water Main & System Modifications.

It is expected that the first three categories of activities will be completed in 2016 as follows:

Pump Test Plans	\$22,500
72-Hour Pump Test	\$41,000
Hydro-geological Test	<u>\$16,000</u>
Total	<u>\$79,500</u>

2016 WATER SYSTEM MAINTENANCE/REPAIRS

SPRING CREEK PARK WELL - REPLACE WELL PUMP DROP PIPE - \$11,325

During replacement of the well pump in 2010, it was found that the steel drop pipe for the well was deteriorating. Numerous areas of the pipe are pitted that could lead to rust through of the pipe. Some of this pipe was replaced with the new well pump. The remaining 84 feet of pipe would be replaced with schedule 40 galvanized pipe.

REPLACE CONTROLLER FOR ROGERS TURBIDIMETER - \$1,675

CONSTRUCTION PROJECTS/CAPITAL ASSET PURCHASES

Replace the controller for the Rogers Well Turbidimeter. The current Model SC600 Controller is obsolete and repair parts are limited.

CHLORINE INJECTION SYSTEM – SPRING CREEK PARK WELL - \$5,000

The SCADA controls and Variable Frequency drives at the stations are now programmed to operate the well and high service pumps based on reservoir level or by system pressure if the reservoir is out of service.

The chlorine flow is currently controlled by a manually operated roto meter based on gallon per minute flow rate from the well.

To operate the station on system pressure, an automatic gas control valve must be installed to automatically adjust the proper amount of chlorine injected based on the gallon per minute flow from the well. The well pump Variable Frequency Drive and High Service Frequency Drive speed will fluctuate to maintain a set system pressure. The automatic gas control valve was purchased in 2013. This cost includes installation of the valve and SCAD programming modifications.

2016 CAPITAL ASSET PURCHASES

CROSS CONNECTION CONTROL/BACKFLOW PREVENTION PROGRAM - \$14,000

This new program was started in 2009 to inspect customer interior water service connections for compliance with CTWA Rules and Regulations for the proper installation of backflow prevention devices and overall correct meter set area plumbing. It is proposed that the inspections for 2016 will continue. An additional 90 residential meters @ \$155 will be purchased for the expected change out of old meters during the inspections.

EMERGENCY POWER SUPPLY GENERATOR - \$62,425

CONSTRUCTION PROJECTS/CAPITAL ASSET PURCHASES

Purchase portable stand-by generators that could be used at Spring Creek Park Well, Rogers Well or Lemont Station.

250 KW Generator \$37,500 Spring Creek Park Well or Rogers Well
100 KW Generator \$25,125 Lemont Booster Station

STIHL MULTI-PURPOSE SAW - \$1,100

This saw is used for cutting various materials such as pipe and pavement.

(2) SCADA PC'S - \$3,900

Replace 2 pc's used solely in conjunction with the SCADA system. One of the pc's is used as a fully functional spare.

FUTURE PROJECTS

LIMEROCK TERRACE PHASE II - \$51,000

The connection to the low pressure zone from the Pep Boys PRV is currently served by a 4" AC main line.

During 2013, 540 LF of 8 inch ductile iron main line was installed from the Limerock Court Subdivision to the Rhodes Lane intersection along Limerock Terrace. To increase fire protection flow to the low pressure zone from the Pep Boys vault, it is proposed to continue construction of the Limerock Terrace 8" main line to Pike Street.

CONSTRUCTION PROJECTS/CAPITAL ASSET PURCHASES

BERRY STREET - \$73,910

Replace approximately 680 LF of 4" AC main line pipe from Dale Street to Mary Street. Install 18 new service line connections.

MERRYHILL ROAD - \$54,000

Replace approximately 530 lineal feet of the existing 2 inch steel line with 8 inch ductile iron main line from the end of the existing 6 inch line to the end of the street at private property. Relocate the existing fire hydrant to approximately the middle of Merryhill Road. Install eight new service line connections.

RAINLO STREET, OAKWOOD DRIVE AND NORLE STREET - \$20,000

Install new service lines from existing main lines along these streets to properties currently connected to back-lot 1" and 2" steel lines. This change in location of the service line to the properties will require plumbing modifications inside each residence. After all properties are connected to the larger main lines along the streets, the 1" and 2" line would be abandoned in place.

PUDDINTOWN ROAD - \$65,000

Install approximately 800 LF of 8" ductile iron pipe from Meadow Lane to Spring Creek Lane to complete a main line loop in the distribution system to the Houserville Area. Connect five ¾" service lines and connect the 2" main line at Spring Creek Lane to the new 8" line.

EAST BRANCH ROAD - \$110,000

CONSTRUCTION PROJECTS/CAPITAL ASSET PURCHASES

Replace approximately 1,300 LF of 6" asbestos cement main line pipe with 8" ductile iron pipe from Norle Street to the E. Branch Road Bridge over the Mt. Nittany Expressway. Replace nine service line connections.

CLYDE AVENUE - \$60,000

Construct approximately 610 lineal feet of 8" ductile iron pipe from the fire hydrant at the Waskob Industrial Park to the existing fire hydrant on Clyde Avenue to complete a main line loop in the distribution system in this area. This connection will improve the fire flow capacity at both fire hydrants.

HOUSERVILLE ROAD (GIBBONS TO SCHOLL) - \$0

4" waterline replacement.

BOALSBURG ROAD - \$330,000

Construction of approximately 2,600 LF of 12" ductile iron main transmission line from Whitehill Street to Baldwin Street. The construction of this main line would need to be completed along with the Oak Hall Park Well development.

LATE MODEL USED SINGLE AXLE DUMP TRUCK - \$40,000

This additional dump truck would be used for general hauling purposes during maintenance, repair and project work on the distribution system, hauling excavated spoil material and hauling various aggregate backfill materials. The purchase of this truck would reduce truck rental costs.

CONSTRUCTION PROJECTS/CAPITAL ASSET PURCHASES

OH-20 DESIGN & CONSTRUCTION - \$1,500,000

Develop a third water supply well for the CTWA system in the vicinity of the village of Oak Hall.

OH-20 DISTRIBUTION UPGRADES - \$500,000

Upgrades to connect the OH-20 to the distribution system.

Appendix

Appendix

Appendix 1: Debt Service Schedule

Appendix 2: Top 10 Users

Appendix 3: Gallons Produced, Billed and Unaccounted

Appendix 4: Water System Revenue and Rate History

Appendix 5: Other Key Statistics (Customers, Gallons Per Day, Debt Coverage)

Appendix 6: Equipment Replacement Schedule



College Township Water Authority
 General Obligation Note, Series of 2015
 Total Issue

Date	Principal	Rate	Interest	Debt Service	Debt Service	Annual Debt Service	Less: Deposit to Debt Service Fund	Annual Net Debt Service	Existing Annual Net Debt Service	Difference
						35	36	37	38	39
12/8/2015						0.00	111,650.00		360,731.46	360,731.46
1/1/2016	487,700	1.98	111,650.00	111,650.00	698,350.00	99,000.00	487,700.00	715,405.57	227,705.57	
1/1/2017	528,700	1.98	94,171.77	622,871.77	717,043.54		717,043.54	714,830.57	-2,212.97	
1/1/2018	539,100	1.98	88,937.64	628,037.64	716,975.28		716,975.28	717,870.57	895.29	
1/1/2019	549,800	1.98	83,600.55	633,400.55	717,001.10		717,001.10	714,095.57	-2,905.53	
1/1/2020	560,700	1.98	78,157.53	638,857.53	717,015.06		717,015.06	719,060.57	2,045.51	
1/1/2021	498,400	2.98	109,276.60	607,676.60	716,953.20		716,953.20	717,395.57	442.37	
1/1/2022	513,300	2.98	101,850.44	615,150.44	717,000.88		717,000.88	714,715.57	-2,285.31	
1/1/2023	528,600	2.98	94,202.27	622,802.27	717,004.54		717,004.54	715,723.07	-1,281.47	
1/1/2024	544,300	2.98	86,326.13	630,626.13	716,952.26		716,952.26	715,465.57	-1,486.69	
1/1/2025	560,600	2.98	78,216.06	638,816.06	717,032.12		717,032.12	718,903.07	1,870.95	
1/1/2026	544,400	3.68	86,273.92	630,673.92	716,947.84		716,947.84	716,103.07	-844.77	
1/1/2027	564,500	3.68	76,256.96	640,756.96	717,013.92		717,013.92	717,233.07	219.15	
1/1/2028	585,300	3.68	65,870.16	651,170.16	717,040.32		717,040.32	716,433.07	-607.25	
1/1/2029	606,800	3.68	55,100.64	661,900.64	717,001.28		717,001.28	161,837.89	-555,163.39	
1/1/2030	629,100	3.68	43,935.52	673,035.52	716,971.04		716,971.04		-716,971.04	
1/1/2031	643,500	4.18	36,756.83	680,256.83	717,013.66		717,013.66		-717,013.66	
1/1/2032	516,300	4.18	23,307.68	539,607.68	562,915.36		562,915.36		-562,915.36	
1/1/2033	537,900	4.18	12,517.01	550,417.01	562,934.02		562,934.02		-562,934.02	
1/1/2034	61,000	4.18	1,274.90	62,274.90	63,549.80		63,549.80		-63,549.80	
Totals	10,000,000		2,642,715.22	12,642,715.22	12,642,715.22	210,650.00	12,432,065.22	9,835,804.29		
	10,000,000		2,642,715.22	12,642,715.22	12,642,715.22		12,432,065.22	9,835,804.29		

SEE IMPROVEMENT
 NOT IN RATE BOSTON



Note: Interest expense reflected on this schedule assumes the full \$10million was drawn at closing. Because there is approximately \$2.1 million that will be drawn down as required to fund projects, actual interest expense will be lower than reflected up until the interest payment due 7/1/19.

College Township Water Authority
 Top 10 Customers - Calendar Year 2014

<u>Customer</u>	<u>Service Address</u>	<u>Billed Gallons</u>	<u>Usage</u>	<u>Fire Service</u>	<u>Gallons</u>	<u>Revenue</u>	<u>REVENUE</u>
SCI Rockview	3651 E. Colleg Ave	8,031,000	\$ 138,087	\$ 738			\$ 138,825
Cintas	2700 Carolean Industrial Dr	142,000	\$ 866	\$ 2,698	9,202,000	\$ 51,439	\$ 55,003
Centre Concrete	2280 E. College Ave	7,251,000	\$ 44,231				\$ 44,231
Giant Food Stores	2222 E. College Ave	3,717,000	\$ 22,674	\$ 5,397			\$ 28,071
The Green Hotel	1221 E. College Ave	3,478,000	\$ 21,216	\$ 2,698			\$ 23,914
BVRE	1329 Dreibelbis St	3,408,000	\$ 20,789				\$ 20,789
Hampton Inn	1101 E. College Ave	3,287,000	\$ 20,051	\$ 2,698			\$ 22,749
Channel Communications	2820 E. College Ave	2,486,000	\$ 15,165	\$ 5,397			\$ 20,562
HFL	1357 E. College Ave	2,231,000	\$ 13,609	\$ 2,698			\$ 16,307
Wal-Mart Stores	373 Benner Pike	1,650,000	\$ 10,065	\$ 5,397			\$ 15,462

College Township Water Authority
 Gallons Produced, and Unaccounted

	Year Ended - December 31				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Gallons Produced	317,489,000	321,335,000	292,489,000	293,615,000	292,382,000
Gallons Billed					
SCI-Rockview Penitentiary	50,000,000	50,000,000	50,000,000	50,000,000	50,000,000
UAJA-Beneficial Reuse	8,513,000	10,862,000	11,694,000	14,156,000	12,482,000
All Other	186,123,000	184,350,000	185,091,000	186,738,000	179,181,000
	244,636,000	245,212,000	246,785,000	250,894,000	241,663,000
Unaccounted Gallons *	9.20%	8.30%	12.40%	9.30%	Not Yet Avail

* this figure which involves an extensive calculation by the Consulting Engineer and is not calculated until the end of the following year

College Township Water Authority
 Water System Revenue and Rate History

	Year Ended - December 31					
	2010	2011	2012	2013	2014	2015
WATER SYSTEM REVENUE						
Metered Water Sales						
SCI-Rockview Penitentiary	125,000	128,500	131,708	136,125	136,500	
UAJA-Beneficial Reuse	40,486	61,174	62,446	78,424	67,938	
All Other						
Residential	717,258	712,142	708,433	751,799	722,125	
Commercial	272,542	285,115	294,954	302,269	283,528	
Industrial	71,189	75,610	71,705	72,095	53,253	
Other Public	18,354	16,894	20,193	27,831	21,837	
Total metered	1,244,829	1,279,435	1,289,439	1,368,543	1,285,181	
Other Water System Revenues						
Fire Services	236,263	239,244	240,069	242,678	244,335	
Other						
Penalties	13,812	13,699	14,506	16,497	16,006	
Connection Fees	32,761	7,619	101,456	23,874	21,081	
Capital Recovery (Rockview)	-	-	-	-	-	
Other	7,776	23,041	2,734	20,766	5,078	
Total Other	290,612	283,603	358,765	303,815	286,500	
TOTAL WATER SYSTEM REVENUE	1,535,441	1,563,038	1,648,204	1,672,358	1,571,681	

RATE HISTORY (Per Thousand Gallons)

Rockview	\$ 2.50	\$ 2.57	\$ 2.64	\$ 2.73	\$ 2.73	n/a
Beneficial Reuse	\$ 5.03	\$ 5.22	\$ 5.34	\$ 5.54	\$ 5.54	\$ 3.35
Regular	\$ 5.60	\$ 5.75	\$ 5.90	\$ 6.10	\$ 6.10	\$ 6.70

	Year Ended - December 31				
	2010	2011	2012	2013	2014
Other Key Statistics					
Connections Served					
Domestic	2,370	2,355	2,380	2,406	2,425
Commercial	319	323	321	323	306
Industrial	17	17	16	16	14
Institutional	13	13	13	14	16
Bulk Sales to other PWS	2	2	2	3	3
Other	-	-	-	-	-
	<u>2,721</u>	<u>2,710</u>	<u>2,732</u>	<u>2,762</u>	<u>2,764</u>
Metered Water Use (GPD)					
Domestic	344,745	335,267	328,069	337,660	328,012
Commercial	130,989	134,230	136,591	135,760	128,787
Industrial	34,241	35,597	33,206	32,380	24,189
Institutional	8,784	7,954	9,351	12,500	9,919
Bulk Sales to other PWS	64,958	57,507	37,552	48,095	35,397
Unaccounted	286,116	309,815	254,381	238,027	274,745
Other	-	-	-	-	-
	<u>869,833</u>	<u>880,370</u>	<u>799,150</u>	<u>804,422</u>	<u>801,049</u>
% of Population Served	62.47%	62.47%	62.47%	62.47%	63.86%
Debt Coverage Requirement					
Actual Expenses					
Admin and Operating Expense	\$ 755,164	\$ 776,907	\$ 791,714	\$ 762,603	\$ 816,416
110% of Debt Service Requirement	<u>552,828</u>	<u>798,900</u>	<u>799,890</u>	<u>796,260</u>	<u>798,020</u>
	1,307,992	1,575,807	1,591,604	1,558,863	1,614,436
Actual Revenue	<u>1,541,467</u>	<u>1,567,861</u>	<u>1,648,204</u>	<u>1,672,358</u>	<u>1,580,360</u>
Excess (Deficit) Coverage	<u>\$ 233,475</u>	<u>\$ (7,946)</u>	<u>\$ 56,600</u>	<u>\$ 113,495</u>	<u>\$ (34,076)</u>

Note: 2011 deficit was corrected with the 2012 budget which increased rates.

(1) Source: Annual Water Supply Report

(2) Source: Audit Reports

College Township Water Authority 2016 Budget
Existing Equipment Replacement Fund Projection

PURCHASE YEAR	DESCRIPTION OF EQUIPMENT	PURCHASE PRICE	EXPECTED LIFE	YEAR TO REPLACE	REPLACEMENT PRICE	ANNUAL REVENUE NEEDED
MAINTENANCE VEHICLES:						
2010	2011 FORD F350 UTILITY BODY #61	\$37,850	10	2020	\$40,000	\$4,000
2012	2012 CHEVY VAN #64	\$28,925	10	2022	\$32,000	\$3,200
2015	2015 FORD F150 #72	\$30,600	10	2025	\$34,000	\$3,400
	TOTALS:	\$97,375			\$106,000	\$10,600
OFFICE AND STAFF VEHICLES:						
	TOTALS:	\$0			\$0	\$0
OFF ROAD EQUIPMENT:						
2006	BOBCAT 331E TRACK EXCAVATOR	\$31,250	15	2021	\$38,000	\$2,533
2009	2008 CASE BACKHOE	\$78,650	15	2024	\$85,000	\$5,667
	TOTALS:	\$109,900			\$123,000	\$8,200

College Township Water Authority 2016 Budget
Existing Equipment Replacement Fund Projection

PURCHASE YEAR	DISCRPTION OF EQUIPMENT	PURCHASE PRICE	EXPECTED LIFE	YEAR TO REPLACE	REPLACEMENT PRICE	ANNUAL REVENUE NEEDED
TOOLS & ATTACHMENTS:						
Unknown	MULLER TAPPING MACHINE	\$1,000	15	2020	\$1,200	\$80
1990	PIPE AND CABLE LOCATOR	\$1,000	30	2020	\$1,300	\$43
1993	5000W GENERATOR	\$500	25	2018	\$700	\$28
1997	1997 SCHONSTEDT METAL DETECTOR #1	\$875	20	2017	\$1,000	\$50
1997	1997 SCHONSTEDT METAL DETECTOR #2	\$875	20	2017	\$1,000	\$50
1997	1997 FORD TAPPING TOOL	\$800	20	2017	\$950	\$48
1998	1998 FIRE HYDRANT METER	\$600	20	2018	\$750	\$38
2001	2001 STIHL MULTI PURPOSE SAW TS400	\$700	15	2016	\$850	\$57
2002	2002 FIRE HYDRANT FLOW TEST KIT	\$1,200	20	2022	\$1,500	\$75
2004	2004 PIPE THREADER	\$1,200	20	2024	\$1,500	\$75
2005	2005 HONDA 2" TRASH PUMP	\$400	15	2020	\$550	\$37
2006	2006 12 VOLT SUBMERSIBLE PUMP	\$500	12	2018	\$650	\$54
2006	2006 HOSE MONSTER	\$700	20	2026	\$900	\$45
2006	2006 RIGID NO. 460 TRI STAND	\$500	20	2026	\$700	\$35
2007	2007 ALLEGRO VENTILATOR	\$800	20	2027	\$1,000	\$50
2008	2008 INGERSOLL-RAND LIGHT TOWER	\$6,885	20	2028	\$8,000	\$400
2008	2008 VALVE LUBRICATOR	\$400	20	2028	\$600	\$30
2008	2008 TRIPOD RETRIEVAL WINCH #102144	\$2,590	20	2028	\$3,000	\$150
2009	2009 SALA LIFT II 9' TRIPOD	\$800	20	2029	\$1,000	\$50
2009	2009 TRIPOD RETRIEVAL WINCH #108561	\$2,590	20	2029	\$3,000	\$150
2010	2010 3" PIERCING TOOL	\$4,275	15	2025	\$4,500	\$300
2011	2011 STIHL MULTI PURPOSE SAW TS 800	\$1,125	10	2021	\$1,300	\$130
2011	2011 HONDA 3000W GENERATOR	\$1,155	15	2026	\$1,300	\$87
2012	2012 SCHONSTEDT MAG LOCATOR	\$940	20	2032	\$1,000	\$50
2012	2012 TRACEMASTER LINE LOCATOR	\$3,775	15	2027	\$4,000	\$267
2012	2012 FCS S-30 LEAK NOISE AMP SYSTEM	\$4,500	20	2032	\$6,000	\$300
2015	2015 GAS DETECTOR MAX XT II	\$875	10	2025	\$950	\$95
	TOTALS:	\$41,560			\$49,200	\$2,772
LAWN & GROUNDS TOOLS:						
2013	POULAN LAWN MOWER	\$200	8	2021	\$250	\$31
	TOTALS:	\$200			\$250	\$31
	GRAND TOTALS:	\$246,835			\$279,450	\$21,120

Year To Replace = Purchase Year + Expected Life

Annual Reserve = (Replacement Price - 10% of Purchase Price)/Expected Life