

LOWER PAXTON TOWNSHIP AUTHORITY
SANITARY SEWER FUND
2021 BUDGET NARRATIVE

OPERATING FUND REVENUES

<u>Account Number</u>	<u>Description</u>	<u>Proposed 2021</u>
<u>36</u>	<u>SEWER RENTAL USER CHARGE</u>	
36-3001-341.01	INTEREST INCOME Interest income from Sewer accounts.	25,000
36-3001-341.05	PLGIT ARM INTEREST INCOME 2016 BONDS	0
36-3001-341.06	PLGIT ARM INTEREST INCOME 2020 BONDS	150,500
36-3001-364.10	RENTALS - CURRENT 26,280 EDUs at current rate of \$153, includes prorated EDU's total \$16,205,760 less 4% delinquency + 3% collections	16,043,703
36-3001-364.11	TAPPING FEES One time fee of \$2,165 per EDU in Beaver Creek and \$1,615 in Paxton Creek, which includes the \$75 inspection fee. Estimate of 226 EDUs in 2021 based on the average of Beaver/Paxton Creek permits issued in 2018/19/20.	428,000
36-3001-364.12	REIMBURSEMENTS Reimbursements PENNDOT	10,000
36-3001-364.13	ESCROW REIMBURSEMENT Engineering, inspection, and legal fee reimbursements for developer installed sewer extensions	100,000
36-3001-364.15	STORM SEWER REIMBUSEMENT Reimbusement from Storm Sewer Fund for billing,admin Services, pipe TV services see exhibits for complete listing.	270,111
TOTAL AUTHORITY OPERATING REVENUES		17,027,314

<u>Account Number</u>	OPERATING FUND EXPENSES	<u>Description</u>
<u>36</u>		
<u>4001</u>	<u>ADMINISTRATION</u>	
36-4001-401.01	MANAGEMENT REIMBURSEMENT	3,052,667
	Reimbursement to the Township for services rendered pursuant to the Management Agreement. Payroll, 1.6 million Soc Sec 122K, Work Comp 53K, Pension 299K, Health Insurance, 644K, Two Admin 20% 324K, see Exhibit	
36-4001-402.01	AUDIT FEES	11,000
	Professional services related to the annual audit required by the State. It includes the audit retainer and extra audit fees. Sewer Fund 11k, Stormwater Fund 4k The Township and the Authority have retained the same firm to prepare the 2019 audits.	
36-4001-404.01	LEGAL SERVICES	182,000
	Professional services related to legal counsel Solicitor \$90,000, Special Counsel CRW \$2K, Contract Litigation \$10K, delinquent account collections 320 accounts at average \$250/account or \$80,000	
36-4001-406.03	OFFICE EXPENSE	38,000
	General office supplies including equipment maintenance contracts, subscriptions, sewer bills, forms and the printing mailing of bills by Smart Bill. 30% storm fund Example expenses: money counter-\$300/yr., Check Encoder/ \$3,000/yr., Suez Reports-\$1,000/yr., PMAA Membership-\$1,800/yr., (Sewer Bills-\$5,000/yr., Printing/Mailing Bills-\$12,000/yr., 50% paid by storm fund)	
36-4001-406.05	BOND PAYER FEES	4,000
	Fees associated with M&T Bank for previous Authority Bonds.	
36-4001-406.07	TELEPHONE & ALARM	32,000
	Modems for computers and flow meters - \$8,000 Alarms for pump stations - \$3,000 Office telephone service - \$5,000 Cell phones - \$12,000	
36-4001-406.11	LEGAL ADVERTISING	4,000
	Newspaper ads to fulfill Sunshine Law for Board meetings, invitations to bidding, and other advertisements.	

36-4001-406.15	TRAINING AND EDUCATION Trade Association dues \$3,000; UCC Renewals \$5,000 Asbestos training \$2,000, Conf. \$1,000	11,000
36-4001-406.17	REAL ESTATE TAXES	1,000
36-4001-406.19	POSTAGE Expenses associated with postage, including utility billing, delinquents, and correspondence. Mailing of sewer bills equals \$22,000 per year and additional mail costs of \$8,000 per year for delinquents and \$6,000 for correspondence. 50% paid by stormwater fund	24,000
36-4001-406.29	RENT & GENERAL SERVICES Rent and items billed by the Township for office space.	41,200
36-4001-406.30	MISCELLANEOUS General miscellaneous items, office furniture, and petty cash.	12,500
36-4001-407.01	COMPUTER COSTS Logics 18k, profit star 2k, Twp web page 7k, Laser Fiche 2,500	29,500
36-4001-408.01	ENGINEERING SERVICES Services as per 2021 Engineering Service Agreement. See attached Engineers Service Agreement	135,000
36-4001-429.21	DEP FINES Payment of fines levied by DEP for overflow violations of the Second Consent Order for Beaver, Paxton, and Spring Creek. BC @ \$750 x 8 overflows = \$6,000	6,000
36-4001-486.01	INSURANCE Annual insurance premiums paid by the Authority to its insurance broker, Brown & Brown Insurance. Various types of coverage include: Property, General Liability, and Public Officials Liability.	39,000
SUBTOTAL 4001 ACCOUNTS		3,622,867

4300 SEWER OPERATIONS FACILITY

36-4300-429.12	ELECTRIC Electrical expenses at the sewer operations facility.	6,000
36-4300-429.13	GAS SERVICE Gas expenses at the sewer operations facility.	5,500
36-4300-429.14	GENERAL MAINTENANCE SUPPLIES General maintenance supplies at the Operations Facility,	25,000

	including the HVAC maintenance \$5K, janitorial services (\$5,000/yr.), supplies \$4,000	
36-4300-429.16	WATER SERVICE Water for flusher truck, and Operations Facility.	7,000
36-4300-429.21	VEHICLE LEASE PAYMENTS 17 existing trucks under lease with Enterprise 70% of Director's Ford Escape \$3,700	133,900
36-4300-429.22	GASOLINE Gasoline expenses related to vehicles and portable equipment.	32,000
36-4300-429.23	UNIFORM SERVICE Cleaning of uniforms for 16 employees - \$7,000/yr., replacement of old tee shirts, shorts, uniforms, and boot reimbursement for employees \$1,500	8,500
36-4300-429.24	TOOLS Any tools or equipment needed for sewer maintenance.	2,500
36-4300-429.25	VEHICLE MAINTENANCE Vehicle repairs, including State inspection.	12,000
36-4300-429.26	PURCHASE MAJOR EQUIPMENT	0
	SUBTOTAL 4300 ACCOUNTS	232,400
<u>4300</u>		
	<u>SEWER OPERATIONS</u>	
36-4300-429.28	ELECTRIC-PUMP STATIONS This item pays for electric at the pump stations. Cost to Authority is dependent on flow, which is determined by weather conditions.	24,000
36-4300-429.30	SEWER MAINTENANCE COSTS material supplies, MH frames and cover 20K, rieser rings 15K equipment rental/contracted services 60K, includes one-calls	95,000
36-4300-429.31	PENNDOT EXPENSES GHD design, minor Sewer relocations/manhole adjustments Larger projects under fund 37 PENNDOT/Misc expenses	35,000
36-4300-429.32	WATER-PUMP STATIONS Water expenses at pump stations	4,900
36-4300-429.34	PUMP STATION MAINTENANCE 30K Normal pump station maintenance activities including pump and electrical repairs and building and grounds	30,000

	SUBTOTAL 4300 ACCOUNTS	188,900
<u>4300</u>	<u>SEWER TRANSMISSION</u>	
36-4300-429.35	SWATARA FLOW SURCHARGE Surcharges are levied for excessive flows.	50,000
36-4300-429.36	SWATARA - TRANSMISSION AND TREATMENT Annual transmission/treatment expenses based on EDU's Actual Swatara budget is \$1,489,978. Swatara typically provides true-up in 3rd qt of \$250,000. The 2021 budget is based on receiving 80% of the average true up or \$200,000. \$1,489,978 - \$200,000 = \$1,289,978	1,289,978
36-4300-429.37	HARRISBURG - TRANSMISSION AND TREATMENT Annual expenes based on 2020 rate -\$4.47/1000gal plus estimated 3% increase for 2021 rate	3,599,800
36-4300-429.38	PAXTANG - TRANSMISSION Annual payment to the Borough of Paxtang for the transmission of sewage thru the Borough via the Spring Creek Interceptor.	14,000
	SUBTOTAL 4300 TRANSMISSION ACCOUNTS	4,953,778
<u>4700</u>	<u>DEBT SERVICE (See Debt Service Schedule)</u>	
36-4700-471.13	PENNVEST 2009 LOAN PRINCIPAL	481,019
36-4700-471.15	SERIES 2014 PRINCIPAL	510,000
36-4700-471.16	SERIES 2015 PRINCIPAL	10,000
36-4700-471.17	SERIES 2016 PRINCIPAL	525,000
36-4700-471.18	PENNVEST 2019 LOAN PRINCIPAL	0
36-4700-471.19	SERIES 2019 PRINCIPAL	245,000
36-4700-471.20	SERIES 2020 A PRINCIPAL	505,000
36-4700-471.21	SERIES 2020 B PRINCIPAL	1,325,000
36-4700-471.22	SERIES 2020 C PRINCIPAL	355,000
36-4700-472.13	PENNVEST 2009 LOAN INTEREST	198,477
36-4700-472.15	SERIES 2014 INTEREST	124,872

36-4700-472.16	SERIES 2015 INTEREST	449,525
36-4700-472.17	SERIES 2016 INTEREST	404,181
36-4700-472.18	PENNVEST 2019 INTEREST	200,766
36-4700-472.19	SERIES 2019 INTEREST	1,542,050
36-4700-472.20	SERIES 2020 A INTEREST	973,325
36-4700-472.21	SERIES 2020 B INTEREST	66,025
36-4700-472.22	SERIES 2020 C INTEREST	739,627
	TOTAL DEBT SERVICE	8,654,867
	TOTAL AUTHORITY OPERATING EXPENDITURES	17,652,812

LOWER PAXTON TOWNSHIP AUTHORITY

2021 BUDGET NARRATIVE

37

SANITARY SEWER CAPITAL PROJECTS

37-4800-429.39	PAXTON CREEK ACT 537 IMPROVEMENTS North Branch Susq Project/ LPT share 2.1 Million, GHD 100k	2,200,000
37-4800-429.41	BEAVER CREEK ACT 537/SSO IMPROVEMENTS BC meterpit building \$80K GHD contract bid, award, admin 16K BC Interceptor MH Frame replacements Phase II GHD permitting 5k, MH frame costs 55k SUBTOTAL 4800 ACCOUNTS	156,000
		2,356,000

SEWER SYSTEM MINI-BASIN REHAB PROGRAM **Budget based on Second Consent Decree with PADEP**

Rehabilitation Schedule for 2021

(Note: See Exhibit 3 for Engineering Expenses explanation
which are included with each line item)

37-4900-407.02	GIS PROGRAM Continuing development of GIS System for mini-basins. GHD eng \$13,000, 3k for host fee and 10k for updates	13,000
37-4900-408.02	ENGINEERING -- METERING DATA ANALYSIS/MODELING Data analysis metering data and Beaver Creek Modeling.	85,000

37-4900-408.03	MEETINGS, MANAGEMENT, ASSESSMENT & REPORTING The program requires close communications among the Authority and Engineering staff, as well as with PADEP and the adjoining municipalities. Specific reporting requirements are contained in the Consent Decree. This task includes: <ul style="list-style-type: none">• Bi-weekly mini-basin plan and schedule meetings• DEP Annual Report• PADEP Meetings• Mini-Basin I/I Analyses/Effectiveness Report	36,000
37-4900-429.43	MISCELLANEOUS EXPENSE/NEW EQUIPMENT PENNDOT Nyes Road \$400,000 New Vac Truck \$525,000 sewer at 75% or \$393,750	793,750
37-4900-429.44	RESEARCH & DEVELOPMENT -- I/I PROGRAM Staff and GHD Engineering Research & Development of I/I rehab methods for eliminating the hydraulic overload, including under-slab repairs, private sewer repairs, and other sewer system rehab alternatives. Engineering \$2,000.	2,000
37-4900-429.60	BEAVER CREEK BC-2A/B/C/BC-5B GHD 144K Inspection, 49kadmin, Hills Carnes 35K HRG 40k Inspection, Construction 11 Million, includes lining	11,268,000
37-4900-429.63	MAINLINE EXTERNAL REPAIRS Based on normal maintenance and main line sewer repairs with the annual maintenance contract prices. Estimate \$250,000. GHD Engineering \$10,000.	260,000
37-4900-429.64	METERING Metering costs of staff for maintenance, and new sub-basin meters, \$80K Meters, 5K GHD	85,000
37-4900-429.68	RIGHT-OF-WAY CLEARANCE Clearing of ROWs for mini-basins, engineering \$5,000	30,000
37-4900-429.69	SUMP PUMP REMOVAL Removal of sump pumps in PC mini basins.	5,000
37-4900-429.72	BEAVER CREEK BC-7A/B/C/D GHD 150K bid specs and award in 2021 construction in 2022 I/I Crew expenses and yards, 90 building sewers 200K	350,000
37-4900-429.73	SPRING CREEK SC-2B GHD 44K Lining Inspection and 35kAdmin only Construction to begin Jan 2021 estiamate 1.9M	2,064,000
37-4900-429.74	SPRING CREEK 1 INTERCEPTOR REPLACEMENT GHD design/permitting/bid/award/admin 25k, GHDinspect 25k	550,000

Construction 500k	
SUBTOTAL 4900 ACCOUNTS	15,541,750
TOTAL CAPITAL PROJECT EXPENDITURES	17,897,750

**AUTHORITY MANAGEMENT REIMBURSEMENT
DUE TO THE TOWNSHIP
FY-2021**

** PAYROLL - Reimbursement for salaries paid quarterly for Authority personnel. All admin salaries are calculated at a proposed 3.50% increase from 2020 rates. All union salaries are calculated at the negotiation 2.80% increase per the CBA Overtime is estimated at 3% of the 1,064,315 total cost of union salaries (31,929.46). Personnel is composed of 23 full time, 1 part-time employee, 1 intern for 2 months Positions are as follows: 1 Director, 1 Operations Supervisor, 2 Crew Leaders, 1 Engineer(includes raise) 4 Inspectors, 6 Maintenance Mech, 1 I & I Coordinator, 1 Project Coordinator 1 Meter Technician, 1 Equipment Operator, 1 Business Office Secretary, 1 Secretary, 1 Clerk, 50% of 1 GIS Technician, 1 Part-time Clerk, and 1 intern	1,607,042
Social Security tax - Portion paid by Township	122,554
Pension MMO - 18.6676% Minimum obligation for the Township's yearly contribution to the pension fund. Based on full-time employee's salaries.	299,057
Workers Comp - 5.01 per 100 x .670 \$5.01 per \$100 of salaries paid to employees, multiplied by a risk factor of .670	53,944
Medical, dental/vision, disability and life insurance Health insurance cost for Authority employees	644,486
Physicals Estimated 15 physicals from US Regional Occupational Health at an approximate cost of \$85.00 each	1,275
Administration Charges 20% of the salary, taxes, pension, workers compensation, and health insurance costs for the following Township employees who help serve the Authority: Bradley Gotshall, Shellie Smith, Kay Lengle, Tim Houck Gayla Unfried, Amber Greene, Alycia Knoll, and Leigh Ann Urban 50% of new staff accountant position (\$64,000/2= \$32,000) Plus 20% of IT charges from Appalachia Technologies	324,310
Total	3,052,667

EXHIBIT 2

SWATARA TOWNSHIP AUTHORITY
BUDGETED STATEMENT SUPPORTING
INCOME, EXPENDITURES AND ALLOCATION OF SAME FOR
THE STA WATER POLLUTION CONTROL PLANT
YEAR ENDING DECEMBER 31, 2021

BUDGETED EXPENSES

Operating	\$2,182,800
Administration	<u>484,800</u>
 TOTAL EXPENSE	 \$2,667,600

INCOME

Sales	5,200
Other Income	<u>29,000</u>
 TOTAL INCOME	 <u>-34,200</u>

OPERATING COST TO BE DISTRIBUTED **\$2,633,400**

	EST. USE (%)	OPERATING COSTS	
		ANNUALLY	QUARTERLY
SWATARA	30.00	\$790,020	\$197,505.00
LOWER PAXTON	56.58	1,489,978	372,494.50
HUMMELSTOWN	13.42	353,402	88,350.50
	100.00	\$2,633,400	\$658,350.00

Swatara Township Authority

ADMINISTRATIVE OFFICE

PO BOX 4920
595 EISENHOWER BOULEVARD
HARRISBURG, PA 17111-0920

Administrative Office
Phone: 717-564-1650
Fax: 717-564-6361



WATER POLLUTION CONTROL PLANT

8675 PAXTON STREET
HUMMELSTOWN, PA 17036-8601

Operations & Maintenance
Phone: 717-566-3361
Fax: 717-566-2355

"Example of past reconciliation"

JUNE 01, 2020

INVOICE

3RD QUARTER OPERATING-ADMINISTRATIVE-MAINTENANCE COSTS SWATARA TOWNSHIP JOINT-USE FACILITIES JULY-AUGUST-SEPTEMBER 2020

**LOWER PAXTON TOWNSHIP AUTHORITY
425 PRINCE STREET SUITE 139
HARRISBURG, PA 17109**

2020 PRORATA **\$346,929.00**

ADJ. - 50% 2019 RECONCILIATION **(184,944.50)**

PAYMENT DUE AT THIS TIME **\$161,984.50**

EXHIBIT 3

**Lower Paxton Township Authority
Explanation of 2021 Engineering Expense Budget
August 6, 2020**

FUND 036- SEWER OPERATING FUND:

ADMINISTRATIVE

Annual Services: Account 36-4001-408.01

- General Engineering Services \$115,000
This includes services outside the scope of those covered under the retainer.

Development Reviews and Admin \$50,000

Misc. Engineering Services

➤ Phase 161 – Chapter 94 Report	\$ 6,000
➤ Phase 0100 - Misc. Non Retain Services	\$20,000
➤ Phase 1400 - Intermunicipal Agreements	\$ 5,000
➤ Phase 2800 – Financing/Rate Projections	\$12,000
➤ Phase 4200 - Grease Trap/Interceptor Program	\$ 5,000
➤ Phase 4700 – Design One Calls	<u>\$17,000</u>
SUBTOTAL	<u>\$65,000</u>

This budget excludes engineering services for updating the tapping fee or any grant applications or assistance.

- Annual Retainer \$20,000
An annual retainer services per Exhibit A-1.

Total Estimated Account 36-4001-408.01 **\$135,000**

SEWER OPERATING

PennDOT: Account 36-4300-429.31

- PennDOT \$10,000
This is an allowance for misc. PennDOT work. No projects are known for 2021.

Total Estimated Account 36-4300-429.31 **\$10,000**

FUND 037- CAPITAL EXPENDITURES:

Act 537/SSO Improvements: Account 37-4800-429.39 and 37-4800-429.41

- 37-4800-429.39 Paxton Creek \$5,000
North Branch Interceptor is anticipated to be paid in early 2021. This allowance includes \$5,000 engineering assistance.
- 37-4800-429.41 Beaver Creek \$21,000
Raise Beaver Creek metering pit. This allowance includes \$16,000 for contract bid and award phase services and administration. Construction is estimated at \$84,000.
BC Interceptor MH Frame replacements Phase 2. This allowance includes \$5,000 for permitting.

Total Engineering Budget 4800 Accounts 37-4800-429.39 and 37-4800-429.41 **\$26,000**

Sewer System Mini-Basin Rehab Program: Accounts 37-4900-407.02 through 37-4900-429.73

These costs are those associated with various aspects of engineering services for the mini-basin rehab program.

- 37-4900-407.02 GIS \$13,000
This allowance includes \$3,000 for annual hosting subscription and \$10,000 for GHD to perform on-going edits to the GIS data as requested by the Authority throughout the year.
- 37-4900-408.02 Engineering- Metering Data Analysis / Hydraulic Modeling/ Study \$85,000
This is an allowance for data analysis of ongoing sub-basin and mini-basin data. It includes data processing throughout the metering season, metering and capacity evaluations, preparation and execution of Authority's metering program, hydraulic modeling, and data requests. A total of \$65,000 is projected for the annual metering data analysis and reporting as required by the Second Consent Decree. An additional amount of \$20,000 is included for data requests, evaluations, hydraulic modeling, and alternatives planning outside of the annual requirements of the Second Consent Decree.
- 37-4900-408.03 Meetings Management, Assessment & Reporting \$36,000
This is an allowance for the continued review and improvement relating to the successful implementation of the Beaver Creek and Paxton Creek Corrective Action Plans and similar efforts in Spring Creek and Asylum Run. This includes periodic reviews of program cost-effectiveness, prioritization of rehabilitation and system improvements, evaluation of construction approaches, development of Annual DEP Progress Report, and annual review of projected project costs and billing rates, preparation and attendance at monthly internal progress meetings and the annual PADEP meeting.
- 37-4900-429.44 Research and Development \$2,000
This is an allowance for Authority Staff and GHD to perform research and development of I/I rehabilitation methods including under-slab repairs, private sewer repairs and other sewer system rehabilitation methods. This budget will only be used as needed.
- 37-4900-429.60 Beaver Creek BC-2A/2B/2C and BC-5B \$193,000

Project costs include an allowance of \$49,000 for construction phase engineering, project closeout and record drawings. Project costs also include one full time inspector for 12 months at \$144,000. Construction is scheduled to continue into 2021.

- 37-4900-429.63 Mainline External Repairs (Maint. &Emergency Repairs Contract) \$10,000
Project costs include and allowance of \$10,000 for miscellaneous engineering costs associated with the contract.
- 37-4900-429.64 Metering and Field Investigation \$5,000
This is an allowance for technical assistance with the flow metering program and wet weather field investigation assistance.
- 37-4900-429.68 Right-of-Way Clearance \$5,000
To maintain access to the sewers, GHD recommends on-going right-of-way clearing projects. Engineering costs include an allowance of \$5,000 for the preparation of plans and specifications, bidding and award phase services, and project administration.
- 37-4900-429.72 Beaver Creek BC-7A/7B/7C/7D \$225,000
Project costs include an allowance of \$200,000 for final design/specs/permitting and \$25,000 for bid and award. Project is anticipated to be bid in 2021 with construction starting in 2022.
- 37-4900-429.73 Spring Creek SC-2B \$64,000
Project costs include an allowance of \$35,000 for construction phase engineering, project closeout and record drawings. Project costs also include one full time inspector for 2.5 months at \$29,000. The lining project is scheduled to start in late 2020.
- 37-4900-429.73 Spring Creek 1 Interceptor Replacement \$70,000
Project costs include an allowance of \$5,000 for survey, \$20,000 for design phase services and easements, \$15,000 for permitting, \$5,000 for bid and award, \$10,000 for construction phase engineering and \$15,000 for inspection.

Total Engineering Budget Accounts 4900 37-4900-407.02 through 37-4900-429.74 **\$708,000**

2021 ENGINEERING EXPENSE DRAFT BUDGET SUMMARY:

TOTAL ALL FUND 036 ACCOUNTS =	\$145,000
TOTAL ALL FUND 037 ACCOUNTS (Design/bid/award/admin)=	\$546,000
TOTAL ALL FUND 037 ACCOUNTS (Inspection)=	<u>\$188,000</u>
 TOTAL ENGINEERING ALL FUNDS=	 \$879,000