

Derry Township Municipal Authority

2018 Wastewater Fund Budget

Approved by the DTMA Board

November 13, 2017

Resolution #2017-29



TABLE 1
OPERATING FUND
Comparative Cash Budget (in thousands)

Category / Item	2018	2017	Δ\$	Δ%
Receipts (Refer to Table 2 for Detail)				
Direct Customers	7,831.7	7,719.8	111.9	1.4%
Municipal Customers ¹	613.0	632.0	(19.0)	(3.0%)
Hauled Waste	1,139.0	1,165.0	(26.0)	(2.2%)
Other Routine ²	505.0	416.8	88.2	21.2%
Connection Related ³	117.4	103.7	13.7	13.2%
Stormwater Program ⁴	0.0	194.9	(194.9)	~
Interest-Operating Fund ⁵	64.1	27.7	36.4	131.4%
Interest-Trust and Restricted Funds ⁶	52.9	22.0	30.9	140.5%
Totals before Grants	10,323.1	10,281.9	41.2	0.4%
Transfers from Stormwater Fund	0.0	310.0	(310.0)	~
Transfers from Operating Reserve Fund	150.0	0.0	150.0	~
Federal & State Grants	0.0	358.7	(358.7)	~
Totals	10,473.1	10,950.6	(477.5)	(4.4%)
Disbursements (Refer to Table 3 for Detail)				
Departmental Expenditures ⁷	6,577.0	6,351.7	225.3	3.5%
Projects	230.5	176.0	54.5	31.0%
Capital Expenditures	152.2	197.0	(44.8)	(22.7%)
Debt Service Payments ⁸	3,174.8	3,023.5	151.3	5.0%
Capital Lease Payments ⁹	365.8	365.8	0.0	0.0%
Totals before Transfers	10,500.3	10,114.0	386.3	3.8%
Transfers to Operating Reserve Fund	0.0	100.0	(100.0)	(100.0%)
Transfers to Resource Allocation Fund	250.0	250.0	0.0	~
Transfers to 2015 Capital Projects Fund	0.0	0.0	0.0	~
Totals	10,750.3	10,464.0	286.3	2.7%
Net Cash				
Inc (Dec) before Grants/Transfers	(177.2)	167.9	(345.1)	(205.5%)
Increase (Decrease)	(277.2)	486.6	(763.8)	(157.0%)
Beginning Cash Balance	6,116.5			
Ending Cash Balance	5,839.3			

TABLE 2
OPERATING FUND
Receipt Detail (in thousands)

Category / Item	2018	2017	Δ\$	Δ%
1 - Municipal Customers				
Lower Swatara	138.0	164.0	(26.0)	(15.9%)
South Hanover	475.0	468.0	7.0	1.5%
Totals¹	613.0	632.0	(19.0)	(3.0%)
2 - Other Routine				
Late Payment Fees	43.5	38.0	5.5	14.5%
Hershey Sludge Processing	94.0	83.0	11.0	13.3%
Surcharges	250.0	200.0	50.0	25.0%
Reimb for Developer Inspections	16.5	17.4	(0.9)	(5.2%)
Miscellaneous	101.0	78.4	22.6	28.8%
Totals²	505.0	416.8	88.2	21.2%
3 - Connection Related Fees				
Inspection	4.9	4.6	0.3	6.5%
Lateral Install & Special Purpose	7.7	4.9	2.8	57.1%
Installment Payments	1.5	3.2	(1.7)	(53.1%)
Capacity	103.3	91.0	12.3	13.5%
Totals³	117.4	103.7	13.7	13.2%
4 - Stormwater Program				
Lease Revenue	0.0	21.2	(21.2)	~
Jobbing	0.0	173.7	(173.7)	~
Totals⁴	0.0	194.9	(194.9)	~
5 - Interest-Operating Fund				
Checking	13.4	5.6	7.8	139.3%
Investments	50.7	22.1	28.6	129.4%
Totals⁵	64.1	27.7	36.4	131.4%
6 - Interest-Trust and Restricted Funds				
Operating Reserve	13.2	5.9	7.3	123.7%
Flood Reserve	3.0	1.3	1.7	130.8%
Resource Allocation Fund	6.8	0.0	6.8	~
Debt Service Reserve	20.4	9.5	10.9	114.7%
BR&I Fund	7.7	3.3	4.4	133.3%
2015 Capital Projects Fund	1.8	2.0	(0.2)	(10.0%)
Totals⁶	52.9	22.0	26.7	121.4%

TABLE 3
OPERATING FUND
Disbursement Detail (in thousands)

Category / Item	2018	2017	Δ\$	Δ%
7 - Departmental Expenses				
Administration	3,018.7	2,878.1	140.6	4.9%
Collection System	646.1	616.4	29.7	4.8%
Operation	1,861.9	2,153.3	(291.4)	(13.5%)
Maintenance	691.1	359.1	332.0	92.5%
Technical Services	359.2	344.8	14.4	4.2%
Total Departmental⁷	6,577.0	6,351.7	225.3	3.6%
8 - Debt Service Payments				
Authority Bond Issues				
2005	0.2	0.2	0.0	0.0%
2015	1,057.3	901.9	155.4	17.2%
2016	854.3	1,137.8	(283.5)	~
Derry Township Subsidy Agreements				
2014	315.7	312.5	3.2	1.0%
2015	582.3	308.5	273.8	88.8%
2016 Note	301.3	362.6	(61.3)	~
2018	63.7	0.0	63.7	~
Totals⁸	3,174.8	3,023.5	87.6	2.9%
9 - Capital Lease Payments				
Conewago Phase I	159.6	159.6	0.0	0.0%
Conewago Phase II	206.2	206.2	0.0	0.0%
Totals⁹	365.8	365.8	0.0	0.0%

**TABLE 4
WASTEWATER FUNDS SUMMARY
Projected Changes in Operating, Restricted and Trust Fund Balances
(Cash Basis)**

Description	FUNDS								Restricted and Trust Totals
	Operating	Restricted			Trust			2015 Capital Projects Fund	
	Checking and Investments	Operating Reserve	Flood Reserve	Resource Allocation Fund	Debt Service	Debt Service Reserve	BR&I Fund		
Balances									
as of January 1, 2018	6,116,500	1,013,200	200,000	562,600	0	1,463,300	517,700	1,049,100	4,805,900
Add:									
Receipts	10,323,100			250,000					250,000
Interest Earnings		13,200	3,000	6,800		20,400	7,700	1,800	52,900
Transfer from Operating Reserve Fund	150,000								0
									0
Deduct:									
Disbursements	10,500,300							939,200	939,200
Transfer to Resource Allocation Fund	250,000								0
Transfer to Operating Fund		150,000							150,000
Interest Trans to Operating Fund			3,000						3,000
Balances									
as of December 31, 2018	5,839,300	876,400	200,000	819,400	0	1,483,700	525,400	111,700	4,016,600
Change in Fund									
Increase (Decrease)	(277,200)	(136,800)	0	256,800	0	20,400	7,700	(937,400)	(789,300)

TABLE 5
OPERATING FUND
Projects and Capital Expenditures

Project	Total Cost	Expense	Capital
No. Name			
1. IT Projects	181,100	28,900	152,200
2. WSH2 Pump Station Renovation	21,600	21,600	0
3. Centrifuge Service	60,000	60,000	0
4. ESD Painting	70,000	70,000	0
5. Paving	50,000	50,000	0
Totals	382,700	230,500	152,200

TABLE 6
CAPITAL PROJECTS FUND
Projects and Capital Expenditures

Project No. Name	Total Cost	Paid in 2017	Paid in 2018
In Process			
1. Southwest Plant Sludge Thickening	300,000	0	300,000
2. 2018 Sanitary Sewer Repairs	117,800	13,800	104,000
3. Pipe (CIPP) Lining & Manhole Rehab	175,500	11,500	164,000
Subtotal	593,300	25,300	568,000
Planned			
4. Infrastructure Protective Coatings	230,000	0	230,000
9. Manhole Adjustments & Paving	75,200	0	75,200
10. Cocoa Townes Sanitary Sewer Relocation	66,000	0	66,000
Subtotal	371,200	0	371,200
Totals	964,500	25,300	939,200

TABLE 7
2018 Construction Fund Projects
\$5,000,000

Wastewater Projects		
No.	Name	Total Project Cost
1	CoGen Unit #2	1,300,000
2	CW Sludge Dewatering	720,000
3	SB Boiler	60,000
4	HW Supply/Return Lines	80,000
5	Centrifuge Rotating Assembly	350,000
6	CW & SW Security Improvements	100,000
7	New Primary Sludge Pumps & Add-On Piping	320,000
8	Insulate BioGas Skid	10,000
9	New BioGas Meter & Piping	15,000
10	Plant Vehicle	15,000
11	SW WWTP New Chopper Style WAS Pumps	50,000
12	SW City Water Hook-Up	70,000
13	SW Sludge Blanket Detectors	10,000
14	Misc Projects	50,000
Subtotal		3,150,000
Percentage of total bond proceeds		63%
Stormwater Projects		
1	Grove Street Improvements	920,000
2	Pipe and Inlet Replacement	500,000
3	Various SW Studies & GIS Data Layer Upgrade	100,000
4	TV Inspection Van	206,000
5	Misc Projects	50,000
Subtotal		1,776,000
Percentage of total bond proceeds		36%
Total		4,926,000

ATTACHMENT A
STATEMENT OF REVENUES AND EXPENSES
Budget and Annual Comparison
For the period from January 1, 2017 to September 30, 2017
(displayed in \$1,000s)

	2017 YTD	Budget YTD	Increase (Decrease)	%Δ	2017 Budget
Operating revenues:					
Sewer service:					
Direct customers	\$5,667.6	\$5,669.9	(\$2.3)	(0.0%)	\$7,719.8
Municipal customers	471.0	473.9	(2.9)	(0.6%)	632.0
Hauled waste processing	850.1	873.9	(23.8)	(2.7%)	1,165.0
Surcharges	271.7	149.3	122.4	82.0%	200.0
Biosolids processing	72.3	62.2	10.1	16.3%	83.0
Connection, related fees	10.1	17.4	(7.3)	(41.7%)	26.9
Other	43.4	72.8	(29.4)	(40.4%)	89.8
Stormwater program	0.0	15.3	(15.3)	(100.0%)	21.2
Total operating revenue	7,386.2	7,334.7	51.5	0.7%	9,937.7
Operating expenses:					
(incl. payroll taxes & benefits)	1,918.4	2,164.4	(246.0)	(11.4%)	2,704.4
Collection system	358.2	480.3	(122.1)	(25.4%)	616.4
Plant operations & maintenance	1,774.6	1,842.6	(68.0)	(3.7%)	2,512.4
Technical services	227.1	252.9	(25.8)	(10.2%)	344.8
Project expenses	37.7	109.2	0.0	0.0%	176.0
Total operating expenses	4,316.0	4,849.4	(461.9)	(9.5%)	6,354.0
Operating income before depreciation & amortization	3,070.2	2,485.3	584.9	23.5%	3,583.7
Depreciation	2,403.4	2,395.9	7.5	0.3%	3,192.4
Operating income (loss)	666.8	89.4	577.4	645.9%	391.3
Nonoperating revenues:					
Interest income	65.5	41.2	24.3	59.0%	56.2
Government grants	0.0	0.0	0.0	-	358.7
Capacity fees	126.0	89.4	36.6	40.9%	91.0
Other	29.4	19.9	9.5	47.5%	26.6
Total nonoperating revenue	220.8	150.5	70.3	46.7%	532.5
Nonoperating expenses:					
Interest on bonds, notes, & leases	758.7	759.0	(0.3)	(0.0%)	1,011.2
Amortization	(48.1)	(48.8)	0.7	(1.4%)	(64.2)
Bond issuance costs	0.0	0.0	0.0	-	0.0
Other	0.0	0.0	0.0	-	0.0
Total nonoperating expenses	710.5	710.2	0.3	0.0%	947.0
Income (loss) before contributions	177.1	(470.3)	647.4		(23.2)
Sewer extensions contributed by developers	456.6	0	456.6	-	0
Increase (decrease) in net position	\$633.7	(\$470.3)	\$1,104.0	-	(\$23.2)

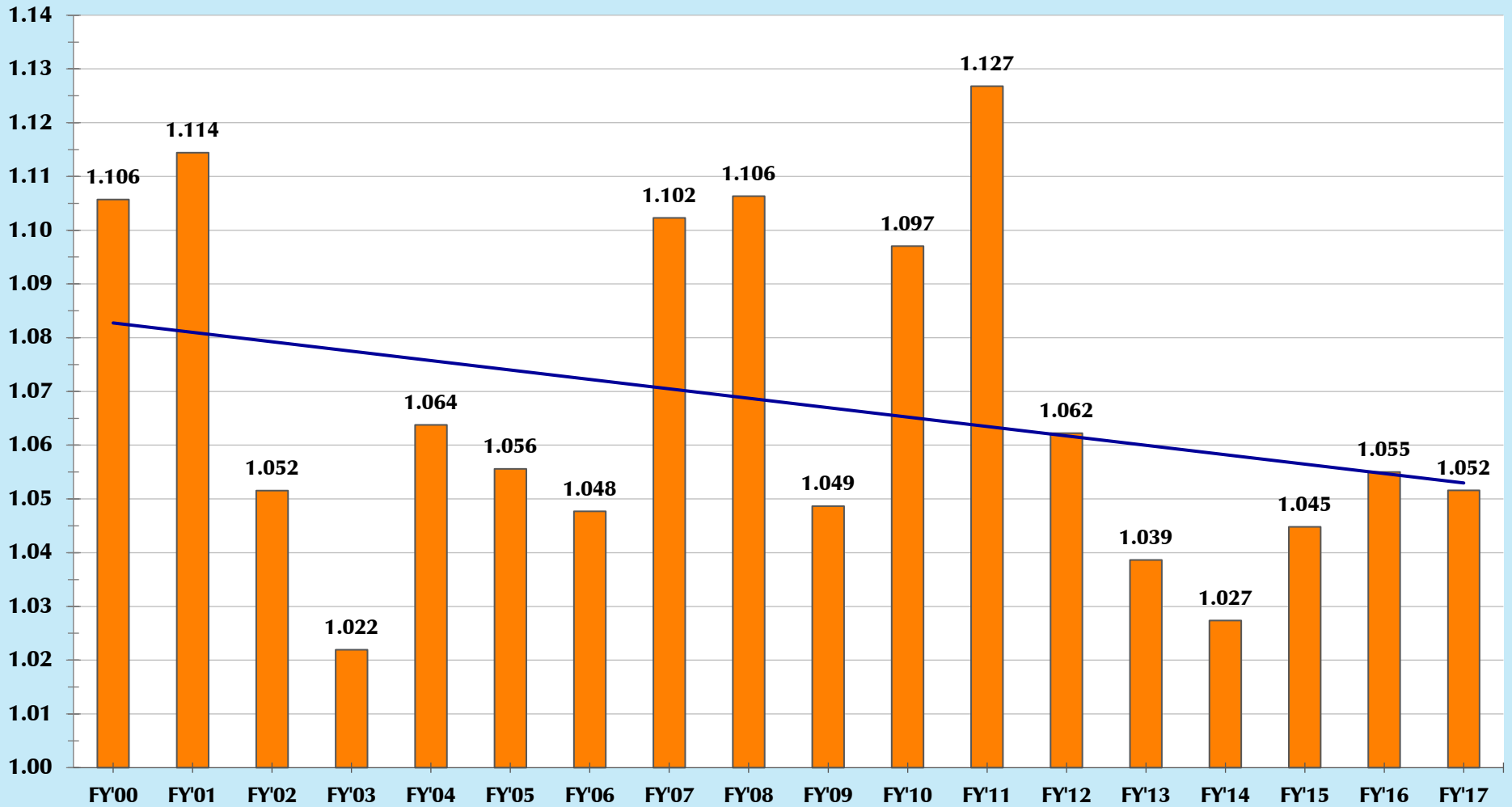
ATTACHMENT B
OPERATING FUND
Consolidated Change in Net Position
(in thousands)

Category / Item	2018 Budget	2017 Budget	Difference Amount	%
Operating revenues	10,075.3	10,111.4	(36.1)	(0.4%)
Operating expenses	6,807.5	6,527.7	279.8	4.3%
Income before depreciation and amortization	3,267.8	3,583.7	(315.9)	(8.8%)
Depreciation and amortization	3,168.6	3,128.2	40.4	1.3%
Net income (loss)	99.2	455.5	(356.3)	(78.2%)
Non-operating revenues	234.7	532.5	(297.8)	(55.9%)
Non-operating expenses	1,095.4	1,011.2	84.2	8.3%
Change in net position	(761.5)	(23.2)	(738.3)	

ATTACHMENT C
OPERATING FUND
Change in Net Position - Detail

Category / Item	2018 Budget	2017 Budget	Difference Amount	Difference %
Operating Revenue				
Direct Customers	7,831.7	7,719.8	111.9	1.4%
Municipal Customers	613.0	632.0	(19.0)	(3.0%)
Hauled Waste	1,139.0	1,165.0	(26.0)	(2.2%)
Other Routine	462.5	372.8	89.7	24.1%
Connection Related	29.1	26.9	2.2	8.2%
Stormwater Program	0.0	194.9	(194.9)	(100.0%)
Operating revenue	10,075.3	10,111.4	(36.1)	(0.4%)
Operating Expenses				
Administration	3,018.7	2,878.1	140.6	4.9%
Collection System	646.1	616.4	29.7	4.8%
Operation & Maintenance	2,553.0	2,512.4	40.6	1.6%
Technical Services	359.2	344.8	14.4	4.2%
Projects	230.5	176.0	54.5	31.0%
Operating expenses	6,807.5	6,527.7	279.8	4.3%
Net Income (Loss)				
Earnings before depreciation & amortization	3,267.8	3,583.7	(315.9)	(8.8%)
Less: depreciation & amortization	3,168.6	3,128.2	40.4	1.3%
Net income (loss)	99.2	455.5	(356.3)	(78.2%)
Nonoperating Revenue				
Interest Income	105.4	56.2	49.2	87.5%
Capacity Fees	103.3	91.0	12.3	13.5%
Federal and State Grants	0.0	358.7	(358.7)	-
Miscellaneous	26.0	26.6	(0.6)	(2.3%)
Non-operating revenue	234.7	532.5	(297.8)	(55.9%)
Nonoperating Expense				
Interest on Debt	1,019.8	1,011.2	8.6	0.9%
Bond Issue Costs	75.6	0.0	75.6	-
Other	0.0	0.0	0.0	-
Non-operating expense	1,095.4	1,011.2	84.2	8.3%
Increase (Decrease) in Net Position				
Change in net position	(761.5)	(23.2)	(738.3)	

ATTACHMENT D BILLABLE WASTEWATER (BILLION GALLONS PER YEAR)



■ BILLABLE WASTEWATER

SOLID BLUE LINE REPRESENTS A LINEAR REGRESSION PERFORMED ON THE BILLABLE WASTEWATER VOLUME DATA FROM 2000 THRU 2017