

**Application of Pennsylvania-American Water Company for Acquisition of
the Wastewater Assets of the Township of Sadsbury
66 Pa. C.S. §1329
Application Filing Checklist – Water/Wastewater
Docket No. A-2018-_____**

19. Cost of Service.
- b. Provide a copy of the seller's adopted budget from the previous two years.

RESPONSE:

- b. See enclosed adopted budget provided by the Township for the previous two years (2016 and 2017) for the Township of Sadsbury.

Sadsbury Township
 2017 Sewer Budget
 Initial 10/17/2016
 Revised 12/14//2016

Account Numbers	2016 Budget Final	Amount To Date October 31, 2016	2017 Budget Proposed	Comment
Sewer Revenue				
340.04 Interest Income	100	505	600	
360.10 Tapping Fees	2,900	4,294		0 tapping fees at 2,963 as follows; 1 0 DiSciullo lot along Wallace
360.11 · West Caln tapping fee	0	0		Calnshire: 29 unit not sold: connections at \$2,938 per connection, Lawrence Tract
360.12 Lateral Insp.	300	235	320	0 none, 0 connection from Calnshire Estate 2 at 160.00 per inspection New Rates, Flat fee 300.00 per year, 13.50 per 1,000 Gallons
360.14 Usage Fees	1,136,000	801,752	1,008,000	
360.14 Usage Fees West Caln Twp Billed to PAW	11,000	11,580	29,700	
360.18 Application Fee	200	573		0 0 other at \$50 per connection
NEW Sewer Management Program Fee	0	0		0 2017 will be initial year
360.21 Capacity Fees	550	771		0 0 other at \$550 per connection
360.22 Water Meters	600	667	1,000	
360.24 · Late Charges	17,400	19,987	16,200	
360.24A · Interest Charges	1,500	233	300	
360.25 Sewer Certification	1,850	1,470	2,000	
390.00 Miscellaneous Revenue	500	500	500	
390.01 Loan from Capital Reserve Fund	0	0	0	
Total Sewer Revenue	1,172,900	842,567	1,058,620	

Sadsbury Township
 2017 Sewer Budget
 Initial 10/17/2016
 Revised 12/14//2016

Account Numbers	2016 Budget Final	Amount To Date October 31, 2016	2017 Budget Proposed	Comment
Sewer Expense				
402 Financial Administration				
402.00 Administration/Billing	49,400	0	65,600	To General Fund,
402.01 Professional fees for sale of sewer system			115,000	
402.10 Right a Way Payments	0			Parkebury Renewal, July, 14, 2019, Phase 0 2B & 3B Renewal 12/1/2018
402.10 PAW Billing & Collection Fees	550	596	550	
402.20 · Banking fees	3,050	1,902	2,700	
402.10 Auditor Fees	55,000	40,374	45,000	
402.30 Phone @ Pump Station	4,600	1,903	2,800	
402.50 Loan Principle 1998 Notes	49,000	49,000	51,000	
402.60 Loan Interest 1998 Notes	32,200	26,697	29,800	
402.61 Principal on 2003 Note	194,000	194,000	202,000	
402.61 Interest on 2003 Note	76,900	61,863	67,800	
402.62 Principal on 2009 Note	1,000	1,000	1,000	
402.62 Interest on 2009 Note	8,200	5,280	8,100	
Total 402 Administration	473,900	382,615	591,350	
461 Construction/Design				
461.11 Application Reviews	0	0	0	Average rate increase 3.27%,
461.12 Lateral Inspections	2,800	258	400	Average rate increase 3.27%,
461.13 Reimbursement	7,400	1,642	3,100	Average rate increase 3.27%,
461.14 West Caln Project	0	0	0	
NEW Sewer Management Program Fee	0	0	0	0 2017 will be the Initial year
461.10 · Engineering - Other	25,000	10,111	17,500	General, 16,000; Western Sewer District Tapping fee calculation (2,500) New security and fence gates (\$5,000), Replace existing hoist (\$10,000), Replace cracked concrete pad around wet wall (\$22,000), Install sump pump in force main meter pit (\$5,000), Security cameras & Weather Station (\$7,500); Install Pump (17,000), Sewer Manhole repairs 19,200
461.12 Capital Projects	59,500	8,192	85,700	

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Sadsbury Township
 2017 Sewer Budget
 Initial 10/17/2016
 Revised 12/14//2016

Account Numbers	2016 Budget Final	Amount To Date October 31, 2016	2017 Budget Proposed	Comment
Total 461 Construction/Design	94,700	20,203	106,700	
462 PAWC Fees				
462.10 Treatment	544,000	339,614	491,500	No Rate Increase until 1/1/2018
462.20 Capacity	0	0	0	Payment to PAW on 100 new EDU at \$525
Total 462 PAWC Fees	544,000	339,614	491,500	
463 Legal				
463.11 Legal Sewer	14,400	-2,310	9,000	No Rate increase in 2017
Total 463 Legal	14,400	-2,310	9,000	
464 Maintenance	28,900	28,441	32,300	Includes Generator maintenance 2 Major, 2 Minor & PAWC Service Fee 505 per month
464A Maintenance Pump Station	25,000	0	25,000	
465 Water Meters	3,100	1,240	1,300	
Total 464 Capital & Maintenance	57,000	29,681	58,600	
TOTAL EXPENSES	1,184,001	769,803	1,257,150	
Total Revenue	1,172,900	842,567	1,058,620	
Total Expenses	1,184,001	769,803	1,257,150	
Surplus (Deficit)	-11,101	72,764	-198,530	
Estimate of Cash Balance at Beginning of Year	144,000		326,400	
Estimate of Cash Balance at Ending of Year	132,899		127,870	

Sadsbury Township
 2016 Sewer Budget
 Initial 10/21/2015
 Revised 11/11/2015

Account Numbers	2015 Budget Final	Amount To Date October 31, 2015	2016 Budget Proposed	Comment
Sewer Revenue				
340.01 Money Market Interest	0	0	0	
340.02 Emarket Interest	0	347	0	
340.04 Bond Interest	100	79	100	
360.10 Tapping Fees	11,810	20,553	2,900	1 tapping fee at 2,900 as follows: 1 DiScullo lot along Wellace
360.11 - West Cain tapping fee	0	0	0	Calmshire: 29 unit not sold: connections at \$2,938 per connection, Lawrence Tract
360.12 Lateral Insp.	300	840	300	0 none, 0 connection from Calmshire Estate
360.14 Usage Fees	1,047,200	996,192	1,136,000	No Rate Increase
360.14 Usage Fees West Cain Twp Billed to PAW	16,600	10,052	11,000	
360.18 Application Fee	200	710	200	4 other at \$50 per connection
NEW Sewer Management Program Fee	0	0	0	0 2017 will be initial year
360.21 Capacity Fees	2,200	525	550	1 other at \$550 per connection
360.22 Water Meters	600	865	600	
360.24 - Late Charges	1,900	9,208	17,400	
360.24A - Interest Charges		1,878	1,500	
360.25 Sewer Certification	1,000	1,490	1,850	
390.00 Miscellaneous Revenue	500	595	500	
390.01 Loan from Capital Reserve Fund	0	0	0	
Total Sewer Revenue	1,082,410	1,042,732	1,172,900	

Sedbury Township
 2016 Sewer Budget
 Initial 10/21/2015
 Revised 11/11/2015

Account Numbers	2015 Budget Final	Amount To Date October 31, 2015	2016 Budget Proposed	Comment
Sewer Expense				
402 Financial Administration				
402.00 Administration/Billing	46,100	0	49,400	To General Fund, Parkesbury Renewel, July, 14, 2016, Phase 0 2B & 3B Renewal 12/1/2016
402.10 Right a Way Payments	0			
402.10 PAW Billing & Collection Fees	1,000	368	550	
402.20 Banking fees	300	2,354	3,050	
402.10 Auditor Fees	51,000	53,730	55,000	
402.30 Phone @ Pump Station	2,400	1,518	4,600	approx \$190/mo. X 2 lines
402.50 Loan Principle 1998 Notes	47,000	47,000	49,000	
402.60 Loan Interest 1998 Notes	34,500	25,721	32,200	
402.61 Principal on 2003 Note	187,000	187,000	194,000	
402.61 Interest on 2003 Note	85,700	68,787	76,900	
402.62 Principal on 2009 Note	1,000	1,000	1,000	
402.62 Interest on 2009 Note	8,200	7,103	8,200	
Total 402 Administration	464,200	394,581	473,900	
461 Construction/Design				
461.11 Application Reviews	1,050	0	0	Average rate increase 3.4%,
461.12 Lateral Inspections	1,250	1,998	2,800	Average rate increase 3.4%,
461.13 Reimbursement	1,050	5,391	7,400	Average rate increase 3.4%,
461.14 West Cain Project	0	0	0	
NEW Sewer Management Program Fee	0	0	0	0 2017 will be the Initial year \$10,000 for Western Sanitary Sewer District, \$15,000 other
461.10 Engineering - Other	15,450	17,309	25,000	New security and fence gates (\$15,000), Replace existing hoist (\$10,000), Replace cracked concrete pad around wet well (\$22,000), Install sump pump in force main meter pit (\$5,000), Security cameras (\$7,500)
461.12 Capital Projects	65,000	80,872	59,500	
Total 461 Construction/Design	83,800	105,570	94,700	

Sadbury Township
 2016 Sewer Budget
 Initial 10/21/2015
 Revised 11/11/2015

Account Numbers	2015 Budget Final	Amount To Date October 31, 2015	2016 Budget Proposed	Comment
462 PAWC Fees				
462.10 Treatment	530,300	400,049	544,000	No Rate Increase until 1/1/2016
462.20 Capacity	0	0	0	Payment to PAW on 100 new EDU at \$525
Total 462 PAWC Fees	<u>530,300</u>	<u>400,049</u>	<u>544,000</u>	
463 Legal				
463.11 Legal Sewer	5,000	10,534	14,400	Average rate increase 3%.
Total 463 Legal	<u>5,000</u>	<u>10,534</u>	<u>14,400</u>	
464 Maintenance				
464A Maintenance Pump Station	21,000	20,549	28,900	Includes Generator maintenance 2 Major, 2 Minor & PAWC Service Fee 506 per month
465 Water Meters	25,000	0	25,000	
	1,500	2,308	3,100	
Total 464 Capital & Maintenance	<u>47,500</u>	<u>22,857</u>	<u>57,000</u>	
TOTAL EXPENSES	<u>1,130,800</u>	<u>933,591</u>	<u>1,184,001</u>	
Total Revenue	1,082,410	1,042,732	1,172,900	
Total Expenses	1,130,800	933,591	1,184,001	
Surplus (Deficit)	-48,390	109,141	-11,101	
Estimate of Cash Balance at Beginning of Year	<u>96,900</u>		<u>144,000</u>	
Estimate of Cash Balance at Ending of Year	<u>48,510</u>		<u>132,899</u>	

**Sadsbury Township
Sewer Fund
2016 Proposed Rate Increase**

The current sewer rates are as follows

Flat Rate	\$ 360.00 per year
Usage rate	\$ 13.50 Per 1000 gallon of usage

2016 proposed rate set the flat rate to cover the annual debt service

Flat Rate	\$ 360.00 per year
Usage rate	\$ 13.50 Per 1000 gallon of usage

PAWC rate set at .8664 per 100 gallon until 2018