

**THE MUNICIPAL AUTHORITY OF THE  
TOWNSHIP OF ROBINSON**

**ALLEGHENY COUNTY, PENNSYLVANIA**

**ANNUAL CONSULTING ENGINEER'S REPORT  
FOR**

**OPERATING YEAR 6-30-13 TO 6-30-14**

**AND**

**BUDGET FOR FISCAL YEAR ENDING 6-30-15**



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**THE MUNICIPAL AUTHORITY OF THE  
TOWNSHIP OF ROBINSON  
ALLEGHENY COUNTY, PENNSYLVANIA  
ANNUAL REPORT – FISCAL YEAR ENDING 6-30-14  
BUDGET FISCAL YEAR ENDING 6-30-2015**

**MEMBERS OF THE AUTHORITY BOARD**

	<u>Term Expires</u>
Dr. Charles Blocksidge, Chairman . . . . .	December 31, 2016
George Douglas, Jr., Vice Chairman . . . . .	December 31, 2015
Nicholas A. Bonesso, Secretary . . . . .	December 31, 2016
Ronald W. Smith, Treasurer . . . . .	December 31, 2014
Joseph S. Bianco, Member . . . . .	December 31, 2014
Prospero Castelluccio, Member . . . . .	December 31, 2015
Stan E. Celich, Member. . . . .	December 31, 2016

**MANAGEMENT AND ADVISORS**

Yukevich, Marchetti, Liekar & Zangrilli, Solicitor  
Case Sabatini – Auditor  
U.S. Bank, Trustee  
NIRA Consulting Engineers, Inc., Engineer  
Anthony T. Lenze, Executive Director  
Kent Lockridge, Assistant Manager

June 2014

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**THE MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON**  
County of Allegheny, Commonwealth of Pennsylvania

**ANNUAL REPORT – FISCAL YEAR ENDING JUNE 30, 2014**  
**BUDGET – FISCAL YEAR ENDING JUNE 30, 2015**

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## **SYNOPSIS OF REVENUES AND EXPENSES**

### **2013/2014 OPERATING YEAR**

The following summary indicates the projected revenues and budgeted revenues for the fiscal year ending June 30, 2014, the projected operating expenses and budgeted expenses for the same period, and the net income available for debt service and other costs:

#### **Water System**

	<b><u>Projected to 6/30/14</u></b>	<b><u>Budgeted to 6/30/14</u></b>	<b><u>Favorable or Unfavorable</u></b>
Total Operating Revenues	\$4,542,902	\$4,599,000	-\$56,098
Total Operating Expenses	\$2,986,155	\$2,895,913	-\$90,242
Net Operating Income	\$1,556,747	\$1,703,087	-\$146,340

#### **Comprehensive Sewer System Including Groveton**

	<b><u>Projected to 6/30/14</u></b>	<b><u>Budgeted to 6/30/14</u></b>	<b><u>Favorable or Unfavorable</u></b>
Total Operating Revenues	\$4,227,426	\$4,335,000	-\$107,544
Total Operating Expenses	\$2,588,537	\$2,616,179	\$27,642
Net Operating Income	\$1,638,889	\$1,718,821	-\$79,932

## **TRUST INDENTURE REQUIREMENTS**

### **Rate Covenant and Particular Covenants**

The Authority covenants that it will annually adopt, maintain, charge and collect, from the customers served by its System, so long as any bonds remain outstanding and funds for their payment have not been provided, in accordance with the Act, which, after making due and reasonable allowances for delinquencies, contingencies and a margin of error in the estimates, together with all other anticipated Receipts and Revenues of the Authority, are at all times at least sufficient with respect to the System to provide annually funds to pay: (i) the current expenses incurred by the Authority, (ii) annual debt service requirements on Subordinate Debt, and (iii) an amount equal to 110% of the annual debt service requirements with respect to its outstanding bonds issued pursuant to this Indenture.

The Authority further covenants with the owners of the bonds that it will provide that the water and sewer rates and other charges will be set in accordance with the Act. The Authority also covenants that it will not contract with any public body or customer for the furnishing of water and sewer service at prices less than its reasonable worth or at prices less than those approved by the Consulting Engineer.

The Authority also covenants with the owners of the bonds that if at any time the revenues collected by the Authority are not sufficient to enable the Authority to comply with the provisions of this Section 9.01, the Authority will promptly revise its schedule so to comply with this Section 9.01 and any deficiencies in transfers of funds required to be made pursuant to this Article will be remedied before the end of the next ensuing fiscal year. Before the adoption of any revision of the rate schedule, all computations and estimates upon which such revision are based must be approved by the Consulting Engineer. Forthwith, upon the adoption of such revision, the Authority must cause certified copies of the revised rate schedule to be filed with the Consulting Engineer and the Trustee.

The Authority covenants that it will employ the Consulting Engineer to perform the duties that are imposed on the Consulting Engineer by the provisions of this Indenture. In addition to the other duties prescribed elsewhere herein, the Consulting Engineer shall prepare and file with the Authority, the Representative of the Purchasers of each series of bonds of the Authority then outstanding, the Bond Insurer and the Trustee on or before June 15, 2009, and on or before June 15 of each year thereafter, an Annual Report on the System.

The Annual Report of the Consulting Engineer shall set forth:

(a) advice and recommendations as to:

- (i) the proper current expenses of the Authority with respect to the System during the next fiscal year of the Authority;
- (ii) the Capital Additions that should be made during said fiscal year to keep the System in good condition, repair and working order;
- (iii) any necessary or advisable revision of the rate schedule;

## **TRUST INDENTURE REQUIREMENTS**

### **(CONTINUED)**

#### **Consulting Engineer Report**

- (b) an estimate for the fiscal year of the amounts of money that should be expended to comply with the recommendations set forth in the Annual Report;
- (c) an estimate of the Receipts and Revenues to be derived during the fiscal year from the System;
- (d) a report as to compliance by the Authority with its covenants concerning insurance under Article IX and advice and recommendations as to the Authority's figure obligations thereunder; and
- (e) information required by the Authority's continuing disclosure agreement in compliance with Rule 15c2-12.

The fees and expenses incurred by the Consulting Engineer in connection with the services performed under this Article shall be payable out of moneys in the Revenue Fund. The aforesaid Annual Report of the Consulting Engineer is to be used by the Authority as the basis for the preparation of the budget for the next succeeding fiscal year.

The Authority covenants that, at the written request of any Registered Owner of the bonds, it will furnish to such Registered Owner a copy of the Annual Report of the Consulting Engineer and any revision thereof.

Within thirty (30) days after the authentication and delivery of additional bonds, a revised Report for the balance of the then current fiscal year must be prepared by the Consulting Engineer and filed with the Authority, the Representative of the Purchasers of all outstanding bonds, Bond Counsel and the Trustee.

The Authority covenants that it will on or before June 30 of each year, beginning June 30, 2009, prepare and adopt a budget for the next fiscal year in accordance with the advice and recommendations of the Consulting Engineer, which budget must contain an estimate of the gross revenues to be derived from the System for the period covered by such budget and of current expenses to be incurred; a copy of the budget must be promptly filed with the Representative of the Purchasers of all outstanding bonds, the Bond Insurer and the Trustee. Any budget may be amended from time to time with the approval of the Consulting Engineer and the amended budget must be promptly filed with the Trustee, the Bond Insurer and the Representative of the Purchasers of all outstanding bonds. The Authority further covenants that within ninety (90) days after the authentication and delivery of any additional bonds under this Indenture, it will adopt a revised budget for the balance of the current fiscal year in accordance with the recommendations of the Consulting Engineer and will immediately file a copy of the

## **TRUST INDENTURE REQUIREMENTS**

(CONTINUED)

### Consulting Engineer Report

budget, after it has been adopted, with the Representative of the Purchasers of all outstanding bonds, the Bond Insurer and the Trustee.

Until the adoption of the annual budget for a particular fiscal year, the budget for the preceding fiscal year will be deemed to be in force for such particular fiscal year.

The Authority covenants that all compensation, salaries, fees or wages paid by it in connection with the administration of the Authority will be reasonable; that it will not incur any indebtedness for current administrative expenses in excess of the appropriate budget of current administrative expenses unless such debt is approved by the Consulting engineer; that no more persons will be employed by it than are necessary; and that it will operate and administer the System in an efficient and economical manner.

The Authority will duly and punctually pay, or cause to be paid, but only from the Net Revenues pledged under and by this Indenture, the principal of, the interest on and the premium (if any) due upon the redemption of, every bond issued hereunder and secured hereby, at the place and on the dates and in the manner specified herein and in the bonds, according to the true intent and meaning hereof.

**TABLE 1**

**MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON**

**REVENUES AND EXPENSES**

**WATER SYSTEM – OPERATING REVENUES**

	<b><u>Projected To 6/30/14</u></b>	<b><u>Budgeted FY 13/14</u></b>	<b><u>Difference Projected</u></b>
<b><u>METERED SALES</u></b>			
Domestic	\$1,420,000	\$1,460,000	-\$40,000
Commercial	2,115,968	2,110,000	5,968
Wholesale (Moon & FTWA)	<u>700,000</u>	<u>750,000</u>	<u>-50,000</u>
Total Metered Service	\$4,235,968	\$4,320,000	-\$84,032
<b><u>UNMETERED SALES</u></b>			
Fire Protection (Public) [Kennedy Twp]	\$4,100	\$3,900	\$200
Fire Protection (Private)	<u>170,000</u>	<u>169,100</u>	<u>900</u>
Total Unmetered Sales	\$174,100	\$173,000	\$1,100
<b><u>MISCELLANEOUS REVENUES</u></b>			
Penalties	\$46,000	\$32,000	\$14,000
Interest on Investments	550	1,000	-450
Merchandise & Job Revenue	9,000	1,000	8,000
Other Income Verizon, Sprint (Water Tower Lease)	60,584	63,000	-2,416
Miscellaneous	<u>16,700</u>	<u>9,000</u>	<u>7,700</u>
Total Miscellaneous Revenue	\$132,834	\$106,000	\$26,834
<b>TOTAL OPERATING REVENUES</b>	<b>\$4,542,902</b>	<b>\$4,599,000</b>	<b>-\$56,098</b>

**TABLE 1**  
**(CONTINUED)**

**MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON**

**REVENUES AND EXPENSES**

**WATER SYSTEM – OPERATING EXPENSES**

	<b><u>Projected To 6/30/14</u></b>	<b><u>Budgeted FY 13/14</u></b>	<b><u>Difference Projected</u></b>
<b><u>STANDBY SERVICE</u></b>			
Water Purchases	\$17,988	\$14,000	-\$3,988
Power Costs	<u>0</u>	<u>1,000</u>	<u>1,000</u>
Total Standby Service	\$17,988	\$15,000	-\$2,988
 <b><u>WATER TREATMENT PLANT</u></b>			
Operating Labor	\$276,013	\$272,938	-\$3,075
Sludge Disposal Labor	2,635	19,776	17,141
Power – Treatment Plant	338,047	300,000	-38,047
Power – Raw Water Station	45,141	50,000	4,859
Heating – Treatment Plant	8,284	6,500	-1,784
Heating – Raw Water Station	748	1,000	252
Chemicals	192,566	180,000	-12,566
Supplies	8,433	8,000	-433
Laboratory	15,792	12,000	-3,792
General Maintenance	23,999	50,000	26,001
Maintenance - GAC Filters	0	27,972	27,972
Sludge Truck Operation	3,967	3,000	-967
Sludge Removal	15,195	28,000	12,805
Miscellaneous	<u>16,055</u>	<u>18,000</u>	<u>1,945</u>
Total Treatment & Pumping	\$946,874	\$977,186	\$30,312

**TABLE 1**  
**(CONTINUED)**

**MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON**

**REVENUES AND EXPENSES**

**WATER SYSTEM – OPERATING EXPENSES**

	<b><u>Projected To 6/30/14</u></b>	<b><u>Budgeted FY 13/14</u></b>	<b><u>Difference Projected</u></b>
<b><u>DISTRIBUTION SYSTEM</u></b>			
Operating Labor	\$440,446	\$437,918	-\$2,528
D.S. Vehicle Expense	54,611	50,000	-54,611
D.S. Equipment, Supplies, Paving	25,115	5,000	-20,115
Meter Reading / Repair /Replacement Labor	7,220	9,000	1,780
Materials (Sand & Gravel)	39,056	5,000	-34,056
Materials (Asphalt)	144,440	55,000	-89,440
Misc. Meals, Mileage, Training, Etc.	4,824	2,000	-2,824
Labor / Water Storage & Pumping	0	6,000	6,000
Water Storage & Pumping Maint & Materials	0	70,000	70,000
Power / Water Storage & Pumping	<u>12,812</u>	<u>14,000</u>	<u>1,188</u>
Total Distribution System	\$728,522	\$653,918	-\$74,604

**TABLE 1**  
**(CONTINUED)**

**MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON**

**REVENUES AND EXPENSES**

**WATER SYSTEM – OPERATING EXPENSES**

	<b><u>Projected To 6/30/14</u></b>	<b><u>Budgeted FY 13/14</u></b>	<b><u>Difference Projected</u></b>
<b><u>GENERAL AND ADMINISTRATION</u></b>			
Trustee Fees	\$14,497	\$14,000	-\$497
Director's Fees & Expenses	4,829	5,000	171
Administrative Salaries	137,813	137,937	124
Office Salaries	99,076	98,872	-204
Professional Services – Legal	45,229	20,000	-25,229
Professional Services – Engineering	27,685	20,000	-7,685
Professional Services – Audit	25,795	20,000	-5,795
Retirement	186,740	180,000	-6,740
Employee Benefits	503,477	520,000	16,523
Insurance	57,800	70,000	12,200
Payroll Taxes	81,728	78,000	-3,728
Office Supplies	25,708	43,000	17,292
Telephone	6,145	17,000	10,855
Utilities	2,725	7,000	4,275
Conferences, Training, Memberships, Etc.	8,031	4,000	-4,031
Miscellaneous	<u>9,551</u>	<u>15,000</u>	<u>5,449</u>
Total General & Administrative	\$1,292,771	\$1,249,809	-\$42,962
<b>TOTAL WATER SYSTEM OPERATING EXPENSES</b>	<b>\$2,986,155</b>	<b>\$2,895,913</b>	<b>-\$90,242</b>

**TABLE 2**  
**MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON**  
**REVENUES AND EXPENSES**  
**SEWER SYSTEM – OPERATING REVENUES**

	<b><u>Projected To 6/30/14</u></b>	<b><u>Budgeted FY 13/14</u></b>	<b><u>Difference Projected</u></b>
<b><u>Operating Revenues</u></b>			
<b><u>Metered Sales</u></b>			
Domestic	\$1,684,110	\$1,710,000	-\$25,890
Commercial	2,297,356	2,410,000	-112,644
Sewer Surcharge	<u>180,994</u>	<u>150,000</u>	<u>30,994</u>
Total Metered Sales	\$4,162,460	\$4,270,000	-\$107,540
<b><u>Miscellaneous Revenues</u></b>			
Penalties	\$45,887	\$34,000	\$11,887
Interest on Investments	549	1,000	-451
Miscellaneous	<u>18,530</u>	<u>30,000</u>	<u>-11,470</u>
Total Miscellaneous Revenues	\$64,966	\$65,000	-\$34
<b>TOTAL OPERATING REVENUES</b>	<b>\$4,227,426</b>	<b>\$4,335,000</b>	<b>-\$107,574</b>

**TABLE 2**  
**(CONTINUED)**

**MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON**

**REVENUES AND EXPENSES**

**SEWER SYSTEM – OPERATING EXPENSES**

	<b><u>Projected To 6/30/14</u></b>	<b><u>Budgeted FY 13/14</u></b>	<b><u>Difference Projected</u></b>
<b><u>SEWAGE TREATMENT PLANT</u></b>			
Plant Operating Labor	\$435,972	\$430,264	-\$5,708
Sludge Disposal Labor	61,330	64,589	3,259
Power	131,237	154,000	22,763
Natural Gas at Moon Run Sew.Treat. Plant	14,000	14,000	0
Chemicals	62,113	75,000	12,887
Supplies	23,863	23,000	-863
Laboratory	21,195	30,000	8,805
General Maintenance	44,231	80,000	35,769
Sewage Treatment Services			
MTMA	354,334	320,000	-34,334
ALCOSAN	181,161	180,000	-1,161
CORAOPOLIS	40,098	50,000	9,902
Sludge Disposal	98,556	77,000	-21,556
Miscellaneous	<u>0</u>	<u>1,000</u>	<u>1,000</u>
Total Sewage Treatment Plant	\$1,468,090	\$1,498,853	\$30,763

**TABLE 2**  
**(CONTINUED)**

**MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON**

**REVENUES AND EXPENSES**

**SEWER SYSTEM – OPERATING EXPENSES**

	<b><u>Projected To 6/30/14</u></b>	<b><u>Budgeted FY 13/14</u></b>	<b><u>Difference Projected</u></b>
<b><u>COLLECTION SYSTEM</u></b>			
Pump Station Power	\$38,971	\$40,000	\$1,029
Sludge Truck Operation	22,770	15,000	-\$7,770
General Maintenance – Sewers	28,837	35,000	6,163
General Maintenance Pump Stations	28,275	55,000	26,725
Supplies	2,705	1,000	-1,705
Vehicle Expenses	22,125	20,000	-2,125
Miscellaneous, Meals	333	1,000	667
Labor – Meter Reading & Repairs	43,218	46,000	2,782
EPA Consent Order Cleaning & Televising			
Total Collection System	\$187,234	\$213,000	\$25,766

**TABLE 2**  
**(CONTINUED)**

**MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON**

**REVENUES AND EXPENSES**

**SEWER SYSTEM – OPERATING EXPENSES**

	<b><u>Projected To 6/30/14</u></b>	<b><u>Budgeted FY 13/14</u></b>	<b><u>Difference Projected</u></b>
<b><u>GENERAL AND ADMINISTRATION</u></b>			
Trustee Fees	\$14,497	\$14,000	-\$497
Director's Fees & Expenses	4,829	5,000	171
Administrative Salaries	137,810	138,020	210
Office Salaries	99,024	98,806	-218
Professional Services – Legal	17,253	25,000	9,206
Professional Services – Engineering	25,794	25,000	-794
Professional Services – Audit	26,665	25,000	-1,665
Retirement	93,388	90,000	-3,388
Employee Benefits	302,408	275,000	-27,408
Insurance	57,692	70,000	12,308
Payroll Taxes	60,069	55,000	-5,069
Office Supplies	58,804	50,000	-8,804
Telephone	22,158	17,000	-5,158
Utilities	6,153	9,000	2,847
Conferences, Training, Memberships, etc.	4,603	3,000	-1,603
Miscellaneous	<u>1,985</u>	<u>4,500</u>	<u>2,515</u>
Total General and Administrative	\$933,213	\$904,326	-\$28,887
<b>TOTAL OPERATING EXPENSES</b>	<b>\$2,588,537</b>	<b>\$2,616,179</b>	<b>\$27,642</b>

**TABLE 3**

**MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON**

**PROPOSED FY 14/15 BUDGET**

**WATER SYSTEM – OPERATING REVENUE**

	<b><u>Proposed FY 14/15 Budget</u></b>
<b><u>Operating Revenues</u></b>	
<b><u>Metered Sales</u></b>	
Domestic	\$1,420,000
Commercial	2,115,968
Wholesale	700,000
	<hr/>
Total Metered Sales	\$4,235,968
<b><u>Unmetered Sales</u></b>	
Fire Protection (Public)	\$4,100
Fire Protection (Private)	170,000
	<hr/>
Total Unmetered Sales	\$174,100
<b><u>Miscellaneous Revenues</u></b>	
Penalties	\$46,000
Interest on Investments	550
Merchandise and Job Revenue	9,000
Other Income Verizon, and Sprint (Water Tower Leases)	60,700
Miscellaneous	16,700
	<hr/>
Total Miscellaneous Revenues	\$132,950
 <b>TOTAL OPERATING WATER SYSTEM REVENUES</b>	 <b>\$4,543,018</b>

**TABLE 3**  
**(CONTINUED)**

**MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON**

**PROPOSED FY 14/15 BUDGET**

**WATER SYSTEM – OPERATING EXPENSES**

	<b><u>Proposed FY 14/15 Budget</u></b>
<u>Standby Service</u>	
Water Purchases	\$15,000
Power Costs	<u>0</u>
Total Standby Service	\$15,000
<u>Water Treatment Plant</u>	
Operating Labor	\$276,013
Sludge Disposal Labor	2,635
Power – Treatment Plant	280,000
Power – Raw Water Station	42,000
Heating – Treatment Plant	8,284
Heating – Raw Water Station	748
Chemicals	150,000
Supplies	8,433
Laboratory	15,792
General Maintenance	23,999
Maintenance – GAC Filters	55,000
Sludge Truck Operation	3,967
Sludge Removal	15,195
Miscellaneous	16,055
Year 1 Customer First SCADA Support & Coverage	<u>18,888</u>
Total Treatment & Pumping	\$917,009

**TABLE 3**  
**(CONTINUED)**

**MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON**

**PROPOSED FY 14/15 BUDGET**

**WATER SYSTEM – OPERATING EXPENSES**

	<b>Proposed FY 14/15 Budget</b>
<u>Distribution System</u>	
Operating Labor	\$440,446
D.S. Vehicle Expense	50,000
D.S. Equipment, Supplies, Paving	15,000
Meter Reading/Repair/Replacement Labor	7,220
Materials (Sand & Gravel)	39,056
Materials (Asphalt)	50,000
Misc. Meals, Mileage, Training, etc.	
Labor/Water Storage & Pumping	
Water Storage & Pumping Maintenance & Materials	4,824
Power/Water Storage & Pumping	12,812
	<hr/>
Total Distribution System	\$619,358

**TABLE 3**  
**(CONTINUED)**

**MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON**

**PROPOSED FY 14/15 BUDGET**

**WATER SYSTEM – OPERATING EXPENSES**

	<b><u>Proposed FY 14/15 Budget</u></b>
<b><u>General and Administrative</u></b>	
Trustee Fees	\$14,497
Director's Fees & Expenses	4,829
Administrative Salaries	137,813
Office Salaries	99,076
Professional Services – Legal	20,000
Professional Services – Engineering	20,000
Professional Services – Audit	25,795
Retirement	186,740
Employee Benefits	503,477
Insurance	57,800
Payroll Taxes	81,728
Office Supplies	50,000
Telephone	25,708
Utilities	6,145
Conferences, Training, Memberships, etc.	5,000
Miscellaneous	<u>12,276</u>
Total General and Administrative	\$1,250,884
 <b>TOTAL WATER SYSTEM OPERATING EXPENSES</b>	 <b>\$2,802,251</b>

**TABLE 4**

**MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON**

**PROPOSED FY 14/15 BUDGET**

**SEWER SYSTEM – OPERATING REVENUES**

	<b><u>Proposed FY 14/15 Budget</u></b>
<b><u>Operating Revenues</u></b>	
<b><u>Metered Sales</u></b>	
Domestic	\$1,684,110
Commercial	2,297,356
Sewer Surcharge	<u>180,994</u>
Total Metered Sales	\$4,162,460
<b><u>Miscellaneous Revenues</u></b>	
Penalties	\$45,887
Interest on Investments	549
Miscellaneous/Billed Labor	<u>18,530</u>
Total Miscellaneous Revenues	\$64,996
 <b>TOTAL SEWER SYSTEM OPERATING REVENUES</b>	 <b>\$4,227,426</b>

**TABLE 4**  
**(CONTINUED)**

**MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON**

**PROPOSED FY 14/15 BUDGET**

**SEWER SYSTEM – OPERATING EXPENSES**

			<b>Proposed FY 14/15 Budget</b>
<u>Sewage Treatment Plant</u>			
Plant Operating Labor			\$435,972
Sludge Disposal Labor			61,330
Power			131,237
Natural Gas at Moon Run Sewage Treatment Plant			14,000
Chemicals			23,143
Supplies			23,863
Laboratory			21,195
General Maintenance			35,000
Sewage Treatment Services	ALCOSAN		190,000
	MTMA		340,000
	CORAOPOLIS		51,369
Sludge Disposal			98,556
Miscellaneous			0
Total Sewage Treatment Plant			\$1,425,665

**TABLE 4**  
**(CONTINUED)**

**MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON**

**PROPOSED FY 14/15 BUDGET**

**SEWER SYSTEM – OPERATING EXPENSES**

	<b>Proposed FY 14/15 Budget</b>
<u>Collection System</u>	
Pump Station Power	\$38,971
Sludge Truck Operation	20,000
General Maintenance - Sewers	28,837
General Maintenance - Pump Stations	28,275
Supplies	2,705
Vehicle Expenses	20,000
Miscellaneous	333
Labor for Meter Reading, & Repairs	43,218
EPA Consent Order Cleaning & Televising	0
	<hr/>
Total Collection System	\$182,339

**TABLE 4**  
**(CONTINUED)**

**MUNICIPAL AUTHORITY OF THE TOWNSHIP OF ROBINSON**

**PROPOSED FY 14/15 BUDGET**

**SEWER SYSTEM – OPERATING EXPENSES**

	<b>Proposed FY 14/15 Budget</b>
<hr/>	
<u>General and Administrative</u>	
Trustee Fees	\$14,497
Director's Fees & Expenses	4,829
Administrative Salaries	137,810
Office Salaries	99,024
Professional Fees – Legal	17,253
Professional Fees – Engineering	20,000
Professional Fees – Audit	26,665
Retirement	93,388
Employee Benefits	302,488
Insurance	57,692
Payroll Taxes	60,069
Office Supplies	58,804
Telephone	20,000
Utilities	6,153
Conferences, Training, Memberships, etc.	4,603
Miscellaneous	1,985
	<hr/>
Total General and Administrative	\$924,389
<b>TOTAL SEWER SYSTEM OPERATING EXPENSES</b>	<b>\$2,532,393</b>

**BUDGET TEST**

**SUMMARY OF REVENUES, EXPENSES, AND DEBT SERVICE PAYMENTS**

	<u>Revenues and Expenses</u>
<u>Operating Revenues</u>	
Water System	\$4,543,018
Sewer System	<u>4,227,426</u>
<b>TOTAL OPERATING REVENUES</b>	<b>\$8,770,444</b>
<u>Operating Expenses</u>	<u>Expenses</u>
Water System	\$2,802,251
Comprehensive Sewer System	<u>2,532,393</u>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$5,334,644</b>
<b>NET OPERATING REVENUES (Before Debt Service)</b>	<b>\$3,435,800</b>
<u>Debt Service Payments</u>	
Debt Service	\$3,107,767.50
Debt Service Coverage 10%	\$310,776.75
Total Debt Service + Cover	\$3,418,544.25
Net Operating Revenues	
Difference	\$17,255.80

## **SALES AND RATE REVIEW**

Residential water and sewer sales are projected to be lower by 2% for the fiscal year ending June 30, 2014 as compared to the same period one (1) year ago. Wholesale water sales are projected to be lower than budgeted due to leak repair by the Findlay Township Municipal Authority. Additionally, commercial sewer sales are lower by approximately 4% than the budgeted figures, despite commercial water sales not having been affected.

## **WATER SYSTEM OPERATING EXPENSES**

Expenses are projected to exceed budget values by \$90,242 due to the following:

1. Power at the water treatment plant = \$38,047.
2. Chemicals at the water treatment plant = \$12,566.
3. Asphalt repair.

## **SEWER SYSTEM OPERATING EXPENSES**

Expenses are projected to be below budgeted values.

## **PROPOSED FISCAL YEAR 2014/2015 BUDGET**

We have budgeted for flat water and sewer sales across all categories. Wages were not increased from the previous fiscal year.

The budget assumes that the Authority will maintain or exceed current water production and leak repair status. This is reflected in the Power and Chemical expense budget items.

Relative to the sewerage system rate increases for Alcosan and Coraopolis have been accounted in the budget item value.

The budget test on page 21 projects a surplus of \$17, 255.80 after allowing for a 10% debt service cover of \$310,776.75. Therefore, no rate increase for water or sewer is necessary for the next fiscal year.