

RESOLUTION OF THE SOMERSET RARITAN VALLEY
SEWERAGE AUTHORITY ESTABLISHING CONNECTION FEES
IN ACCORDANCE WITH THE PROVISIONS OF
N.J.S.A. 40:14A-8 (b) AND THE
1958 SERVICE AGREEMENT AS AMENDED

WHEREAS, The Somerset Raritan Valley Sewerage Authority (hereinafter "The Authority") has determined that, in accordance with the provisions of N.J.S.A. 40:14A-8(b) and the 1958 Service Agreement, as amended, the owner or occupant of any property which shall connect to the system of the Authority shall be charged a fee to represent a fair payment towards the cost of the system; and

WHEREAS, in accordance with said statute, such fair payment shall be, in addition to periodic service charges, a separate charge in the nature of a Connection Fee with respect to each connection of any property which will discharge to the facilities of the Authority, which fee shall be imposed upon the owner or occupant of the property so connected, and

WHEREAS, the amount of said Connection Fee has been calculated in accordance with the provisions of N.J.S.A. 40:14A-8(b)(1)(2)(3), and is uniform within each class of users; and

WHEREAS, the Connection Fee set forth in Schedule A shall be recomputed in each fiscal year of the Authority, and, following a Public Hearing in accordance with the provisions of N.J.S.A. 40:14A-8(c) shall be revised to reflect the recomputed Connection Fee which shall thereafter be imposed in accordance with N.J.S.A. 40:14A-8 (b)3; and

WHEREAS, a Public Hearing was held on the date hereof following the provision of notice as required in accordance with N.J.S.A. 40:14A-8(c);

NOW, THEREFORE, BE IT RESOLVED by The Somerset Raritan Valley Sewerage Authority that it hereby adopt, prescribe and establish the following amendment to the "Resolution Of The Somerset Raritan Valley Sewerage Authority Authorizing and Establishing Connection Fees In Accordance With The Provisions Of N.J.S.A. 40:14A-8(b) and The 1958 Service Agreement As Amended" with said amendment being effective 1:00 a.m. on February 1, 2013(changed to February 5, 2013 due to rescheduling meeting to February 4, 2013).

Schedule "A" section 2 shall be amended to now read:

"the Connection Fee for each EDU (Equivalent Dwelling Unit) shall be \$2,025.00/EDU"

INTRODUCED BY: Philip Petrone

SECONDED BY: Peter Stires

Roll Call Vote:

Arthur Quade	Absent	Richard Mathews	Yes
Richard DeLuca	Yes	Michael Merdinger	Yes
Carlos Mosquera	Absent	Joseph Lifrieri	Yes
Philip Petrone	Yes	Michael Impellizeri	Yes
Peter Stires	Yes	Gail Quabeck	Absent
Carolann Garafola	Absent	Robert Albano	Absent
Herbert Vollers	Absent	Edward Machala	Yes

CERTIFICATION

I, GLEN D. PETRAUSKI, Executive Director and Certifying Agent of The Somerset Raritan Valley Sewerage Authority, HEREBY CERTIFY that the foregoing is a true copy of a Resolution adopted at a Regular Meeting of the Authority held on the 28th day of January 2013 (Meeting Rescheduled to February 4, 2013), as the same appears on record in the Minute Book of The Authority.

IN WITNESS WHEREOF I have hereunto set my hand and affixed the Seal of The Authority 5th day of February 2013.


Glen D. Petruski
Executive Director



The
Somerset Raritan Valley
Sewerage Authority

TO: BOARD OF COMMISSIONERS
FROM: FINANCE COMMITTEE
DATE: JANUARY 11, 2013
SUBJECT: RECALCULATION OF CONNECTION FEE (2012)

Now that the Authority has reviewed and accepted the Audit for Fiscal Year 2011 (FY11), in accordance with our past practice, our Connection Fee can be recalculated.

I have requested and received from both Chief Financial Officer Wozniak and Facility Engineer Anastasio updated information regarding both the Capital Cost for FY 11 and the total number of equivalent dwelling units (EDU's) for 2011 (copies of the information provided are attached).

In reviewing these costs, you will note that the capital costs that are eligible for use in the calculation have increased by \$4,234,046.00 from \$132,954,011.00 in 2010 to \$137,188,057.00 in 2011. This cost increase is the result of the Authority making payments on its outstanding long-term debt (bond principal and interest paid) and capital improvements funded from the Budget or Authority Accounts.

With regard to the number of EDU's used in the calculation of the Connection Fee, this number has increased from 67,449 in 2010 to 67,742 in 2011. The number of EDU's in 2011 was calculated by using the number of EDU's in 2010 of 67,449 as a base and adding the number of EDU's connected in 2011 of 293 (based on Authority Connection Fee records) to establish the new number.

The Total Eligible Capital Cost used in the calculation of the Connection Fee for 2012 was \$137,188,057.00 and the total number of EDU's was 67,742. The recalculation of the Connection Fee is as follows:

$$\$137,188,057.00 \div 67,742 \text{ EDU's} = \$2,025.00/\text{EDU}$$

Based on this calculation, I would recommend that the Authority raise the Connection Fee from its present \$1,971/EDU to **\$2,025/EDU which equals an increase of \$54.00 in the fee.**

The Finance Committee has reviewed the recalculation of the Connection Fee and, based on that review, the Committee is recommending to the Board of Commissioners that the Board authorize an increase in the Connection Fee from its present \$1,971/EDU to **\$2,025/EDU which equals an increase of \$54.00 in the fee.**

In accordance with regulation, a Public Hearing must be held on the increase in the Connection Fee. This Hearing is scheduled to be held at the Board's January 28, 2013 regularly scheduled monthly Board Meeting. Please note: The January Board meeting was rescheduled to Monday, February 4, 2013. Attached is a copy of the Public Notice regarding the Recalculation of the Connection Fee.


Ronald S. Anastasio, P.E.
Assistant Executive Director/Facility Engineer

GDP/rel

Attachments



The
Somerset Raritan Valley
Sewerage Authority

TO: FINANCE COMMITTEE
(QUABECK, Impellizeri, Mathews, Mosquera, Quade)
RONALD ANASTATIO, ASSISTANT EXECUTIVE DIRECTOR/FACILITY ENGINEER

FROM: GLEN D. PETRAUSKI, EXECUTIVE DIRECTOR

DATE: JANUARY 11, 2013

SUBJECT: RECALCULATION OF CONNECTION FEE (2012)

Now that the Authority has reviewed and accepted the Audit for Fiscal Year 2011 (FY11), in accordance with our past practice, our Connection Fee can be recalculated.

I have requested and received from both Chief Financial Officer Wozniak and Facility Engineer Anastasio updated information regarding both the Capital Cost for FY 11 and the total number of equivalent dwelling units (EDU's) for 2011 (copies of the information provided are attached).

In reviewing these costs, you will note that the capital costs that are eligible for use in the calculation have increased by \$4,234,046.00 from \$132,954,011.00 in 2010 to \$137,188,057.00 in 2011. This cost increase is the result of the Authority making payments on its outstanding long-term debt (bond principal and interest paid) and capital improvements funded from the Budget or Authority Accounts.

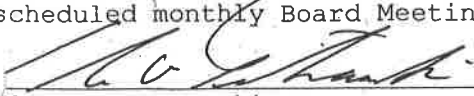
With regard to the number of EDU's used in the calculation of the Connection Fee, this number has increased from 67,449 in 2010 to 67,742 in 2011. The number of EDU's in 2011 was calculated by using the number of EDU's in 2010 of 67,449 as a base and adding the number of EDU's connected in 2011 of 293 (based on Authority Connection Fee records) to establish the new number.

The Total Eligible Capital Cost used in the calculation of the Connection Fee for 2012 was \$137,188,057.00 and the total number of EDU's was 67,742. The recalculation of the Connection Fee is as follows:

$$\$137,188,057.00 \div 67,742 \text{ EDU's} = \$2,025.00/\text{EDU}$$

Based on this calculation, I would recommend that the Authority raise the Connection Fee from its present \$1,971/EDU to **\$2,025/EDU which equals an increase of \$54.00 in the fee.**

After you have reviewed the information, please contact me and advise me if you would like the Committee to meet so that it can discuss the recalculation of the connection fee in detail or if the information contained in the memo is sufficient to receive approval from the Committee without a formal Committee meeting. My office will publish the required Public Notice for a Public Hearing on the raising of the Connection Fee. This Public Hearing is being advertised to be held at the Board's January 28, 2013 regularly scheduled monthly Board Meeting.


Glen D. Petruski
Executive Director

GDP/rel

Attachments



The
Somerset Raritan Valley
Sewerage Authority

TO: FINANCE COMMITTEE
FROM: PETER WOZNIAK, CHIEF FINANCIAL OFFICER *PRW*
DATE: NOVEMBER 27, 2012
SUBJECT: RECALCULATION OF CONNECTION FEE

Based on audited financial information and the Authority's records of the total number of equivalent dwelling units (EDU's) for 2011 (copies of the supporting information for the calculation are attached) the Connection Fee can be recalculated.

The Connection Fee capital related costs increased by \$4,234,046 due to the Authority making scheduled payments on its outstanding long-term debt (bond principal and interest paid). Also, included in the calculation were capital costs paid from the Connection Fee fund. The net capital costs used to calculate the Connection Fee are \$137,188,057 as of December 31, 2011.

The number of new EDU's related to 2011 was 293, increasing the total number of EDUs to 67,742. The number of EDU's in 2011 was calculated by using the number of EDU's in 2010 of 67,449 as a base and adding the number of EDU's connected in 2011 of 293 (based on Authority Connection Fee records) to establish the new number.

The recalculation of the Connection Fee is as follows:

$$\$137,188,057 \div 67,742 = \$2,025 \text{ per EDU}$$

The recalculation results in a \$54 increase from the current Connection Fee of \$1,971 to a fee for 2012 of \$2,025. Based on this calculation, I would recommend that the Authority raise the Connection Fee from its present \$1,971/EDU to \$2,025/EDU.

A Public Hearing regarding the raising of the Connection Fee is required. This hearing is being advertised to be held at the Authority's January Board Meeting.



The
Somerset Raritan Valley
Sewerage Authority

To: Glen D. Petrauski

From: Ronald S. Anastasio, P.E. *RSA*

Date: October 10, 2012

Re: 2012 Connection Fee Rate Recalculation

The 2012 EDU calculation is based on the sum of the total number of EDUs through the end of 2010 and the new connection EDUs of record for 2011.

The following table summarizes the issuance of connection EDUs for 2011, broken down monthly by participant:

2011	Branchburg	Bridgewater	Warren	Hillsborough	Somerville	Raritan	Manville	Monthly Totals
<i>Jan</i>	0	36	0	13	0	0	0	49
<i>Feb</i>	0	0	0	5	0	0	0	5
<i>Mar</i>	1	1	1	13	0	0	0	16
<i>Apr</i>	1	0	2	10	0	0	0	13
<i>May</i>	1	5	0	4	0	0	0	10
<i>Jun</i>	0	3	1	5	0	0	0	9
<i>Jul</i>	0	2	5	4	0	0	0	11
<i>Aug</i>	1	0	0	5	0	0	0	6
<i>Sep</i>	0	2	5	5	0	0	0	12
<i>Oct</i>	2	1	3	16	0	0	0	22
<i>Nov</i>	0	0	1	31	0	0	0	32
<i>Dec</i>	<u>1</u>	<u>0</u>	<u>3</u>	<u>44</u>	<u>0</u>	<u>60</u>	<u>0</u>	<u>108</u>
Town Totals	7	50	21	155	0	60	0	293

The new total EDU count is equal to the sum of the total number of EDUs through the end of 2010 (67,449) and the new connection EDUs of record for 2011 (293), totaling 67,742.

Cc: Peter Wozniak
Coleen Basista

**SOMERSET RARITAN VALLEY SA
SCHEDULE OF CONNECTION FEE COSTS
AS OF DECEMBER 31, 2011**

Connection Fee Capital Related Costs:

Bond Principal Paid Thru 12/31/11	\$	66,811,162	Schedule C Number
Interest Paid on Bonds Thru 12/31/11	\$	46,628,241	Schedule 3 # Includes capitalized interest
Principal Paid on Project Notes Thru 12/31/11	\$	500,000	
Interest Paid on Project Notes Thru 12/31/11	\$	3,340,363	
Payments to American Cyanamid Company	\$	6,472,360	
Provision for Operating Reserve for Debt Service	\$	2,268,113	
Provision for Debt Service Reserve	\$	1,600,435	
Capital Costs Paid from General Fund	\$	7,759,743	
Capital Costs Paid from Connection Fee Fund	\$	7,862,633	
Less: Federal, State and Other Grants Received	\$	<u>(6,054,993)</u>	
Total Net Cost for Computing Connection Fee	\$	<u>137,188,057</u>	

Total Number of new connection EDUs of record at 12/31/11 = 67,742

Connection Fee for 2012 = \$137,188,057/67,742 = \$2,025

Connection Fee Capital Related Costs:

Bond Principal Paid Thru 12/31/08	\$	56,645,422	
Interest Paid on Bonds Thru 12/31/08	\$	44,309,329	
Principal Paid on Project Notes Thru 12/31/08	\$	500,000	
Interest Paid on Project Notes Thru 12/31/08	\$	3,340,363	
Payments to American Cyanamid Company	\$	6,472,360	
Provision for Operating Reserve for Debt Service	\$	2,277,526	
Provision for Debt Service Reserve	\$	1,599,235	
Capital Costs Paid from General Fund	\$	7,759,743	
Capital Costs Paid from Connection Fund	\$	5,504,030	
Less: Federal, State and Other Grants Received	\$	<u>(6,054,993)</u>	
Total Net Cost for Computing Connection Fee	\$	<u>122,353,015</u>	Connection Fee 2009
Less: Operating Reserve for Debt Service Adjustment	\$	(9,413)	
Add: 2009 Principal Paid	\$	4,460,201	
Add: 2009 Interest Paid	\$	483,768	
Add: 2009 Capitalized Interest	\$	335,878	
Add: Capital Construction - Connection Fee Fund	\$	<u>446,483</u>	
Total Net Cost for Computing Connection Fee	\$	<u>128,069,932</u>	Connection Fee 2010
Add: 2010 Principal Paid	\$	3,367,513	
Add: 2010 Interest Paid	\$	390,460	
Add: 2010 Capitalized Interest	\$	390,306	
Add: Capital Construction - Connection Fee Fund	\$	734,600	
Add: Debt Service Reserve Fund	\$	<u>1,200</u>	
Total Net Cost for Computing Connection Fee	\$	<u>132,954,011</u>	Connection Fee 2011
Add: 2011 Principal Paid	\$	2,338,026	
Add: 2011 Interest Paid	\$	718,500	
Add: Capital Construction - Connection Fee Fund	\$	<u>1,177,520</u>	From Schedule #2
Total Net Cost for Computing Connection Fee	\$	<u>137,188,057</u>	



The
Somerset Raritan Valley
Sewerage Authority

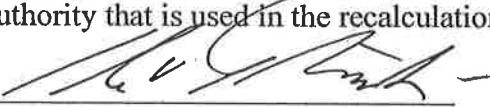
TO: PETER WOZNIAK
CHIEF FINANCIAL OFFICER

FROM: GLEN D. PETRAUSKI
EXECUTIVE DIRECTOR

DATE: SEPTEMBER 11, 2012

SUBJECT: CONNECTION FEE – 2012

Now that the 2011 Audit is finalized, would you please provide us with the information regarding the costs associated with Capital Expenditures and Capital Debt incurred by the Authority that is used in the recalculation of the Connection Fee.


Glen D. Petrauski
Executive Director

GDP/rel



The
Somerset Raritan Valley
Sewerage Authority

September 11, 2012

Mr. Robert Butvilla
Suplee, Clooney & Company
308 East Broad Street
Westfield, NJ 07090-2122

Dear Mr. Butvilla:

Now that the 2011 Audit is finalized, would you please provide us with the information regarding the costs associated with Capital Expenditures and Capital Debt incurred by the Authority that is used in the recalculation of the Connection Fee.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Glen D. Petruski', is written over a light blue horizontal line.

Glen D. Petruski
Executive Director

GDP/rel



The
Somerset Raritan Valley
Sewerage Authority

TO: RONALD ANASTASIO
ASSISTANT EXECUTIVE DIRECTOR/FACILITY ENGINEER

FROM: GLEN D. PETRAUSKI
EXECUTIVE DIRECTOR

DATE: SEPTEMBER 11, 2012

SUBJECT: CONNECTION FEE - 2012

In conjunction with the receipt of the Audit for the year 2011, the Authority is now able to recalculate its connection fee. As part of that process, it will be necessary for you to provide me with a count of all EDU's currently serviced by The Somerset Raritan Valley Sewerage Authority. To accomplish this, please take the number of EDU's we had for the year 2010 and add to that the EDU's that had been added in 2011.

Please send this information to me in the form of a memo since that memo will become part of the public record for the connection fee recalculation.

If you have any questions regarding this matter, please see me.

A handwritten signature in black ink, appearing to read 'Glen D. Petruski', is written over a horizontal line.

Glen D. Petruski
Executive Director

GDP/rel

RESOLUTION AUTHORIZING THE TERMINATION OF THE
NON-DOMESTIC WASTEWATER DISCHARGE PERMIT (#31A)
OF ImCLONE SYSTEMS

WHEREAS, The Somerset Raritan Valley Sewerage Authority has an established Industrial Pretreatment Program to allow for and regulate the discharge of industrial effluent and/or groundwater via a permit program; and

WHEREAS, ImClone Systems, which is located at 36 ImClone Drive in Branchburg, has requested that The Somerset Raritan Valley Sewerage Authority terminate their Non-Domestic Wastewater Discharge Permit #31A due to the ceasing of activities at Building 36 that generated non-domestic wastewater at said location. The facility had been used for production of biological pharmaceuticals. A site inspection has confirmed that production activities have ceased at that location; and

WHEREAS, a thirty-day Public Comment Period was held to receive written comments or to request that the SRVSA hold a non-adversarial Public Hearing. However, no comments were received from the public during the Public Comment Period nor were there any comments received from ImClone Systems. There were no requests for a non-adversarial Public Hearing.

NOW, THEREFORE, BE IT RESOLVED by The Somerset Raritan Valley Sewerage Authority that it hereby authorizes the termination of ImClone Systems' Non-Domestic Wastewater Discharge Permit #31A due to the ceasing of production activities that would generate non-domestic wastewater at the facility.

INTRODUCED BY: Philip Petrone

SECONDED BY: Peter Stires

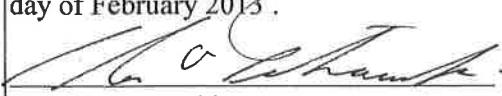
Roll Call Vote:

Arthur Quade	Absent	Richard Mathews	Yes
Richard DeLuca	Yes	Michael Merdinger	Yes
Carlos Mosquera	Absent	Joseph Lifrieri	Yes
Philip Petrone	Yes	Michael Impellizeri	Yes
Peter Stires	Yes	Gail Quabeck	Absent
Carolann Garafola	Absent	Robert Albano	Absent
Herbert Vollers	Absent	Edward Machala	Yes

CERTIFICATION

I, Glen D. Petrauski, Executive Director and Certifying Agent of The Somerset Raritan Valley Sewerage Authority, **HEREBY CERTIFY** that the foregoing is a true copy of a Resolution adopted at a Regular Meeting of the Authority held on the 28th day of January 2013 (Meeting rescheduled to February 4, 2013), as the same appears on record in the Minute Book of The Authority.

IN WITNESS WHEREOF I have hereunto set my hand and affixed the Seal of The Authority this 5th day of February 2013 .


Glen D. Petrauski
Executive Director

GDP/rel



The
Somerset Raritan Valley
Sewerage Authority

TO: GLEN D. PETRAUSKI
EXECUTIVE DIRECTOR

FROM: ANAMIA C. MYHRE *AM*
REGULATORY COMPLIANCE OFFICER

DATE: January 28, 2013

SUBJECT: IMCLONE SYSTEMS LLC BUILDING 36. PERMIT 31A
TERMINATION OF NON-DOMESTIC WASTEWATER DISCHARGE
PERMIT.

ImClone Systems LLC is located at 36 ImClone Drive, Branchburg. ImClone Systems LLC, Building 36 produces biological pharmaceuticals.

Based upon my records, and as confirmed by Mr. Damato during the inspection performed by myself at the ImClone facility, ImClone has not discharged process wastewater from that location to the SRVSA since April 30, 2010, when the biopharmaceutical manufacturing process was decommissioned. Mr. Damato further advised that ImClone does not foresee the reactivation of this product line in the future. Based upon these facts and representations, the SRVSA is now considering Permit 31A terminated by non-renewal.

ImClone Systems LLC understands that prior to any reintroduction of process wastewater from this location into the SRVSA's facility, either due to the decommissioned facilities or new facilities, a new permit application therefore must be submitted to the SRVSA for its review and approval.

Res. No. 13-0128-3
(Meeting Rescheduled to February 4, 2013)

797th Meeting
January 28, 2013

RESOLUTION/PAYROLL

BE IT RESOLVED by The Somerset Raritan Valley Sewerage Authority that the Treasurer be and is hereby authorized to approve Checks No.6815 through No. 6998 all numbers inclusive in the amount of \$38,967.87 and Checks No. 26839 through No. 26423 all numbers inclusive in the amount of \$111,602.47 for a total of \$150,570.34 said checks having been reviewed and certified by the Executive Director for payment.

INTRODUCED BY: Peter Stires
SECONDED BY: Richard Mathews

Call Vote:

Arthur Quade	Absent	Richard Mathews	Yes
Richard DeLuca	Yes	Michael Merdinger	Yes
Carlos Mosquera	Absent	Joseph Lifrieri	Yes
Philip Petrone	Yes	Michael Impellizeri	Yes
Peter Stires	Yes	Gail Quabeck	Absent
Carolann Garafola	Absent	Robert Albano	Absent
Herbert Vollers	Absent	Edward Machala	Yes

CERTIFICATION

I, Glen D. Petrauski, Executive Director and Certifying Agent of The Somerset Raritan Valley Sewerage Authority, **HEREBY CERTIFY** that the foregoing is a true copy of a Resolution adopted at a Regular Meeting of the Authority held on the 28th day of January 2013 (Meeting Rescheduled to February 4, 2013), as the same appears on record in the Minute Book of the Authority.

IN WITNESS WHEREOF I have hereunto set my hand and affixed the Seal of the Authority this 5th day of February 2013.



Glen D. Petrauski
Executive Director

GDP/rel

797th Meeting
January 28, 2013
Rescheduled to February 4, 2013

RESOLUTION/BILLS

BE IT RESOLVED that the Members of The Somerset Raritan Valley Sewerage Authority, including the Finance Committee hereby certify that we have read the list of bills and have examined the original vouchers that have been reviewed and certified by the Executive Director or the Assistant Executive Director/Facility Engineer and presented to the Board of Commissioners for payment and find the same to be in order and acceptable for payment by The Somerset Raritan Valley Sewerage Authority.

OPERATING FUND	\$890,305.76
GENERAL FUND ACCOUNT	\$ 5,126.08
CONSTRUCTION FUND ACCOUNT	\$ 52,601.77
CONNECTION FEE ACCOUNT	<u>\$ 33,557.91</u>
	\$981,591.52

INTRODUCED BY: Philip Petrone
SECONDED BY: Peter Stires

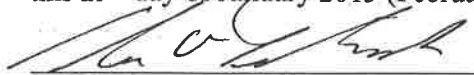
Roll Call Vote:

Arthur Quade	Absent	Richard Mathews	Yes
Richard DeLuca	Yes	Michael Merdinger	Yes
Carlos Mosquera	Absent	Joseph Lifrieri	Yes
Philip Petrone	Yes	Michael Impellizeri	Yes
Peter Stires	Yes	Gail Quabeck	Absent
Carolann Garafola	Absent	Robert Albano	Absent
Herbert Vollers	Absent	Edward Machala	Yes

CERTIFICATION

I, Glen D. Petrauski, Executive Director and Certifying Agent of The Somerset Raritan Valley Sewerage Authority, **HEREBY CERTIFY** that the foregoing is a true copy of a Resolution adopted at a Regular Meeting of the Authority held on the 28th day of January 2013 (Rescheduled to February 4, 2013), as the same appears on record in the Minute Book of the Authority.

IN WITNESS WHEREOF I have hereunto set my hand and affixed the Seal of the Authority this 29th day of January 2013 (February 5, 2013).


Glen D. Petrauski
Executive Director

GDP/rel