

**Application of Pennsylvania-American Water Company for Acquisition of
the Wastewater Assets of Butler Area Sewer Authority (“BASA”)
66 Pa. C.S. § 1329**

**Application Filing Checklist – Water/Wastewater
Docket No. A-2022-3037047**

19. Cost of Service.
- b. Provide a copy of the seller’s two most recent adopted budgets.

RESPONSE:

- b. See enclosed the two most recent adopted budgets (2021-2022 and 2022-2023) provided by BASA, attached as **Appendix A-19-b**.

Appendix A-19-b

**BUTLER AREA SEWER AUTHORITY
COMPARISON OF PROJECTED REVENUES AND EXPENSES
FOR THE FISCAL YEAR ENDED JULY 31, 2021 WITH THE ADOPTED 2021-2022 BUDGET
(LAST RATE INCREASE, EFFECTIVE JANUARY 1, 2020)**

DESCRIPTIONS	2020-2021 BUDGET	PROJECTED 7/31/2021 REVENUES & EXPENSES	ADOPTED 2021-2022 BUDGET
REVENUES			
SEWER SERVICE & SURCHARGES			
Sewer Service Charges	\$ 10,097,000	\$ 10,236,000	\$ 10,187,000
Grinder Pump Charges	7,250	7,250	7,250
Surcharge - Dutchtown Road	4,200	3,600	3,600
TOTAL SEWER SERVICE & SURCHARGE	10,108,450	10,246,850	10,197,850
SEWER TAP-IN FEES			
Sewer Tapping Fees (NET After Refunds)	108,700	99,400	264,900
TOTAL SEWER TAP-IN FEES	108,700	99,400	264,900
CONNECTION INSPECTION FEES			
Connection Inspection Fees	2,500	2,600	8,600
TOTAL CONNECTION INSPECTION FEES	2,500	2,600	8,600
CONNECTION FEES			
Connections - Old Areas	450	1,500	750
Connections - Oak Hills	-	-	-
Connections - Center Township	1,950	900	300
Connections - Butler/Summit	450	600	150
Connections - East Butler	150	-	150
Connections - Deshon	150	300	150
Connections - Meridian	300	-	150
TOTAL CONNECTION FEES	3,450	3,300	1,650
INDUSTRIAL WASTE FEES			
Sewer Service Charges	275,000	270,400	269,500
TSS Surcharges	49,600	50,400	47,500
Pretreatment Civil Penalties	-	-	-
Pretreatment Sampling Assessments	1,200	640	700
Pretreatment Permit Fees	500	500	2,500
TOTAL INDUSTRIAL WASTE FEES	326,300	321,940	320,200
INTEREST & PENALTY INCOME			
Interest & Penalties (Late Payments)	129,800	175,500	163,200
Interest Income - Checking	2,400	1,440	1,200
Interest Income - Investments	41,800	40,860	1,500
TOTAL INTEREST & PENALTY INCOME	174,000	217,800	165,900

Appendix A-19-b

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FOR THE FISCAL YEAR ENDED JULY 31, 2021 WITH THE ADOPTED 2021-2022 BUDGET
(LAST RATE INCREASE, EFFECTIVE JANUARY 1, 2020)**

DESCRIPTIONS	2020-2021 BUDGET	PROJECTED 7/31/2021 REVENUES & EXPENSES	ADOPTED 2021-2022 BUDGET
OTHER INCOME			
Collection Cost Chargebacks	43,600	18,980	35,200
Certification Letters	15,000	21,100	15,000
Returned Check Charges	200	180	200
Miscellaneous Receivables	8,000	6,700	102,200
Planning Module Review/Inspection Fees	500	1,050	500
Sanitary Sewer Plan Review	1,000	5,200	1,000
Developer Agreement Fees	3,400	-	14,900
Realty Transfer Inspection Fees	76,500	93,600	82,500
Developer Pump Station Subsidy	-	-	-
Base Station Proceeds	5,100	5,640	5,300
TOTAL OTHER INCOME	153,300	152,450	256,800
TOTAL REVENUES	\$ 10,876,700	\$ 11,044,340	\$ 11,215,900

Appendix A-19-b

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(LAST RATE INCREASE, EFFECTIVE JANUARY 1, 2020)**

DESCRIPTIONS	2020-2021 BUDGET	PROJECTED 7/31/2021 REVENUES & EXPENSES	ADOPTED 2021-2022 BUDGET
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OPERATING EXPENSES

PLANT OPERATION & MAINTENANCE

Salaries & Wages	\$ 923,800	\$ 883,600	\$ 955,500
Electric Power	192,500	159,000	178,700
Water	67,300	56,900	63,500
Fuel Oil	3,500	2,900	3,500
Gas (Natural)	56,000	50,700	54,000
Chlorine	17,000	12,500	16,900
Polymer	68,000	62,300	68,000
Lime	35,000	28,300	42,000
Odor Control Chemicals	12,500	650	8,500
Hydrochloric Acid	1,200	220	600
Miscellaneous Chemicals	4,000	-	4,000
Maintenance, Repairs & Supplies	160,000	133,430	160,000
General Equipment Maintenance	8,000	740	8,000
Annual Contract Services	28,600	23,200	26,300
Contract Lab Fees	88,500	75,480	76,500
Lab Supplies	18,000	12,220	12,500
Landfill	285,000	257,260	293,900
Safety Equipment & Supplies	15,000	10,560	15,000
Equipment Rentals	500	130	500
Permit Fees	7,300	4,870	5,500
Miscellaneous	500	120	500
TOTAL PLANT O & M	1,992,200	1,775,080	1,993,900

PUMP STATIONS & TANKS OPERATION & MAINTENANCE

Salaries & Wages	149,500	149,200	153,600
Electric Power	168,600	144,730	151,000
Water	33,400	26,090	35,700
Diesel Fuel	4,000	3,860	4,300
Gas (Natural)	1,200	770	1,200
Telephone Loop Lines	15,700	14,560	15,280
Odor Control Chemicals	10,000	-	10,000
Maintenance & Repairs	68,000	61,710	68,000
Safety Equipment & Supplies	2,000	1,330	2,000
Permit Fees	20,100	2,220	14,800
Miscellaneous	500	-	500
TOTAL PUMP STATIONS & TANKS O & M	473,000	404,470	456,380

Appendix A-19-b

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(LAST RATE INCREASE, EFFECTIVE JANUARY 1, 2020)**

DESCRIPTIONS	2020-2021 BUDGET	PROJECTED 7/31/2021 REVENUES & EXPENSES	ADOPTED 2021-2022 BUDGET
SEWER SYSTEM OPERATION & MAINTENANCE			
Salaries & Wages	570,600	556,900	651,200
TV Equipment Maintenance & Supplies	2,000	4,320	2,000
Flow Meters Maintenance & Supplies	12,500	1,080	5,000
General Equipment Maintenance	10,000	6,860	7,800
Grinder Pump Maintenance	12,500	17,290	27,500
Tools & Supplies	10,500	4,810	10,500
Safety Equipment & Supplies	8,000	2,200	8,000
Manhole Repairs & Grade Adjustments	28,000	10,610	30,000
Lateral Repairs & Inspection Tees	28,000	23,940	30,000
Main Line Spot Repairs	28,000	17,110	30,000
Equipment Rentals	3,000	2,650	3,000
Permit Fees (City & Butler Township)	2,000	500	2,000
Miscellaneous	1,000	240	1,000
TOTAL SEWER SYSTEM O & M	716,100	648,510	808,000
REALTY TRANSFER INSPECTIONS			
Salaries & Wages	331,400	329,400	341,700
TV Equipment Maintenance & Supplies	4,000	-	4,000
Tools & Supplies	3,500	3,780	4,000
Safety Equipment & Supplies	3,200	2,510	3,200
Miscellaneous	500	-	500
TOTAL REALTY TRANSFER INSPECTIONS	342,600	335,690	353,400
TRANSPORTATION EXPENSES			
Gasoline	27,600	22,100	29,400
Oil & Fluids	300	-	300
Maintenance	24,100	30,290	22,500
Miscellaneous	100	-	100
TOTAL TRANSPORTATION EXPENSES	52,100	52,390	52,300
PRETREATMENT EXPENSES			
Salaries & Wages	-	-	57,300
Contract Laboratory Fees	800	660	5,100
Tools & Supplies	-	-	4,500
Miscellaneous	200	160	200
TOTAL PRETREATMENT EXPENSES	1,000	820	67,100

Appendix A-19-b

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FOR THE FISCAL YEAR ENDED JULY 31, 2021 WITH THE ADOPTED 2021-2022 BUDGET
(LAST RATE INCREASE, EFFECTIVE JANUARY 1, 2020)**

DESCRIPTIONS	2020-2021 BUDGET	PROJECTED 7/31/2021 REVENUES & EXPENSES	ADOPTED 2021-2022 BUDGET
OFFICE EXPENSES			
Salaries & Wages	332,200	331,500	343,700
Telephone	3,500	3,440	3,600
Mobile Cell Phones & Pagers	7,800	7,910	8,300
Internet/Web Site Services	2,500	2,040	2,500
Public Relations	500	-	500
Contracted Services	14,300	12,740	15,300
Billing Costs	5,300	5,290	5,500
Office Supplies	12,500	16,700	13,500
Office Equipment Maintenance	13,300	7,790	11,000
Minor Office Equipment	3,600	4,670	5,900
Collection Costs	41,800	13,600	48,600
Postage	32,800	28,100	24,700
Advertising	3,000	1,880	3,000
Miscellaneous	2,200	880	2,200
TOTAL OFFICE EXPENSES	475,300	436,540	488,300
ADMINISTRATIVE EXPENSES			
Salaries & Wages	480,400	502,600	321,500
Meeting Expenses	400	110	400
Conferences & Workshops	1,000	-	1,000
One-Call System	3,800	2,940	3,200
Right-of-Way Rental Fees	12,450	5,150	5,150
Insurance - Errors & Omission	5,900	5,800	6,200
Insurance - General Liability	83,000	77,800	80,000
Insurance - Umbrella	8,600	9,030	9,700
Insurance - Vehicles	23,000	17,390	18,600
Insurance - Workers Compensation	66,000	25,900	43,000
Insurance - Deductibles	8,000	500	8,000
Safety Committee	1,000	780	1,000
Dues & Subscriptions	9,000	6,290	7,000
Miscellaneous	1,000	520	1,000
TOTAL ADMINISTRATIVE EXPENSES	703,550	654,810	505,750

Appendix A-19-b

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FOR THE FISCAL YEAR ENDED JULY 31, 2021 WITH THE ADOPTED 2021-2022 BUDGET
(LAST RATE INCREASE, EFFECTIVE JANUARY 1, 2020)**

DESCRIPTIONS	2020-2021 BUDGET	PROJECTED 7/31/2021 REVENUES & EXPENSES	ADOPTED 2021-2022 BUDGET
EMPLOYEE BENEFITS			
Social Security Taxes	213,300	210,600	216,100
Unemployment Compensation Taxes	11,600	10,100	10,600
Hospitalization	697,200	635,700	658,500
Long-Term Disability Insurance	8,300	8,290	8,900
Pensions	199,600	197,100	205,500
Benefit Management Fees	6,400	5,220	5,600
Life Insurance	6,400	6,290	6,400
Training & Miscellaneous	17,200	10,100	17,200
Safety Training	6,000	6,740	6,000
Uniforms	20,500	18,940	19,500
Retiree Health Benefits	132,700	121,600	120,100
Miscellaneous	1,000	140	1,000
TOTAL EMPLOYEE BENEFITS	1,320,200	1,230,820	1,275,400
PROFESSIONAL SERVICES			
Audit	19,700	19,530	19,200
Legal - General	18,000	14,220	20,000
Engineering Consultant - General	35,500	24,440	35,500
Engineering Consultant - CAP	-	12,540	-
Trustee	10,500	5,880	10,200
Bank Fees	21,800	16,070	21,200
Computer Software and Consultants	57,000	48,800	53,800
Insurance Consultant (Baily Raabe)	7,500	1,080	1,000
Actuarial Services	4,300	4,000	4,300
Miscellaneous Consultants	22,000	8,570	22,000
TOTAL PROFESSIONAL SERVICES	196,300	155,130	187,200
CAPITAL IMPROVEMENTS			
Treatment Plant	512,000	482,900	582,000
Pump Stations	152,000	133,710	263,800
Sewer Replacement & Rehabilitation	45,000	52,100	195,000
Sewer Equipment	14,500	11,760	-
Mobile Equipment & Improvements	107,500	48,740	325,070
Office Equipment & Improvements	25,000	16,070	5,000
Lab Equipment & Improvements	1,750	2,420	12,000
Miscellaneous Improvements	-	-	-
TOTAL CAPITAL IMPROVEMENTS	857,750	747,700	1,382,870

Appendix A-19-b

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FOR THE FISCAL YEAR ENDED JULY 31, 2021 WITH THE ADOPTED 2021-2022 BUDGET
(LAST RATE INCREASE, EFFECTIVE JANUARY 1, 2020)**

DESCRIPTIONS	2020-2021 BUDGET	PROJECTED 7/31/2021 REVENUES & EXPENSES	ADOPTED 2021-2022 BUDGET
TRANSFERS & DEBT SERVICE			
Debt Service Reserve	-	-	-
Bond Improvement & Redemption Fund	270,100	1,279,180	260,900
PENNVEST Debt Service - Butler City	775,100	775,100	775,100
2015 Bond Issue (Refunding of 2010)	786,300	-	-
2020 Bond Issue (Refunding of 2013)	316,000	315,900	321,500
2020A Bond Issue (Refunding of 2015)	-	706,800	729,400
2021 Bond Issue (Refunding of 2016)	-	64,700	539,400
2016 Bond Issue	583,600	465,900	-
2017 Bond Issue (Refunding of PENNVEST)	1,015,500	1,015,500	1,019,000
TOTAL TRANSFERS & DEBT SERVICE	3,746,600	4,623,080	3,645,300
TOTAL EXPENSES (Including transfers)	\$ 10,876,700	\$ 11,065,040	\$ 11,215,900
NET REVENUE/(LOSS)	\$ -	\$ (20,700)	\$ -

Appendix A-19-b

BUTLER AREA SEWER AUTHORITY
COMPARISON OF PROJECTED REVENUES AND EXPENSES FOR THE FISCAL YEAR
ENDED JULY 31, 2022 WITH THE AMENDED 2022-2023 BUDGET SUMMARY
(\$5 INCREASE PER EDU PER MONTH EFFECTIVE JULY 1, 2022, LAST RATE INCREASE EFFECTIVE 1/1/2020)

	(cash basis) ADOPTED 2021-2022 BUDGET SUMMARY	(Unaudited - cash basis) PROJECTED 7/31/22 REVENUES & EXPENSES	(cash basis) AMENDED 2022-2023 BUDGET SUMMARY
DESCRIPTIONS			
OPERATING REVENUES:			
Sewer Service Charges	\$ 10,194,250	\$ 10,442,240	\$ 11,791,250
Debt Surcharges	3,600	3,020	3,000
Industrial Waste Billing	320,200	343,480	365,900
Interest & Penalty Income	165,900	187,880	226,900
Sewer Tapping Fees	264,900	287,400	184,100
Inspection Fees	8,600	5,000	6,300
Sewer Connection Fees	1,650	4,050	2,850
Realty Transfer Inspection Fees	82,500	87,600	82,500
Other Income	174,300	180,490	89,200
TOTAL OPERATING REVENUES	11,215,900	11,541,160	12,752,000
OPERATING EXPENSES:			
Plant Wages	955,500	896,300	824,300
Plant Operation & Maintenance	1,038,400	984,950	1,050,900
Pump Station & Tank Wages	153,600	198,600	162,200
Pump Station & Tank Operation & Maintenance	302,780	308,960	322,900
Sewer Wages	651,200	651,400	668,100
Sewer Operation & Maintenance	156,800	82,240	139,300
Realty Transfer Inspections Wages	341,700	344,200	357,600
Realty Transfer Inspections Operation & Maintenance	11,700	9,830	12,000
Transportation	52,300	56,040	64,500
Pretreatment Wages	57,300	56,600	59,000
Pretreatment Expenses	9,800	12,290	8,900
Office Wages	343,700	342,500	355,500
Office Expenses	144,600	101,350	134,000
Administrative Wages	321,500	316,200	289,200
Administrative Expenses	184,250	152,560	233,150
Employment Benefits	1,275,400	1,206,660	1,283,300
Professional Services	187,200	166,530	229,120
TOTAL OPERATING EXPENSES	6,187,730	5,887,210	6,193,970
NET OPERATING REVENUES	5,028,170	5,653,950	6,558,030
OTHER EXPENSES & TRANSFERS:			
Capital Expenditures	1,382,870	1,202,780	1,468,260
Debt Service on Bonds	2,609,300	2,608,800	4,053,570
PENNVEST Principal & Interest	775,100	775,100	775,100
Transfer to Bond Improvement & Redemption Fund	260,900	812,350	261,100
TOTAL OTHER EXPENSES & TRANSFERS	5,028,170	5,399,030	6,558,030
INCREASE (DECREASE) IN REVENUE FUND BALANCE	\$ -	\$ 254,920	\$ -