

# 2012 Proposed Capital Plan

## Introduction

- 2011 Capital Plan Summary
  - Planned \$1,521,000
  - Total expended will be \$1,487,000
    - Progress on most projects
- 2012 Plan recognizes reduced financial position
  - Scaled back investment in facilities
  - No major sewer rehabilitation project
  - Accumulates funds for DC Plant Design

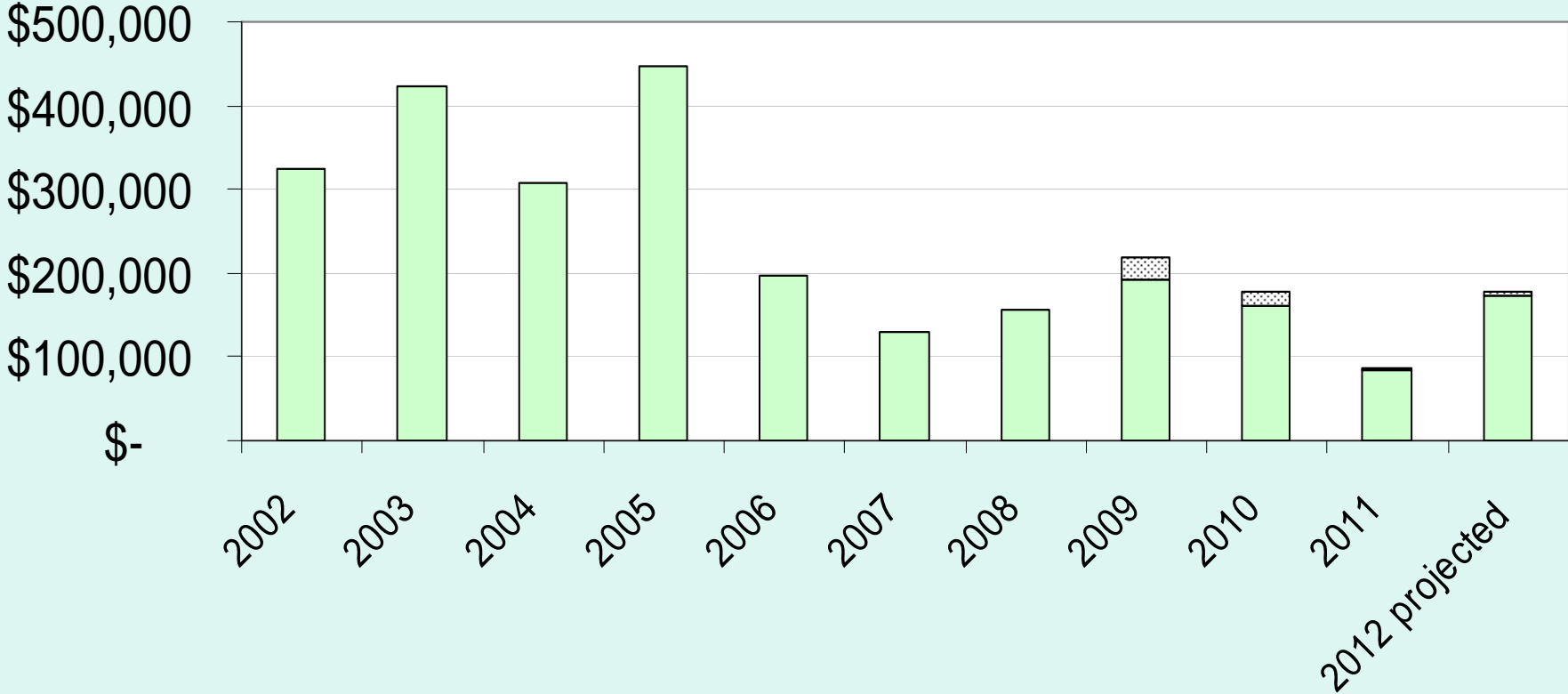
## Capital Plan Funding

- Requires \$1 million annual reinvestment in our facilities
- Annual revenue available limited to \$570,000 (taps, interest, and surplus)
- Requires regular sewer use rate increases to generate additional surpluses
- Tap fee revenue is down from 2005

# Figure 1

## Historic Tapping Fee Revenue

Tap Revenue Tap Reimbursement



## Status of 2011 Priorities

1. Complete BR Wet Weather Design/Construct 50% Plan - Completed
2. Complete Construction of Energy Improvements- Completed
3. Construct Route 19/Valley Brook Relocation - Delayed  
Project has been awarded but Right of Way issues
4. DC Stream Relocation Permitting – Complete as far as we can go
5. Complete Valley View Sewer Ext. Design/Permitting/Right of Ways  
- Completed except for last three right of ways
6. Construct Component A of Valley View Extension  
- Underway, permitting delayed start
7. Reserves \$250,000 for DC Plant Replacement Design – Reserved
8. Design Upper/Lower Pelipetz VB Interceptor Augment.  
Delayed due to Rt. 19/VB Relocation delayed

## Status of CIRF

- 2011 Cash Flow Chart
  - Predicted \$1.22 million balance after 2011 expenditures
- CIRF Balance 10/31/2011 = \$1.845 million
  - Includes:
    - \$943,767 in PNC Tap & Assess sub-account
    - \$137,812 in Construction Fund
- CIRF Balance 12/31/2011 = \$1.075 million

# Sources of Funds

- Tapping Fees
- Special Purpose Tapping Fees
- Assessments
- Operating Budget Surplus (Debt Service Cover and Equip. Replacement Allowance)
- Investment Interest
- Grants, if any
- Borrowed Funds, if any
- Any Questions on Sources of Funds in Document?

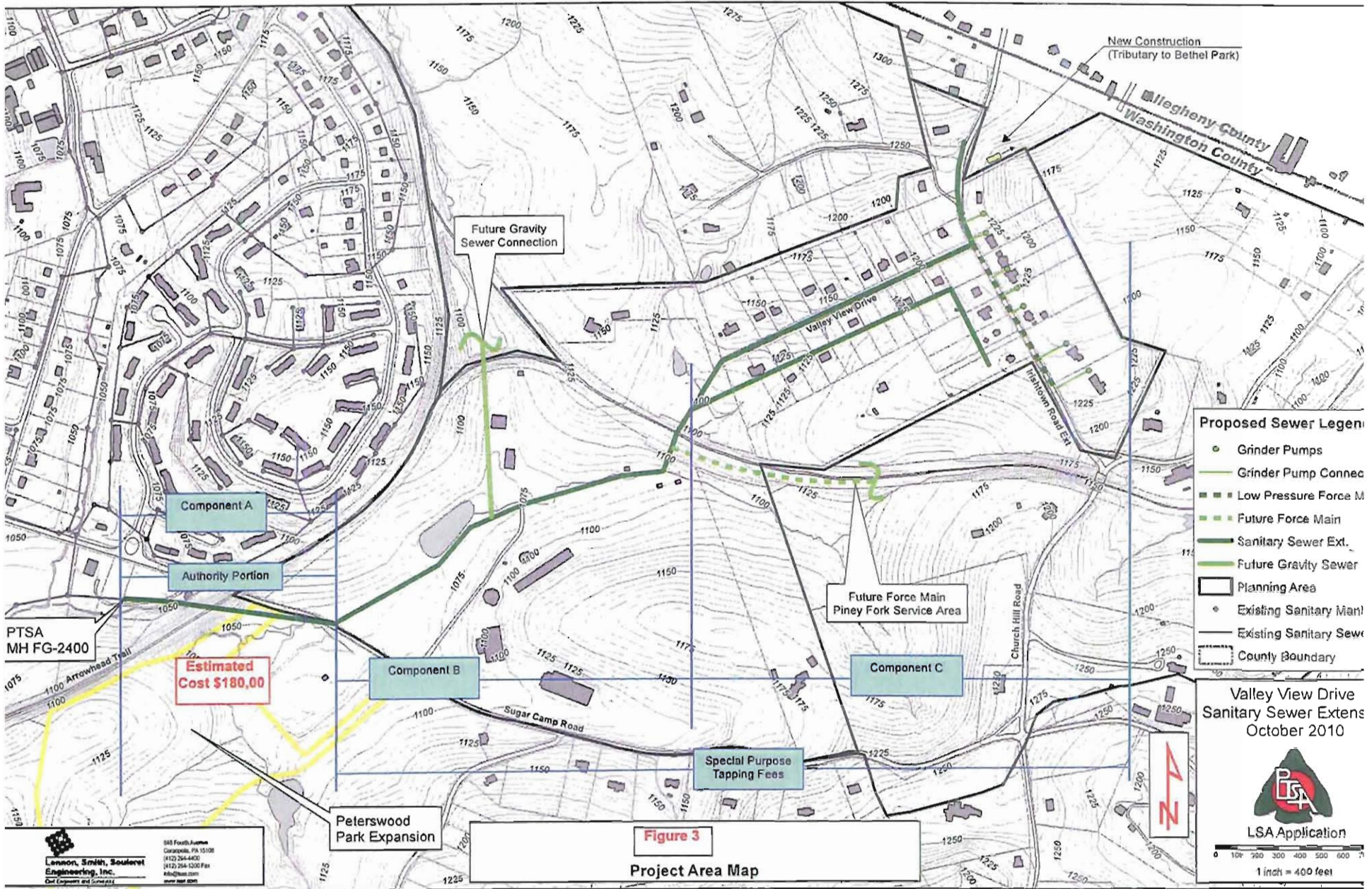
# Recommended 2012 Priorities

1. Complete BR Wet Weather, \$674,000
2. Complete Component A of Valley View, \$48,000  
Assumed bulk of work done in November but not so
3. Construct Rt 19 Ramp Intercept, \$40,000 (Construction Phase Engineering)
4. Bid and Construct Valley View Extension, \$965,000
5. Initiate DC Plant Replacement Design (\$850,00 total)  
Est. 2012 cost: \$350,00, with \$500,000 in 2013/2014
6. Friar Lane Pilot Program Repairs, \$180,000
7. Complete DC NPDES Permit Renewal App., \$6,000
8. Replace 2000 GMC Van with New Van, \$37,000

Total of all 8 Priorities = \$2.3 million

Sources of Funds = \$2,878,200 with \$600,000 borrowing

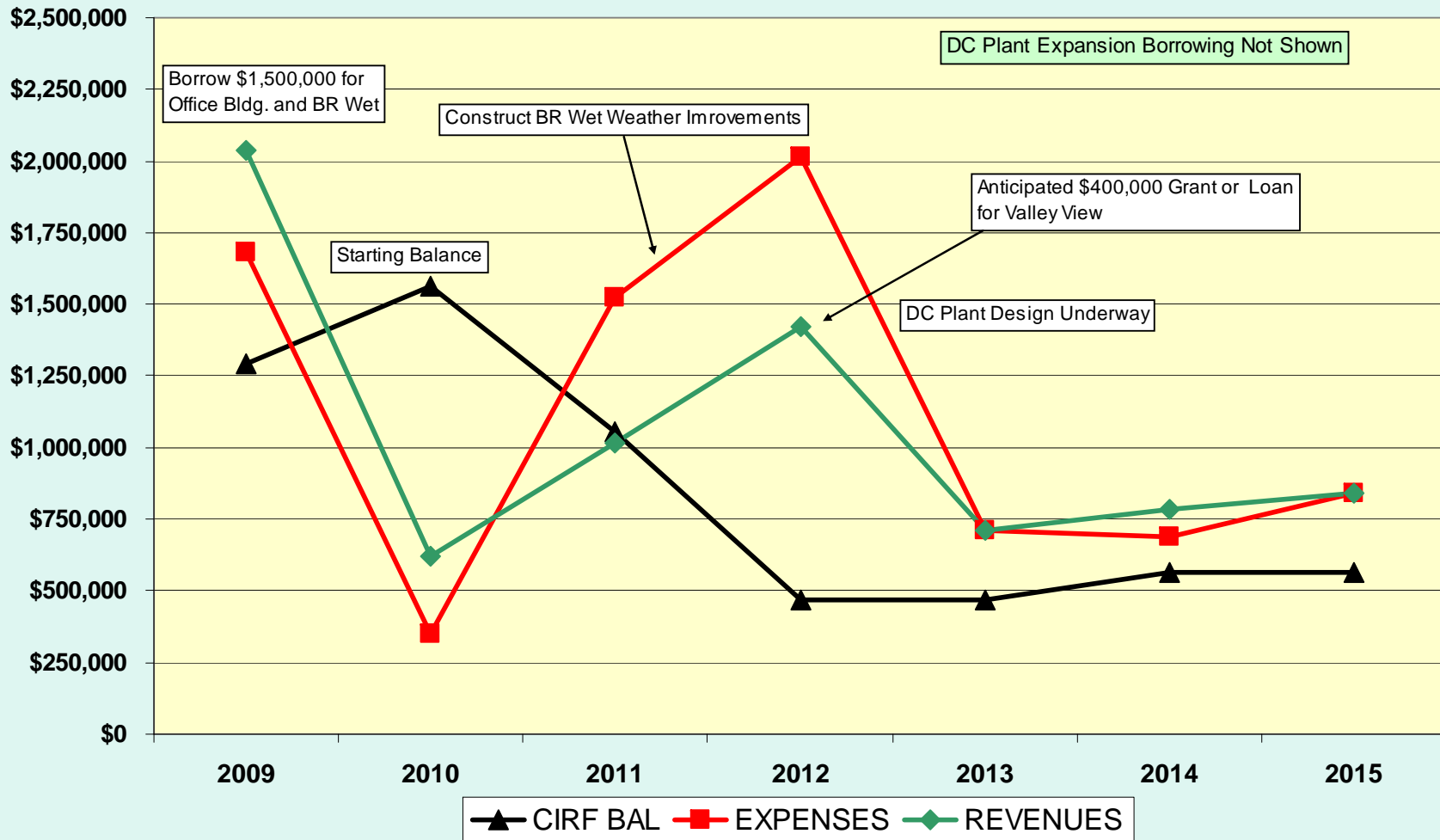




## Future Year Projects

- DC Plant Expansion Design Engineering
  - Start Design in 2012, \$350,000; complete 2013/2014
- Construct Remaining VB Interceptor Augmentation
  - Upper Pelipetz in 2014, \$350,000
  - Lower Pelipetz in 2015, \$275,000
- Crestview Acres Sewer Replacement, 2016
- Bremen Lane Sewer Replacement, 2015
- Marella Manor/USC/ALCOSAN, \$170,000
  - 2014 = \$50,000, 2015 = \$60,000, 2016 = \$60,000
- Replace Main Line CCTV in 2013, \$50,000
- Replace vehicles in 2015

**Figure 7  
FIVE YEAR CAPITAL PLAN FOR 2011  
PREDICTED CASH FLOW (End of Year)**



# Strategic Planning

- Planning Concept No. 1: Manage our finances to maintain a minimum CIRF balance of \$500,000
- Planning Concept No. 2: Manage our facilities and finances to assure that debt service per customer does not exceed existing (Year 2000) values; while targeting future reductions
- Planning Concept No. 3: Commit to meaningful, cost-effective, I/I reduction; with a target value of 10% reduction over the next 5 years
- Planning Concept No. 4: Plan to Achieve a hydraulic rerating of the Brush Run Plant to 2.3 MGD, when and if needed
- Planning Concept No. 5: Stay informed regarding water quality and watershed management issues (such as TMDLs, and impending statewide nitrogen and phosphorous limits)

# Strategic Planning-Continued

- Planning Concept No. 6: Explore sludge disposal alternatives, including land application; and commit to keeping our biosolids clean and re-useable
- Planning Concept No. 7. Defer DC Plant Expansion for as long as possible in order to retire as much Bond principal as possible, and plan to pay all planning and design engineering costs from the CIRF
- Planning Concept No. 8. Determine early if we wish to pursue a Pennvest loan for the DC Plant Expansion project, and if so, begin the process of ensuring that we obtain approval within our schedule
- Concept No. 9. Design the DC Plant Upgrade for the 21st Century. This means energy efficient, using new or emerging technologies
- Planning Concept No. 10. Begin thinking green. Resource recovery and reutilization.
- Planning Concept No. 11. Work to achieve our Mission every day.



## ***PETERS TOWNSHIP SANITARY AUTHORITY***

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### ***MISSION STATEMENT***

*Protect the health and welfare of present and future Peters Township community by safely providing cost-effective wastewater disposal in accordance with laws and regulations*

### ***VISION STATEMENT***

*A professionally managed, forward looking, efficient utility that is responsive and accountable to its customers and respects and values its employees*

Adopted May 9, 2006