

WARREN COUNTY (PEQUEST RIVER)
MUNICIPAL UTILITIES AUTHORITY

PUBLIC BUDGET & RATE HEARING FY2020
DECEMBER 17, 2019

TIME: 7:30 P.M.

PLACE: The meeting was held at the Authority's Administration building located at 199 Foul Rift Road, Belvidere, New Jersey.

PURPOSE: For the purpose of prescribing a schedule of service charges for sewer treatment to the Town of Belvidere, Township of White, Township of Oxford, County of Warren and all other users of the Warren County (Pequest River) Municipal Utilities Authority.

AUTHORITY MEMBERS ATTENDING:

Chad Chamberlain, Chairman
Laurel Napolitani, Secretary
Robert Piazza, Treasurer
Sidney Deutsch
Robert Nyland
Everdina O'Connor

ALSO ATTENDING:

Kevin Shoudt	Authority Consultant
Kim Francisco	Authority Chief Financial Officer
Stephen Donati	Authority Engineer
Brian Tipton, Esq.	Authority Legal Counsel
Patricia Kaspereen	Administrative Assistant

Chairman Chamberlain led everyone in the Pledge of Allegiance and then read the Introductory Statement: This annual budget and rate hearing has been properly noticed in accordance with New Jersey State Statutes.

Chairman Chamberlain stated he was a little more involved with the budget than usual. He met with Mr. Wauhopper and Mr. Francisco to review the budget line by line. He thanked everyone, once again, for doing a fantastic job keeping everything steady.

He asked Mr. Francisco to present the budget and rates for FY2020.

Mr. Francisco stated the appropriations for the 2020 budget will be the same as 2019. The total

budget will be \$2,829,744; most of the line items remain the same. Overall, the budget is the same as in 2019. Debt Service accounts for 41% of our budget, which we have no control over.

To fund the 2020 budget, we will collect the same amount from our customers as we did in 2019 - \$2,174,744. This is the 5th year in a row that we have kept the amount collected from our customers the same. We still have a very healthy cash balance; we will probably end the year with \$5.5 million dollars. The remaining balance of our budget will come from interest income (\$85,000), miscellaneous income (\$10,000) and \$560,000 from our Rate Stabilization Fund. In 2020, we do not anticipate any revenue from Covanta or PCFA.

So, to determine our user rate, we have fourteen users in our system. Meters readings are conducted monthly and the meters are calibrated quarterly. Our billing cycle is from October 1st through September 31st. Billing is based on the average flow from the prior four years. Since 2019 was a very wet year, we had an increase in flow of about 60,000,000 gallons. We believe this is due to I&I; an I&I factor of 14% will be used in the calculations. He explained the process used to determine the rates in more detail. The residential user rate for 2020 will be \$10.30 per billing unit, which is less than 2019 (\$11.31). The industrial user rate for 2020 is \$20.60 per 1,000 gallons, compared to \$22.62 in 2019.

We will also be setting our Connection Fee for 2020. If we used the State's calculation, we could charge up to \$9,643 but the Authority decided to keep the fee the same as last year - \$6,642 per EDU (single family home).

Mr. Francisco thanked Ms. Kaspereen for her help with the budget, since this was his first year putting the budget together. He also thanked the Finance Committee, there were several meetings with the committee, Chairman Chamberlain and Mr. Wauhopp. The State approved the introduced budget, with no problems, for adoption at our regular meeting immediately following this rate hearing. He asked if there were any questions.

Mr. Piazza, chairman of the Finance Committee, reiterated Mr. Francisco's comment about it being a flat budget. He said the Authority had a fantastic year last year, by saving a lot of money by doing some projects in-house. We will continue this practice.

Chairman Chamberlain asked if there were any questions or comments from Board members.

He then asked if there was any comments or questions from the public

There was no public comment.

As there was no further discussion, Mr. Piazza moved, and Ms. O'Connor seconded that the Public Rate Hearing be adjourned at 7:37 p.m. All in favor, motion carried.

Patricia Kaspereen
Administrative Assistant