

**Application of Pennsylvania-American Water Company for Acquisition of
the Wastewater Assets of the Borough of Brentwood**

66 Pa. C.S. § 1329

**Application Filing Checklist – Water/Wastewater
Docket No. A-2021-3024058**

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 Sewer budgets (2022 and 2023) provided by Borough of Brentwood, attached as **Appendix A-19-b**.

"I know the price of success: dedication, hard work and an unremitting devotion to the things you want to see happen." —Frank Lloyd Wright.

**BRENTWOOD
BOROUGH
BUILDING**

**FISCAL YEAR 2022
OPERATING BUDGET
& PERFORMANCE
PLAN**

**BOROUGH OF BRENTWOOD
ALLEGHENY COUNTY,
PENNSYLVANIA**

BOROUGH COUNCIL

*Dennis Troy,
Mayor*

*Harold M.
Smith, Jr,
President*

*A.J. Doyle,
Vice President*

*Jennifer
George, Pro
Tem*

*Pasquale
Carnevale*

*John
Frombach*

*Dr. Robert
Pasquantonio*

Rich Schubert

Presented By:

George Zboyovsky, PE, ICMA-CM
Borough Manager

Eric Pecon

Assistant Borough Manager

Susan Toth

Finance/HR Director

FISCAL YEAR 2022 OPERATING BUDGET & PERFORMANCE PLAN

Adopted: December 06, 2021

BOROUGH OF BRENTWOOD
ALLEGHENY COUNTY, PENNSYLVANIA



FUND 08

Sanitary Sewer Fund Budget

The Sanitary Sewer Fund is an Enterprise Fund account for the Borough's ongoing activities that are similar to private business enterprises where the Borough intends that the costs of providing services to the general public continually be financed or recovered primarily through user charges or fees.

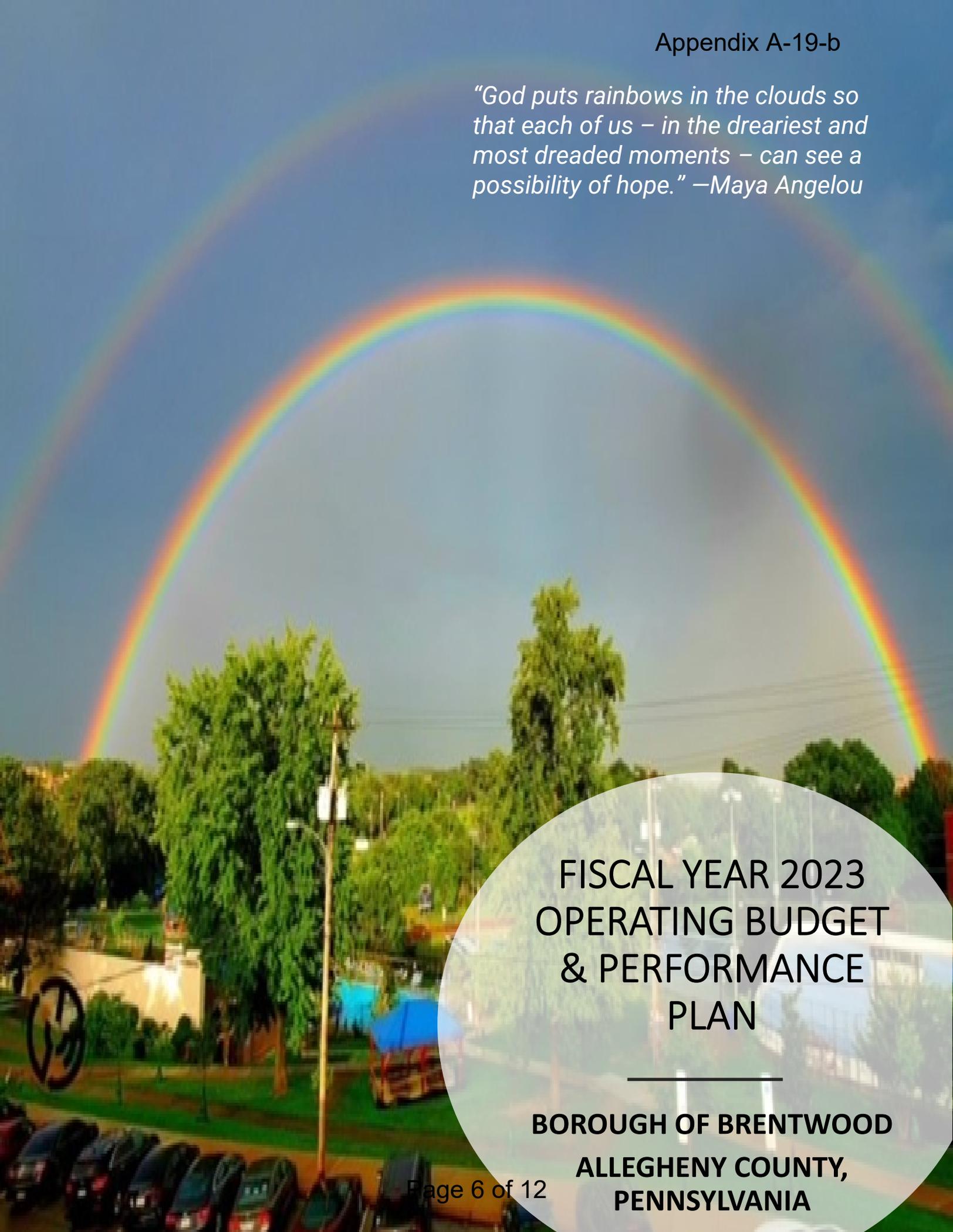
2022 Revenues = \$7,622,000.00

2022 Expenditures = \$7,622,000.00

08
Sanitary Sewer Fund
Revenues

2022 BRENTWOOD BUDGET SANITARY SEWER FUND REVENUES						SANITARY SEWER FUND BUDGET			
08 SANITARY SEWER FUND REVENUES						FINAL			
08	SANITARY SEWER FUND	ACTUAL 2017	ACTUAL 2018	ACTUAL 2019	ACTUAL 2020	BUDGETED 2021	ACTUAL 2021*	PROPOSED 2022	PERCENTAGE CHANGE FROM 2021
08 100 BEGINNING BALANCES									
08 100-000	BEGINNING BALANCE	\$ 3,556,397.31	\$ 2,915,827.10	\$ 3,748,349.50	\$ 2,820,413.00	\$ 400,000.00	\$ 3,404,244.95	\$ 3,000,000.00	650%
	TOTAL BEGINNING BALANCES	\$ 3,181,082.00	\$ 3,556,397.31	\$ 3,748,349.50	\$ 2,820,413.00	\$ 400,000.00	\$ 3,404,244.95	\$ 3,000,000.00	650%
08 354 STATE CAP & OPERATING GRANTS									
08 341-010	GROW GRANT	\$ -	\$ 63,664.00	\$ 57,704.84	\$ 10,310.27	\$ 149,000.00	\$ 168,000.00	\$ -	-100%
08 341-020	ARPA GRANT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 505,000.00	\$ -	New Item
	TOTAL GRANT REVENUES	\$ -	\$ 63,664.00	\$ 57,704.84	\$ 10,310.27	\$ 149,000.00	\$ 673,000.00	\$ -	
08 341 & 364 SEWER CHARGES REVENUES									
08 341-010	INTEREST	\$ 1,690.47	\$ 16,611.94	\$ 11,617.14	\$ 5,901.91	\$ 7,000.00	\$ 1,000.00	\$ 1,000.00	-86%
08 364-010	SEWER CHARGES - CURRENT	\$ 3,357,133.24	\$ 3,621,761.52	\$ 3,618,683.98	\$ 3,607,119.05	\$ 3,300,000.00	\$ 3,900,000.00	\$ 3,600,000.00	9%
08 364-050	SEWER CHARGES - DELINQUENT	\$ 214,696.00	\$ 159,600.23	\$ 151,409.30	\$ 278,536.33	\$ 300,000.00	\$ 170,000.00	\$ 150,000.00	-50%
08 364-100	ALCOSAN BILLING REIMBURSEMENT	\$ 11,146.46	\$ 12,204.75	\$ 12,538.68	\$ 12,870.00	\$ 12,000.00	\$ 13,000.00	\$ 12,000.00	0%
08 364-900	REIMBURS. SHUT-OFF FEES	\$ 160.00	\$ 400.00	\$ 410.00	\$ -	\$ 1,000.00	\$ -	\$ 1,000.00	0%
08 364-902	REIMBURS. LIEN REMOVAL FEE	\$ 9,370.78	\$ 6,630.79	\$ 4,113.12	\$ 5,526.52	\$ 4,000.00	\$ 1,000.00	\$ 1,000.00	-75%
	TOTAL SEWER CHARGES REVENUES	\$ 3,594,196.95	\$ 3,817,209.23	\$ 3,798,772.22	\$ 3,909,953.81	\$ 3,624,000.00	\$ 4,085,000.00	\$ 3,765,000.00	4%
08 392 TRANSFERS									
08 392-018	TRANSFER - FROM CAPITAL IMPROVEMENT FUND	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000.00	\$ -	\$ 857,000.00	-14%
	TOTAL TRANSFERS BALANCES	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000.00	\$ -	\$ 857,000.00	-14%
	TOTAL SANITARY SEWER FUND REVENUES	\$ 6,775,278.95	\$ 7,437,270.54	\$ 7,604,826.56	\$ 6,740,677.08	\$ 5,173,000.00	\$ 8,162,244.95	\$ 7,622,000.00	47%

“God puts rainbows in the clouds so that each of us – in the dreariest and most dreaded moments – can see a possibility of hope.” –Maya Angelou



**FISCAL YEAR 2023
OPERATING BUDGET
& PERFORMANCE
PLAN**

**BOROUGH OF BRENTWOOD
ALLEGHENY COUNTY,
PENNSYLVANIA**

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*Melissa
Lenigan,
Pro Tem*

Mike Foyle

Dr. Robert
Pasquantonio

Rich Schubert

Stephen
Thomas

Presented By:

George Zboyovsky, PE, ICMA-CM
Borough Manager

Eric Pecon
Assistant Borough Manager

Susan Toth
Finance/HR Director

FISCAL YEAR 2023 OPERATING BUDGET & PERFORMANCE PLAN

Adopted: December 12, 2022

BOROUGH OF BRENTWOOD
ALLEGHENY COUNTY, PENNSYLVANIA

08 341-364

Sewer Charges

2023 BRENTWOOD BUDGET SANITARY SEWER FUND REVENUES						SANITARY SEWER FUND BUDGET			
08 341 & 364 SEWER CHARGES REVENUES						FINAL			
08	SANITARY SEWER FUND	ACTUAL 2018	ACTUAL 2019	ACTUAL 2020	ACTUAL 2021	BUDGETED 2022	ACTUAL 2022	PROPOSED 2023	PERCENTAGE CHANGE FROM 2022
08 341 & 364 SEWER CHARGES REVENUES									
08 341-010	INTEREST	\$ 16,611.94	\$ 11,617.14	\$ 5,901.91	\$ 546.32	\$ 1,000.00	\$ 16,000.00	\$ 10,000.00	900%
08 364-010	SEWER CHARGES - CURRENT	\$ 3,621,761.52	\$ 3,618,683.98	\$ 3,607,119.05	\$ 3,978,383.68	\$ 3,600,000.00	\$ 3,650,000.00	\$ 3,650,000.00	1%
08 364-050	SEWER CHARGES - DELINQUENT	\$ 159,600.23	\$ 151,409.30	\$ 278,536.33	\$ 360,721.97	\$ 150,000.00	\$ 345,000.00	\$ 250,000.00	67%
08 364-100	ALCOSAN BILLING REIMBURSEMENT	\$ 12,204.75	\$ 12,538.68	\$ 12,870.00	\$ 13,157.60	\$ 12,000.00	\$ 13,300.00	\$ 13,000.00	8%
08 364-900	REIMBURS. SHUT-OFF FEES	\$ 400.00	\$ 410.00	\$ -	\$ -	\$ 1,000.00	\$ -	\$ 1,000.00	0%
08 364-902	REIMBURS. LIEN REMOVAL FEE	\$ 6,630.79	\$ 4,113.12	\$ 5,526.52	\$ 684.00	\$ 1,000.00	\$ 3,000.00	\$ 2,000.00	100%
	TOTAL SEWER CHARGES REVENUES	\$ 3,817,209.23	\$ 3,798,772.22	\$ 3,909,953.81	\$ 4,353,493.57	\$ 3,765,000.00	\$ 4,027,300.00	\$ 3,926,000.00	4%
Summary and Assumptions:									
<u>Sewer Charges Revenues</u>									
Fiscal Year 2023 Budget Recommendations:			\$ 3,926,000.00	an increase of		\$ 161,000.00			
Fiscal Year 2022 Adopted Budget:			\$ 3,765,000.00						
Fiscal Year 2022 Projected Budget:			\$ 4,027,300.00						
			\$ 262,300.00	surplus projected					
08	ITEM	ACTUAL 2018	ACTUAL 2019	ACTUAL 2020	ACTUAL 2021	BUDGETED 2022	ACTUAL 2022	PROPOSED 2023	PERCENTAGE CHANGE FROM 2022
08 341-100	INTEREST	\$ 16,611.94	\$ 11,617.14	\$ 5,901.91	\$ 546.32	\$ 1,000.00	\$ 16,000.00	\$ 10,000.00	900%
	<u>Assumptions</u>								
	Interest on \$1,500,000 average fund balance =		\$ 16,000.00						
								SAY	\$ 10,000.00
08	ITEM	ACTUAL 2018	ACTUAL 2019	ACTUAL 2020	ACTUAL 2021	BUDGETED 2022	ACTUAL 2022	PROPOSED 2023	PERCENTAGE CHANGE FROM 2022
08 364-010	SEWER CHARGES - CURRENT	\$ 3,621,761.52	\$ 3,618,683.98	\$ 3,607,119.05	\$ 3,978,383.68	\$ 3,600,000.00	\$ 3,650,000.00	\$ 3,650,000.00	1%
ALCOSAN announced that there would be a rate increase for 2023 of 7% percent to fund mandated sewer infrastructure projects and increased daily operating costs.									

2023 BRENTWOOD BUDGET SANITARY SEWER FUND REVENUES

SANITARY SEWER FUND BUDGET

08 341 & 364 SEWER CHARGES REVENUES

FINAL

Beginning **January 1, 2023**, the ALCOSAN sewer rate will increase by **68 cents** from **\$9.74 to \$10.42 per 1,000** gallons of water used, and the quarterly customer service charge will increase by **\$1.45**, from **\$20.45 to 21.90** per quarter which equates to a monthly charge of **\$7.30** per month.

Due to the presence of a healthy fund balance and stabilizing costs for infrastructural repairs, in 2029 to 2022 the Borough **did not** raise its rates for the repair of municipally owned assets. These same factors hold true in 2023, and thus the Borough will be able to **maintain rates for the fifth consecutive year** without reducing its commitment to infrastructural improvements. The rate per 1,000 gallons of water used will remain at **\$8.91**, and the quarterly service fee will remain at **\$13.71**, which equates to a monthly charge of **\$4.57**.

Based upon the retention of the existing Borough rate, total costs to customers will rise by **3.4%** despite the significantly larger increase from ALCOSAN.

If the sanitary sewer system is sold, the Borough will continue to collect revenues until the formal closing date.

Proposed Rates

Brentwood Consumption Surcharge =	\$	8.91	per thousand gallons
Alcosan Consumption Surcharge =	\$	10.42	per thousand gallons
Total Amount Billed to Resident =	\$	19.33	per thousand gallons

Proposed Service Charges

Brentwood Borough Service Charge =	\$	4.57	per month
Alcosan Service Charge =	\$	7.30	per month
Total Amount Billed to Resident =	\$	11.87	per month

Based on a Total monthly consumption rate of = 16,400,000 gallons per month
per 1,000 gallons = 16,400

Monthly Brentwood Borough Consumption Surcharge =	\$	146,124.00	
Monthly Alcosan Consumption Surcharge =	\$	170,888.00	
Total Monthly Consumption Surcharge =	\$	317,012.00	per month

Number of Residents Billed =	3,960	
Monthly Brentwood Borough Service Charge =	\$ 18,097.20	
Monthly Alcosan Service Charge =	\$ 28,908.00	
Total Monthly Service Charges =	\$ 47,005.20	per month

Total Monthly Amount Billed to Residents =	\$ 364,017.20
Annual Amount Billed to Residents =	\$ 4,368,206.40

Collection Rate Within Two Months of Billing Date of 85% = \$ 3,712,975.44

SAY \$ 3,650,000.00

08	ITEM	ACTUAL 2018	ACTUAL 2019	ACTUAL 2020	ACTUAL 2021	BUDGETED 2022	ACTUAL 2022	PROPOSED 2023	PERCENTAGE CHANGE FROM 2022
08 341-050	SEWER CHARGES - DELINQUENT	\$ 159,600.23	\$ 151,409.30	\$ 278,536.33	\$ 360,721.97	\$ 150,000.00	\$ 345,000.00	\$ 250,000.00	67%

2023 BRENTWOOD BUDGET SANITARY SEWER FUND REVENUES						SANITARY SEWER FUND BUDGET			
08 341 & 364 SEWER CHARGES REVENUES						FINAL			
The line item is used to record all receipts that are more than 90 days past due when received.									
If the sanitary sewer system is sold, the Borough would retain responsibility for collecting any outstanding balances.									
	Annual amount billed to residents =			\$	4,368,206.40				
	Approximately 8% of fees collected once 90 days past due			\$	349,456.51				
	Approximately 75% of past due fees collected without using the lien process			\$	262,092.38				
								SAY	\$ 250,000.00
08	ITEM	ACTUAL 2018	ACTUAL 2019	ACTUAL 2020	ACTUAL 2021	BUDGETED 2022	ACTUAL 2022	PROPOSED 2023	PERCENTAGE CHANGE FROM 2022
08 364-100	ALCOSAN BILLING REIMBURSEMENT	\$ 12,204.75	\$ 12,538.68	\$ 12,870.00	\$ 13,157.60	\$ 12,000.00	\$ 13,300.00	\$ 13,000.00	8%
Any member municipality may contract with ALCOSAN for billing services. Three of 83 communities currently utilize this function.									
Because Brentwood performs its own billing, it receives a lump sum refund. Trends show this reimbursement increasing by \$300 to \$500 per year.									
								SAY	\$ 13,000.00
08	ITEM	ACTUAL 2018	ACTUAL 2019	ACTUAL 2020	ACTUAL 2021	BUDGETED 2022	ACTUAL 2022	PROPOSED 2023	PERCENTAGE CHANGE FROM 2022
08 364-900	REIMBURS. SHUT-OFF FEES	\$ 400.00	\$ 410.00	\$ -	\$ -	\$ 1,000.00	\$ -	\$ 1,000.00	0%
*This is associated with the \$105 shut-off fee that Penn American Water charges the Borough. The customers are required to pay this amount before their water is reconnected									
	Estimated Annual Shut-Offs =				10				
	PAW Shut-Off Fee =			\$	105.00				
				\$	1,050.00			SAY	\$ 1,000.00
08	ITEM	ACTUAL 2018	ACTUAL 2019	ACTUAL 2020	ACTUAL 2021	BUDGETED 2022	ACTUAL 2022	PROPOSED 2023	PERCENTAGE CHANGE FROM 2022
08 364-902	REIMBURS. LIEN REMOVAL FEE	\$ 6,630.79	\$ 4,113.12	\$ 5,526.52	\$ 684.00	\$ 1,000.00	\$ 3,000.00	\$ 2,000.00	100%
*This is associated with the satisfying of a lien by a customer. This is also reimbursed by the resident.									

2023 BRENTWOOD BUDGET SANITARY SEWER FUND REVENUES						SANITARY SEWER FUND BUDGET			
08 341 & 364 SEWER CHARGES REVENUES						FINAL			
	Estimated liens satisfied =			9					
	Estimated legal/court costs =			\$ 228.00					
				\$ 2,052.00				SAY	\$ 2,000.00