

Mt. Pleasant Township Municipal Authority

Act 537 Plan
Area Wide Sanitary Sewer Project

Project Status

- KLH is currently 95% complete with the design.
 1. Only item remaining is McCarrell Road Pump Station design.
 2. Finalize NPDES permitting.
 3. Submit for WQM Part II Permit.
- 613 rights-of-way have been completed and delivered to the Solicitor. KLH has not invoiced due to lack of Authority funds.
- KLH, Authority, and Township are working on a \$2M line of credit to complete the design phase including rights-of-way.
- A PennVest planning consultation meeting was held on February 23, 2017.

PennVest Planning

- PennVest stated project affordability rate is \$95/month. This is consistent with the Act 537 Plan.
- The affordability is based on an HMI of approximately \$73,000/year.
- Stated project funding package would get us \$95/month in combination of loan, extended term, and grant.
- PennVest gives out \$15M in grants 4 times per year. We need \$8.6M to get to \$95/month.
- Authority could do an independent household income survey, however it is not recommended.
- The tap fee could be changed, but it would only lower the grant portion.
- Based on HMI of \$73,000/year the affordability is \$95/month and any PennVest offer will get to that rate.
- Scaling back the project will not change the affordability rate.

Affordability

- PennVest utilizes an internal calculation to determine affordability rate, based in part by a “stress factor” between 1 and 2% of MHI.
- In the case of Mt. Pleasant, this calculation yields a rate of approximately 1.6% of the MHI.
- The EPA has determined affordability criteria similar to PennVest. Sewer rates under 1% MHI are “low burden”. Rates between 1 and 2% MHI are “medium burden”, and anything over 2% is “high burden” or unaffordable.
- The Mt. Pleasant rate of \$95/month is high in comparison to current comparable municipal rates, but low in comparison to ALCOSAN’s projected year 2027 rates after system improvements.

Current Sewer Rates

Community	Monthly User Rate	MHI	RI	Burden
Freeport Borough (post LTCP Upgrades)	\$ 100.00	\$ 44,091.00	2.72%	HIGH
Mt Pleasant	\$ 95.00	\$ 72,984.00	1.56%	MED
City of McKeesport	\$ 85.00	\$ 25,697.00	3.97%	HIGH
Clairton Municipal Authority	\$ 82.00	\$ 30,207.00	3.26%	HIGH
City of Monessen	\$ 79.00	\$ 35,447.00	2.67%	HIGH
Borough of Donora	\$ 77.00	\$ 34,750.00	2.66%	HIGH
Borough of Charleroi	\$ 70.90	\$ 28,309.00	3.01%	HIGH
McDonald Borough	\$ 62.54	\$ 45,478.00	1.65%	MED
Saltsburg Borough	\$ 60.00	\$ 41,442.00	1.74%	MED
Monaca Borough	\$ 60.00	\$ 41,239.00	1.75%	MED
Gallitzin Borough	\$ 59.00	\$ 37,554.00	1.89%	MED
Rochester Borough	\$ 57.50	\$ 35,391.00	1.95%	MED
Borough of Edensburg	\$ 50.50	\$ 41,250.00	1.47%	MED
Sewickley Borough	\$ 49.00	\$ 63,906.00	0.92%	LOW
Greater Greensburg Sewer Authority	\$ 45.50	\$ 36,316.00	1.50%	MED
Monongahela City	\$ 41.80	\$ 45,150.00	1.11%	MED
Leechburg Borough	\$ 40.60	\$ 34,933.00	1.39%	MED
Vandergrift Borough	\$ 37.38	\$ 37,058.00	1.21%	MED
Freeport Borough (Current)	\$ 33.00	\$ 44,091.00	0.90%	LOW
Ford City Borough	\$ 31.97	\$ 36,071.00	1.06%	MED
Elizabeth Borough	\$ 31.80	\$ 37,356.00	1.02%	MED
Borough of Ferndale	\$ 31.00	\$ 41,758.00	0.89%	LOW
Midland Borough	\$ 30.80	\$ 22,907.00	1.61%	MED
Apollo Borough	\$ 28.54	\$ 38,250.00	0.90%	LOW

ALCOSAN Projected 2027 Rates

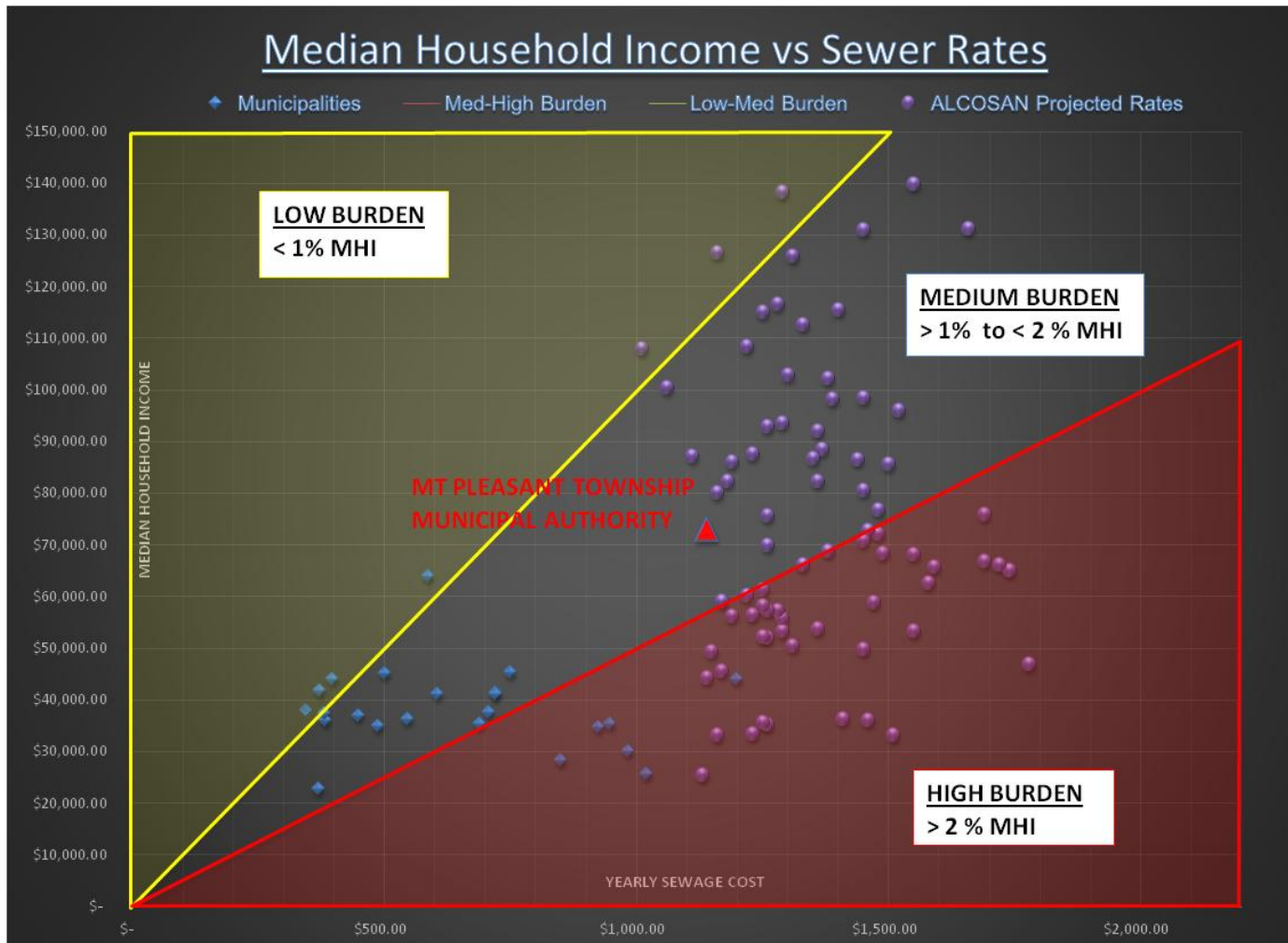
Community	Monthly User Rate	MHI	RI	Burden
Mount Oliver	\$ 148	\$ 47,000	3.80%	High
Penn Hills	\$ 145	\$ 65,100	2.70%	High
Carnegie	\$ 143	\$ 66,200	2.60%	High
Franklin Park	\$ 143	\$ 195,200	0.90%	Low
Crafton	\$ 141	\$ 66,900	2.50%	High
West View	\$ 141	\$ 75,900	2.20%	High
Indiana	\$ 138	\$ 131,100	1.30%	Mid-Range
McDonald	\$ 133	\$ 65,700	2.40%	High
Rosslyn Farms	\$ 133	\$ 185,700	0.90%	Low
Neville	\$ 132	\$ 62,600	2.50%	High
Heidelberg	\$ 129	\$ 53,400	2.90%	High
Upper St. Clair	\$ 129	\$ 139,900	1.10%	Mid-Range
West Mifflin	\$ 129	\$ 68,200	2.30%	High
Whitehall	\$ 127	\$ 96,000	1.60%	Mid-Range
North Versailles	\$ 126	\$ 33,100	4.60%	High
Baldwin	\$ 125	\$ 85,600	1.80%	Mid-Range
Brentwood	\$ 124	\$ 68,400	2.20%	High
Castle	\$ 123	\$ 72,200	2.00%	High
North Huntingdon	\$ 123	\$ 76,700	1.90%	Mid-Range
Trafford	\$ 123	\$ 58,800	2.50%	High
Chalfant	\$ 122	\$ 72,700	2.00%	High
North Braddock	\$ 122	\$ 36,000	4.10%	High
Baldwin	\$ 121	\$ 98,500	1.50%	Mid-Range
Dormont	\$ 121	\$ 70,900	2.00%	High
Emsworth	\$ 121	\$ 80,600	1.80%	Mid-Range
Kilbuck	\$ 121	\$ 131,000	1.10%	Mid-Range
Stowe	\$ 121	\$ 49,700	2.90%	High
Collier	\$ 120	\$ 86,600	1.70%	Mid-Range
Homestead	\$ 118	\$ 36,400	3.90%	High
Mount Lebanon	\$ 117	\$ 115,400	1.20%	Mid-Range
Penn	\$ 116	\$ 98,200	1.40%	Mid-Range
Ingram	\$ 115	\$ 68,800	2.00%	High
South Fayette	\$ 115	\$ 102,300	1.30%	Mid-Range
Edgewood	\$ 114	\$ 88,400	1.50%	Mid-Range
Forest Hills	\$ 113	\$ 82,400	1.70%	Mid-Range
Monroeville	\$ 113	\$ 92,000	1.50%	Mid-Range
Robinson	\$ 113	\$ 53,700	2.50%	High
Fox Chapel	\$ 113	\$ 324,300	0.40%	Low
Oakdale	\$ 113	\$ 86,800	1.60%	Mid-Range
Munhall	\$ 111	\$ 66,200	2.00%	High
Plum	\$ 111	\$ 112,600	1.20%	Mid-Range
Churchill	\$ 109	\$ 125,800	1.00%	Mid-Range

Community	Monthly User Rate	MHI	RI	Burden
Wall	\$ 109	\$ 50,400	2.60%	High
Green Tree	\$ 108	\$ 102,800	1.30%	Mid-Range
Avalon	\$ 108	\$ 53,400	2.40%	High
Bethel Park	\$ 108	\$ 93,500	1.40%	Mid-Range
Ohio	\$ 108	\$ 138,200	0.90%	Low
Pittsburgh	\$ 108	\$ 55,700	2.30%	High
Pleasant Hills	\$ 107	\$ 116,500	1.10%	Mid-Range
Whitaker	\$ 107	\$ 57,400	2.20%	High
Blawnox	\$ 105	\$ 57,300	2.20%	High
Etna	\$ 105	\$ 52,100	2.40%	High
Shaler	\$ 105	\$ 92,900	1.40%	Mid-Range
West Homestead	\$ 105	\$ 75,600	1.70%	Mid-Range
Wilkins	\$ 105	\$ 69,900	1.80%	Mid-Range
Wilmerding	\$ 105	\$ 35,300	3.60%	High
Bridgeville	\$ 104	\$ 58,300	2.10%	High
East McKeesport	\$ 104	\$ 61,400	2.00%	High
East Pittsburgh	\$ 104	\$ 35,700	3.50%	High
Millvale	\$ 104	\$ 52,200	2.40%	High
Peters	\$ 104	\$ 115,000	1.10%	Mid-Range
Bellevue	\$ 103	\$ 56,500	2.20%	High
McKees Rocks	\$ 103	\$ 33,500	3.70%	High
Ross	\$ 103	\$ 87,700	1.40%	Mid-Range
McCandless	\$ 102	\$ 108,500	1.10%	Mid-Range
Swissvale	\$ 102	\$ 60,100	2.00%	High
Reserve	\$ 99	\$ 86,000	1.40%	Mid-Range
Turtle Creek	\$ 99	\$ 56,200	2.10%	High
Aspinwall	\$ 98	\$ 82,300	1.40%	Mid-Range
Braddock Hills	\$ 98	\$ 45,700	2.60%	High
Pitcairn	\$ 98	\$ 59,100	2.00%	Mid-Range
Braddock	\$ 97	\$ 33,100	3.50%	High
O'Hara	\$ 97	\$ 126,500	0.90%	Low
Scott	\$ 97	\$ 80,100	1.40%	Mid-Range
Sharpsburg	\$ 96	\$ 49,300	2.30%	High
Wilkinsburg	\$ 95	\$ 44,200	2.60%	High
Mt Pleasant	\$ 95	\$ 72,984	1.56%	Mid-Range
Rankin	\$ 94	\$ 25,400	4.40%	High
Kennedy	\$ 93	\$ 87,100	1.30%	Mid-Range
North Fayette	\$ 88	\$ 100,400	1.10%	Mid-Range
Ben Avon	\$ 84	\$ 108,000	0.90%	Low
Ben Avon Heights	\$ 84	\$ 154,500	0.70%	Low
Thornburg	\$ 84	\$ 177,400	0.60%	Low
Verona	\$ 84	\$ 66,400	1.50%	Mid-Range

KLH

ENGINEERS, INC

Affordability Graph



Crossroads / Next Step

- If all are in agreement with \$95/month, then:
 1. Secure line of credit, pay KLH, and move forward.
 2. Finalize “side agreement”.
 3. Secure all rights-of-ways.
 4. Secure all permits.
 5. Secure PennVest funding package.
 6. Bid project.

- If NOT in agreement with \$95/Month, then:
 1. Pay KLH outstanding invoices for design and rights-of-way work in the amount of \$508,055.55.
 2. Totally stop project
 - or-
 1. Secure line of credit, pay KLH.
 2. Secure all rights-of-ways.
 3. Secure all permits.
 4. Work with local legislators to secure alternate funding package.

Conclusions

- Confident project will get funded to \$95 /month.
- HMI is driving factor for affordability.
- NEED to clarify “side agreement”
- Discussion on line of credit/paying outstanding invoices.
- How do we proceed?

DISCUSSION