

**FRANKLIN TOWNSHIP MUNICIPAL SANITARY AUTHORITY
TWENTY YEAR ASSET MANAGEMENT PLAN**

The twenty year capital expenditure plan is funded by tap-in fees, sewer line assessments and in some years by excess revenue. No normal revenues (monthly sewer bills) are used for capital projects. The Authority's Trust Indenture with the bank calls this fund the Surplus Fund but it is the capital fund by its required use. The sewer line assessment program was from the early 1970's and some of the assessments only are payable when the homeowner sells the property. The five year Capital Expenditure Plan was replaced in 2013 with a twenty year Asset Management Plan. Asset management can be defined as managing existing infrastructure capital assets to minimize the total cost of owning them while delivering the desired service levels. It incorporates operations and maintenance (O&M) planning. It also includes the outcomes of facility planning of new and improved facilities. It is however, more comprehensive than either O&M or facilities planning because it provides an on-going process which evaluates each asset of the Authority and the status of the Authority as a whole. The outcome of an asset management effort is a regularly updated plan for the rehabilitation and replacement of each existing asset in the Authority, as well as recognition of new assets which will also need to be added. An asset management effort also identifies the money necessary to cost effectively implement the plan over time (generally twenty years or more), and an identification of additional revenues that are needed to pay for it.

To pay for the Asset Management Plan, the Authority Board adopted a fee of \$3.00 per month, effective April 1, 2013. On July 17, 2017, the Board approved an increase of this fee to \$6.00 per month per EDU effective October 2017. The revenue generated by this \$6.00 monthly rate is as follows.

The rate is charged by EDUs. As of September 2017, there are 10,583 EDUs that are treated at the FTMSA treatment plant and 498 EDUs treated by the Holiday Park treatment plant in Plum Borough by separate agreement. Only the EDUs that are treated at the FTMSA treatment plant are charged. Over the next twenty year period, \$15,328,000 of aging infrastructure at the plant and the sewer system will be replaced.

\$6.00 multiplied by 10,583 EDUs = \$63,498.00 per month.

As of August 1, 2016, \$253,215.00 was collected at the \$3.00 per month rate.

For 2018, it is projected to be approximately \$763,000.00

These monies are not used in the operating budget, they are transferred to the Surplus Fund and used for capital expenditures only.

The Asset Management Plan follows.
[Add Asset Management sample here](#)