

**Feasibility Study:  
the  
Marlboro Township Municipal Utilities  
Authority**

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Dated: November 11, 2009

## **INTRODUCTION**

The purpose of this feasibility study is to gather, examine and present pertinent information to the Township of Marlboro regarding the current operation as well as financial impact of the possible dissolution of the Marlboro Township Utility Authority (MTMUA). The focus of our analysis was on the financial impact of the dissolution and the legal requirements to dissolve the MTMUA.

We have been asked to undertake a review of the operations of the Marlboro Township Municipal Utilities Authority (MTMUA or "Authority") by Mayor Jonathan Hornik and Council President Steve Rosenthal to determine what, if any cost savings would be accomplished with the dissolution of the MTMUA and the assumption of its functions by the Township. The review we has been conducted by the Township's Auditor, Township Attorney, Township Engineer and Chief Financial Officer.

## **CONCLUSION**

For the reasons set forth in this report, as currently organized the Authority constitutes an unnecessary layer of government that, when dissolved, will permit the efficient delivery of services and at a substantial cost saving to the rate payers and the taxpayers. A review of the Authority's financial and other records discloses that, based upon the savings in salary and employee costs alone, a savings of approximately \$800,000 will be realized immediately. This anticipated savings is approximately 60% of the water system's 2009 administrative budget. Based on current economic conditions, we see no justification for the continued existence of the Authority separate from the Township.

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## OVERVIEW

The MTMUA is a retail purveyor of water to residents of the Township. As of 2007 the equivalent service units contained in the service area were 8,895 units. This represents an increase of only 248 units from 2003. The MTMUA services approximately 60% of the Township's residents.

The Authority delivers approximately 1.6 billion gallons of water per year, about 2/3 of which are purchased from the Middlesex Water Company. The MTMUA operates a water treatment plant used to process water from four wells. The Authority also has a bulk sales contract for the supply of water to a private purveyor, Gordon's Corner Water Company.

The Authority has 14 full-time and 1 part-time employees. The Authority operates under Civil Service Regulations. All employees are members of the Public Employees Retirement System (PERS). Based upon information supplied by the MTMUA the employees serve the following functions (Exhibit 1):

- Executive Counsel
- Director of Plant Operations
- Water Plant Operator
- Assistant Water Plant Operator
- Water Pump Station Attendant
- Water Treatment Plant Attendant
- Water System Maintenance Person
- Construction Projects Manager/ Resident Inspector
- Officer Manager
- Billing and Collections Clerk
- Account Payable and Payroll Clerk
- Clerk/Typist-General Administration
- Account Receivable Clerk
- Meter Reader

In addition to the above employees, MTMUA functions with the assistance of three outside consultants: 1) Authority Engineer; 2) Authority Accountant; 3) Authority Auditor. Though not detailed in the summary provided by the MTMUA, a review of the MTMUA budget reveals line items for outside counsel and (given the recent borrowing), the Authority also utilizes the services of bond counsel.

The "Executive Counsel" position was created for the purpose of creating a full time position for the Authority's long time attorney (who currently holds that position) Peter Wersinger. According to minutes of the Authority, at the time the position was created, Mr. Wersinger "functioned" as Executive Director and was paid his hourly rate. His average billing for each of the 3 years prior to his employment was \$222,000. It is safe to say that he was paid an attorney's hourly rate for administrative functions.

When pension, tax and other benefits are factored in, his compensation now exceeds his payment as general counsel. The compensation of the "Executive Counsel" when compared to other Executive Directors similarly situated in New Jersey is amongst the highest in the state and is certainly exorbitant given the number of employees and the scope of the Authority's operations. Additionally, the contract for "Executive Counsel" essentially requires Mr. Wersinger to function as both the Chief Executive Officer and General Counsel for the Authority. This arrangement appears to be prohibited by the Supreme Court ruling In Re Advisory Committee on Professional Ethics, Docket No.: 18-98, 162 N.J. 497 (2000).

By comparison, the Township's current Business Administrator supervises more than 200 employees, and an operating budget 11 times the Authority's, for a salary of \$125,000 without health benefits.<sup>1</sup> It should be further noted that Mr. Wersinger was given credit for his past contract position with the Authority and thus began his term as Executive Counsel with five weeks vacation and a salary and benefits equaling \$185,000.00. His salary alone has now been increased to \$176,000.00 plus benefits.

The "Executive Counsel's" secretary, who supervises the office staff of 4 people is paid \$68,500. It should be noted that her Civil Service job title is clerk/typist. By comparison, the Human Resources Assistant who operates as the supervisor of all human resources functions for the Township (approximately 200 people) is paid \$48,930 and the secretary to the Mayor and Business Administrator is paid approximately ½ of the \$68,500 paid to Mr. Wersinger's secretary.

There are four office personnel (3 full-time and 1 part-time), who are paid salaries totaling \$125,000, and perform various administrative and financial functions. The level of staffing does not appear, in any instance, to be justified by the size and scope of the Authority's operations. The Authority also employs Holman and Frenia, P.A. as "Authority Accountants". These services (at an hourly billing rate ranging from \$75.00 to \$150.00), appear to duplicate the work done by in-house financial staff and the Authority's auditor (a position they previously held). According to the Authority, the firm's senior partner, Frank D. Holman is the principal accountant assigned to the account at a rate of \$150.00 per hour. Estimated 2009 billings are \$75,000.00.

A 2006 management review of the Authority indicated that the cost of the outside accountant would be reduced by \$20,000.00 per year due to work to be performed by the Executive Counsel. These savings were never realized and in fact the contract has increased by \$5,000.00 since that time.

## OPERATIONS

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<sup>1</sup> It should be noted that the Authority's 2009 operating budget is approximately \$5.8 million, but \$2.8 represents the payment for water to Middlesex Water Company. The Township 2009 budget is approximately \$33 million.

The operations personnel are assigned the internal job titles listed above. The Civil Service job titles for all but the plant operator are "water meter reader". It appears all of the meter reading is done by one employee. The remainder of the operations employees, therefore, function out of title.

The total payroll costs for the operation of the Authority for 2009 is approximately \$916,500.00 (exclusive of pension contributions). In addition the Authority has budgeted \$277,580.00 for employee benefits for 2009. Actual employee benefits per employee were not available at the time this report was written.

In 2006 a Management and Efficiency Review of the Utilities Authority was prepared and it contained five specific recommendations regarding the Authority's operations. A review of that report indicates that the recommendations have largely been ignored:

Recommendation #1. The MTMUA should continue to aggressively identify and implement bulk customer agreements and/or the purchase of increased groundwater allocations as needed to accomplish the acquisition of future bulk customers. The purpose of this recommendation is to acquire new positive revenues and to enhance the stabilization of future customer rates.

**Comment: The Authority has not received an increase in groundwater allocations nor, based upon its records, entered into any new bulk sale agreements. The Authority has in fact, however, not raised its rates despite being faced with substantial increases in costs for the purchase of water from Middlesex Water and costs for increased number of personnel and salaries to current personnel.**

Recommendation #2. The MTMUA should conclude its use of contracted accounting services and perform these tasks in house. The approximate 2007 costs of these contracted services will be \$45,000-\$50,000 and the administrator, office manager and office staff has the expertise to perform said tasks. The MTMUA may or may not need to add nominal part-time clerical staff in order to accomplish this recommendation.

**Comment: The \$70,000 savings contemplated by the elimination of these services were never achieved. The Authority not only added staff, but did not even achieve the initial reduction in costs that was anticipated by**

**work that was to be done by Executive Counsel. The actual cost of this contract has increased from \$70,000 in 2006 to \$75,000 in 2009. The work of the Authority accountant appears to duplicate 3 ½ employees.**

Recommendation #3. The current process of producing weekly payroll should be changed to produce bi-weekly payroll. This recommendation will reduce the payroll clerk's workload by several hundred hours per year and allow her to assist with the additional workload which will result with the elimination of the contracted accounting services.

**Comment: It is unknown as to whether or not the Authority went to a bi-weekly payroll. It is difficult to understand, in any event, how it would take "several hundred hours" per year to perform payroll services for 14 employees. In fact, an outside payroll service would cost a fraction of the cost of one employee to perform these services without the need for or the involvement of the Authority's accountant. This function could be assumed by the Township at no extra cost.**

Recommendation #4. The MTMUA should thoroughly evaluate the cost effectiveness and convenience of performing engineering services on an in-house basis upon the retirement of the current contracting consulting engineer.

**Comment: It appears that the Authority has taken no steps to implement this suggestion. It should further be noted that given the level of consulting engineering services needed, it does not appear that the Authority requires the substantial services of an in house engineer. The Authority did hire a "resident inspector" at a cost of \$70,000 with no reduction in engineering costs.**

Recommendation #5. As permitted by law the MTMUA should contribute 5% of its unrestricted fund balance annually to Marlboro Township.

**Comment: Since the date of that report to the present the Authority has not contributed any of its unrestricted fund balance to the Township. Additionally, based upon the financial analysis included with this report,**

**the Authority has squandered substantially all of its unrestricted fund balance due to the fact that it has increased its personnel costs substantially, experienced a substantial increase in its cost to purchase bulk water, substantially increased its debt payments, and has not raised rates. The Authority operates on a deficit each year and balances its budget by the use of the unrestricted fund balance.**

A comparison of the Authority's current operations with that reviewed in 2006 discloses a number of significant issues:

A. The management report determined that the Authority should experience "nominal annual increases in personnel, energy, insurance and other operating costs". In fact, the Authority has expanded its personnel and experienced substantial increases in personnel costs. Additionally the Authority has been faced with a 13.5 % increase in the cost of water purchase. Energy and Insurance costs have skyrocketed.

B. The report found that it is likely that new connection fees will be reduced by \$150,000 per year. In fact, connection fees, in keeping with the implosion of the real estate market, have been reduced in excess of \$250,000. Note that for fiscal year 2008 the Authority budgeted an increase of \$280,000 over 2007 (\$402,966 v. \$781,679). The actually fees collected were \$380,000. The 2009 budget is \$242,919 which is \$257,000 under the 2006 budget. This budgeting contributed to a \$520,635 underestimation of actual revenue for 2008.

C. The report indicated that the MTMUA had maintained a surplus in the range of \$1,500,000 to \$1,700,000. Since 2006 the surplus has been reduced to \$500,000 and the Authority continues to use that surplus each year to balance its operating budget. The current budget does not indicate that any of the surplus would be regenerated.

D. The management report recommends 2% per year rate increases. The Authority failed to maintain costs as suggested by the report, has experienced a greater than predicted loss of connection fees and increased rates 4.5% over five year, less than half of that which was recommended.

E. At the time of the 2006 management report the MTMUA indicated that its intent was to pursue new bulk water agreements. As of the date of this report there are no new agreements.

## ANALYSIS AND CONCLUSIONS

The Local Authority Fiscal Control Law grants municipalities the right to dissolve Municipal Utilities Authority created by said municipality when it can be established that it would be cost effective to the taxpayers.

This power is consistent with the recently enacted Municipal Local Unit Alignment, Reorganization and Consolidation Act which recites the public policy of this state as follows:

...B. Consolidating Local Units, structurally and administratively streamlining county and municipal government, and transferring services to the most appropriate level of government for delivery could help to alleviate the property tax crisis by reducing the administrative costs of local government and making the deliver of local services more efficient due to economies of scale....

F. Consolidation mandates for increased efficiency and delivery of services are complimentary processes, as the former reduces the costs of administrative costs of local government on an external level and the later does so on an internal level...

G. Local governments must be trained to use performance measures for decision making strategic planning, performance improvement, accountability, communication and be rewarded for increased efficiencies that result from their use.

The MTMUA water system serves approximately 9,000 connections representing 60% of the Township's residents. At the time of its creation the Township saw the need for a single purpose authority to focus on the development of a water system in what was, at the time, a rapidly developing community. Clearly, now, some 40 years later, those reasons no longer justify the Authority's continued existence.

In November of 2006 a management review was conducted by the Township. The Authority submitted comments to the report heralding the Authority's efficient and effective operation of the Township's water supply. Unfortunately, since that time the Authority has embarked on a series of management decisions which no longer make it either efficient or effective. Attached hereto is a report of the Township's Auditor detailing the actions which have resulted in a depletion of the Authority's surplus and an increase of the Authority operating expenses. Those factors include:

A. Substantial increase in capital spending;

- B. Substantial increase in personnel, salary and benefit expenses;
- C. Substantial increase in debt payments;
- D. Failure to adopt appropriate rate increases;
- E. Increase in costs of water purchased; and

A review of the Authority annual audit reports for the years ending November 30, 2006, 2007 and 2008 has revealed the following:

- Total Net Assets excluding Invested in Capital Assets has been reduced by 13.24% or \$1,014,386 (2006 - \$7,661,297; 2008 - \$6,646,911).
- Total outstanding Accounts Receivable have increased by 60.15% or \$310,497 (2006 - \$516,230; 2008 - \$826,727).
- Cash received from customers has decreased by 5.00% or \$372,752 (2006 - \$7,457,934; 2008 - \$7,085,182).
- Cash payments for goods and services have increased by 5.52% or \$248,488 (2006 - \$4,504,947; 2008 - \$4,753,435),
- Cash payments to employees increased by \$93,307 (2006 - \$724,751; 2008 - \$818,058), a 12.87% increase over 2 years.<sup>2</sup>
- Principal debt payments have decreased by 59.13% or \$2,458,000 (2006 - \$4,157,000; 2008 - \$1,699,000).
- Total Cash and Cash Equivalents have decreased by 8.62% or \$916,090 (2006 - \$10,623,841; 2008-\$9,707,751),

The Authority has indicated as of June 2009 water consumption has been reduced by 36% for the year yet no actions have been taken to reduce costs. Over the course of the last 3 years the Authority has experienced a decrease in revenue in each year. Despite this reduction, the actual salaries and expenses of the Authority have increased.

Savings will be achieved through the elimination of the following positions, the function of which will be absorbed without additional cost by the municipal government.

<b>Title</b>	<b>Salary</b>
Executive Director/General Counsel	\$176,000.00
Clerk/Typist	\$68,500.00
Supervisor	\$74,000.00
Contract Employees	\$75,000.00
Meter Reader	\$38,500.00

<sup>2</sup> This when compared to the Township of Marlboro which reduced salaries by 11% and Operational Costs by 15%.

Meter Reader	\$38,500.00
Accountant	\$75,000.00
Clerk/Typist	\$38,000.00
Clerk/Typist	\$39,500.00
Clerk/Typist-Part-time	\$15,800.00
<b>Total</b>	<b>\$638,800.00</b>

Additional savings that can be achieved through the dissolution of the Authority include, but are not limited to, the following:

1. The decommission and the sale of Authority offices;
2. The reduction of duplication in the review of site plans and applications;
3. Reduction of personnel administration and supervisory costs;
4. Access to the Township's skilled work force emergency response;
5. Enhanced coordination on security issues for critical infrastructure;
6. Reduced costs for future borrowing and capital projects;
7. Elimination of Commissioners Salaries;
8. Reduced insurance costs;
9. Eliminated need for separate Audit report; and
10. Eliminate additional engineering cost.

### **STEPS TO BE TAKEN TO DISSOLVE MUNICIPAL UTILITY AUTHORITY**

1. The Township must establish the reason for the dissolution of the authority including the proposed savings and/or efficiency purposes which will be realized by the dissolution. The standard to be met is that adequate provision for the assumption of those services provided by the Authority which are necessary for the health safety and welfare of the recipients of those services.
  - a. A financial/management expert report, to submit to the LFB, supporting the proposed dissolution.
  - b. A report detailing the manner in which the services will be provided must be prepared.
2. The Township must introduce (not enact) an ordinance stating its intention to dissolve the authority and the reasons therefore, but must wait for approval by the Local Finance Board prior to passing the ordinance.
  - a. Provide in the ordinance that a closing audit will be done after the fact.

- b. The ordinance must make adequate provision, in accordance with any applicable bond resolution or otherwise, for the payment of all creditors or obliges of the Authority, if any such obligation exists.
  - i. The Township should be authorized to either issue obligations in furtherance of the dissolution or assume the responsibility for and payment of the obligations of the authority.
  - ii. No such assumption of responsibility shall be effective until the local unit or the existing authority proposing to undertake such assumption determines, by resolution of the governing body setting forth facts that constitute the basis for the determination, that such assumption will be a cost effective means of meeting those obligations as compared with the issuance of obligations of the local unit or existing authority, and transmits a certified copy of that resolution to the Local Finance Board.
  - iii. Any obligations issued in furtherance of dissolution shall have a period of usefulness not exceeding 40 years from the date of issuance.
  - iv. The assumption by the Township of the obligations of the Authority for which the Township is not the guarantor or any bonds to be issued in furtherance of a dissolution shall be authorized by a bond ordinance to be introduced and adopted in accordance with the provision of the Local Bond Law, N.J.S.A. 40A:2-1 et seq., except for the provisions of section 40A:2-11, 40A:2-26, 40A:2-27 and 40A:2-31, and except that the bond ordinance shall take effect immediately after final adoption and shall not be subject to referendum.
  - v. The bonds or other indebtedness for which the responsibility and payment is assumed may be deducted from the gross debt of the Township by action of the Local Finance Board in accordance with subsection d. of N.J.S.A. 40A:2-7.
  - vi. Bonds issued for this purpose shall be sold under the direction and supervision of the Local Finance Board on terms prescribed by the Board, and may be sold at either public or private sale as the board shall prescribe.
3. Adopt a resolution authorizing the submission of an application to the Local Finance Board.
4. The ordinance must make adequate provisions for the assumption of those

services provided by the Authority which are necessary for the health, safety and welfare of the recipients of those services.

- a. This would be the preparation and adoption of an ordinance establishing a Municipal Water Utility and appropriate resolution ratifying service contracts, etc.
5. The ordinance dissolving the Authority shall state that it will take effect immediately after final adoption, and shall not be subject to referendum.
6. A copy of the ordinance dissolving the authority, as adopted, along with supporting data/report[s], shall be filed with the Local Finance Board and with the Secretary of State.
7. The municipality must provide a statement signed by the chairman and certified by the treasurer of the authority identifying the amounts owing to creditors and obligees of the authority. This statement must be prepared by a date not more than thirty days preceding the submission to the Local Finance Board.
  - a. If the chairman refuses to sign such a statement, the municipality's application should make it clear that they attempted to follow the proper procedures and include the statement which was to be signed and certified as evidence to this fact.
  - b. The municipality, in the event of a refusal should also document that it tendered a proper public document request, in support of its application.
8. The municipality's application must provide a statement of the impact on the local unit or budget, debt servicing requirements, debt service ratings, local tax rate and service fees if the dissolution of the authority is implemented.
9. The municipality must provide a statement of the description and the amount of permissible expenditures, if any, requested to be transferred to the local unit budget and certified by the Local Finance Board.
10. The municipality must provide a copy of the bond ordinance(s) or resolution(s), if any are required, proposed to be adopted by the local unit authorizing the issuance of obligations in furtherance of the dissolution of the authority.
11. In order to make adequate provision for the payment of outstanding obligations of the Authority, if any, the local unit or authority must undertake, with the approval of the Local Finance Board, to assume the responsibility and payment of the obligations of the Authority, as if it had not been dissolved including the power and authority to assume the responsibility and to exercise all rights under any law, including the right to create pledges of revenue or create liens on property or grant

security interests as appropriate and necessary to comply with the terms of the bond indenture or to assure that the security of the holders of the authority obligations shall not be adversely affected by the assumption of such obligations by the local unit or authority.

12. All applications to the Local Financing Board shall include an appearance by the applicant at the hearing. The chair of the LFB may waive such appearance if it is found in the interest of the board or the applicant to do so. Action by the board requires a majority of the vote of the whole board, including that of the director.
  - a. The Board usually convenes on the second Wednesday of every month.
  - b. We suggest submitting the application to the Local Finance Board at least three weeks prior to their consideration of the matter.
  - c. If it is believed that the dissolution will be opposed by the authority, The Township should make the Local Finance Board aware of this belief/fact in advance.
13. The application must state what provision will be made for the absorption into the Township's work force of any or all of the Authority's employees.
14. If any employees of the Authority are to become Township employees, appropriate filings with Civil Service must be accomplished. As to the employees of the Authority not retained, a layoff plan must be file with Civil Service. Depending upon the structure of the new Water Utility, any rank and file employee retained may fall under one of the CWA agreements or the Public Works Supervisors Union. It should be noted that any union or other employment contract of the Authority does not have to be assumed or honored.

# **ADDENDUM**

**EXHIBIT A**



JOHN H. ALLGAIR, 1983-01  
DAVID J. SAMUEL, P.E., P.P.  
JOHN J. STEFANI, P.E., L.S., P.P.  
JAY B. CORNELL, P.E., P.P.  
MICHAEL J. McCLELLAND, P.E., P.P.  
GREGORY R. VALES, P.E., P.P.

TIMOTHY W. GILLEN, P.E., P.P.  
BRUCE M. KOCH, P.E., P.P.  
ERNEST J. PETERS, JR., P.E., P.P.  
LOUIS J. PLOSKONKA, P.E.  
TREVOR J. TAYLOR, P.E.  
BEHRAM TURAN, P.E.

November 11, 2009

Mayor Hornik & Council  
Township of Marlboro  
1979 Township Drive  
Marlboro, NJ 07746

**Re: Transition / Operations Report  
Marlboro Township Municipal Utilities Authority  
Our File No. HMR00003.05**

Dear Mayor Hornik & Council:

In accordance with the Township's authorization, please consider the following as our formal Engineering Report relative to the Township's intentions in the potential dissolution of the existing Marlboro Township Municipal Utilities Authority (MTMUA) and the ability of the Township of Marlboro to assume and discharge the duties and obligations thereof while still providing the same levels of service to the former customers of the Authority.

#### Introduction

This report is intended to address only those engineering and administrative aspects of maintaining and operating a public potable water utility to serve the residents of the community in compliance with the requirements of the appropriate regulatory agencies so as to protect the health, safety and welfare of the customers of said utility.

The MTMUA serves approximately 60% of the Township with the remainder being provided water service by a private water purveyor – Gordon's Corner Water Company (GCWC). As of 2007, the MTMUA represented it served approximately 8,895 connections with an equivalent population of approximately 30,000.

The MTMUA as a "Public Water System" produces, treats and supplies water under permits from NJDEP, per NJAC 7:10-1 et seq, from its own facilities; purchases additional water from Middlesex Water Company (MWC); and sells water, under a bulk sales contract, to Gordon's Corner Water Company.

#### Assets

The MTMUA owns, operates and maintains the following assets:

*Harbor Road:*

- Administrative Offices (3,000 sf+/-)
- 4.0MGD Water Treatment Plant (1972, 1981, 1983)
- Four (4) Wells
- Eight (8) Ion Exchange Pressure Filters
- Settling Lagoons
- Chemical Feed Equipment
  - Lime, Zinc Orthophosphate, Chlorination
- Laboratory Facilities
- Storage Barn





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*Tennent Road/Route 520:* 10MG Ground Storage Tank  
Main Pump Station  
New Well No. 5 (1.5MGD)  
Future Treatment Plant (1.5MGD)

*Additional Storage:* 1.5MG Beacon Hill Road Tank  
3MG Knob Hill Road Tank

*Distribution System:* Mains (in excess of 100 miles)  
Hydrants  
Meters (remote read)  
Services

*Energy Facilities:* 3-Acre 900kW Solar Power Array

#### Staff

Currently, the Authority maintains an office staff for managerial duties, billings and collections, customer complaints, and contracts administration. Said office staff consists of five (5) individuals (including one part-time): an Office Manager, Billings and Collections Clerk, Accounts Payable and Payroll Clerk, Accounts Receivable Clerk, and a Clerk Typist. The Authority also has two contract employees: the Executive Counsel and a Construction Projects Manager/Inspector.

The Authority also maintains eight individuals as treatment plant and field staff to operate and maintain the plant, storage and main facilities, investigate and respond to complaints and respond to emergency call-outs, flush hydrants and mains, read meters, coordinate utility mark-outs and to periodically observe development and contracted services by outside contractors, i.e. systems repairs.

Per N.J.S.A. 58:11-64 et seq, the population of the service area requires a W-3 Water Distribution Systems Operators License and based on the treatment facilities, a T-3 Public Water Treatment System Operations License. In addition, also as a result of the treatment facilities, an N-1 (industrial wastewater) License is required. The Authority currently retains an individual who holds all three licenses to fulfill its regulatory compliance requirements.

#### Supplemental Services

The Authority currently contracts out the following:

- Accounting Services
- Auditing Services
- The Authority retains a consulting engineering firm to: comply with the provisions of its General Bond Resolution; review all water facilities systems issues; and to review all site and subdivision development applications affecting its water facilities.
- Capital projects – on an “as needed” basis
- Major System Repairs





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#### Operations / Maintenance

A potable water utility system requires both office and field staff to properly function. The administrative staff must address: billings and collections; purchases of required materials, supplies, equipment and services; customer inquiries and complaints; report submittals; accounts payable; maintenance of records; typing and other administrative duties.

In addition to the maintenance and operation of the mains, wells, pumping facilities and treatment plant facilities, field staff duties include, as a minimum, the following functions: maintain records of system maps and triangulations of services; provide utility mark-outs as required by law; perform meter readings, meter pull and replacements and coordinate service shut-offs and reinstatements; perform such minor water quality testing as required, i.e. bacteriological (per population), iron, ph, chlorine residual, turbidity, etc.; coordinate such regulatory water quality testing as must be performed by a State-certified lab, i.e. lead and copper/ TOC/ VOC/ primary/ secondary/ cryptosporidium/ radionuclides; and submit such reports as required.

The type of treatment facilities utilized do not require 24-hour operation, but do require seven (7) day per week monitoring and sampling. In addition, per law, a licensed operator is required for both the treatment plant and for the distribution system, as well as for the backwash/discharge lagoons. A single individual can maintain all three licenses.

#### Financial Considerations

We defer any comments associated with financial considerations, including assumption of any outstanding debts or obligations of the Authority, to the Township's Auditor/Financial Advisor/Chief Financial Officer.

#### Legal Considerations

We defer any comments associated with legal considerations, including any resolution of ongoing litigation, if any, to the Township's Attorney.

#### Permits

All permits as issued and held by the MTMUA must be formally transferred to the Township of Marlboro per NJDEP regulations. Said permits include, but are not limited to: Water Allocation; Bureau of Safe Drinking Water, NJPDES, etc.

#### Transition of Staff and Services

The Township of Marlboro, as a governmental entity, operates similarly to the Authority and can readily assume the duties and obligations of the Authority in order to provide the same level of services to the customers of the MTMUA.





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*Administration and Office Staff:*

The office and administrative activities can easily be transferred to the Township's jurisdictional area as the Township's staff has a solid familiarity with performing the same types of services to and for the Township and its residents. The Township's office staff is also familiar with customer inquiries, complaint procedures and the necessity for timely response and resolution utilizing existing Public Works personnel and can thus provide the same service to the water utility customers.

Due to the increased work load associated with the water utility, the Township's existing office staff may have to be increased. This could be accomplished by retaining some of the MTMUA personnel, hiring and training new personnel, or, for certain services as payroll or billings and collections, by contract services to an outside agency (see Table 1 - attached).

*Field Staff:*

The Municipality, by law, must supply the appropriately licensed operator(s) for the water utility. Said individual(s) can be either the existing employee who holds such license, or the Township must retain an appropriately licensed individual who, in turn, must be acknowledged by NJDEP to be able to perform the required services and submit the necessary report forms. These individuals are readily available and can be retained immediately.

Due to the regulatory requirements and specialized equipment associated with the maintenance and operation of potable water treatment and distribution facilities, properly trained and experienced personnel are required. The current facilities of the Authority do not require 24-hour operation. However, they do require monitoring, testing, maintenance and operation seven days a week, thus requiring an appropriate number of staff to cover overlap shifts, vacations, holidays, etc.

The Authority predominantly is using remote read meters, thus increasing the efficiency of the meter reader and allowing that position to assume/perform additional duties.

In our opinion, the minimum number of required positions for the water utility are as indicated in Table 1 (attached) with the other duties being either assigned to existing (or increased) Township staff as indicated, or contracted out to a private service entity.

The Municipality can provide for the construction and/or repair of the water facilities system through public contract bids as has been done in the past by the Authority. Oversight of the contracts to ensure compliance can be performed by the former Systems Operator or by the Municipal Engineer's office.

Conclusion

Subject to satisfactory resolution of any financial considerations and/or legal issues, the Township of Marlboro can, without any adverse impacts to the customers of the water facilities system or on the levels of service currently being supplied thereto, dissolve the Marlboro Township Municipal Utilities Authority and assume its duties and responsibilities, conditioned upon the Municipality independently maintaining an appropriately licensed operator(s).





Mayor Hornik & Council  
November 11, 2009  
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This conclusion is substantiated by the fact that, within the recent past, other Monmouth and Middlesex County Municipalities, including the Townships of Aberdeen, Howell and Monroe, have dissolved their Municipal Utilities Authorities, incorporated portions of the former Authorities' personnel into the Municipalities' own staff, and assumed the duties and obligations of said Authorities, without any detrimental or otherwise adverse impacts to the levels of service rendered to the customers of the water systems.

We trust the above report satisfactorily addresses the concerns of the Township. Should you have any questions regarding this matter, please do not hesitate to contact this office.

A handwritten signature in black ink, appearing to read 'Timothy W. Gillen', is written over a horizontal line.

Timothy W. Gillen, P.E.  
Principal

TWG/lm  
Enclosure (Table 1)





**TABLE I  
ASSUMPTION OF DUTIES/STAFFING REQUIREMENTS**

<b><u>MTMUA Staff</u></b>	<b><u>Minimum Position Required</u></b>	<b><u>Township Options</u></b>
<b><u>Contract Employees:</u></b>		
Executive Counsel		Township Administrator
Construction Project Manager/ Resident Inspector/CAD		Township Engineer
<b><u>Administrative Staff:</u></b>		
Office Manager/ Administrative Secretary		Township Administrator's Secretary
Billing & Collections Clerk		Tax Collector or Contract Services
Accounts Payable Clerk/ Payroll Clerk		Purchasing / Finance or Contract Services
Clerk/Typist – General Admin		Township's Secretarial Staff
Clerk/Typist – Accounts Receivable (Part-Time)		Township's Secretarial Staff
<b><u>Operations Staff</u></b>		
Director of Operations (Licensed Operator)	1	Retain existing or hire new
Water Treatment Plant Operator	1	Retain existing or hire new
Assistant Water Treatment Plant Operator	1	Retain existing or hire new
Water Meter Installer/Repairer Water System Repairer	1	Retain existing, hire new, train from Public Works
Water Meter Reader	1	Retain existing, hire new, train from Public Works
Water Pump Station Attendant/ Operator-Trainee/Water System Repairer/Water Meter Reader	1	Retain existing, hire new, train from Public Works
Water Treatment Plant Attendant- Trainee/Water System Repairer/ Water Meter Reader		Public Works
Water System Maintenance Person		Public Works



**EXHIBIT B**

MARLBORO TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

SERVICE AREA

Equivalent Service Units – System Growth:

2003	8,547
2007	<u>8,895</u>
Increase	<u>348</u>

Rate Increase : Commencing 6/15/04

General Fund funds available as revenue	\$ 1,727,863
Debt Service Reserve	<u>2,844,919</u>
Maximum Available Funds	<u>\$ 4,572,782</u>

As of November, 2008, the Authority expects no anticipation of additional bonds or notes.

(4) Public Schools - Minimum charge of \$13.00 per classroom per quarter, plus metered usage, calculated as follows: (a) total metered usage per quarter is divided by the total number of classrooms to arrive at the average usage per classroom per quarter; and (b) a quarterly charge is determined for this average usage in accordance with the above schedule of rates and then multiplied by the total number of classrooms to arrive at a total charge for metered usage.

(5) Public Fire Protection - Service charges are imposed against each Fire District, located within the service area of the Authority, with the charges being calculated at the rate of \$102.50 per fire hydrant, per quarter.

(6) Private Fire Protection - Service charges are imposed against any customer, typically a commercial customer, if private fire protection is provided, with charges being calculated as follows: (a) quarterly charges, in the amount of \$61.00, \$81.00, and \$101.00, for a four (4) inch, six (6) inch and eight (8) inch service line or meter, respectively; plus (b) an additional charge calculated at the rate of \$102.50 per fire hydrant, if applicable.

(7) Connection Fees - The Authority, in accordance with the Act, assesses a separate charge, in the nature of a connection or tapping fee, in respect of each connection of any property with the water System. The Act prescribes a specific formula or method of computation in establishing such connection or tapping fees and also requires that the connection fee be re-computed at the end of each fiscal year of the Authority. The applicable connection fee, for any particular year, is arrived at by determining the cumulative debt service paid and capital expenditures incurred by the Authority as of the end of the immediately preceding fiscal year and subtracting therefrom the cumulative amount of contributed capital. This result is then divided by the number of equivalent service units served by the Authority as of the end of the immediately preceding fiscal year. In accordance with the foregoing statutory formula, the Authority's connection fees for 2007 and 2008, were/are \$3,805.00 and \$4,178.00, respectively. In addition, each customer is charged the actual cost of the water meter(s) and the cost(s) associated with the installation thereof.

### Customers

As of December 1, of each of the years indicated below, the Authority billed water usage for the following number of retail customers or equivalent service units:

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Residential	8,280	8,245	8,081	7,963	7,887
Commercial/Industrial	576	717 <sup>(1)</sup>	539	605	608
Public Entities	39	28 <sup>(1)</sup>	47	75	52
Total	<u>8,895</u>	<u>9,021</u>	<u>8,667</u>	<u>8,643</u>	<u>8,547</u>

(1) The entries for non-residential units are expressed in terms of "equivalent service units," based upon water usage that is equivalent to average residential usage. Because of a decline in residential usage, the corresponding number of units may appear to be artificially inflated; the actual number of commercial/industrial and public entity customers remains relatively static.

For the fiscal year ended November 30, 2007, the Authority purveyed or sold approximately 1,581.15 MG of water, of which approximately 547.5 MG were in the form of bulk sales to GCWC (for use by the GCWC in furnishing water service to the GCWC franchise area in the Township) and approximately 1,033.65 MG consisted of retail sales of water to the Authority's 8,895 retail customers or equivalent service units. As of December 1, 2007, approximately 93.0% of the retail water usage was attributable to residential customers. The remaining 7.0% of retail water was attributable to commercial, industrial and/or public and private school accounts.

### Billing and Collection Process

For billing purposes, the Authority has divided its service area into eight zones. These zones are billed on a staggered basis, with each customer, in each zone, receiving four quarterly statements within a 12-month period. At the end of each quarterly billing cycle, each water meter, within the zone to be billed, is read and the actual water consumption for the preceding three-month period is computed. Billing statements are prepared and mailed to each customer within the zone. Payments are due within two to three weeks following the mailing of said statement. By utilizing a staggered billing procedure, the Authority receives revenues each month.

The Act provides that interest shall accrue on any unpaid service charges at the rate of 1-1/2 % per month. The Authority currently imposes the 1-1/2% per month interest charge on all unpaid accounts. Pursuant to the Act, the Authority has broad rights and remedies for the collection and enforcement of service charges, including (a) the institution of civil proceedings to recover unpaid service charges, interest and attorneys' fees and (b) the termination of water service until all unpaid service charges, together with all interest accruing thereon, are paid in full. In addition, the Act provides

**Interconnections:** The Authority maintains five (5) interconnections with GCWC and one (1) each with the water system in Aberdeen Township (owned and operated by the New Jersey American Water Company ("NJAWC")), the water system in the Township of Old Bridge (owned and operated by the Old Bridge Municipal Utilities Authority) and the water system in the Township of Holmdel (owned and operated by the New Jersey American Water Company).

**Bulk Sales:** Contemporaneously with the execution of the MWC Agreement (See Water Supply above), the Authority entered into an agreement to supply water to GCWC (the "GCWC Agreement") on a bulk basis. The GCWC Agreement, originally required GCWC to purchase a minimum of one (1) MGD, on a take-or-pay basis. This minimum daily requirement has been increased and, currently, GCWC is required to purchase a minimum of one and one-half (1.5) MGD, on a take-or-pay basis. The initial term of the GCWC Agreement expires on December 31, 2009, but GCWC has already notified the Authority of its intention to extend the term of the GCWC Agreement. Currently, the Authority receives annual revenues from GCWC, a publicly regulated water utility, in the approximate amount of \$1,850,000.00.

**Regulatory Requirements:** The Authority's groundwater production is regulated by groundwater supply diversion permit(s) issued by NJDEP. The Authority's existing groundwater supply diversion permit, maintained in the name of the Authority, allows for the diversion of up to 279.51 MG per year. In addition, the Authority has secured, pursuant to a long-term Lease Agreement with the Township of East Brunswick and approved by NJDEP (the "East Brunswick Water Lease Agreement"), the right to divert an additional 274.578 MG of groundwater per year. The initial term of the East Brunswick Lease Agreement expires on January 1, 2010, and the Authority may, thereafter, renew or extend the East Brunswick Water Lease Agreement to January 1, 2025. Pursuant to the Authority's own groundwater diversion permit, as well as the NJDEP-approved East Brunswick Water Lease Agreement, the Authority has the right to divert and use groundwater supplies aggregating 554.088 MG each year.

## SOURCES OF ANNUAL REVENUES

### Service Charges

Water service to the residents and other equivalent service units in the Authority's service area is provided, on a retail basis, by the Authority, which owns, operates and maintains the water System and bills users thereof for metered water usage. The Authority also provides public and private fire protection services, which are billed at flat rates on a quarterly basis. In addition the Authority provides the bulk sale of water to GCWC for use in furnishing water service to the GCWC franchise area in the Township. Bulk water service to NJAWC is expected to commence by the spring of 2009. All service connections to the Authority's water System are metered. On June 1, 2004, the Authority adopted a new schedule of rates which became effective for all quarterly billing cycles commencing on and after June 15, 2004. New rates governing public fire protection service charges became effective as of January 1, 2005 and new rates governing connection fee charges became effective as of June 4, 2008.

### Rate Structure

Each customer is assessed a minimum quarterly charge, regardless of meter size and actual water usage, based upon each customer's classification. The minimum quarterly charge does not include any allowance for water usage. Additional service charges are imposed for actual water consumption based upon the following rate structure:

<u>Gallons Consumed Quarterly</u>	<u>Rate per 1,000 Gallons</u>
0 to 30,000	\$2.62
Over 30,000 to 50,000	\$4.47
Over 50,000	\$5.54

Minimum quarterly charges for each customer class are set forth below, together with the method used for calculating the service charges for metered usage:

(1) Single-family and multi-family residential (all residential units with an individual water meter) - Minimum charge of \$26.00 per quarter, plus metered usage at the above rates.

(2) Multi-family residential (one master meter for residential developments, or a portion thereof, including mobile homes, comprised of two (2) or more units) - (a) minimum charge of \$21.00 per unit per quarter plus, (b) metered usage, calculated as follows: (i) total metered usage per quarter is divided by the total number of units to arrive at the average usage per unit per quarter; and (ii) a quarterly charge is determined for this average usage in accordance with the above schedule of rates and then multiplied by the total number of units to arrive at a total charge for all metered usage.

(3) Commercial and industrial - Minimum charge of \$26.00 per quarter, plus metered usage at the above rates.

that all unpaid service charges and all interest accruing thereon shall become a lien on the real property receiving water service. The lien shall be superior and paramount to the interest in any such parcel of real property of any owner, lessee, tenant, mortgagee or other persons except the lien of municipal taxes, with respect to which the Authority's lien shall be deemed equal to and on a parity with. With respect to any such lien attaching to real property, such lien shall be enforced by the municipality and the Authority shall receive a pro-rata share of all sums collected upon such enforcement. The Authority has the further right to institute its own foreclosure proceedings against real property to enforce any liens for unpaid water service charges. All remedies and rights for collection and enforcement granted to the Authority are cumulative and concurrent

The Authority has implemented strict collection procedures, including the monitoring of all accounts, mailing of notices, filing of liens and termination of water service. As a result of such procedures, the Authority has experienced an average collection rate of over 99% during the past five years. Generally, no account remains unpaid for more than a 60-day period.

#### Annual Charges

On September 20, 1971, the Authority and the Township entered into the Service Contract, pursuant to the terms of which the Authority is required to impose Annual Charges upon the Township to the extent the Service Charges derived from the users of the Authority's System are insufficient to cover the Authority's annual operating expenses and debt service requirements. A detailed description of the Annual Charges imposed by the Authority upon the Township pursuant to the Service Contract is contained in "SECURITY FOR THE BONDS - Summary of Certain Provisions of the Service Contract" herein. Since the inception of the Service Contract, the Authority has never had to impose Annual Charges upon the Township.

#### Historical Revenues, Expenses and Debt Service Coverages

The table below provides a summary of historical revenues, expenses and debt service coverages for water operations for the fiscal years ended November 30, 2003, 2004, 2005, 2006 and 2007. For the financial statements of the Authority and the audit report thereon for the fiscal years ended November 30, 2007 and 2006, see Appendix A.

	Fiscal Year Ended November 30,				
	2003	2004	2005	2006	2007
Gross Revenues	\$6,432,900	\$6,766,662	\$7,995,435	\$7,784,372	\$7,825,992
Available Funds Based on General Reserves (1)	329,199	125,770	--	--	--
Total Available Funds	<u>\$6,762,099</u>	<u>\$6,892,432</u>	<u>\$7,995,435</u>	<u>\$7,784,372</u>	<u>\$7,825,992</u>
Expenses:					
Plant Operating Expenses (2)	1,267,954	1,230,552	1,308,215	1,576,695	1,815,000
Administrative Expenses (2)	1,149,206	1,261,105	1,163,093	1,010,085	1,010,470
Water Purchases (3)	2,345,353	2,220,711	2,253,459	2,608,949	2,598,463
Capital Outlays	--	--	164,515	17,480	--
Total Expenses	<u>\$4,762,513</u>	<u>\$4,712,368</u>	<u>\$4,889,282</u>	<u>\$5,213,209</u>	<u>\$5,423,973</u>
Net Revenues Available For Debt Service	\$1,999,586	\$2,180,064	\$3,106,153	\$2,571,163	\$2,402,019
Debt Service	<u>1,999,586</u>	<u>2,180,064</u>	<u>2,389,942</u>	<u>2,220,492</u>	<u>2,298,498</u>
Net Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 716,211</u>	<u>\$ 350,671</u>	<u>\$ 103,521</u>
Debt Service Coverage	1.00%	1.00%	130%	116%	105%

(1) The Authority has \$1,727,863 in its general fund as of June 30, 2008, which may be used as revenues.

(2) Excludes depreciation, amortization and interest expense.

(3) The Authority has entered into an agreement for the purchase of a minimum of 3.0 MGD of surface water from The Middlesex Water Company.

## AUTHORITY CAPITAL IMPROVEMENT PROGRAM

The Authority continues a process of evaluating its 4.4 MGD Harbor Road Water Treatment Plant and Backwash Lagoon System for the purpose of determining the future need for prospective rehabilitation and/or replacement of existing water treatment facilities. In that regard, the Authority has commissioned the preparation of standby design plans but no improvements have been authorized and the Authority does not anticipate that any new improvements, except those constituting the Project, will be undertaken over the next two-three years. Accordingly, there is no anticipation or current expectation that any additional Bonds or notes will be issued by the Authority during the next two-three years.

### RATING

The Authority has received a rating of "Aa3" from Moody's Investor's Service, Inc. (the "Rating Agency"). The rating reflects only the views of the Rating Agency and an explanation of the significance of such rating may only be obtained from the Rating Agency. The Authority furnished the Rating Agency with certain information and materials concerning the Bonds and the Authority. Generally, the Rating Agency bases its rating on such information and materials and also on such investigations, studies and assumptions that it may undertake independently. There can be no assurance that any such rating will be maintained for any given period of time or that it may not be raised, lowered or withdrawn entirely if, in the Rating Agency's judgment, circumstances so warrant. Any downward change in or withdrawal of such rating may have an adverse effect on the marketability or market price of the Bonds.

### LITIGATION

There is no litigation of any nature pending or threatened against the Authority at the date of this Official Statement to restrain or enjoin the issuance, sale, execution or delivery of the 2008 Bonds, or in any way contesting or affecting the validity of the 2008 Bonds or any proceedings of the Authority taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or security provided for the payment of the 2008 Bonds or the existence or powers of the Authority.

### TAX MATTERS

#### **Exclusion of Interest on the 2008 Bonds from Gross Income for Federal Income Tax Purposes**

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements which must be met on a continuing basis subsequent to the issuance of the 2008 Bonds in order to assure that interest on the 2008 Bonds will be excluded from gross income for Federal income tax purposes under Section 103 of the Code. Failure of the Authority to comply with such requirements may cause interest on the 2008 Bonds to be included in gross income for Federal income tax purposes, retroactive to the date of the issuance of the 2008 Bonds. The Authority has covenanted to comply with the provisions of the Code applicable to the 2008 Bonds and has covenanted not to take any action or permit any action that would cause the interest on the 2008 Bonds to be included in gross income under Section 103 of the Code or cause interest on the 2008 Bonds to be treated as an item of tax preference under Section 57 of the Code.

Assuming the Authority observes its covenants with respect to compliance with the Code, Gibbons P.C., Bond Counsel to the Authority, is of the opinion that, interest on the 2008 Bonds is excluded from the gross income of the owners of the 2008 Bonds for Federal income tax purposes pursuant to Section 103 of the Code and interest on the 2008 Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax.

#### **Additional Federal Income Tax Consequences**

In the case of certain corporate holders of the 2008 Bonds, interest on the 2008 Bonds will be included in the calculation of the alternative minimum tax as a result of the inclusion of interest on the 2008 Bonds in "adjusted current earnings" of certain corporations.

**DEBT SERVICE SCHEDULE**

The following table sets forth the debt service on Outstanding Bonds of the Authority including the 2008 Bonds.

Year Ended 1-Dec	Series 1993_CABs MTMUA (1)	Series 1998 MCIA (2)	Series 1999 MCIA (2)	Series 2003 MTMUA (1)	Series 2005 MTMUA (1)	Series 2007 MCIA (2)	Series 2008 MTMUA (1)	Principal	Interest	Total
2009	\$ 1,140,000.00	\$ 119,732.50	\$ 155,400.00	\$ 233,377.50	\$ 354,888.75	\$ 100,840.00	\$ 0.00	\$ 0.00	\$ 224,830.67	2,529,069.42
2010	1,335,000.00	121,470.00		232,477.50	356,038.75	256,520.00	305,000.00	305,000.00	226,720.00	2,833,226.25
2011	1,340,000.00	122,910.00		236,465.00	357,013.75	255,960.00	315,000.00	315,000.00	217,570.00	2,844,918.75
2012	1,335,000.00	124,042.50		235,275.00	357,513.75	256,160.00	325,000.00	325,000.00	208,120.00	2,841,111.25
2013		119,857.50		1,574,050.00	357,513.75	254,080.00	335,000.00	335,000.00	196,745.00	2,837,246.25
2014		120,582.50		833,175.00	357,313.75	254,800.00	350,000.00	350,000.00	185,020.00	2,100,891.25
2015		121,070.00		832,487.50	356,913.75	254,300.00	360,000.00	360,000.00	171,895.00	2,096,666.25
2016		121,170.00		834,975.00	356,313.75	255,350.00	375,000.00	375,000.00	157,495.00	2,100,303.75
2017		121,025.00		840,375.00	355,513.75	257,850.00	390,000.00	390,000.00	142,495.00	2,107,258.75
2018		120,635.00		833,600.00	354,513.75	252,700.00	410,000.00	410,000.00	122,020.00	2,093,468.75
2019					358,158.75	257,250.00	430,000.00	430,000.00	105,210.00	1,150,618.75
2020					356,552.50		445,000.00	445,000.00	86,720.00	888,072.50
2021					359,340.00		465,000.00	465,000.00	66,695.00	891,035.00
2022					356,780.00		485,000.00	485,000.00	45,770.00	887,550.00
2023					358,917.50		510,000.00	510,000.00	23,460.00	892,377.50
2024					355,630.00					355,630.00
2025					357,030.00					357,030.00
2026					358,000.00					358,000.00
2027					357,000.00					357,000.00
2028					355,500.00					355,500.00
2029					358,500.00					358,500.00
2030					355,750.00					355,750.00
2031					357,500.00					357,500.00
2032					358,500.00					358,500.00
2033					358,750.00					358,750.00
2034					358,250.00					358,250.00
2035					357,000.00					357,000.00
<b>Total</b>	<b>\$5,350,000.00</b>	<b>\$1,212,495.00</b>	<b>\$ 155,400.00</b>	<b>\$6,686,257.50</b>	<b>\$9,640,496.25</b>	<b>\$2,655,810.00</b>	<b>\$5,500,000.00</b>	<b>\$2,180,765.67</b>	<b>\$33,381,224.42</b>	

(1) Bonds issued by the Authority.  
(2) Bonds issued by the Authority and sold through the Monmouth County Improvement Authority ("MCTA")

**EXHIBIT C**

MARLBORO TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

HIGHLIGHTS : FISCAL YEAR 2008

Repair and Renewal expenses increased by \$67,419 to \$316,091.

As a result of a rate increase, Electric costs increased by \$74,317 to \$534,774.

Salary increases resulted in an increase of \$41,636 to \$818,058.

Increases in Pension and other Fringe Benefits resulted in an increase of \$51,798 to \$331,687.

Engineering costs decreased by \$104,063 to \$187,129 as a result of a decline in local construction.

Interest Income decreased by \$192,512 to \$348,776 because of low interest rates.

Financial results for 2008:

Budgeted Excess Revenues	\$ 18,230
Expenses less than Anticipated Budget	250,609
Capital Outlay less than Anticipated Budget	35,607
Revenues less than Anticipated Budget	<u>(528,645)</u>
Decrease in Unrestricted Net Assets from Operations	<u>\$ (224,199)</u>

MARLBORO TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

HIGHLIGHTS : FISCAL YEAR 2007

Repair and Renewal expense increased \$72,714 to \$249,482.

A reduction in Insurance premiums resulted in a decrease of \$32,250 to \$69,199.

An increase in Generation charges increased Electric costs by \$90,134 to \$460,457.

Salary increases resulted in an increase of \$116,398 to \$776,422.

Interest expense decreased by \$126,883 as bonds were refinanced and principal payments paid.

As a result of economic conditions impacting the construction industry, Connection Fees decreased by \$97,939 to \$402,675.

Financial results for 2007:

Anticipated Utilization of Unrestricted Net Assets	\$ (244,855)
Revenues in Excess of Anticipated Budget	482,478
Expenses in Excess of Anticipated Budget	(157,602)
Capital Outlay less than Anticipated Budget	<u>23,500</u>
Increase in Unrestricted Net Assets from Operations	<u>\$ 103,521</u>

MARLBORO TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

HIGHLIGHTS : FISCAL YEAR 2006

OPERATIONS

Middlesex Water Company rate increase resulted in an increase of \$141,085 to \$2,608,949.

Utility increase resulted in an increase of \$50,014 to \$370,323.

Operation enhancements (repairs and renewal expenses) increased \$68,612 to \$176,768.

ADMINISTRATION

Salaries and Wages adjustments in addition to in-house legal counsel resulted in an increase of \$147,323.

Legal professional costs decreased by \$171,346 due to in-house counsel.

NON-OPERATING

Interest expense increased by \$98,633 as a result of \$5,700,000 bonds issued on November 22, 2005.

Financial results for 2006:

Anticipated Utilization of Unrestricted Net Assets	\$ (335,320)
Revenue in Excess of Anticipated Budget	514,542
Expenses less than Anticipated Budget	163,929
Capital Outlay less than Anticipated Budget	<u>7,520</u>
Increase in Unrestricted Net Assets from Operations	<u>\$ 350,671</u>

**EXHIBIT D**

MARLBORO TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

2007/08 FISCAL COMPARISON

Based on a comparison of fiscal years 2008 and 2007, one could ascertain the following:

Revenues

Actual Revenue earned for 2008, \$7,598,718, was \$227,274 less than 2007 and was \$528,645 under budget.

Expenditures

Actual Operating Expenditures increased by \$56,882 in 2008, from \$5,423,973 to \$5,480,855.

Actual Debt Service only increased by \$9,171, and Capital Outlay increased by \$34,393.

**EXHIBIT E**

## MARLBORO TOWNSHIP MUA

EXHIBIT L  
Page 1 of 3

## OPERATING REVENUES AND EXPENDITURES

	2008 ORIGINAL BUDGET	2008 ACTUAL	2007 ORIGINAL BUDGET	2007 ACTUAL
<b>REVENUES</b>				
Customer Service Charges	\$ 4,435,170	\$ 4,463,281	\$ 4,301,430	\$ 4,541,357
Fire district charges	414,500	421,494	400,160	406,631
Connection Fees	781,679	383,352	321,242	402,675
Interest on Investments	367,500	348,776	453,220	540,297
Interest on Customer Accounts	10,000	13,902	6,000	13,585
Inspection and Application Fees	70,000	52,829	60,000	114,603
Miscellaneous Income	2,500	25,499	1,500	9,339
Water Sales	2,002,014	1,864,200	1,760,962	1,772,942
Tower Rentals	30,000		30,000	
Developer's Unit Fee	14,000	25,385	9,000	24,563
<b>Total Operating Revenues</b>	<b>\$ 8,127,363</b>	<b>\$ 7,598,718</b>	<b>\$ 7,343,514</b>	<b>\$ 7,825,992</b>
<b>EXPENDITURES</b>				
Administration:				
Salary and Wages - Office	\$ 352,500	\$ 350,397	\$ 326,000	\$ 328,776
Salary and Wages - Members	10,000	10,000	10,000	10,000
Payroll Taxes and Fringe Benefits	121,422	145,942	109,342	96,926
Engineering	279,000	187,129	380,000	291,192
Legal	10,000	297	10,000	
Accounting	60,000	57,900	56,000	65,958
Auditing	19,000	19,000	25,000	25,000
Auditing Fees	21,200	21,046	13,900	20,612
Trustee Fees	15,000	14,038	7,800	11,628
Computer support	15,000	13,430	10,000	13,821
Supplies	20,000	18,414	18,500	20,703
Telephone	30,000	27,546	28,000	30,016
Advertising	5,000	5,524	5,000	6,004
Dues	5,000	4,731	4,000	4,688
Member Expense	15,500	11,718	14,000	12,493
Licenses and Permits	15,500	21,632	12,500	10,870
Sundry	8,000	6,156	8,000	3,768
Gas Heat	3,500	2,619	3,500	2,176
Travel	10,000			81
Rate Hearing	4,800	3,814		23,517
Seminars and Training	1,000	670		506
Miscellaneous	2,000	832	2,000	31,735
		337		
	<b>\$ 1,023,422</b>	<b>\$ 923,172</b>	<b>\$ 1,043,542</b>	<b>\$ 1,010,470</b>

MARLBORO TOWNSHIP MUA

OPERATING REVENUES AND EXPENDITURES

	2008 ORIGINAL BUDGET	2008 ACTUAL	2007 ORIGINAL BUDGET	2007 ACTUAL
EXPENDITURES (continued)				
Cost of Providing Services:				
Salary and wages	\$ 477,700	\$ 457,661	\$ 413,000	\$ 437,646
Payroll Taxes and Fringe Benefits	158,635	185,745	133,866	182,963
Electric	470,000	534,774	320,000	460,457
Chemicals	88,750	72,199	72,000	81,832
Water Purchases	2,798,367	2,617,688	2,599,600	2,598,463
Water Diversion Lease	227,048	227,048	227,048	227,048
Insurance	107,000	43,169	125,000	69,199
Third Party Claims	12,000	5,092	21,000	
Vehicle Expenses	30,000	31,770	3,000	28,978
Pump Station Fuel	2,500		20,000	
Meters and Cable	10,000	6,015	190,000	2,974
Repairs and Renewal	230,000	316,901	10,000	249,482
Lawn Care	10,000	8,860	22,000	9,170
Chemical Tests	26,000	20,499	1,800	24,696
Hydrant Services	2,200	2,106	17,000	1,740
Supplies	20,000	8,986	1,000	18,197
Travel	1,000	81	1,100	124
Rubbish Removal	1,100	1,036	7,000	1,015
Sundry	7,000	1,560	11,000	3,176
Tax Water Product	11,000	9,988	5,000	8,192
Uniforms	5,000	1,301	2,000	3,584
Safety Supplies	4,000	1,979	3,500	3,120
Seminars and Training	3,500	3,225		1,447
	<u>\$ 4,702,800</u>	<u>\$ 4,557,683</u>	<u>\$ 4,205,914</u>	<u>\$ 4,413,503</u>
Total Operating Expenditures	<u>5,726,222</u>	<u>5,480,855</u>	<u>5,249,456</u>	<u>5,423,973</u>
Principal Payments on Debt Service in lieu of Depreciation	<u>1,704,000</u>	<u>1,699,000</u>	<u>1,676,000</u>	<u>1,709,000</u>
Interest Payments on Debt	<u>608,911</u>	<u>608,669</u>	<u>639,413</u>	<u>589,498</u>
Capital Outlay:				
Plant Equipment	5,000	1,077		
Office Equipment	10,000			
Truck	55,000	33,316	23,500	
	<u>\$ 70,000</u>	<u>\$ 34,393</u>	<u>\$ 23,500</u>	<u>\$ 0</u>

MARLBORO TOWNSHIP MUA

OPERATING REVENUES AND EXPENDITURES

	2008 ORIGINAL <u>BUDGET</u>	2008 <u>ACTUAL</u>	2007 ORIGINAL <u>BUDGET</u>	2007 <u>ACTUAL</u>
Total Expenditures	\$ 8,109,133	\$ 7,822,917	\$ 7,588,369	\$ 7,722,471
(Unrestricted Net Assets Utilized)/ Excess Revenues	<u>18,230</u>	<u>(224,199)</u>	<u>(244,855)</u>	<u>103,521</u>
Net Total Appropriations	<u>\$ 8,127,363</u>	<u>\$ 7,598,718</u>	<u>\$ 7,343,514</u>	<u>\$ 7,825,992</u>

**EXHIBIT F**

MARLBORO TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

BALANCE SHEETS  
AS OF NOVEMBER 30, 2008, 2007 AND 2006

	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Assets:</b>			
<b>Unrestricted Current Assets:</b>			
Cash and Cash Equivalents	\$ 1,508,094	\$ 2,311,037	\$ 2,468,203
Investments	291,699	508,510	511,565
Interest Receivable	8,423	12,002	17,149
Accounts Receivable	826,727	663,033	516,230
Prepaid Expenses	<u>88,683</u>	<u>62,973</u>	<u>70,680</u>
<b>Total Unrestricted Current Assets</b>	<u>2,723,626</u>	<u>3,557,555</u>	<u>3,583,827</u>
<b>Restricted Current Assets:</b>			
Cash and Cash Equivalents	8,199,657	3,860,622	8,155,638
Investments		4,926,266	1,172,003
Interest Receivable	<u>13,792</u>	<u>21,910</u>	<u>38,825</u>
<b>Total Restricted Current Assets</b>	<u>8,213,449</u>	<u>8,808,798</u>	<u>9,366,466</u>
<b>Total Current Assets</b>	<u>10,937,075</u>	<u>12,366,353</u>	<u>12,950,293</u>
<b>Non-Current Assets:</b>			
Property, Plant, and Equipment, Net	16,182,301	16,367,839	16,544,030
Construction in Progress	4,048,853	2,748,441	2,291,505
Investments - Unrestricted	553,240	796,708	765,153
Investments - Restricted	1,297,447	1,199,654	1,262,127
Unamortized Debt Issuance Costs	383,875	423,671	445,670
Unamortized Franchise Costs	<u>56,000</u>	<u>58,000</u>	<u>60,000</u>
<b>Total Non-Current Assets</b>	<u>22,521,716</u>	<u>21,594,313</u>	<u>21,368,485</u>
<b>Total Assets</b>	<u>\$ 33,458,791</u>	<u>\$ 33,960,666</u>	<u>\$ 34,318,778</u>
<b>Liabilities:</b>			
<b>Current Liabilities:</b>			
Accounts Payable and Accrued Expenses	\$ 619,687	\$ 684,615	\$ 620,921
Customer Overpayments	7,176	8,242	8,534
Contracts Payable	494,031	38,607	24,595
Accrued Interest Payable	226,508	228,552	232,889
Reserve for Escrow and Other Deposits	867,161	1,249,888	1,440,433
Current Portion of Bonds Payable	<u>1,711,000</u>	<u>1,699,000</u>	<u>1,666,000</u>
<b>Total Current Liabilities</b>	<u>3,925,563</u>	<u>3,908,904</u>	<u>3,993,372</u>
<b>Noncurrent Liabilities:</b>			
Bonds, Payable, Net	<u>17,508,230</u>	<u>18,721,313</u>	<u>19,841,706</u>
<b>Total Liabilities</b>	<u>21,433,793</u>	<u>22,630,217</u>	<u>23,835,078</u>
<b>Net Assets:</b>			

MARLBORO TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

BALANCE SHEETS  
AS OF NOVEMBER 30, 2008, 2007 AND 2006

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Invested in Capital Assets, Net of Related Debt	5,378,087	3,924,397	2,822,403
Restricted	3,996,909	3,744,645	3,941,772
Unrestricted	<u>2,650,002</u>	<u>3,661,407</u>	<u>3,719,525</u>
 Total Net Assets	 <u>12,024,998</u>	 <u>11,330,449</u>	 <u>10,483,700</u>
 Total Liabilities and Net Assets	 <u>\$ 33,458,791</u>	 <u>\$ 33,960,666</u>	 <u>\$ 34,318,778</u>
 Restricted Net Assets	 \$ 3,996,909	 \$ 3,744,645	 \$ 3,941,772
Unrestricted Net Assets	<u>2,650,002</u>	<u>3,661,407</u>	<u>3,719,525</u>
 Invested in Capital Assets	 6,646,911	 7,406,052	 7,661,297
Restricted	<u>5,378,087</u>	<u>3,924,397</u>	<u>2,822,403</u>
 Total Net Assets	 <u>\$ 12,024,998</u>	 <u>\$ 11,330,449</u>	 <u>\$ 10,483,700</u>

MARLBORO TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
YEARS ENDED NOVEMBER 30, 2008, 2007 and 2006

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Operating Revenues:			
User Charges	\$ 4,884,775	\$ 4,947,988	\$ 4,911,740
Bulk Water Sales	1,864,200	1,772,942	1,757,039
Connection Fees	383,352	402,675	500,614
Application Fees	52,829	114,603	108,125
Other	50,884	33,902	23,353
Delinquent Penalties	13,902	13,585	13,463
	<u>7,249,942</u>	<u>7,285,695</u>	<u>7,314,334</u>
Total Operating Revenues			
Operating Expenses:			
Cost of Providing Services	4,557,683	4,413,503	4,185,644
Administrative and General	923,172	1,010,470	1,010,085
Depreciation	420,957	405,984	405,850
	<u>5,901,812</u>	<u>5,829,957</u>	<u>5,601,579</u>
Total Operating Expenses			
Operating Income	<u>1,348,130</u>	<u>1,455,738</u>	<u>1,712,755</u>
Non-Operating Revenues/(Expenses):			
Interest Income	348,776	540,297	470,038
Interest Expense	(1,106,586)	(1,156,860)	(1,283,743)
Unrealized Gain/(Loss) on Investments	146,025	92,081	(9,976)
Gain on Asset Disposal			5,548
Amortization of Debt Issuance Costs	(39,796)	(82,507)	(51,565)
Amortization of Franchise Costs	(2,000)	(2,000)	(2,000)
	<u>(653,581)</u>	<u>(608,989)</u>	<u>(871,698)</u>
Net Non-Operating Expenses			
Capital Contributions			<u>25,000</u>
Change in Net Assets	<u>694,549</u>	<u>846,749</u>	<u>866,057</u>
Net Assets, Beginning	11,330,449	10,483,700	9,676,618
Adjustments for Understatement of			
Accounts Payable and Accrued Expenses			(229,404)
Adjustments for Overstatement of:			
Accounts Payable and Accrued Expenses			64,710
Accumulated Depreciation			105,719
	<u>11,330,449</u>	<u>10,483,700</u>	<u>9,617,643</u>
Net Assets, Beginning			
Net Assets, Ending	<u>\$ 12,024,998</u>	<u>\$ 11,330,449</u>	<u>\$ 10,483,700</u>

## MARLBORO TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

STATEMENTS OF CASH FLOWS  
YEARS ENDED NOVEMBER 30, 2008, 2007 and 2006

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Cash Flow From Operating Activities:			
Cash Received From Customers	\$ 7,085,182	\$ 7,138,600	\$ 7,457,934
Cash Payments for Goods and Services	(4,753,435)	(4,576,150)	(4,504,947)
Cash Payments to Employees	(818,058)	(776,422)	(724,751)
Net Cash Provided by Operating Activities	<u>1,513,689</u>	<u>1,786,028</u>	<u>2,228,236</u>
Cash Flows From Capital and Related Financing Activities:			
Principal Paid on Bonds and Notes	(1,699,000)	(3,694,000)	(4,157,000)
Interest Paid	(610,713)	(593,836)	(623,489)
Purchase of Capital Assets	(235,419)	(242,144)	(126,334)
Construction in Progress Payments	(844,988)	(430,572)	(218,484)
Escrow and Other Deposits	(382,727)	(190,545)	(24,722)
Capital Contribution			25,000
Proceeds From Revenue Bonds Issued		2,047,000	
Premium on Bonds		129,602	
Payment for Debt Issuance Costs		(60,508)	
Proceeds from Insurance Recovery			15,825
Deferred Loss on Refunding of Bonds		(137,357)	
Net Cash Used by Financing Activities	<u>(3,772,847)</u>	<u>(3,172,360)</u>	<u>(5,109,204)</u>
Cash Flow From Investing Activities:			
Maturity of Investments	8,899,777	7,030,095	10,468,369
Purchase of Investments	(3,465,000)	(10,658,304)	(1,693,544)
Interest Income	360,473	562,359	456,131
Net Cash Provided/(Used) by Investing Activities	<u>5,795,250</u>	<u>(3,065,850)</u>	<u>9,230,956</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	3,536,092	(4,452,182)	6,349,988
Cash and Cash Equivalents at Beginning of Year	<u>6,171,659</u>	<u>10,623,841</u>	<u>4,273,853</u>
Cash and Cash Equivalents at End of Year	<u>\$ 9,707,751</u>	<u>\$ 6,171,659</u>	<u>\$ 10,623,841</u>
Reconciliation to Balance Sheet:			
Unrestricted	\$ 1,508,094	\$ 2,311,037	\$ 2,468,203
Restricted	<u>8,199,657</u>	<u>3,860,622</u>	<u>8,155,638</u>
	<u>\$ 9,707,751</u>	<u>\$ 6,171,659</u>	<u>\$ 10,623,841</u>

MARLBORO TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

OPERATING REVENUES AND EXPENDITURES

	2008		2007		2006	
	ORIGINAL	2008	ORIGINAL	2007	ORIGINAL	2006
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
<b>REVENUES</b>						
Customer Service Charges	\$ 4,435,170	\$ 4,463,281	\$ 4,301,430	\$ 4,541,357	\$ 4,291,340	\$ 4,511,669
Fire District Charges	414,500	421,494	400,160	406,631	425,080	400,071
Connection Fees	781,679	383,352	321,242	402,675	402,300	500,614
Interest on Investments	367,500	348,776	453,220	540,297	275,898	470,038
Interest on Customer Accounts	10,000	13,902	6,000	13,585	4,000	13,463
Inspection and Application Fees	70,000	52,829	60,000	114,603	110,000	108,125
Search Fees					1,000	408
Miscellaneous Administration Fees					3,000	
Miscellaneous Income	2,500	25,499	1,500	9,339	2,400	10,416
Water Sales	2,002,014	1,864,200	1,760,962	1,772,942	1,699,812	1,757,039
Tower Rentals	30,000		30,000		50,000	
Developer's Unit Fee	14,000	25,385	9,000	24,563	5,000	12,529
<b>Total Operating Revenues</b>	<b>\$ 8,127,363</b>	<b>\$ 7,598,718</b>	<b>\$ 7,343,514</b>	<b>\$ 7,825,992</b>	<b>\$ 7,269,830</b>	<b>\$ 7,784,372</b>
<b>EXPENDITURES</b>						
Administration:						
Salary and Wages - Office	\$ 352,500	\$ 350,397	\$ 326,000	\$ 328,778	\$ 314,311	\$ 299,386
Salary and Wages - Members	10,000	10,000	10,000	10,000	10,000	10,000
Payroll Taxes and Fringe Benefits	121,422	145,942	109,342	96,926	75,536	85,800
Engineering	279,000	187,129	380,000	291,192	494,400	364,837
Legal	10,000	297	10,000		25,000	20,360
Accounting	60,000	57,900	56,000	65,958	114,320	100,174
Auditing Fees	19,000	19,000	25,000	25,000		
Trustee Fees	21,200	21,046	13,900	20,612	14,925	16,540
Computer Support	15,000	14,038	7,800	11,628	11,620	1,295
Supplies	15,000	13,430	10,000	13,821	6,480	6,607
Postage	20,000	18,414	18,500	20,703	17,000	18,438
Telephone	30,000	27,546	28,000	30,016	30,655	30,355
Advertising	5,000	5,524	5,000	6,004	5,800	4,418
Dues	5,000	4,731	4,000	4,688	3,700	3,362
Member Expense	15,500	11,718	14,000	12,493	14,882	13,261
Licenses and Permits	15,500	21,632	12,500	10,870	12,500	6,593
Sundry	8,000	6,156	8,000	3,768	8,020	10,058
Gas Heat	3,500	2,619	3,500	2,176	3,240	2,694
Rate Hearing	10,000			23,517	25,000	10,866
T-1 Data Transmission Services	4,800	3,814				
Travel	1,000	670		81		1,709
Computer Supplies					5,500	3,312
Seminars and Training	2,000	832	2,000	506	2,000	
Miscellaneous		337		31,735		
<b>Total Operating Expenditures</b>	<b>\$ 1,023,422</b>	<b>\$ 923,172</b>	<b>\$ 1,043,542</b>	<b>\$ 1,010,470</b>	<b>\$ 1,194,889</b>	<b>\$ 1,010,085</b>

MARLBORO TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

OPERATING REVENUES AND EXPENDITURES

	2008 ORIGINAL BUDGET	2008 ACTUAL	2007 ORIGINAL BUDGET	2007 ACTUAL	2006 ORIGINAL BUDGET	2006 ACTUAL
EXPENDITURES (continued)						
Cost of Providing Services:						
Salary and wages	\$ 477,700	\$ 457,661	\$ 413,000	\$ 437,646	\$ 400,440	350,638
Payroll Taxes and Fringe Benefits	158,635	185,745	133,866	182,963	147,342	161,984
Electric	470,000	534,774	320,000	460,457	293,080	370,323
Chemicals	88,750	72,199	72,000	81,832	54,428	75,296
Water Purchases	2,798,367	2,617,688	2,599,600	2,598,463	2,462,654	2,608,949
Water Diversion Lease	227,048	227,048	227,048	227,048	227,048	227,048
Insurance	107,000	43,169	125,000	69,199	152,480	101,449
Third Party Claims	12,000	5,092				
Vehicle Expenses	30,000	31,770	21,000	28,978	17,200	22,863
Pump Station Fuel	2,500		3,000		3,000	2,390
Meters and Cable	10,000	6,015	20,000	2,974	21,250	24,500
Repairs and Renewal	230,000	316,901	190,000	249,482	190,000	176,768
Lawn Care	10,000	8,860	10,000	9,170	8,700	9,300
Chemical Tests	26,000	20,499	22,000	24,696	18,750	17,511
Hydrant Services	2,200	2,106	1,800	1,740	1,100	1,888
Supplies	20,000	8,986	17,000	18,197	21,000	13,497
Travel	1,000	81	1,000	124	1,800	304
Rubbish Removal	1,100	1,036	1,100	1,015	1,000	1,040
Sundry	7,000	1,560	7,000	3,176	4,000	2,145
Tax Water Product	11,000	9,988	11,000	8,192	9,750	10,943
Uniforms	5,000	1,301	5,000	3,584	5,000	4,942
Safety Supplies	4,000	1,979	2,000	3,120	2,000	938
Seminars and Training	3,500	3,225	3,500	1,447	3,000	928
	<u>\$ 4,702,800</u>	<u>\$ 4,557,683</u>	<u>\$ 4,205,914</u>	<u>\$ 4,413,503</u>	<u>\$ 4,045,022</u>	<u>\$ 4,185,644</u>
Total Operating Expenditures	<u>5,726,222</u>	<u>5,480,855</u>	<u>5,249,456</u>	<u>5,423,973</u>	<u>5,239,911</u>	<u>5,195,729</u>
Principal Payments on Debt Service in lieu of Depreciation	<u>1,704,000</u>	<u>1,699,000</u>	<u>1,676,000</u>	<u>1,709,000</u>	<u>1,677,000</u>	<u>1,557,000</u>
Interest Payments on Debt	<u>608,911</u>	<u>608,669</u>	<u>639,413</u>	<u>589,498</u>	<u>663,239</u>	<u>663,492</u>
Capital Outlay:						
Plant Equipment	5,000	1,077				
Office Equipment	10,000				2,000	
Truck	55,000	33,316	23,500		23,000	17,480
	<u>\$ 70,000</u>	<u>\$ 34,393</u>	<u>\$ 23,500</u>	<u>\$ 0</u>	<u>\$ 25,000</u>	<u>\$ 17,480</u>
Total Expenditures	<u>\$ 8,109,133</u>	<u>\$ 7,822,917</u>	<u>\$ 7,588,369</u>	<u>\$ 7,722,471</u>	<u>\$ 7,605,150</u>	<u>\$ 7,433,701</u>
(Unrestricted Net Assets Utilized)/ Excess Revenues	<u>18,230</u>	<u>(224,199)</u>	<u>(244,855)</u>	<u>103,521</u>	<u>(335,320)</u>	<u>350,671</u>
Net Total Appropriations	<u>\$ 8,127,363</u>	<u>\$ 7,598,718</u>	<u>\$ 7,343,514</u>	<u>\$ 7,825,992</u>	<u>\$ 7,269,830</u>	<u>\$ 7,784,372</u>

MARLBORO TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

BALANCE SHEETS COMPARISONS 2006-2008

	2008	2007	2006	2008 VS. 2006	2008 VS. 2007	2008 VS. 2006 %	2008 VS. 2007 %
<b>Assets:</b>							
<b>Unrestricted Current Assets:</b>							
Cash and Cash Equivalents	\$ 1,508,094	\$ 2,311,037	\$ 2,468,203	\$ (860,109)	\$ (802,943)	-36.90%	-34.74%
Investments	291,699	508,510	511,565	(219,866)	(216,811)	-42.98%	-42.64%
Interest Receivable	8,423	12,002	17,149	(8,726)	(3,579)	-50.88%	-29.82%
Accounts Receivable	826,727	663,033	516,230	310,497	163,694	60.15%	24.69%
Prepaid Expenses	88,663	62,973	70,680	18,003	25,710	25.47%	40.83%
<b>Total Unrestricted Current Assets</b>	<b>2,723,826</b>	<b>3,557,555</b>	<b>3,583,827</b>	<b>(860,201)</b>	<b>(833,929)</b>	<b>-24.00%</b>	<b>-23.44%</b>
<b>Restricted Current Assets:</b>							
Cash and Cash Equivalents	8,199,657	3,860,622	8,155,638	44,019	4,339,035	0.54%	112.39%
Investments	13,792	4,926,266	1,172,003	(1,172,003)	(4,926,266)	-100.00%	-100.00%
Interest Receivable		21,910	38,825	(25,033)	(8,118)	-64.48%	-37.05%
<b>Total Restricted Current Assets</b>	<b>8,213,449</b>	<b>8,808,798</b>	<b>9,366,466</b>	<b>(1,153,017)</b>	<b>(595,349)</b>	<b>-6.76%</b>	<b>-6.76%</b>
<b>Total Current Assets</b>	<b>10,937,075</b>	<b>12,366,353</b>	<b>12,950,293</b>	<b>(2,013,218)</b>	<b>(1,429,278)</b>	<b>-15.55%</b>	<b>-11.56%</b>
<b>Non-Current Assets:</b>							
Property, Plant, and Equipment, Net	16,182,301	16,367,839	16,544,030	(361,729)	(185,538)	-2.19%	-1.13%
Construction in Progress	4,048,853	2,748,441	2,291,505	1,757,348	1,300,412	76.69%	47.31%
Investments - Unrestricted	553,240	796,708	765,153	(211,913)	(243,468)	-27.70%	-30.56%
Investments - Restricted	1,297,447	1,199,654	1,262,127	35,320	97,783	8.15%	8.15%
Unamortized Debt Issuance Costs	383,875	423,671	445,670	(61,795)	(39,796)	-13.87%	-9.39%
Unamortized Franchise Costs	56,000	58,000	60,000	(4,000)	(2,000)	-6.67%	-3.45%
<b>Total Non-Current Assets</b>	<b>22,521,716</b>	<b>21,594,313</b>	<b>21,368,485</b>	<b>1,153,231</b>	<b>927,403</b>	<b>5.40%</b>	<b>4.29%</b>
<b>Total Assets</b>	<b>\$ 33,458,791</b>	<b>\$ 33,960,666</b>	<b>\$ 34,318,778</b>	<b>\$ (859,987)</b>	<b>\$ (501,875)</b>	<b>-2.51%</b>	<b>-1.48%</b>
<b>Liabilities:</b>							
<b>Current Liabilities:</b>							
Accounts Payable and Accrued Expenses	\$ 619,687	\$ 684,615	\$ 620,921	\$ (1,234)	\$ (64,928)	-0.20%	-8.48%
Customer Overpayments	7,176	8,242	8,534	(1,358)	(1,066)	-15.91%	-12.93%
Contracts Payable	494,031	38,607	24,595	469,436	455,424	1908.66%	1179.64%
Accrued Interest Payable	226,508	228,552	232,889	(6,381)	(2,044)	-2.74%	-0.89%
Reserve for Escrow and Other Deposits	867,161	1,249,888	1,440,433	(573,272)	(382,727)	-39.80%	-30.62%
Current Portion of Bonds Payable	1,711,000	1,699,000	1,666,000	45,000	12,000	2.70%	0.71%
<b>Total Current Liabilities</b>	<b>3,925,563</b>	<b>3,908,904</b>	<b>3,993,372</b>	<b>(67,809)</b>	<b>16,659</b>	<b>-1.70%</b>	<b>0.43%</b>
<b>Noncurrent Liabilities:</b>							
Bonds, Payable, Net	17,508,230	18,721,313	19,841,706	(2,333,476)	(1,213,083)	-11.76%	-6.48%
<b>Total Liabilities</b>	<b>21,433,793</b>	<b>22,630,217</b>	<b>23,835,078</b>	<b>(2,401,285)</b>	<b>(1,196,424)</b>	<b>-10.07%</b>	<b>-5.29%</b>

MARLBORO TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

BALANCE SHEETS COMPARISONS 2006-2008

	2008	2007	2006	2008 VS. 2006	2008 VS. 2006 %	2008 VS. 2007	2008 VS. 2007 %
<b>Net Assets:</b>							
<b>Invested in Capital Assets, Net of Related Debt</b>							
Restricted	5,378,087	3,924,397	2,822,403	2,555,684	90.55%	1,453,690	37.04%
Unrestricted	3,996,909	3,744,645	3,941,772	55,137	1.40%	252,264	6.74%
	<u>2,650,002</u>	<u>3,661,407</u>	<u>3,719,525</u>	<u>(1,069,523)</u>	<u>-28.75%</u>	<u>(1,011,405)</u>	<u>-27.62%</u>
<b>Total Net Assets</b>	<u>12,024,998</u>	<u>11,330,449</u>	<u>10,483,700</u>	<u>1,541,298</u>	<u>14.70%</u>	<u>694,549</u>	<u>6.13%</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 33,458,791</u>	<u>\$ 33,980,666</u>	<u>\$ 34,318,778</u>	<u>\$ (859,987)</u>	<u>-2.51%</u>	<u>\$ (501,875)</u>	<u>-1.48%</u>
<b>Restricted Net Assets</b>							
Unrestricted Net Assets	\$ 3,996,909	\$ 3,744,645	\$ 3,941,772	\$ 55,137	1.40%	\$ 252,264	6.74%
	<u>2,650,002</u>	<u>3,661,407</u>	<u>3,719,525</u>	<u>(1,069,523)</u>	<u>-28.75%</u>	<u>(1,011,405)</u>	<u>-27.62%</u>
<b>Invested in Capital Assets</b>	6,648,911	7,406,052	7,661,297	(1,014,386)	-13.24%	(759,141)	-10.25%
	<u>5,378,087</u>	<u>3,924,397</u>	<u>2,822,403</u>	<u>2,555,684</u>	<u>90.55%</u>	<u>1,453,690</u>	<u>37.04%</u>
<b>Total Net Assets</b>	<u>\$ 12,024,998</u>	<u>\$ 11,330,449</u>	<u>\$ 10,483,700</u>	<u>\$ 1,541,298</u>	<u>14.70%</u>	<u>\$ 694,549</u>	<u>6.13%</u>

MARLBORO TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS COMPARISONS 2006-2008

	2008	2007	2006	2008 VS. 2006	2008 VS. 2006	2008 VS. 2007	2008 VS. 2007
				%			%
<b>Operating Revenues:</b>							
User Charges	\$ 4,884,775	\$ 4,947,988	\$ 4,911,740	-0.55%	\$ (26,965)	\$ (63,213)	-1.28%
Bulk Water Sales	1,864,200	1,772,942	1,757,039	6.10%	107,161	91,258	5.15%
Connection Fees	383,352	402,675	500,614	-23.42%	(117,262)	(19,323)	4.80%
Application Fees	52,829	114,603	108,125	-51.14%	(55,296)	(61,774)	-53.90%
Other	50,884	33,902	23,353	117.89%	27,531	16,982	50.08%
Delinquent Penalties	13,902	13,585	13,463	3.26%	439	317	2.33%
<b>Total Operating Revenues</b>	<b>7,249,942</b>	<b>7,285,695</b>	<b>7,314,334</b>	<b>-0.88%</b>	<b>(64,392)</b>	<b>(35,753)</b>	<b>-0.49%</b>
<b>Operating Expenses:</b>							
Cost of Providing Services	4,557,683	4,413,503	4,185,644	8.89%	372,039	144,180	3.27%
Administrative and General	923,172	1,010,470	1,010,085	-8.60%	(86,913)	(87,298)	-8.64%
Depreciation	420,957	405,984	405,850	3.72%	15,107	14,973	3.68%
<b>Total Operating Expenses</b>	<b>5,901,812</b>	<b>5,829,957</b>	<b>5,601,579</b>	<b>5.36%</b>	<b>300,233</b>	<b>71,855</b>	<b>1.23%</b>
<b>Operating Income</b>	<b>1,348,130</b>	<b>1,455,738</b>	<b>1,712,755</b>	<b>-21.29%</b>	<b>(364,625)</b>	<b>(107,608)</b>	<b>-7.39%</b>
<b>Non-Operating Revenues/(Expenses):</b>							
Interest Income	348,776	540,297	470,038	-25.80%	(121,262)	(191,521)	-35.45%
Interest Expense	(1,106,586)	(1,156,860)	(1,283,743)	-13.80%	(177,157)	50,274	-4.35%
Unrealized Gain/(Loss) on Investments	146,025	92,081	(9,976)	-1563.76%	156,001	53,944	58.58%
Gain on Asset Disposal	(39,796)	(82,507)	5,548	-100.00%	(5,548)		
Amortization of Debt Issuance Costs	(2,000)	(2,000)	(2,000)	-22.82%	11,769	42,711	-51.77%
Amortization of Franchise Costs	(653,581)	(608,989)	(871,698)	-25.02%	(218,117)	(44,592)	7.32%
Capital Contributions	694,549	846,749	866,057	-100.00%	(25,000)	(44,592)	
<b>Change in Net Assets</b>	<b>11,330,449</b>	<b>10,483,700</b>	<b>9,676,618</b>	<b>-19.80%</b>	<b>(171,508)</b>	<b>(152,200)</b>	<b>-17.97%</b>
<b>Net Assets, Beginning</b>	<b>11,330,449</b>	<b>10,483,700</b>	<b>9,676,618</b>	<b>17.09%</b>	<b>1,653,831</b>	<b>846,749</b>	<b>8.08%</b>
Adjustments for Understatement of Accounts Payable and Accrued Expenses			(229,404)	-100.00%	229,404		
Adjustments for Overstatement of Accounts Payable and Accrued Expenses			64,710	-100.00%	(64,710)		
Accumulated Depreciation			105,719	-100.00%	(105,719)		
<b>Net Assets, Beginning</b>	<b>11,330,449</b>	<b>10,483,700</b>	<b>9,617,643</b>	<b>17.81%</b>	<b>1,712,806</b>	<b>846,749</b>	<b>8.08%</b>
<b>Net Assets, Ending</b>	<b>\$ 12,024,998</b>	<b>\$ 11,330,449</b>	<b>\$ 10,483,700</b>	<b>14.70%</b>	<b>\$ 1,541,298</b>	<b>\$ 694,549</b>	<b>6.13%</b>

MARLBORO TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
STATEMENTS OF CASH FLOWS COMPARISONS 2006-2008

	2008	2007	2006	2008 VS. 2006	2008 VS. 2007	2008 VS. 2007
				%		%
<b>Cash Flow From Operating Activities:</b>						
Cash Received From Customers	\$ 7,085,182	\$ 7,138,600	\$ 7,457,934	-5.00%	\$ (53,418)	-0.75%
Cash Payments for Goods and Services	(4,753,435)	(4,576,150)	(4,504,947)	5.52%	(177,285)	3.87%
Cash Payments to Employees	(818,058)	(776,422)	(724,751)	12.87%	(41,636)	5.36%
<b>Net Cash Provided by Operating Activities</b>	<b>1,513,689</b>	<b>1,786,028</b>	<b>2,228,236</b>	<b>-32.07%</b>	<b>(272,339)</b>	<b>-15.25%</b>
<b>Cash Flows From Capital and Related Financing Activities:</b>						
Principal Paid on Bonds and Notes	(1,699,000)	(3,694,000)	(4,157,000)	-59.13%	1,995,000	-54.01%
Interest Paid	(610,713)	(593,836)	(623,489)	-2.05%	(16,877)	2.84%
Purchase of Capital Assets	(235,419)	(242,144)	(126,334)	86.35%	6,725	-2.78%
Construction in Progress Payments	(844,988)	(430,572)	(218,484)	286.75%	(414,416)	96.25%
Escrow and Other Deposits	(382,727)	(190,545)	(24,722)	1448.12%	(192,182)	100.86%
Capital Contributions		25,000		-100.00%		
Proceeds From Revenue Bonds Issued		2,047,000			(2,047,000)	-100.00%
Premium on Bonds		129,602			(129,602)	-100.00%
Payment for Debt Issuance Costs		(60,508)			60,508	-100.00%
Proceeds from Insurance Recovery			15,825			
Deferred Loss on Refunding of Bonds		(137,357)		-100.00%	137,357	-100.00%
<b>Net Cash Used by Financing Activities</b>	<b>(3,772,847)</b>	<b>(3,172,360)</b>	<b>(5,109,204)</b>	<b>-26.16%</b>	<b>(600,487)</b>	<b>18.93%</b>
<b>Cash Flow From Investing Activities:</b>						
Maturity of Investments	8,899,777	7,030,095	10,468,369	-14.98%	1,869,682	26.60%
Purchase of Investments	(3,465,000)	(10,658,304)	(1,693,544)	104.60%	7,193,304	-67.49%
Interest Income	360,473	562,359	456,131	-20.97%	(201,886)	-35.90%
<b>Net Cash Provided/(Used) by Investing Activities</b>	<b>5,795,250</b>	<b>(3,065,850)</b>	<b>9,230,956</b>	<b>-37.22%</b>	<b>8,861,100</b>	<b>-289.03%</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>3,536,092</b>	<b>(4,452,182)</b>	<b>6,349,988</b>	<b>-44.31%</b>	<b>7,988,274</b>	<b>-179.42%</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>6,171,659</b>	<b>10,623,841</b>	<b>4,273,853</b>	<b>44.41%</b>	<b>1,897,806</b>	<b>0.00%</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 9,707,751</b>	<b>\$ 6,171,659</b>	<b>\$ 10,623,841</b>	<b>-8.62%</b>	<b>\$ 3,536,092</b>	<b>57.30%</b>
<b>Reconciliation to Balance Sheet:</b>						
Unrestricted	\$ 1,508,094	\$ 2,311,037	\$ 2,468,203	-38.90%	\$ (802,943)	-34.74%
Restricted	8,199,657	3,860,622	8,155,638	0.54%	44,019	112.39%
	\$ 9,707,751	\$ 6,171,659	\$ 10,623,841	-8.62%	\$ 3,536,092	57.30%

MARLBORO TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

BUDGET COMPARISONS 2006-2008

	2008 ORIGINAL BUDGET	2007 ORIGINAL BUDGET	2006 ORIGINAL BUDGET	2008 VS. 2006 \$	2008 VS. 2006 %	2008 VS. 2007 \$	2008 VS. 2007 %
<b>REVENUES</b>							
Customer Service Charges	\$ 4,435,170	\$ 4,301,430	\$ 4,291,340	\$ 143,830	3.35%	\$ 133,740	3.11%
Fire District Charges	414,500	400,160	425,080	(10,580)	-2.49%	14,340	3.58%
Connection Fees	781,679	321,242	402,300	379,379	94.30%	460,437	143.33%
Interest on Investments	367,500	453,220	275,898	91,602	33.20%	(85,720)	-18.91%
Interest on Customer Accounts	10,000	6,000	4,000	6,000	150.00%	4,000	66.67%
Inspection and Application Fees	70,000	60,000	110,000	(40,000)	-36.36%	10,000	16.67%
Search Fees			1,000	(1,000)	-100.00%		
Miscellaneous Administration Fees			3,000	(3,000)	-100.00%		
Miscellaneous Income	2,500	1,500	2,400	100	4.17%	1,000	66.67%
Water Sales	2,002,014	1,760,962	1,699,812	302,202	17.78%	241,052	13.69%
Tower Rentals	30,000	30,000	50,000	(20,000)	-40.00%		0.00%
Developer's Unit Fee	14,000	9,000	5,000	9,000	180.00%	5,000	55.56%
<b>Total Operating Revenues</b>	<b>\$ 8,127,363</b>	<b>\$ 7,343,514</b>	<b>\$ 7,269,830</b>	<b>\$ 857,533</b>	<b>11.80%</b>	<b>\$ 783,849</b>	<b>10.67%</b>
<b>EXPENDITURES</b>							
<b>Administration:</b>							
Salary and Wages - Office	\$ 352,500	\$ 326,000	\$ 314,311	\$ 38,189	12.15%	\$ 26,500	8.13%
Salary and Wages - Members	10,000	10,000	10,000		0.00%		0.00%
Payroll Taxes and Fringe Benefits	121,422	109,342	75,536	45,886	60.75%	12,080	11.05%
Engineering	279,000	380,000	494,400	(215,400)	-43.57%	(101,000)	-26.58%
Legal	10,000	10,000	25,000	(15,000)	-60.00%		0.00%
Accounting	60,000	56,000	114,320	(54,320)	-47.52%	4,000	7.14%
Auditing Fees	19,000	25,000	19,000			(6,000)	-24.00%
Trustee Fees	21,200	13,900	14,925	6,275	42.04%	7,300	52.52%
Computer Support	15,000	7,800	11,620	3,380	29.09%	7,200	92.31%
Supplies	15,000	10,000	6,480	8,520	131.46%	5,000	50.00%
Postage	20,000	18,500	17,000	3,000	17.65%	1,500	8.11%
Telephone	30,000	28,000	30,655	(655)	-2.14%	2,000	7.14%
Advertising	5,000	5,000	5,800	(800)	-13.79%		0.00%
Dues	5,000	4,000	3,700	1,300	35.14%	1,000	25.00%
Member Expense	15,500	14,000	14,882	618	4.15%	1,500	10.71%
Licenses and Permits	15,500	12,500	12,500	3,000	24.00%	3,000	24.00%
Sundry	8,000	8,000	8,020	(20)	-0.25%		0.00%
Gas Heat	3,500	3,500	3,240	260	8.02%		0.00%
Rate Hearing	10,000		25,000	(15,000)	-60.00%	10,000	
T-1 Data Transmission Services	4,800			4,800		4,800	
Travel	1,000			1,000		1,000	
Computer Supplies			5,500	(5,500)	-100.00%		
Seminars and Training	2,000	2,000	2,000				0.00%
<b>Total Operating Expenditures</b>	<b>\$ 1,023,422</b>	<b>\$ 1,043,542</b>	<b>\$ 1,194,889</b>	<b>\$ (171,467)</b>	<b>-14.35%</b>	<b>\$ (20,120)</b>	<b>-1.93%</b>

MARLBORO TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

BUDGET COMPARISONS 2006-2008

	2008 ORIGINAL BUDGET	2007 ORIGINAL BUDGET	2006 ORIGINAL BUDGET	2008 VS. 2006 \$	2008 VS. 2006 %	2008 VS. 2007 \$	2008 VS. 2007 %
<b>EXPENDITURES (continued)</b>							
<b>Cost of Providing Services:</b>							
Salary and Wages	\$ 477,700	\$ 413,000	\$ 400,440	\$ 77,260	19.29%	64,700	15.67%
Payroll Taxes and Fringe Benefits	158,635	133,866	147,342	11,293	7.66%	24,769	18.50%
Electric	470,000	320,000	293,080	176,920	60.37%	150,000	46.88%
Chemicals	88,750	72,000	54,428	34,322	63.06%	16,750	23.26%
Water Purchases	2,798,367	2,599,600	2,462,654	335,713	13.63%	198,767	7.65%
Water Diversion Lease	227,048	227,048	227,048		0.00%		0.00%
Insurance	107,000	125,000	152,480	(45,480)	-29.83%	(18,000)	-14.40%
Third Party Claims	12,000			12,000		12,000	
Vehicle Expenses	30,000	21,000	17,200	12,800	74.42%	9,000	42.86%
Pump Station Fuel	2,500	3,000	3,000	(500)	-16.67%	(500)	-16.67%
Meters and Cable	10,000	20,000	21,250	(11,250)	-52.94%	(10,000)	-50.00%
Repairs and Renewal	230,000	190,000	190,000	40,000	21.05%	40,000	21.05%
Lawn Care	10,000	10,000	8,700	1,300	14.94%	0	0.00%
Chemical Tests	26,000	22,000	18,750	7,250	38.67%	4,000	18.18%
Hydrant Services	2,200	1,800	1,100	1,100	100.00%	400	22.22%
Supplies	20,000	17,000	21,000	(1,000)	-4.76%	3,000	17.65%
Travel	1,000	1,000	1,800	(800)	-44.44%	0	0.00%
Rubbish Removal	1,100	1,100	1,000	100	10.00%	0	0.00%
Sundry	7,000	7,000	4,000	3,000	75.00%	0	0.00%
Tax Water Product	11,000	11,000	9,750	1,250	12.82%	0	0.00%
Uniforms	5,000	5,000	5,000	0	0.00%	0	0.00%
Safety Supplies	4,000	2,000	2,000	2,000	100.00%	2,000	100.00%
Seminars and Training	3,500	3,500	3,000	500	16.67%	0	0.00%
	<u>\$ 4,702,800</u>	<u>\$ 4,205,914</u>	<u>\$ 4,045,022</u>	<u>\$ 657,778</u>	16.26%	<u>\$ 496,886</u>	11.81%
<b>Total Operating Expenditures</b>	<u>5,726,222</u>	<u>5,249,456</u>	<u>5,239,911</u>	<u>486,311</u>	9.28%	<u>476,766</u>	9.08%
<b>Principal Payments on Debt Service in lieu of Depreciation</b>	<u>1,704,000</u>	<u>1,676,000</u>	<u>1,677,000</u>	<u>27,000</u>	1.61%	<u>28,000</u>	1.67%
<b>Interest Payments on Debt</b>	<u>608,911</u>	<u>639,413</u>	<u>663,239</u>	<u>(54,328)</u>	-8.19%	<u>(30,502)</u>	-4.77%
<b>Capital Outlay:</b>							
Plant Equipment	5,000			5,000		5,000	
Office Equipment	10,000		2,000	8,000	400.00%	10,000	
Truck	55,000	23,500	23,000	32,000	139.13%	31,500	134.04%
	<u>\$ 70,000</u>	<u>\$ 23,500</u>	<u>\$ 25,000</u>	<u>\$ 45,000</u>	180.00%	<u>\$ 46,500</u>	197.87%
<b>Total Expenditures</b>	<u>\$ 8,109,133</u>	<u>\$ 7,588,369</u>	<u>\$ 7,605,150</u>	<u>\$ 503,983</u>	6.63%	<u>520,764</u>	6.86%
<b>(Unrestricted Net Assets Utilized)/ Excess Revenues</b>	<u>18,230</u>	<u>(244,855)</u>	<u>(335,320)</u>	<u>353,550</u>	-105.44%	<u>263,085</u>	-107.45%
<b>Net Total Appropriations</b>	<u>\$ 8,127,363</u>	<u>\$ 7,343,514</u>	<u>\$ 7,269,830</u>	<u>\$ 857,533</u>	11.80%	<u>\$ 783,849</u>	10.67%

MARLBORO TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

ACTUAL COMPARISON 2006 - 2008

	2008	2007	2006	2008 VS.	2008 VS.	2008 VS.	2008 VS.
	ACTUAL	ACTUAL	ACTUAL	\$	%	\$	%
<b>REVENUES</b>							
Customer Service Charges	\$ 4,463,281	\$ 4,541,357	\$ 4,511,669	\$ (48,388)	-1.07%	\$ (78,076)	-1.72%
Fire District Charges	421,494	406,631	400,071	21,423	5.35%	14,863	3.66%
Connection Fees	383,352	402,675	500,614	(117,262)	-23.42%	(19,323)	-4.80%
Interest on Investments	348,776	540,297	470,038	(121,262)	-25.80%	(191,521)	-35.45%
Interest on Customer Accounts	13,902	13,585	13,463	439	3.26%	317	2.33%
Inspection and Application Fees	52,829	114,603	108,125	(55,296)	-51.14%	(61,774)	-53.90%
Search Fees			408	(408)	-100.00%		
Miscellaneous Income	25,499	9,339	10,416	15,083	144.81%	16,160	173.04%
Water Sales	1,864,200	1,772,942	1,757,039	107,161	6.10%	91,258	5.15%
Developer's Unit Fee	25,385	24,583	12,529	12,856	102.61%	822	3.35%
<b>Total Operating Revenues</b>	<b>\$ 7,598,718</b>	<b>\$ 7,825,992</b>	<b>\$ 7,784,372</b>	<b>\$ (185,654)</b>	<b>-2.38%</b>	<b>\$ (227,274)</b>	<b>-2.90%</b>
<b>EXPENDITURES</b>							
<b>Administration:</b>							
Salary and Wages - Office	\$ 350,397	\$ 328,776	\$ 299,386	\$ 51,011	17.04%	21,621	6.58%
Salary and Wages - Members	10,000	10,000	10,000		0.00%		0.00%
Payroll Taxes and Fringe Benefits	145,942	96,926	85,800	60,142	70.10%	49,016	50.57%
Engineering	187,129	291,192	364,837	(177,708)	-48.71%	(104,063)	-35.74%
Legal	297		20,360	(20,063)	-98.54%	297	
Accounting	57,900	65,958	100,174	(42,274)	-42.20%	(8,058)	-12.22%
Auditing Fees	19,000	25,000		19,000		(6,000)	-24.00%
Trustee Fees	21,046	20,612	16,540	4,506	27.24%	434	2.11%
Computer Support	14,038	11,628	1,295	12,743	984.02%	2,410	20.73%
Supplies	13,430	13,821	6,607	6,823	103.27%	(391)	-2.83%
Postage	18,414	20,703	18,438	(24)	-0.13%	(2,289)	-11.06%
Telephone	27,546	30,016	30,355	(2,809)	-9.25%	(2,470)	-8.23%
Advertising	5,524	6,004	4,418	1,106	25.03%	(480)	-7.99%
Dues	4,731	4,688	3,362	1,369	40.72%	43	0.92%
Member Expense	11,718	12,493	13,261	(1,543)	-11.64%	(775)	-6.20%
Licenses and Permits	21,832	10,870	6,593	15,039	228.11%	10,752	99.01%
Sundry	6,156	3,768	10,058	(3,902)	-38.79%	2,388	63.38%
Gas Heat	2,619	2,176	2,694	(75)	-2.78%	443	20.35%
Rate Hearing		23,517	10,886	(10,886)	-100.00%	(23,517)	-100.00%
T-1 Data Transmission Services	3,814			3,814		3,814	
Travel	670	81	1,709	(1,039)	-60.80%	589	727.16%
Computer Supplies			3,312	(3,312)	-100.00%		
Seminars and Training	832	506		832		326	64.43%
Miscellaneous	337	31,735		337		(31,398)	-98.94%
	<b>\$ 923,172</b>	<b>\$ 1,010,470</b>	<b>\$ 1,010,085</b>	<b>\$ (86,913)</b>	<b>-8.60%</b>	<b>\$ (87,298)</b>	<b>-8.64%</b>

MARLBORO TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

ACTUAL COMPARISON 2006 - 2008

	2008 <u>ACTUAL</u>	2007 <u>ACTUAL</u>	2006 <u>ACTUAL</u>	2008 VS. 2006 \$	2008 VS. 2006 %	2008 VS. 2007 \$	2008 VS. 2007 %
EXPENDITURES (continued)							
Cost of Providing Services:							
Salary and Wages	\$ 457,661	\$ 437,646	350,638	107,023	30.52%	20,015	4.57%
Payroll Taxes and Fringe Benefits	185,745	182,963	161,984	23,761	14.67%	2,782	1.52%
Electric	534,774	460,457	370,323	164,451	44.41%	74,317	16.14%
Chemicals	72,199	81,832	75,296	(3,097)	-4.11%	(9,633)	-11.77%
Water Purchases	2,617,688	2,598,463	2,608,949	8,739	0.33%	19,225	0.74%
Water Diversion Lease	227,048	227,048	227,048		0.00%		0.00%
Insurance	43,169	69,199	101,449	(58,280)	-57.45%	(26,030)	-37.62%
Third Party Claims	5,092			5,092		5,092	
Vehicle Expenses	31,770	28,978	22,863	8,907	38.96%	2,792	9.63%
Pump Station Fuel			2,390	(2,390)	-100.00%		
Meters and Cable	6,015	2,974	24,500	(18,485)	-75.45%	3,041	102.25%
Repairs and Renewal	316,901	249,482	176,768	140,133	79.28%	67,419	27.02%
Lawn Care	8,860	9,170	9,300	(440)	-4.73%	(310)	-3.38%
Chemical Tests	20,499	24,696	17,511	2,988	17.06%	(4,197)	-16.99%
Hydrant Services	2,106	1,740	1,888	218	11.55%	366	21.03%
Supplies	8,986	18,197	13,497	(4,511)	-33.42%	(9,211)	-50.62%
Travel	81	124	304	(223)	-73.36%	(43)	-34.68%
Rubbish Removal	1,036	1,015	1,040	(4)	-0.38%	21	2.07%
Sundry	1,560	3,176	2,145	(585)	-27.27%	(1,616)	-50.88%
Tax Water Product	9,988	8,192	10,943	(955)	-8.73%	1,796	21.92%
Uniforms	1,301	3,584	4,942	(3,641)	-73.67%	(2,283)	-63.70%
Safety Supplies	1,979	3,120	938	1,041	110.98%	(1,141)	-36.57%
Seminars and Training	3,225	1,447	928	2,297	247.52%	1,778	122.87%
	<u>\$ 4,557,683</u>	<u>\$ 4,413,503</u>	<u>\$ 4,185,644</u>	<u>\$ 372,039</u>	8.89%	<u>\$ 144,180</u>	3.27%
Total Operating Expenditures	<u>5,480,855</u>	<u>5,423,973</u>	<u>5,195,729</u>	<u>285,126</u>	5.49%	<u>56,852</u>	1.05%
Principal Payments on Debt Service in lieu of Depreciation	<u>1,699,000</u>	<u>1,709,000</u>	<u>1,557,000</u>	<u>142,000</u>	9.12%	<u>(10,000)</u>	-0.59%
Interest Payments on Debt	<u>608,669</u>	<u>589,498</u>	<u>663,492</u>	<u>(54,823)</u>	-8.26%	<u>19,171</u>	3.25%
Capital Outlay:							
Plant Equipment	1,077			1,077		1,077	
Truck	33,316		17,480	15,836	90.59%	33,316	
	<u>\$ 34,393</u>	<u>\$ 0</u>	<u>\$ 17,480</u>	<u>\$ 16,913</u>	96.76%	<u>\$ 34,393</u>	
Total Expenditures	<u>\$ 7,822,917</u>	<u>\$ 7,722,471</u>	<u>\$ 7,433,701</u>	<u>389,216</u>	5.24%	<u>100,446</u>	1.30%
(Unrestricted Net Assets Utilized)/ Excess Revenues	<u>(224,199)</u>	<u>103,521</u>	<u>350,671</u>	<u>(574,870)</u>	-163.93%	<u>(327,720)</u>	-316.57%
Net Total Appropriations	<u>\$ 7,598,718</u>	<u>\$ 7,825,992</u>	<u>\$ 7,784,372</u>	<u>\$ (185,654)</u>	-2.38%	<u>(227,274)</u>	-2.90%

**EXHIBIT G**

THE MARLBORO TOWNSHIP MUNICIPAL UTILITIES AUTHORITY  
LIST OF  
CONTRACT CONSULTANTS AND PROFESSIONALS  
AND  
CORRESPONDING COMPENSATION

AUTHORITY CONSULTING ENGINEER: CMX, INC., [successor-in-interest to  
Schoor DePalma, Inc.]

The Marlboro Township Municipal Utilities Authority has, since its inception, engaged an Authority Consulting Engineer to perform a plethora of engineering functions associated with the design, construction, maintenance and operation of the MTMUA's Water System, properties and related facilities. The position of "Consulting Engineer" is explicitly or, at the very least, implicitly required by the provisions of the Authority's General Bond Resolution; there being various tasks, including the execution of specific documents, that must be effected by a "Consulting Engineer." The Commissioners of the MTMUA have always engaged the Authority Consulting Engineer by means of a one-year contract and, since 1984, the same engineering firm, to wit, Schoor DePalma, Inc., and its successor-in-interest, CMX, Inc., has served as said Consulting Engineer. Moreover, during the past 25+ years, the same principal engineer, namely Ray Bhatia, P.E., has been assigned to handle all aspects of the MTMUA engineering requirements. In order to capitalize upon the benefits of continuity, experience, expertise and institutional knowledge, the award of the consulting engineering contract over the past 15+ year has been conditioned upon the continued service of Ray Bhatia as the Authority's Consulting Engineer. Furthermore, the current contract specifically minimizes the scope of out-sourced engineering work, by requiring the Consulting Engineer to coordinate its own services with work to be performed by MTMUA personnel.

In October, 2008, the Authority expanded its in-house staff to include an experienced *Construction Project Manager/Resident Inspector*, who is also highly skilled and experienced in the areas of plan and map drafting and the production of technical drawings (in both manual and CAD formats), as well as in the development of related work. The current consulting engineering contract requires the Consulting Engineer to integrate Authority in-house work production as components of larger projects or assignments that are under the overall supervision of the Consulting Engineer. The express intention and goal of the foregoing is to fully utilize the skills and capabilities of the MTMUA's in-house personnel in order to maximize efficiencies and to stabilize and even reduce the quantity and expense attributable to out-sourced CAD drafting, construction management, inspection and related services.

Before coming in-house, the MTMUA's *Construction Project Manager/Resident Inspector* had 10+ years experience with all aspects the Authority's Water System and has participated in the design and construction management of wells, storage tanks, water treatment plants, pipelines, and a wide range of private development projects. His role as the construction project manager and resident inspector of the MTMUA's Photovoltaic Energy Projects saved the Authority more than \$200,000.00 in the cost of services that would have been out-sourced under prior protocols.

The following tabulation reflects the monies expended for consulting engineering services during the periods indicated:

<u>Year</u>	<u>Aggregate Engineering Expense [Operating Budget]</u>	<u>Reimbursements From Developer Escrow Accounts</u>	<u>Net Expense For Consulting Engineering Services</u>
2007	\$ 262,409.00	\$ 101,709.00	\$ 160,700.00
2008	\$ 144,823.00	\$ 75,600.00	\$ 69,223.00
2009 [6 months]	\$ 27,157.00	\$ 3,923.00	\$ 23,234.00

All engineering services are performed at hourly rates ranging from \$40.00 [Technical Assistant] to \$105.00 [Principal]. These rates represent deeply discounted charges that are a minimum of 40% below prevailing rates charged by municipal consulting engineering firms and 14% lower than 2004 billing rates.

AUTHORITY ACCOUNTANT: HOLMAN & FRENIA, P.C.

The Marlboro Township Municipal Utilities Authority has, since its inception, engaged an Authority Accountant to perform various accounting functions and to provide a source of internal controls vis-à-vis the MTMUA's in-house administrative staff. In that regard, the Authority Accountant monitors, reviews and, as necessary, adjusts the general ledger maintained by in-house personnel, including the recordation of all non-cash journal entries.

While bank statements for all operational accounts, including checking and payroll accounts used for the payment of monthly expenses, are reconciled by administrative staff members, these reconciliations are reviewed and monitored by the Authority Accountant, who also reconciles all Trustee bank accounts and invested funds. The Authority Accountant also monitors the administration of the MTMUA's cash management plan and prepares monthly reports for review by the Commissioners, which said documents include information pertaining to fund activity and comparisons of budgeted appropriations with year-to-date actual performance relative to both revenues and expenditures, as well as the status of capital program expenditures.

Although most payroll tasks are discharged by administrative personnel, the Authority Accountant prepares all quarterly and year-end payroll tax filings.

The position of "Authority Accountant" is explicitly or, at the very least, implicitly required by the provisions of the Authority's General Bond Resolution; there being various duties, including the

execution and filing of specific documents, that must be effected by an "Authority Accountant."

Since 2006, Holman & Frenia, P.C. has served as the Authority Accountant in accordance with annual contracts and the principal accountant assigned to the MTMUA has been Frank B. Holman, III, CPA. The following tabulation reflects the monies expended for accounting services during the periods indicated:

<u>Year</u>	<u>Aggregate Accounting Expense [Operating Budget]</u>
2007	\$ 65,958.00
2008	\$ 57,900.00
2009 [6 months]	\$ 34,626.00

All accounting services are performed at hourly rates ranging from \$75.00 [Staff Accountant-1] to \$150.00 [Partner]. The hourly rates charged for nearly 90% of all services performed is either \$85.00 per hour [Staff Accountant-2] or \$100.00 per hour [Senior Accountant]. Furthermore, rates have not increased over the past two (2) years and an annual contractual ceiling of \$60,000.00 has also been effect during that period of time.

AUTHORITY AUDITOR: OLIWA & COMPANY, CPAs

The Marlboro Township Municipal Utilities Authority has, since its inception, engaged an Authority Auditor to perform an annual audit of the financial statements, books and records of the MTMUA.

Since 2006, Oliwa & Company, CPAs has served as the Authority Auditor in accordance with annual contracts and the principal auditor assigned to the MTMUA has been Robert S. Oliwa, CPA, RMA. The following tabulation reflects the monies expended or to be expended for auditing services during the periods indicated:

<u>Year</u>	<u>Aggregate Auditing Expense [Operating Budget]</u>
2007 [2006 Audit]	\$ 25,000.00 Lump Sum
2008 [2007 Audit]	\$ 19,000.00 Lump Sum
2009 [2008 Audit]	\$ 19,000.00 Lump Sum
2010 [2009 Audit – to be performed] [Executory Contract]	\$ 19,000.00 Lump Sum

GENERAL: [All Contract Professionals]

In 2006 and, again, in 2007, the MTMUA solicited competitive proposals pursuant to a "fair and open" process in engaging its staff of contract professionals and consultants. This process assisted in securing reduced billing rates. In 2008 and 2009, the MTMUA elected to negotiate new contracts with existing professionals, utilizing the new benchmarks that were secured through the previous competitive processes. As should be evident, professional fees have remained stable or have even decreased.

THE MARLBORO TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

LIST OF EMPLOYEES

[WITH JOB DESCRIPTIONS AND RESPONSIBILITIES]

OPERATIONS STAFF:

- GREGORY PERRINI [Department of Personnel Title: Chief Water Treat Plant Operator; MTMUA Functional Title: Director of Operations]

Subject to the supervision and managerial directives of higher levels of management and within the limits of policies and guidelines established by management officials, Mr. Perrini is directly responsible for the operation of every aspect of the MTMUA's Water System, including all raw water production facilities, all water treatment facilities, all water distribution facilities, all discharge/waste facilities, all water storage facilities and all other Water System improvements, facilities, equipment and appurtenances thereto. Mr. Perrini possesses a W-4 License [water distribution], a T-3 License [water treatment], and a N-1 License [industrial wastewater].

Mr. Perrini supervises the entire Operating Staff and directly coordinates, manages and implements all tasks and functions performed or discharged by operations personnel. He coordinates and administers all operating aspects of the daily purchases of surface water from Middlesex Water Company and the re-sale/re-distribution of surface water to Gordon's Corner Water Company, also on a daily basis. Mr. Perrini also coordinates and implements all authorized purchases of equipment, inventory, services related to operations, motor vehicles and all other materials used in connection with the operation of the Water System.

As Director of Operations and Chief Water Treat Plant Operator, other examples of duties performed by Mr. Perrini include:

1. Analyzes work requirements, determines staff resources, equipment and other resources needed to accomplish work assignments and makes adjustments among subordinate personnel as deemed appropriate.

2. Establishes and adjusts long-range schedules, priorities and deadlines for regular and special work assignments among subordinate personnel.
3. Reviews, approves, modifies or rejects changes in functions, structure, position design, staffing levels and the like that may be proposed by subordinates and collaborates with higher levels of management in making decisions relating to major changes in work plans or operations.
4. Coordinates work operations among subordinate personnel and with other organizations on matters that may adversely affect other operations or programs.
5. Reviews and analyzes records and reports of work procedures, costs, equipment and staff resource utilization to evaluate progress and to control or reduce costs.
6. Reports progress and resolution of problems in the achievement of goals and objectives to higher levels of management.
7. Directs the discharge of assigned work operations within the limits of policies and guidelines established by management officials and oral and written instructions provided by superiors.
8. Establishes and adjusts long-range schedules, priorities and deadlines for regular and special work assignments among subordinate personnel.
9. Issues work assignments and enforces safety regulations.
10. Trains new employees.
11. Recommends action to be taken regarding staff salaries, discipline, etc.
12. Suggests changes in procedures and provides working instructions to operators, repairers and other skilled and unskilled personnel.

13. Supervises and works with operators and other personnel in various water treatment, distribution and discharge processes.
14. Inspection of facilities, equipment and appurtenances to detect malfunctions and disrepair and supervision of required maintenance, repairs and replacements.
15. Supervision, inspection and/or observation of various capital projects, water main installations and other construction work in progress.
16. Performs related duties, as required and necessary.

- WAYNE SMITH [Department of Personnel Title: Meter Reader; MTMUA Functional Title: Water Treatment Plant Operator]

Under the supervision and direction of the Director of Operations [Chief Water Treatment Plant Operator], Mr. Smith is principally entrusted with the primary operation of the 4.0 MGD Harbor Road Water Treatment Plant and the distribution of potable water throughout the Water System. In his own name, Mr. Smith possesses a W-3 License [water distribution] and a T-3 License [water treatment].

Mr. Smith operates, adjusts, regulates and maintains plant machinery and equipment in order to purify and clarify water for human consumption and commercial/non-consumptive use. Wayne Smith is also the MTMUA's principal maintenance mechanic and he services and maintains the MTMUA's fleet of nine (9) motor vehicles, as well as most of the water production, treatment and distribution equipment.

As the MTMUA's primary Water Treat Plant Operator, other examples of duties performed by Mr. Smith include:

1. Operates and controls electric motors, pumps and valves to regulate the flow of raw water into the treatment plant.
2. Dumps specified amounts of chemicals, such as chlorine, zinc orthophosphate and lime, into water or adjusts automatic devices that admit specified amounts of chemicals into tanks to disinfect, deodorize and clarify water.

3. Starts and stops wells used for groundwater production.
4. Starts agitators to mix chemicals and allows impurities to settle to bottom of tanks.
5. Operates valves to regulate water through filter beds to remove impurities.
6. Pumps purified water into distribution system.
7. Monitors panel boards and adjusts controls to regulate flow rates, loss of head pressure and water elevation and attends to the distribution of potable water.
8. Cleans tanks and filter beds, using backwashing facilities.
9. Repairs and lubricates machines and equipment using hand tools and power tools.
10. Performs other repairs such as replacement of packing in pumps and valves and the replacement of bearings in motors and pumps.
11. Operates primary pumping equipment.
12. Responds to and assists in remediating water main breaks, customer service interruption and other emergent matters [Mr. Smith is assigned to the MTMUA's first response team].
14. Performs related duties, as required and necessary.

- WILLIAM BURNS [Department of Personnel Title: Meter Reader/Repairer; MTMUA Functional Title: Assistant Water Treatment Plant Operator]

Under the supervision and direction of the Director of Operations [Chief Water Treatment Plant Operator] and the primary Water Treatment Plant Operator, Mr. Burns is principally entrusted with assisting in the operation of the 4.0 MGD Harbor Road Water Treatment Plant. In his own name, Mr.

Burns possesses a W-2 License [water distribution] and a T-2 License [water treatment].

Mr. Burns assists Mr. Smith in the operation, adjustment, regulation and maintenance of plant machinery and equipment in order to purify and clarify water for human consumption and commercial/non-consumptive use.

As the MTMUA's assistant Water Treat Plant Operator, other examples of duties performed by Mr. Burns include:

1. Records data, such as the residual content of chemicals, water turbidity and water pressure.
2. Performs routine maintenance and repair work on pumps, electric motors, valves and other mechanical equipment.
3. Assists with the dumping of specified amounts of chemicals, such as chlorine, zinc orthophosphate and lime, into water or the adjustment of automatic devices that admit specified amounts of chemicals into tanks to disinfect, deodorize and clarify water.
4. Principally entrusted with all water quality testing at the Harbor Road Water Treatment Plant.
5. Principally entrusted with all bacteria sampling and testing throughout the entire Water System, including at points of consumption.
6. Principally entrusted with all other water quality testing mandated by State [NJDEP] and Federal [EPA] standards.
7. Principally entrusted with all water quality testing at the Harbor Road Water Treatment Plant.
8. Principally entrusted with all water quality testing associated with the backwash/discharge lagoons.
9. Assists in responding to "One Call" requests for the marking out of underground water improvements.
10. Performs related duties, as required and necessary.

- JASON CASSANO [Department of Personnel Title: Meter Reader; MTMUA Functional Title: Water Meter Installer/Repairer-Water System Repairer]

Under the supervision and direction of the Director of Operations [Chief Water Treatment Plant Operator], Mr. Cassano is principally entrusted with installing all new water meters, as well as disposing of most customer service work orders and requests for utility mark-outs.

Mr. Cassano is also a member of the MTMUA's first response team in the event of emergencies and he is customarily scheduled to work on weekends in order to dispose of customer service work orders that cannot be scheduled on a weekday because of customer unavailability.

As the MTMUA's Water Meter Installer/Repairer-Water System Repairer, other examples of duties performed by Mr. Cassano include:

1. Installs new remote radio read water meters as part of the MTMUA's routine water meter upgrade and replacement program.
2. Principally entrusted with the repair and/or change-out of existing water meters that are or may be malfunctioning or require service.
3. Responds to customer water service complaints and schedules and/or attends to the repair of water services, valves and/or appurtenances.
4. Entrusted, together with Mr. Baeder, with responding to "One Call" requests for the marking out of underground water improvements.
5. Performs water meter re-reads when circumstances require.
6. Performs related duties, as required and necessary.

- DYLAN BORDERS [Department of Personnel Title: Meter Reader; MTMUA Functional Title: Water Meter Reader]

Under the supervision and direction of the Director of Operations [Chief Water Treatment Plant Operator], Mr. Borders

is principally entrusted with reading all customer water meters [approximately 36,000 quarterly meter readings] in order to facilitate customer billings.

In addition to functioning as the MTMUA's principal Water Meter Reader, examples of other duties performed by Mr. Borders include:

1. Principally entrusted with all water quality testing of purchased surface water at the Tennent Road Pump Station.
2. Performs routine and general maintenance at MTMUA facilities, as necessary and required.
3. Performs related duties, as required and necessary.

- MICHAEL BARRY [Department of Personnel Title: Meter Reader; MTMUA Functional Title: Water Pump Station Attendant/Operator Trainee/Water System Repairer/Water Meter Reader]

Under the supervision and direction of the Director of Operations [Chief Water Treatment Plant Operator], Mr. Barry performs myriad functions associated with various aspects of the overall Water System. Examples of duties performed by Mr. Barry include:

1. Principally entrusted with the operation of the Tennent Road Pump Station.
2. Monitors flows of surface water delivered by Middlesex Water Company and operates pumps, motors, valves and/or other equipment to adjust and regulate the rate and quantity of surface water intake.
3. Assists, as needed, with customer water meter readings.
4. Entrusted, together with Mr. Baeder, with the performance of final water meter readings associated with home sales, change of use and/or other requests for final meter readings.
5. Prepares water pumpage charts and maintains other records regarding the operation of the Tennent Road Pump Station.

6. Assists with water quality testing procedures relative to purchased surface water at the Tennent Road Pump Station.
7. Principally entrusted with the termination and reactivation of water service to customers [usually associated with non-payment].
8. In the absence of Mr. Cassano, attends to the performance of customer service work orders, including all work orders scheduled for Fridays.
9. Performs routine and general maintenance at MTMUA facilities, as necessary and required.
10. Performs related duties, as required and necessary.

- MATTHEW BAEDER [Department of Personnel Title: Meter Reader; MTMUA Functional Title: Water Treatment Plant Attendant/Trainee/Water System Repairer/Water Meter Reader/Technician]

Under the supervision and direction of the Director of Operations [Chief Water Treatment Plant Operator], Mr. Baeder also performs myriad functions associated with various aspects of the overall Water System. In his own name, Mr. Baeder possesses a W-1 License [water distribution]. Examples of duties performed by Mr. Baeder include:

1. Assists with all aspects of the operation of the Harbor Road Water Treatment Plant.
2. Entrusted, together with Mr. Cassano, with responding to "One Call" requests for the marking out of underground water improvements.
3. Entrusted, together with Mr. Barry, with the performance of final water meter readings associated with home sales, change of use and/or other requests for final meter readings.
4. Repairs and lubricates machines and equipment using hand tools and power tools.
5. Performs, with others, leak detection and flushing of the Water System and fire hydrants.

6. Performs routine and general maintenance at MTMUA facilities, as necessary and required.
7. Performs related duties, as required and necessary.

- THOMAS WELDON [Department of Personnel Title: Meter Reader; MTMUA Functional Title: Water System Maintenance Person]

Under the supervision and direction of the Director of Operations [Chief Water Treatment Plant Operator], Mr. Weldon performs a variety of maintenance tasks, as well as more complex assignments pertaining to the Water System and the MTMUA's facilities. Examples of duties performed by Mr. Weldon include:

1. Assists with the performance of customer service work orders.
2. Performs routine and general maintenance at MTMUA facilities, as necessary and required.
3. Assists with the performance of final water meter readings associated with home sales, change of use and/or other requests for final meter readings.
4. Performs, with others, leak detection and flushing of the Water System and fire hydrants.
5. Performs general maintenance at all MTMUA facilities.
6. Performs cyclical maintenance and painting of all fire hydrants.
7. Assists with the performance of minor repairs.
8. Assists with the marking out of underground water improvements.
9. Performs various laborer functions, including digging, stacking and loading.
10. Performs various housekeeping tasks such as cleaning and maintenance of plant equipment and property.
11. Performs related duties, as required and necessary.

- **FREDERICK AUSTIN [Department of Personnel Title: Unclassified Employee; MTMUA Functional Title: Construction Projects Manager/Resident Inspector/CAD-Technical Drafter]**

Mr. Austin is a contract employee [the current term is two years], with curtailed fringe benefits. He has been specifically engaged to work on capital projects, only, and his base salary is currently paid or reimbursed from dedicated construction monies relating to the projects he actually works on.

Subject to the supervision and managerial directives of higher levels of management and within the limits of policies and guidelines established by management officials [including Executive Counsel and the Director of Operations], Mr. Austin performs various functions associated with CAD drafting, construction management, construction inspection and related services. Examples of duties performed by Mr. Austin include:

1. Construction management services for all capital projects. He supervised and managed all construction of the MTMUA's Photovoltaic Energy Projects.
2. Preparation and drafting of plans, maps, and technical drawings (in both manual and CAD formats) for MTMUA capital projects.
3. Interfaces technical and construction-related services with the areas of work assigned to the MTMUA's contract Consulting Engineer in order to reduce the quantity and expense of out-sourced CAD drafting, construction management, inspection and related services. This maximizes efficiencies and reduces the expense of out-sourced services.
4. Capital project inspection services.
5. Review of Applications for development. [The cost of all services are reimbursed out of developer escrow accounts].
6. Inspection services for approved development projects. [The cost of all services are reimbursed out of developer escrow accounts].
7. Performs related duties, as required and necessary.

ADMINISTRATIVE STAFF:

- BARBARA FISHMAN [Department of Personnel Title: Clerk/Typist; MTMUA Functional Title: Office Manager and Administrative Secretary]

Subject to the supervision and managerial directives of higher levels of management and within the limits of policies and guidelines established by management officials, Ms. Fishman is directly responsible for every aspect of the MTMUA's administrative functions.

Ms. Fishman supervises the entire Administrative Staff and directly coordinates, manages and implements all tasks and functions performed or discharged by administrative personnel.

As Office Manager and Administrative Secretary, other examples of duties performed by Ms. Fishman include:

1. Establishes and adjusts long-range schedules, priorities and deadlines for regular and special work assignments among subordinate office personnel.
2. Reviews, approves, modifies or rejects changes in functions, structure, staffing levels and the like that may be proposed by subordinates and collaborates with higher levels of management in making decisions relating to major changes in work assignments and office procedures.
3. Coordinates work among subordinate personnel and with other organizations on all administrative matters.
4. Coordinates and implements all authorized purchases of materials, equipment, supplies and services related to the administrative functions of the MTMUA.
5. Reports progress and resolution of problems in the achievement of goals and objectives to higher levels of management.
6. Directs the discharge of assigned work operations within the limits of policies and guidelines established by management officials and oral and written instructions provided by superiors.

7. Establishes and adjusts long-range schedules, priorities and deadlines for regular and special work assignments among subordinate personnel.
8. Issues work assignments.
9. Trains new employees.
10. Recommends action to be taken regarding staff salaries, discipline, etc.
11. Suggests changes in procedures and provides working instructions to administrative personnel.
12. Supervises and works with personnel relative to the discharge of various administrative tasks.
13. Principally entrusted with the maintenance and administration of all developer escrow accounts.
14. Principally entrusted with the maintenance and administration of the MTMUA's General Ledger, including all posting functions.
15. Principally entrusted with the administration and implementation of payment obligations under Developer's Agreements.
16. Attends to all monthly requirements associated with State withholding taxes, health and dental insurance plans, and pension plan, as well as all quarterly requirements associated with the pension plan.
17. Attends to and is responsible for all transfer of funds/monies between and among MTMUA accounts, including those accounts managed by the MTMUA's Trustee.
18. Attends, with other administrative staff members, to the generation, monitoring and final disposition of utility work orders.
19. Performs general typing and clerical services, as needed.
20. Performs related duties, as required and necessary.

- SUSAN JOSEPH [Department of Personnel Title: Clerk/Typist; MTMUA Functional Title: Billing and Collections Clerk]

Under the supervision and direction of the Office Manager/Administrative Secretary, Ms. Joseph is principally entrusted with all aspects of the MTMUA's Billing and Collection processes.

As Billing and Collections Clerk, examples of duties performed by Ms. Joseph include:

1. Administration and implementation of all periodic billing and daily collection procedures.
2. Principally entrusted with the administrative aspects of final water metering readings.
3. Principally entrusted with the administrative aspects of reviewing and correcting errors found in customer billing statements.
5. Principally entrusted with the administrative aspects of the MTMUA's water meter replacement and upgrade program.
6. Principally entrusted with the generation of notices and correspondence associated with account collection.
7. Attends, with other administrative staff members, to receiving, resolving or re-directing various customer service requirements and requests.
8. Attends, with other administrative staff members, to the generation, monitoring and final disposition of utility work orders.
9. Attends, with other administrative staff members, to general typing, clerical and filing tasks.
10. Performs related duties, as required and necessary.

- COLLEEN DOLAN [Department of Personnel Title: Clerk/Typist; MTMUA Functional Title: Accounts Payable Clerk and Payroll Clerk]

Under the supervision and direction of the Office Manager/Administrative Secretary, Ms. Dolan is principally entrusted with all aspects of the MTMUA's accounts payable processes.

As Accounts Payable and Payroll Clerk, examples of duties performed by Ms. Dolan include:

1. Administration and implementation of all accounts payable procedures, including the processing of all vouchers, invoices and billing statements.
2. Principally entrusted with the maintenance and administration of the MTMUA's Operating, Payroll and Construction Accounts.
3. Principally entrusted with the reconciliation of all bank records and accounts associated with the MTMUA's Operating, Payroll and Construction Accounts.
4. Principally entrusted with the preparation of all checks.
5. Principally entrusted with the generation of all payroll checks and the discharge of all other administrative tasks associated with the MTMUA's payroll, including the calculation and monitoring of over-time pay.
6. Principally entrusted with attending to all administrative tasks associated with weekly payroll tax deposits.
7. Assists Ms. Joseph in the administration of various billing and accounts receivable procedures.
8. Attends, with other administrative staff members, to the generation, monitoring and final disposition of utility work orders.
9. Attends, with other administrative staff members, to receiving, resolving or re-directing various customer service requirements and requests.

10. Attends, with other administrative staff members, to general typing, clerical and filing tasks.
11. Performs related duties, as required and necessary.

- KAREN GIURICI [Department of Personnel Title: Clerk/Typist; MTMUA Functional Title: Clerk/Typist-General Administration]

Under the supervision and direction of the Office Manager/Administrative Secretary, Ms. Giurici performs various administrative and office functions. Examples of duties performed by Ms. Giurici include:

1. Assists Ms. Joseph in the administration of various billing and accounts receivable procedures.
2. Principally entrusted with the administrative aspects of implementing payment agreements for delinquent accounts.
3. Assists with all administrative aspects of final water metering readings.
4. Principally entrusted with all administrative aspects of the activation of new customer accounts.
5. Principally entrusted with all administrative aspects of the Water System and fire hydrant flushing program, including maintenance of records.
6. Attends, with other administrative staff members, to receiving, resolving or re-directing various customer service requirements and requests.
7. Attends, with other administrative staff members, to the generation, monitoring and final disposition of utility work orders.
8. Attends, with other administrative staff members, to general typing, clerical and filing tasks.
9. Performs related duties, as required and necessary.

- KERRY GLUCK [Department of Personnel Title: Clerk/Typist; MTMUA Functional Title: Clerk/Typist-Accounts Receivable Clerk - Part Time]

Under the supervision and direction of the Office Manager/Administrative Secretary, Ms. Gluck, as a part-time employee, performs various administrative and office functions. Examples of duties performed by Ms. Gluck include:

1. Principally entrusted with the handling, posting, reconciliation, balancing and depositing of daily receipts.
2. Principally entrusted with all administrative aspects of attending to "One Call" excavation mark-out requirements.
3. Attends, with other administrative staff members, to receiving, resolving or re-directing various customer service requirements and requests.
4. Attends, with other administrative staff members, to general typing, clerical and filing tasks.
5. Performs related duties, as required and necessary.

LEGAL AND ADMINISTRATION:

- PETER S. WERSINGER III, ESQ. [Title: Executive Counsel]

Mr. Wersinger serves as full-time in-house counsel to and for the MTMUA and attends to and discharges the day-to-day affairs of the Authority that may be legal in nature or require the skills, knowledge, experience and expertise of an attorney-at-law.

Mr. Wersinger also serves as the full-time General Manager and Administrative Director of and for the MTMUA. He directs and is in complete charge of the operations of the MTMUA and is entrusted with full authority and responsibility for administering the affairs and implementing the policies of the MTMUA, subject to the general direction and control of the Board of Commissioners and further subject to the statutory powers with which the Commissioners are vested. Mr. Wersinger attends all regular, special and annual meetings of the MTMUA

and all meetings or conferences required or necessary in conducting or furthering the business and affairs of the MTMUA, regardless of whether any such meetings or conferences are convened during or outside of regular business hours. He is also required to discharge such additional executive or administrative duties on behalf of the MTMUA and its operations as are consistent with the functions of an executive director and as may, from time to time, be delegated to him by the Board of Commissioners.