



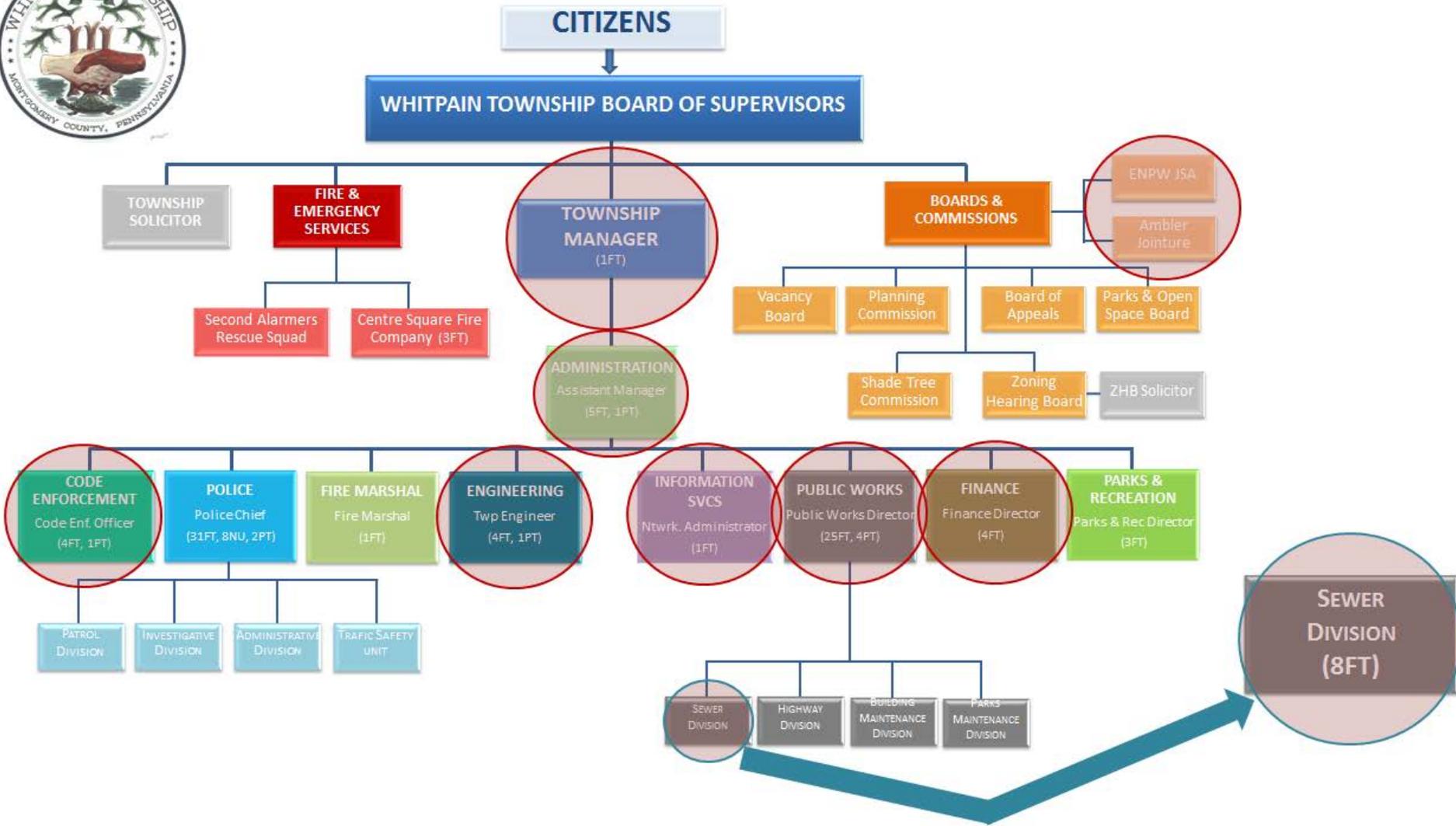
Sewer Fund & Sewer Capital Fund 2016 - 2020

as presented November 12, 2015

Whitpain Township

Sewer Fund Background

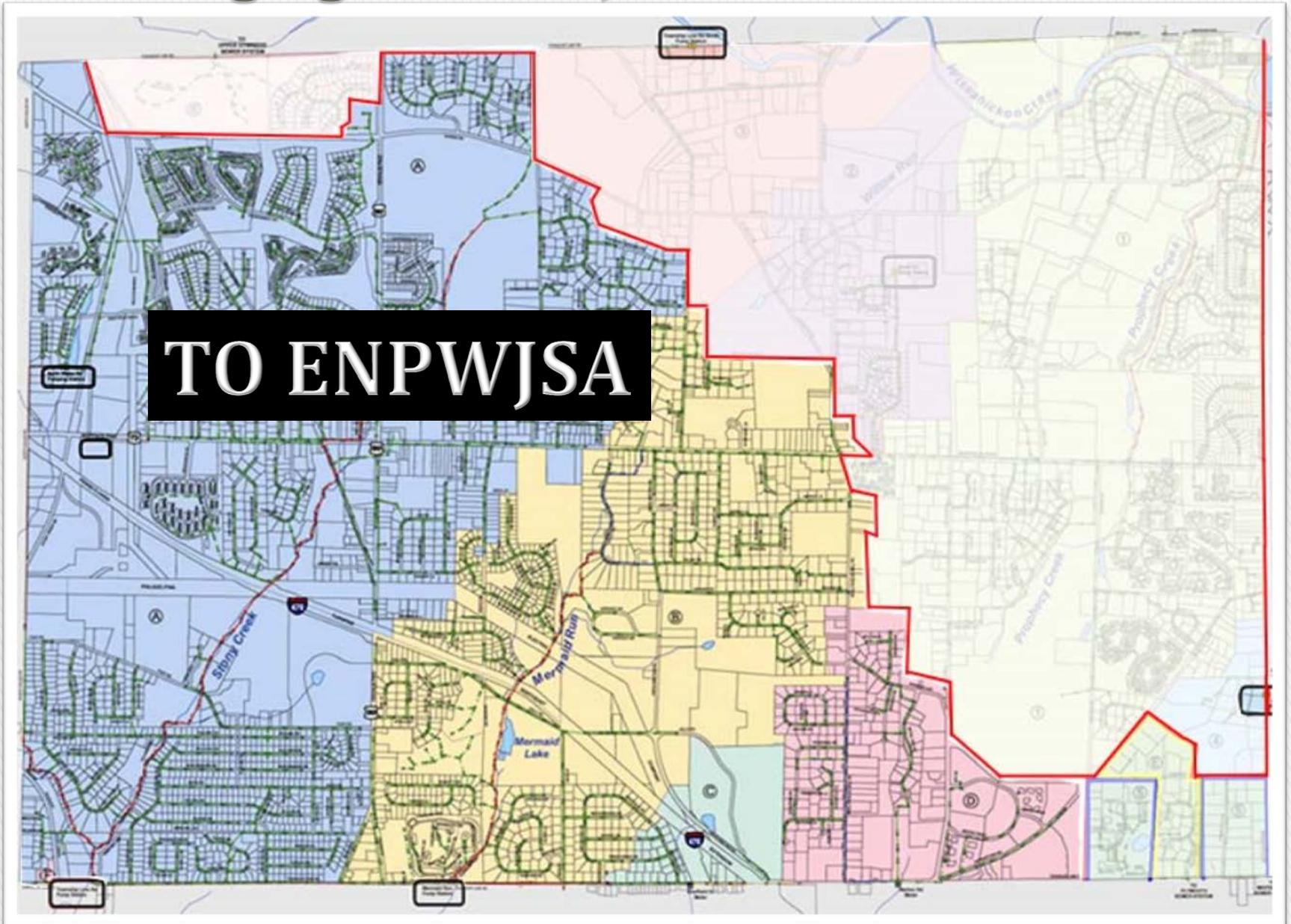
- ▶ Residents and businesses connected to the sanitary sewer system have their wastewater treated at one of 5 facilities, all of which are located outside of the Township.
- ▶ The two largest treatment facilities used by the Township are the East Norriton Plymouth Whitpain Joint Sewer Authority (ENPWJSA) and Ambler.
- ▶ Even though the Township doesn't operate a treatment facility, it is still responsible for the 113 miles of sanitary sewer lines, 2,568 manholes, 7 pumping stations, and 3 meter facilities.



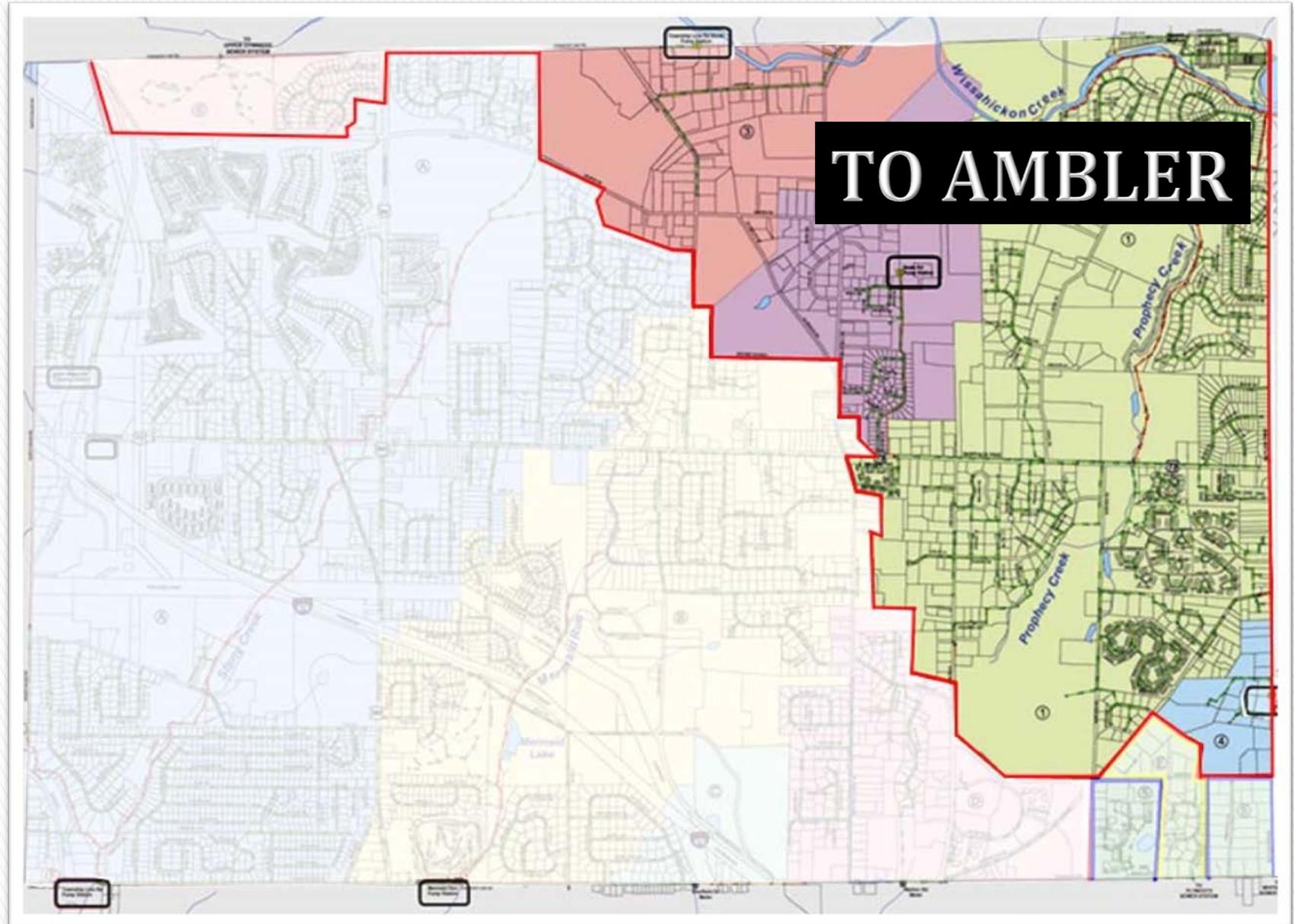
Township Organization

Full Time Employees = 89
Part Time Employees = 9

Whitpain Township Sewer System Discharging to ENPWJSA



Whitpain Township Sewer System Discharging to Ambler



Sewer Fund 2016

Total Revenues **\$3,600,656**

Appropriations / Expenditures

Treatment Costs	1,418,450
Sewer Maintenance	352,217
Supplies & Equipment	128,740
Salaries & Benefits	1,191,426
<u>Transfer to Capital</u>	<u>625,000</u>

TOTAL EXPENDITURES & TRANSFERS **\$ 3,715,833**

▶ **Customers**

- Residential = 5,838
- Commercial = 273

▶ **Daily Flow**

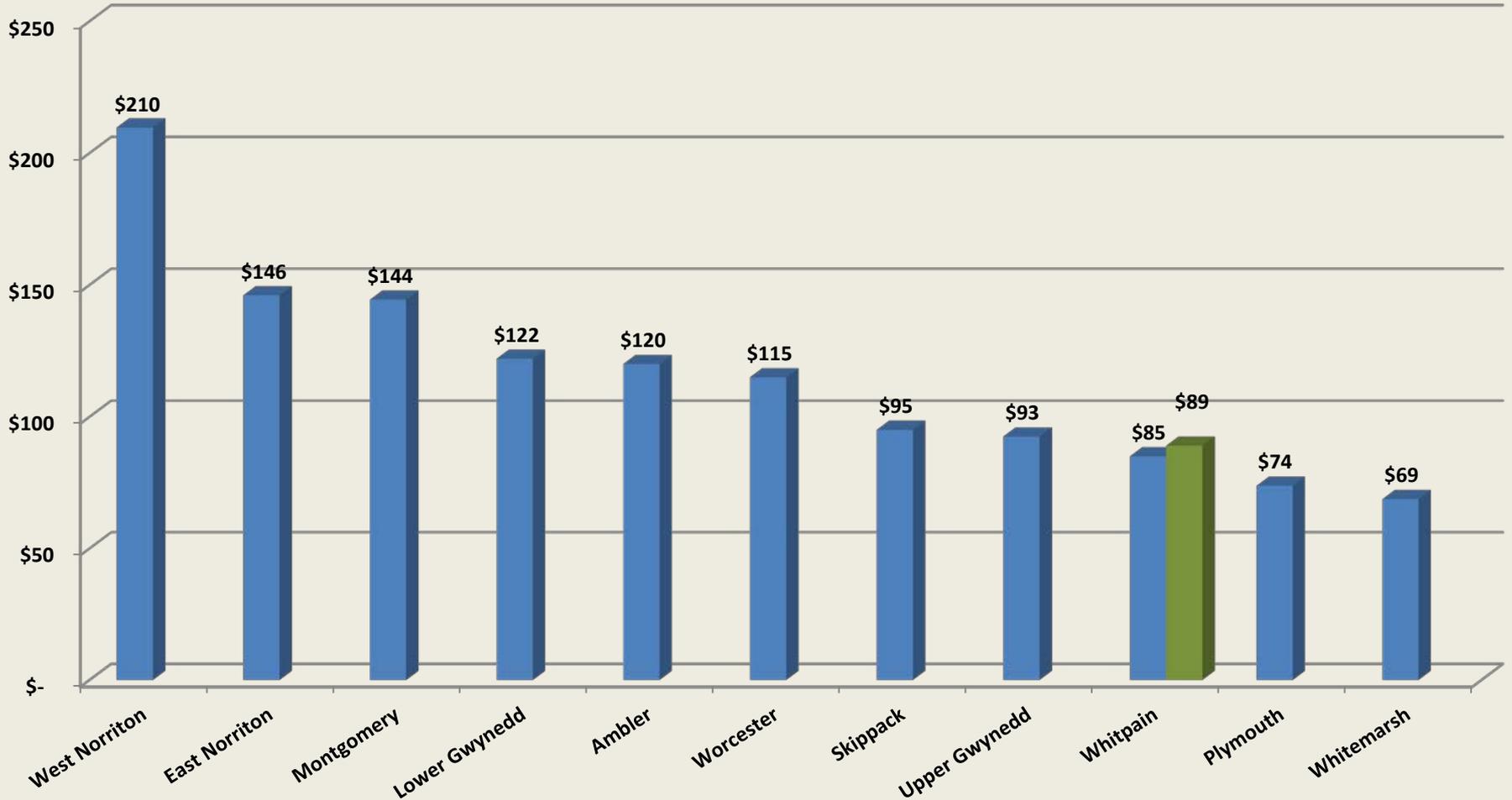
- ENPWJSA = 1,700,600 Gallons / Day
- Ambler = 532,000 Gallons / Day
- Total Approximately 2.2 Million Gallons / Day

Major Revenue Sources

- Unlike the General Fund, the Sewer Fund has only one major revenue source:
Sewer Rentals
- ***Current Rates:***
 - Residential = \$85 per quarter flat rate with usage fee
 - Commercial = \$150 for 12,000 gallons and \$7.30 each additional 1,000 gallons
 - Last Rate Adjustment 2007; however, in 2014 a usage fee of \$21.25 was added for residential customers utilizing more than 20,000 gallons in a quarter
- ***Proposed Rates:***
 - Residential (flat rate) = \$89 per quarter flat rate with usage fee. (Please note that new rate will not appear until 2nd quarter bill in 2016.)
 - Residential (usage rate over 20,000 gallons) = \$22.25
 - Commercial = \$157 for 12,000 gallons, and \$7.75 for each additional 1,000 gallons

Residential Sewer Rates (Based on 20,000 Gallons Per Quarter)

■ Current Rate ■ New Rate



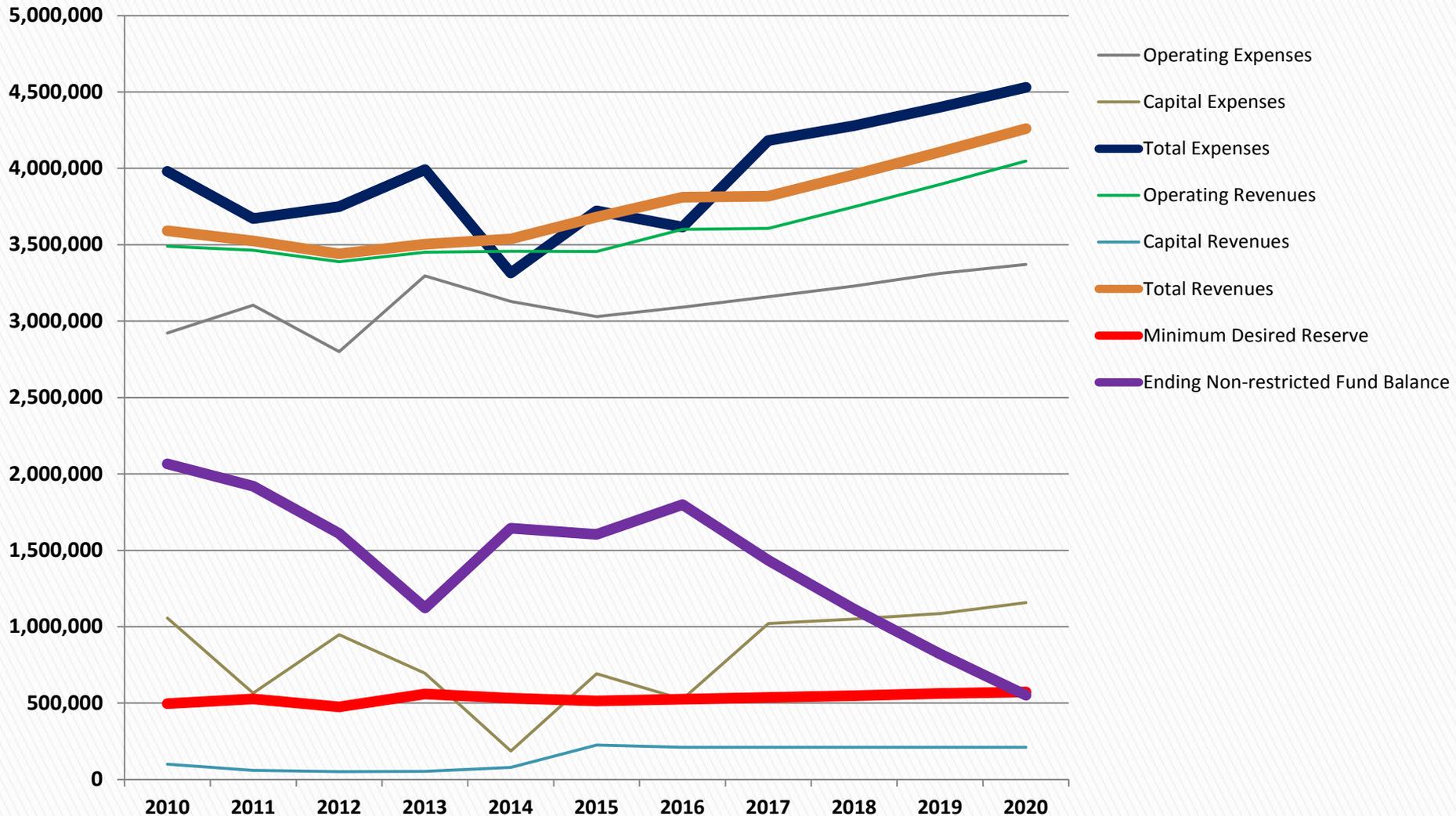
Major Revenue Sources

- **Cost to accommodate new development paid by developers**
 - Developers are responsible for paying the cost of extending facilities into the project
 - Developer required to pay for a portion of capital cost in the collection, conveyance and treatment systems (also known as impact fees)

Rates

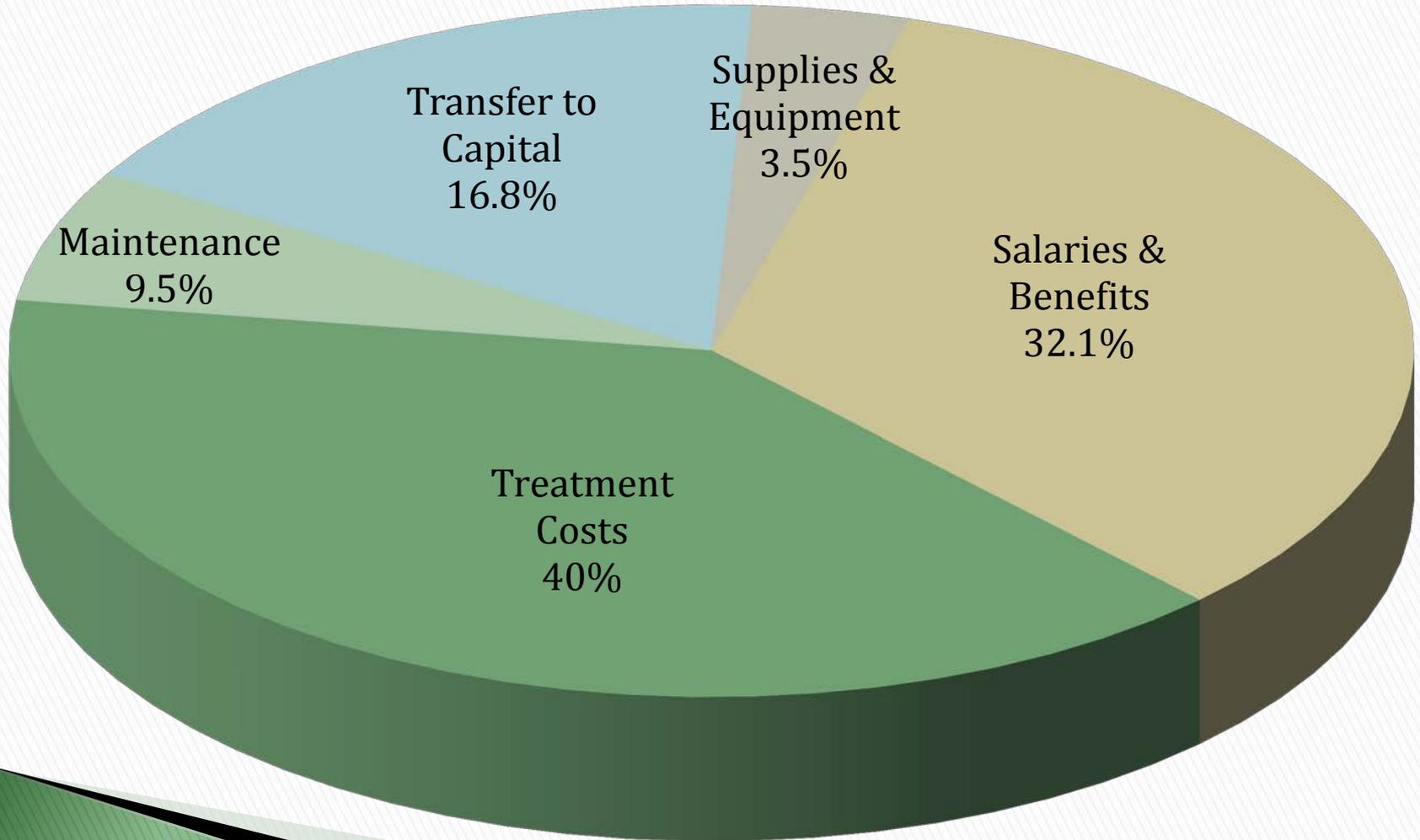
- ▶ Despite increased costs, base rates have not been changed for the last 9 years.
- ▶ State funding, in the form of Act 339 monies, has been phased out by the Commonwealth. As recently as 2003, the ENPWJSA received \$183,611, in Act 339 payments.
- ▶ To balance this budget gap, money was previously taken from the sewer fund balances, which without a rate increase, would be totally depleted by the end of 2017.
- ▶ This budget proposal as presented does include a sewer rate adjustment of \$4.00 per quarter to the base residential rate and \$7.00 per quarter to the base commercial rate.
- ▶ The proposed residential usage fee for customers using more than 20,000 gallons is \$22.25.

Sewer Projections Based on Preliminary Budget and Proposed Structure



Expenditures

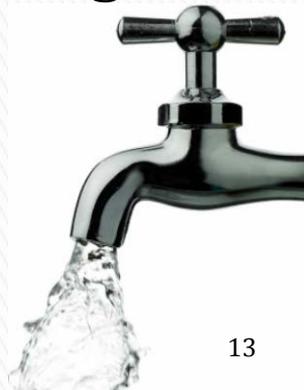
Treatment Costs -	\$1,418,450
Maintenance -	\$352,217
Transfer to Capital -	\$625,000
Supplies & Equipment -	\$128,740
Salaries & Benefits -	\$1,191,426



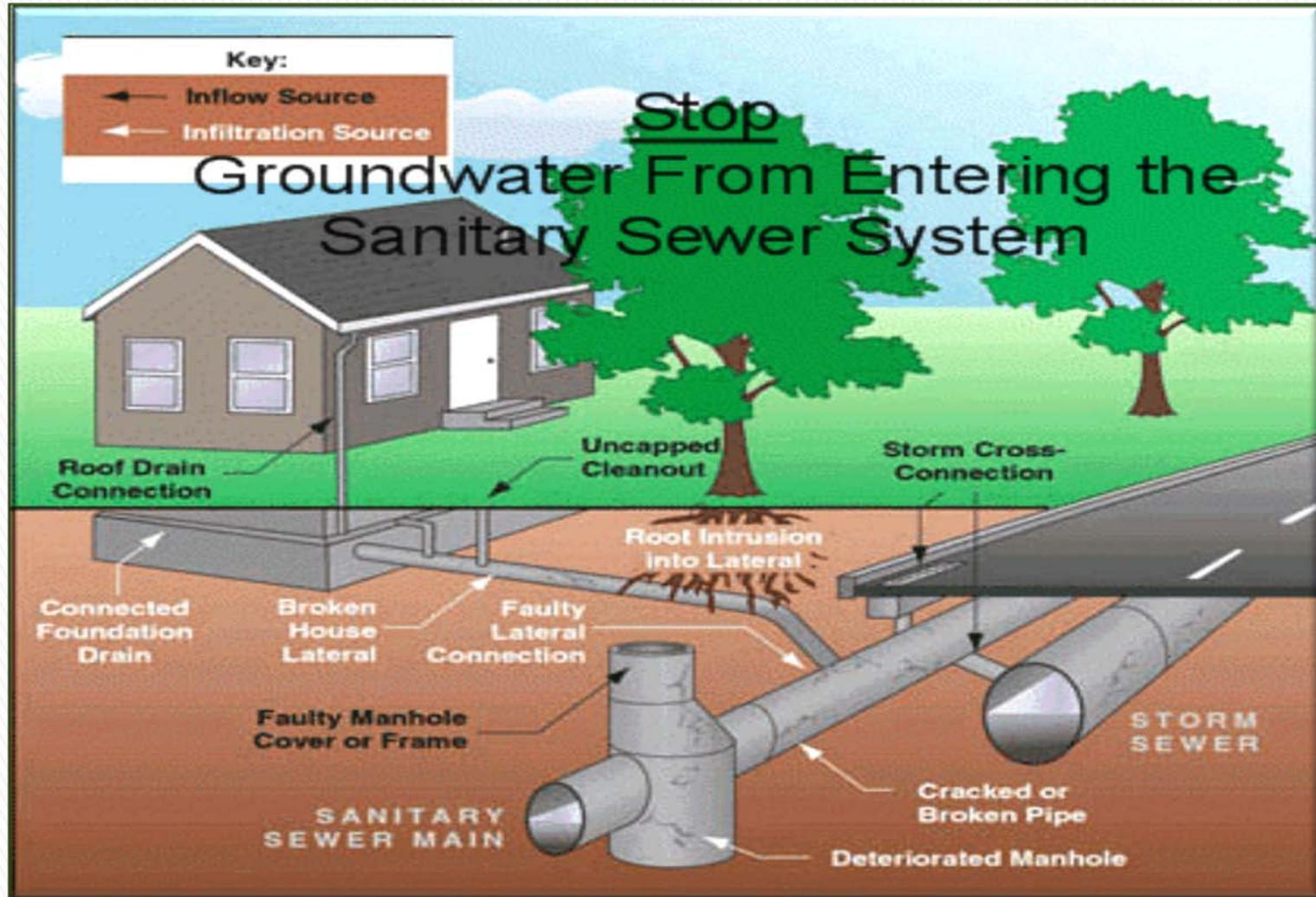
Ways to Contain Costs



- ▶ Sewage quantities directly impact collection, transportation, and treatment costs
- ▶ Residents should be aware of water consumption
- ▶ Residents should not allow sump pumps to discharge into the sanitary sewer system
- ▶ Township monitors sewer flows to control Infiltration and Inflow (*I&I*) and makes repairs as necessary
- ▶ Township maintains equipment to assure operating efficiency and reduce power consumption



Inflow & Infiltration



5-Year Sewer Operating Budget Projection

	2015	2016	2017	2018	2019	2020
REVENUES	3,456,117	3,600,656	3,607,189	3,748,513	3,895,457	4,048,248
EXPENSES	(3,029,784)	(3,090,833)	(3,160,695)	(3,230,269)	(3,312,680)	(3,371,980)
TRANSFERS OUT	(625,000)	(625,000)	(625,000)	(625,000)	(625,000)	(625,000)
NET CHANGE IN CASH	(198,667)	(115,117)	(178,506)	(106,756)	(42,223)	51,268
BEGINNING CASH	986,007	787,340	672,163	493,658	386,902	344,679
ENDING CASH	787,340	672,163	493,658	386,902	344,679	395,947

Demands on Sewer Capital Fund

- ▶ More stringent treatment requirements imposed by state and Federal Regulatory Agencies necessitate additional capital investment at treatment plants to achieve permit limits.
- ▶ The Township's infrastructure continues to age and major equipment is approaching its useful life.
- ▶ Based on the recommendation of the Finance Committee, major capital projects are proposed to be amortized to lessen their impact on the budget in any given year and to take advantage of low interest rates.
- ▶ Additionally, a planned expansion at the ENPWJSA has increased expenses from \$364 thousand in 2013, to \$469 thousand in 2014, and again to \$492 thousand for 2015-2020. Similar capital improvements are anticipated at the Ambler facility during the five year budget planning period.

2016 Sewer Capital Budget

Category	Description	2016 Budget
Improvements		
	Sewer Main Replacement/Rehabilitation	250,000
	Mermaid Run Station	150,000
	<u>Total Improvements</u>	<u>400,000</u>
Vehicles		
	Replace Easement Machine (1999)	45,474
	<u>Total Vehicles</u>	<u>45,474</u>
Treatment Plant		
	Ambler	79,750
	<u>Total Treatment Plant</u>	<u>79,750</u>
<u>TOTAL</u>	<u>Total Sewer Capital Items</u>	<u>525,224</u>

2016-2020 Sewer Capital Budget

	2016	2017	2018	2019	2020	2016-2020
Improvements	400,000	370,000	215,000	280,000	-	1,265,000
Vehicles	45,474	48,505	287,280	182,735	533,379	563,994
Treatment Plant	79,750	602,330	547,781	624,231	624,231	2,478,323
Grand Total	525,224	1,020,835	1,050,061	1,086,966	1,157,610	4,307,317

5-Year Summary Sewer Capital Budget

	2016	2017	2018	2019	2020
REVENUES	210,600	210,812	211,028	211,249	211,474
EXPENSES	(525,224)	(1,020,835)	(1,050,061)	(1,086,966)	(1,157,610)
TRANSFERS IN	625,000	625,000	625,000	625,000	625,000
BEGINNING CASH	816,411	1,126,787	941,764	727,731	477,014
ENDING CASH	1,126,787	941,764	727,731	477,014	155,878

Preliminary Budget Proposals

- ▶ This budget proposal as presented includes a sewer rate adjustment of \$4.00 per quarter to the base residential rate and \$7.00 per quarter to the base commercial rate.
- ▶ The proposed residential usage fee for customers using more than 20,000 gallons would be \$22.25.
- ▶ Impact fees (restricted funds) will continue to be utilized for capital improvements at the ENPWJSA Plant to minimize impacts on the operating and capital budgets.

Upcoming Meetings

- ▶ Board of Supervisors Regular Meetings
 - ▶ November 17th 8:00 PM
 - ▶ December 1st 8:00PM

- ▶ Anticipated Budget Adoption
 - December 1st 2015





Comments & Questions

Whitpain Township