

STATE OF NEW JERSEY
DEPARTMENT OF COMMUNITY AFFAIRS
DIVISION OF LOCAL GOVERNMENT SERVICES
LOCAL FINANCE BOARD
APPLICATION

TOWNSHIP OF GLOUCESTER
(IN THE COUNTY OF CAMDEN, NJ)

DISSOLUTION OF THE
GLOUCESTER TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

For submission to the:

NEW JERSEY LOCAL FINANCE BOARD

Jacquelyn Suarez, Director
Nicholas Bennett, Executive Secretary

**TOWNSHIP OF GLOUCESTER
(IN THE COUNTY OF CAMDEN)**

DISSOLUTION OF THE GLOUCESTER TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

SUBMISSION REQUIREMENTS

Application Data	1
<i>Application Data</i>	
<i>Resolution Service List</i>	
Part I	2
<i>Application Certification</i>	
<i>Application Resolution</i>	
Part VII	3
<i>Dissolution of Authority</i>	
Exhibit A	4
<i>Introduced Dissolution Ordinance</i>	
Exhibit B	5
<i>Resolution of the Authority Consenting to Dissolution</i>	
Exhibit C	6
<i>Dissolution Report</i>	
Exhibit D	7
<i>Certification of the Authority Regarding Liabilities</i>	

STATE OF NEW JERSEY
DEPARTMENT OF COMMUNITY AFFAIRS
DIVISION OF LOCAL GOVERNMENT SERVICES
LOCAL FINANCE BOARD
APPLICATION DATA

APPLICANTS

NAME: Township of Gloucester, New Jersey
ADDRESS: 1261 Chews Landing Road
Laurel Springs, NJ 08021

TOWNSHIP	<u>Gloucester</u>
ID #	<u>21-6000664</u>
YEAR	<u>2023</u>

APPLICABLE STATUTE TO WHICH APPLICATION IS BEING SUBMITTED: N.J.S.A. 40A:5A-20

Amount for Which Application is Being Submitted: Not Applicable

CONTACT PERSON: Joshua C. Nyikita

TITLE: Managing Director

ORGANIZATION: Acacia Financial Group, Inc.

ADDRESS: 6000 Midlantic Drive, Suite 410 North
Mt. Laurel, NJ 08054

PHONE NUMBER: (856) 234-2266

SIGNATURE: 

DATE: March 22, 2023

FOR DIVISION USE ONLY

Date of Hearing
Scheduled Time
Reference File
LFB Action
Word Doc.#

RESOLUTION SERVICE LIST

MAYOR	NAME:	<u>David R. Mayer</u>
	ADDRESS:	<u>1261 Chews Landing Road Laurel Springs, NJ 08021 E-mail: dmayer@glotwp.com</u>
TOWNSHIP ADMINISTRATOR	NAME:	<u>Thomas C. Cardis</u>
	ADDRESS:	<u>1261 Chews Landing Road Laurel Springs, NJ 08021 E-mail: tcardis@glotwp.com</u>
CHIEF FINANCIAL OFFICER	NAME:	<u>Christine Ehret</u>
	ADDRESS:	<u>1261 Chews Landing Road Laurel Springs, NJ 08021 E-mail: cehret@glotwp.com</u>
BOND COUNSEL	NAME:	<u>Jeffery D. Winitsky, Esq.</u>
	ADDRESS:	<u>Parker McCay P.A. 2 Cooper St, Suite 1901 Camden, NJ 08102 E-mail: jwinitsky@parkermccay.com</u>
FINANCIAL ADVISOR	NAME:	<u>Joshua C. Nyikita, Managing Director</u>
	ADDRESS:	<u>Acacia Financial Group, Inc. 6000 Midlantic Drive, Suite 410 N. Mount Laurel, NJ 08054 E-mail: jnyikita@acaciafin.com</u>
TOWNSHIP ATTORNEY	NAME:	<u>David Carlamere, Esq.</u>
	ADDRESS:	<u>1546 Blackwood Clementon Road Blackwood, NJ 08012 E-mail: dfc.law@verizon.net</u>

EXECUTIVE SUMMARY

The Township of Gloucester, in the County of Camden (the "Township") is submitting this application for the approval of the Local Finance Board (the "LFB") of the adoption of an ordinance authorizing the formal dissolution of the Gloucester Township Municipal Utilities Authority (the "Authority" or the "GTMUA") pursuant to and accordance with *N.J.S.A. 40A:5A-20* (the "Dissolution Ordinance"). A copy of the Dissolution Ordinance as introduced by the Township Council on January 23, 2021 is attached as Exhibit "A". The Authority Board of Commissioners adopted a resolution consenting to the dissolution of the GTMUA on January 19, 2023 (see Exhibit "B").

We respectfully request consideration and review of this Application at the hearing of the LFB on April 12, 2023.

STATUTORY REQUIREMENTS FOR DISSOLUTION

Local Authorities Fiscal Control Law, *N.J.S.A. 40A:5A-1*, et seq., as amended and supplemented ("Local Authorities Fiscal Control Law"), specifically *N.J.S.A. 40A:5A-20*, provides that a municipality that has established an authority shall have the power to dissolve the authority by means of an ordinance approved by the New Jersey Local Finance Board prior to final adoption by the municipality. When reviewing the ordinance, the LFB ". . . shall approve the dissolution if it finds that the ordinance . . . makes adequate provision . . . for the payment of all creditors or obligees of the authority and that adequate provision is made 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."

In accordance with the requirements of the Local Authorities Fiscal Control Law, the Township Council for the Township has determined that it would be in the best interests of the residents of the Township to (i) dissolve the Authority, and (ii) as a result thereof, establish an internal Department of Sewer Utility to operate the sewerage department and a Department of Global Services to operate the solid waste department (including recyclables, composting and other solid waste) to serve the same functions and provide the same services presently provided by the Authority. Provided below and in the attached Dissolution Report (see Exhibit "C") is a comprehensive set of materials indicative of satisfaction of the requirements of the Local Authorities Fiscal Control Law for the proper dissolution of the Authority by the Township.

OVERVIEW OF THE AUTHORITY

The Authority was created by a Township ordinance, dated October 6, 1958, and amended November 29, 1963. The Authority is organized under P.L. 1957 C.183 of the laws of the State ("Act"). The Act grants power to every municipality of the State by means and through agency of a municipal utilities authority to acquire, construct, maintain, operate or improve works for the accumulation, supply or distribution of water and works for the collection, treatment, purification or disposal of sewage or other wastes. A seven-member board ("Board") governs the Authority. The Township Council appoints members of the Board for five-year terms on a staggered basis. The members of the Board oversee the Authority's operations.

The Authority's primary function is to maintain and service the Gloucester Township sewer system, which consists of 51 pumping stations with an associated 13 miles of sanitary sewer force mains, 368 miles of sanitary gravity sewer mains and 4,851 manholes. The Authority maintains over 300 miles of pipe that transport 8.8 million gallons of sewage per day from the Authority to the Camden County Municipal Utilities Authority's ("CCMUA") regional treatment plant. The age of various system components ranges from 50 plus years to the present. Currently, there are 30,091 equivalent dwelling units (300 GPO/EDU) with an associated estimated average daily flow (# of EDU's x 300 g/EDU) of 9.02 MGD. Flows from the Authority collection system are discharged into the CCMUA's regional collection system for treatment and disposal at the CCMUA's Delaware No. 1 Treatment Plant in the City of Camden. The Authority primarily services Gloucester Township. There are also minor points of connection from the neighboring municipalities of the Boroughs of Runnemede, Pine Hill, Magnolia and the Township of Winslow. The majority of Gloucester Township is serviced by public sewer, with the exception of a few small areas still on individual septic systems. In order to accomplish these services, the Authority maintains a fleet of twenty-one (21) vehicles, including a TV camera and two (2) Jet Vac trucks.

Although budgeted separately, the Authority is also responsible for the Township's Solid Waste program which has two primary functions: 1) the collection of recyclable materials (paper, glass, plastic, metal, etc.); and 2) the operation of a composting facility (grass & leaves). The Solid Waste budget is supported primarily by the Township (via an existing Shared Services Agreement with the Authority) along with revenue from compost sales and tipping fees.

THE PROPOSED DISSOLUTION OF THE AUTHORITY

The Township has undertaken an extensive review and analysis of the proposed dissolution of the Authority and has developed a comprehensive report (the "Dissolution Report") in accordance with the requirements of Local Authorities Fiscal Control Law, *N.J.S.A.* 40A:5A-1. A copy of the Dissolution Report is attached as Exhibit "B". The primary reasons for dissolution are as follows: 1) conformity with the larger policy of the State of New Jersey ("State") for reduction in redundancy in government; 2) greater accountability to the electorate; 3) enhanced operating efficiencies; and 4) financial considerations.

STATE POLICY: It has been consistent State policy for over thirty (30) years to encourage the reduction of the number of local government subdivisions. In 1986, the State created the County and Municipal Government Study Commission charged in part with studying local government fragmentation into numerous sub-municipal independent agencies. The Commission expressed the opinion that municipal governing bodies should have direct policy control of the services offered by independent agencies. In 2007, the State established the Local Unit Alignment, Reorganization and Consolidation Commission to promote a reduction in the number of local units of government including independent authorities. In 2015, the State's Best Practices Program specifically asked if municipalities reviewed the possibility of consolidating utility services with municipal operations. After undertaking a thorough review and analysis in furtherance of this directive, the Township

has determined that the dissolution of the GTMUA meets the policy objectives established by the State.

ACCOUNTABILITY TO THE ELECTORATE: A fundamental principle of local government is that elected officials provide the most direct line of accountability to residents. In accordance with this principal, the dissolution of the Authority will lead to greater political accountability as evidenced by the overlap of current Authority customers in comparison to taxpaying residents of the Township. Specifically, the Authority has 21,058 total accounts of which 21,039 (approximately 99.91%) are in the Township. Dissolving the Authority and creating a Department of Sewer Utility and a Department of Global Services within the Township will naturally provide for greater accountability to the electorate of the Township through the direct oversight of sewer utility operations by the Mayor and Township Council.

EFFICIENCY: Consolidation presents opportunities to create more value for the taxpayers and ratepayers of the Township through economies of scale and more effective use of public resources. Certain benefits include the elimination of duplicate professional services and the cost of the Authority Board, consolidation of financial operations, improved collection rates and the integration of all infrastructure improvements under a unified capital improvement program. The Township also expects to realize additional efficiencies over time as the Authority operations are integrated into the Township.

FINANCIAL CONSIDERATIONS: The Authority is financially sound and has historically operated at a profit with stable and consistent cash inflows. As such, it is anticipated that there will be no additional financial burden to the Township's electorate. Further, it is anticipated that by merging the Authority's responsibilities into the Township, greater in-roads can be made in capping customer payment deficiencies, leading to even greater incoming cash flows in the future.

The Dissolution Report addresses several key areas necessary to ensure the successful Authority dissolution and coresponding transfer of responsibilities to the Township from both a financial and operational standpoint. These include the following:

- A. Background and Overview
- B. Financial Condition – Analysis and Observations
- C. Outstanding Indebtedness
- D. Capital Assets and Budget
- E. Transition Plan/Continuity of Service
- F. Summary of Cost Savings and Other Efficiencies

The Township intends to maintain the Authority's existing leadership team and all classes of employees. The Township expects that the Authority's existing collective bargaining agreements will remain in place under their current terms. The current executive director will become the department head responsible for the new Department of Sewer Utility. The proposed Department of Sewer Utility will essentially duplicate the current organizational structure of the Authority.

The administrative and operating divisions would remain intact, and the reporting relationships would be maintained, with one exception. Rather than reporting to the Authority's Board of Commissioners, the department head would report to the Township Administrator as all other department heads do in accordance with current form of government. The Solid Waste System operations will become a new Department of Global Services and will also maintain the same operating organization.

The Authority currently has five (5) outstanding bond series (~\$4.25 million in total par) which were all issued through the New Jersey Infrastructure Bank (the "NJIB"). The outstanding series include a bond issued to the NJIB (referred to as a "Trust Loan") (market rate) and a bond issued to the State, acting by and through the New Jersey Department of Environmental Protection (DEP) (referred to as a "Fund Loan") (zero interest). As part of the dissolution of the Authority, the Township will coordinate with the NJIB and the DEP to assume the responsibilities of the Authority under the Existing NJIB Loan Agreements. To secure the responsibilities assumed by the Township thereunder, the Township will either: (i) replace the existing Trust and Fund Bonds of the Authority securing each of the Existing NJIB Loan Agreements with general obligation bonds of the Township on the same terms and conditions; or (ii) assume the Trust and Fund Bonds directly. The Township is desirous of maintaining the existing terms of the outstanding Trust and Fund bonds because the rates (a combination of zero interest and AAA-rated equivalent at market) on each bond are more attractive than what can be achieved with a traditional Township general obligation bond issue in the current market.

As described in the Dissolution Report, the Township has identified opportunities for efficiencies through the dissolution of the Authority. Central administrative tasks such as accounts receivable/payable, finance, and human resources are presently duplicated as separate entities and can be merged. The Township Public Works Department performs fleet and facilities maintenance with a greater economy of scale than the Authority. Consolidating these two entities would create a more capable organization that would better allocate resources to meet variations in interdepartmental demand. Through consolidation, both the tax payer and rate payer would benefit as excess staffing costs are reduced through a greater economies of scale.

CONCLUSION

In summary, the Township respectfully requests approval of the adoption of an ordinance authorizing the formal dissolution of the Authority pursuant to and accordance with *N.J.S.A.* 40A:5A-20 as (i) the Township has made adequate provision for the payment of all creditors or obligees of the Authority upon its dissolution, and (ii) upon dissolution, adequate provision has made 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 within the Township (each as described above and in the Dissolution Report).

PART I

PART I)

ID#: 21-6000664

STATE OF NEW JERSEY
DEPARTMENT OF COMMUNITY AFFAIRS
DIVISION OF LOCAL GOVERNMENT SERVICES
LOCAL FINANCE BOARD

APPLICATION CERTIFICATION

APPLICANTS' NAME: Township of Gloucester, in the County of Camden

I, Thomas Cardis, Business Administrator, of the Township of Gloucester, in the County of Camden

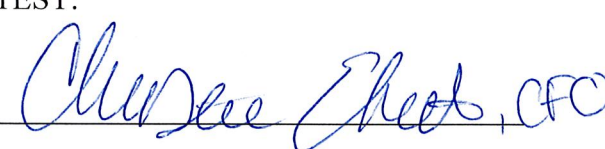
DO HEREBY DECLARE:

That the documents submitted herewith and the statements contained herein are true to the best of my knowledge and belief; and

That this application was considered and its submission to the Local Finance Board approved by the governing body of the Township of Gloucester, in the County of Camden on January 23, 2023.


Thomas Cardis, Business Administrator

ATTEST:


Chandra Echeverria, CFO

Date: 3.21.23

RESOLUTION

R-23:01-047

**RESOLUTION OF THE TOWNSHIP COUNCIL OF
THE TOWNSHIP OF GLOUCESTER, CAMDEN COUNTY, NEW JERSEY
AUTHORIZING AN APPLICATION TO THE LOCAL FINANCE BOARD PURSUANT
TO
N.J.S.A. 40A:5A-20**

WHEREAS, the Governing Body of the Township of Gloucester; Camden County; New Jersey did previously create the Gloucester Township Municipal Utilities Authority; and

WHEREAS, the Township Council of the Township of Gloucester (Township) has determined that it is in the best interest of the Township of Gloucester to dissolve the Gloucester Township Municipal Utility Authority (Authority); and

WHEREAS, the Township has determined to dissolve the Authority in accordance with the provisions of the Local Authorities Fiscal Control Law; N.J.S.A.40A:5A-20; and

WHEREAS, pursuant to N.J.S.A.40A:5A-20 the Township shall make an application to the New Jersey Department of Community Affairs; Local Finance Board.

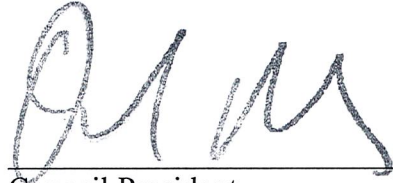
NOW THEREFORE, BE IT RESOLVED by the Township Council of the Township of Gloucester, County of Camden, New Jersey as follows:

Section 1. An application to the Local Finance Board for Dissolution of the Authority is hereby approved. And Township Bond Council, Auditor and other representatives of the Township are hereby authorized to prepare and submit such application to the Local Finance Board pursuant to N.J.S.A 40A:5A-20, and to represent the Township, with the Township Business Administrator in matters pertaining thereto.

Section 2. The Township Clerk is hereby directed to prepare and to file a copy of the Resolution, together with the following: (i.) the Ordinance dissolving the Authority; (ii.) the Ordinance creating the Gloucester Township Department or Division of Sewers; (iii.) The ordinance creating a Sewer Authority Fund, (iv.) the Bond Ordinance in furtherance of the dissolution of the Authority, for assumption of certain outstanding obligations of the Authority, each as introduced on first reading, with the Local Finance Board as part of the filing of the application for Dissolution of the Authority to the Local Finance Board.

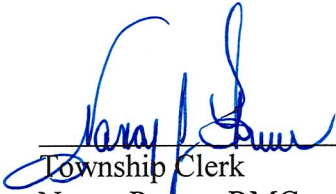
Section 3. The Local Finance Board is hereby respectfully requested to consider the application for dissolution and to record its findings, recommendations and or approvals as provided by the applicable New Jersey Statute.

Adopted: January 23, 2023

A handwritten signature in black ink, appearing to be 'Orlando Mercado', written over a horizontal line.

Council President
Orlando Mercado

ATTEST:

A handwritten signature in blue ink, appearing to be 'Nancy Power', written over a horizontal line.

Township Clerk
Nancy Power; RMC

PART VII

PART VII

DISSOLUTION OF AUTHORITY

- A) Provide a copy of the proposed ordinance(s) to dissolve the Authority. The ordinance(s) or resolution(s) shall make adequate provision in accordance with a financing agreement and/or security agreement or otherwise for the payment of all creditors or obligees of the authority and assure 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 will be maintained.

Please see Exhibit "A" for a copy of the Dissolution Ordinance as introduced by Township Council on January 23, 2023.

- B) Provide a statement signed by the chairman and certified by the treasurer of the authority, identifying the amounts owing to creditors and obligee of the Authority. This statement must be prepared by a date not more than thirty days preceding the submission to the Local Finance Board.

Please see Exhibit "D" for the Certification of the Authority Regarding Liabilities.

- C) Provide a statement of the impact on the local unit or units budget, debt servicing requirements, debt service ratings, local tax rate and service fees if the dissolution of the authority is implemented.

The proposed dissolution is not expected to have any impact on the Township's budget, debt service requirements, credit rating, services fees or tax rate. Upon the dissolution of the Authority, the Township will be establishing an internal Department of Sewer Utility to operate the sewerage department and a Department of Global Services to operate the solid waste department (including recyclables, composting and other solid waste) to serve the same functions and provide the same services presently provided by the Authority. Revenues generated from the Sewer Utility System (primarily user rate charges) and the Solid Waste System (primarily payments from the Township via the Shared Services Agreement) will continue to support operations, maintenance and debt service. As described in the Executive Summary and the Dissolution Report (Exhibit "C"), the Township expects to realize certain cost savings and achieve other efficiencies which should further enhance the financial operations of the utilities.

- D) Provide a statement of the description and the amount of permissible expenditures, if any, requested to be transferred to the local unit or units budget and certified by the Local Finance Board.

The Township does not anticipate moving expenditures in this current budget year between the current fund and municipal utility. However, ongoing review and consolidation of duplicated functions may result in future transfers of expenditures between the entities.

- E) Provide a copy or copies of the board ordinance(s) or resolution(s) proposed to be adopted by the local unit or units authorizing the issuance of obligations in furtherance of the dissolution of the authority.

Not applicable. As described in the Executive Summary and in the Dissolution Report the Township does not plan to issue any new obligations in furtherance of the dissolution of the Authority. Instead, as part of the dissolution of the Authority, the Township will coordinate with the NJIB and the DEP to assume the existing debt responsibilities of the Authority under the Existing NJIB Loan Agreements.

EXHIBIT A
INTRODUCED DISSOLUTION ORDINANCE

**AN ORDINANCE OF THE TOWNSHIP OF GLOUCESTER
DISSOLVING THE GLOUCESTER TOWNSHIP MUNICIPAL UTILITIES
AUTHORITY PURSUANT TO N.J.S.A. 40A:5A-20**

WHEREAS, The Township of Gloucester, County of Camden, State of New Jersey (Township) did create the Gloucester Township Municipal Utilities Authority (Authority), and

WHEREAS, The Local Authorities Fiscal Control Law, N.J.S.A. 40A:5A-1, ET SEQ., PERMITS THE Township to dissolve such Authority and set forth the process whereby the process may be accomplished; and

WHEREAS, after careful examination and analysis, the Township Council of the Township of Gloucester has determined that it is in the best interest of the residents of the Township to dissolve the Authority and to assume sewer utility services for the residents of the Township; and

WHEREAS, The Township desires to dissolve the Authority in accordance with and in fulfillment of the provisions of N.J.S.A. 40A:5A-20, and

WHEREAS, The Township has determined to assume responsibility for the payment of any and all debts and obligations of the Authority, and

WHEREAS, Pursuant to N.J.S.A. 40A: 5-20, the New Jersey Local Finance Board must review and approve this Ordinance prior to this Ordinance being adopted after second reading, public hearing and potential adoption.

NOW THEREFORE, BE IT RESOLVED, by the Township Council of the Township of Gloucester as follows:

SECTION 1. Dissolution. The Gloucester Township Municipal Utility Authority, created by Township Ordinance on or about _____, be and the same is hereby dissolved, subject to the terms and conditions hereof.

SECTION 2. Injunction Against Further Action Without Consent. The Authority is hereby enjoined from taking any further action without the Township's consent. Simultaneously upon the effective date of the dissolution as set forth in Section 6 of this Ordinance (the Effective Date of Dissolution), the Authority shall cease all operations and activities, which operations and activities shall be transferred to the Township automatically and without further action by either the Township or Authority.

SECTION 3. Transfer of Title to all Facilities. Upon the Effective Date of dissolution, all real estate and personal property and facilities of the Authority, and all monies and funds held by or for the Authority, shall be deemed transferred to and become the property of the township. The existing officers of the Authority are hereby authorized and directed to execute any documents or instruments necessary to effectuate the transfer of legal title to all real property, personal property, facilities and monies and funds to the Township upon the Effective Date of Dissolution, notwithstanding the Dissolution of the Authority. All documents and records of the Authority shall be delivered to the Township Clerk prior to the effective date of Dissolution.

SECTION 4. Payment of All Creditors and Obliges. Upon the Effective Date of Dissolution as set forth in Section 6 of this Ordinance, the Township shall assume all legal obligations to pay all existing and outstanding creditors and obliges of the Authority. Pursuant to N.J.S.A. 40A:5A-20 and N.J.S.A.40A:2-1 et seq., the Township shall assume responsibility for and payment of the obligations of the Authority, including but not limited to, existing bonded indebtedness of the dissolved Authority; provided however, that before the assumption of certain Authority debt and the issuance of debt by the Township to refund or redeem certain debt of the Authority, as applicable, the Township Council, the Township Council shall determine by Resolution (setting forth facts that constitute the basis for the determination), that the assumption of certain debt of the Authority by the Township and the issuance of debt by the Township to refund or redeem certain debt of the Authority, as applicable, will be a cost effective means of meeting those obligations. A certified copy of the Resolution shall, upon adoption, be transmitted to the Local Finance Board.

SECTION 5. **Assumption of Services Provided by the Authority.** Upon the Effective Date of Dissolution, the Township shall own any and all facilities previously owned by the Authority, and the Township shall create “The Department or Division of Sewers” for the purpose of operating the facilities previously operated by the Authority and shall amend its Ordinance to effectuate the operation of said facilities as a sewer utility. The Department or Division of Sewers shall have a director responsible for the day-to-day operations and functioning, which director shall be appointed by the Mayor of the Township. The Mayor and Township Business Administrator shall prepare an Organization Table for the Department or Division of Sewers as a result of the Dissolution of the Authority. The table of organization for the Department or Division of Sewers will reflect the replacement of personnel needed to perform the functions that will no longer be performed by the Authority. Upon the Effective date of Dissolution of the Authority, the Township, by and through the Department or Division of Sewers, shall assume the operation of the services previously performed by the Authority, which services are necessary for the health, safety and welfare of the Residents of the Township and users of the sewerage system.

SECTION 6. **Effective Date of Dissolution.** The dissolution of the Authority shall take effect at 11:59 p.m. Eastern Standard Time, on April 30th, 2023, subject to the prior approval of the Local Finance Board in the Division of Local Government Services, Department of Community Affairs as set forth in Section 8.

SECTION 7. **Authorization of the Township and the Authority to Take All Necessary Action.** The Mayor, Members of Township Council, Township Business Administrator, Township Chief Financial Officer, Township Clerk, Township Attorney, and appropriate employees and professionals of the Township are hereby authorized and directed to undertake any and all such acts, and to execute as may be directed to effectuate and accomplish the purposes of this Ordinance. The members of the Authority and Officers, Employees, Attorney and Professionals are hereby authorized and directed to undertake any and all such acts and execute any and all such documents as may be necessary to effectuate and accomplish the purposes of this Ordinance.

SECTION 8. **Approval of the Local Finance Board; Filing.** This Ordinance shall be submitted to and approved by the Local Finance Board in the Division of Local Government Services,

Department of Community Affairs of the State of New Jersey, prior to final Adoption in accordance with the requirements of N.J.S.A. 40A:5A-20, for review and approval. Final adoption of this Ordinance, and its effective date, shall be subject to the Local Finance Board's prior approval and a copy of this Ordinance as adopted shall be filed with the Local Finance Board and with the Secretary of State of New Jersey, in accordance with N.J.S.A. 40A:5A-20.

SECTION 9. **Repeal of All Inconsistent Ordinances,** all other ordinances in conflict or inconsistent with this Ordinance are hereby repealed to the extent of such conflict or inconsistency.

SECTION 10. **Severability.** Should any section, paragraph, sentence, clause or phrase of this Ordinance be declared unconstitutional or invalid for any reason, the remaining portions of this Ordinance shall not be affected thereby and shall remain in full force and effect, and to this end the provisions of this Ordinance are hereby declared to be severable

SECTION 11. **Effective Date.** This Ordinance shall take effect immediately upon its final adoption, according to law, provided that the Local Finance Board has approve the Ordinance pursuant to N.J.S.A. 40A;5a-20 and shall not be subject to referendum.

Introduced: January 23, 2023
Adopted:

David R. Mayer,
Mayor

President of Council
Orlando Mercado

ATTEST:

Township Clerk
Nancy Power, RMC

EXHIBIT B

RESOLUTION OF THE AUTHORITY CONSENTING TO THE DISSOLUTION

**RESOLUTION TO CONSENT TO AND COOPERATE WITH THE TOWNSHIP OF
GLOUCESTER REGARDING THE DISSOLUTION OF THE GLOUCESTER
TOWNSHIP MUNICIPAL UTILITIES AUTHORITY**

R-01-23-130

WHEREAS, the Gloucester Township Municipal Utilities Authority (“GTMUA” and/or “Authority”) was established by the Township of Gloucester (“Township”) pursuant to N.J.S.A. 40:14B-1, known as the “Municipal and County Utilities Authorities Law”; and

WHEREAS, pursuant to N.J.S.A. 40A:5A-20, a municipality has the absolute power to dissolve an Authority such as the GTMUA; and

WHEREAS, the Authority received correspondence dated January 17, 2023, that the Township intends to move forward with the dissolution of the Authority in the interest of government efficiencies, redundancy of services, and overall cost savings to residents; and

WHEREAS, the correspondence provided that the objective is to continue all services uninterrupted to the resident of Gloucester Township and make necessary arrangement for the payment and assumption of all debt service; and

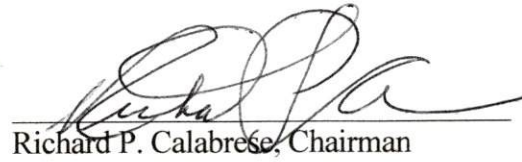
WHEREAS, the correspondence requested that the Commissioners of the Authority adopt of a resolution of support of the dissolution of the Authority.

NOW, THEREFORE, BE IT RESOLVED by the Chairman and Board Members of the Gloucester Township Municipal Utilities Authority, as follows:

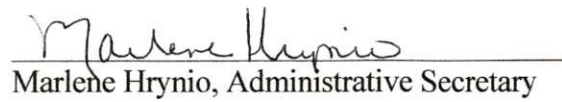
1. The provisions of the **WHEREAS** clauses set forth above are incorporated herein by reference and made a part hereof.
2. The Gloucester Township Municipal Utilities Authority hereby consents to and asserts its cooperation with the Township of Gloucester regarding the dissolution of the Gloucester Township Municipal Utilities Authority.
3. The Authority’s Chairman, Members, Executive Director and/or his designee or professional representatives of the GTMUA are hereby authorized and directed to take any and all necessary steps to effectuate the intention of this resolution.

ATTEST:

**THE GLOUCESTER TOWNSHIP
MUNICIPAL UTILITIES AUTHORITY**


Frank Schmidt, Secretary
Richard P. Calabrese, Chairman

Certified that the above is a true and correct copy of a Resolution duly adopted by the Gloucester Township Municipal Utilities Authority at its Regular Meeting of January 19, 2023.


Marlene Hrynio, Administrative Secretary

Dated: January 19, 2023



ORLANDO MERCADO
Council President

TRACEY L. TROTTO
Council Vice President

Council Members
CAROLYN GRACE
DAN HUTCHISON
MICHAEL D. MIGNONE
ANDREA L. STUBBS
MICHELLE L. WINTERS

GLOUCESTER TOWNSHIP

JOIN THE EXCITEMENT

DAVID R. MAYER
Mayor

THOMAS C. CARDIS
Business Administrator

DAVID F. CARLAMERE, ESQ.
Solicitor

NANCY J. POWER
Township Clerk / RMC

Legal Department

January 17, 2023

SENT VIA REGULAR MAIL

GTMUA
Richard Calabrese
Commissioner President
P.O. Box 216
Glendora, NJ 08029

Re: Dissolution of Gloucester Township MUA

Dear Mr. Calabrese:

Pursuant to NJSA 40A:5A-20, known as the Municipal and County Utilities Authority Law, a municipality has the power to dissolve an Authority such as the Gloucester Township Municipal Utilities Authority (MUA).

Please be advised that Mayor David R. Mayer and Council President Orlando Mercado of the Township of Gloucester have requested that this office inform you that the Mayor and Council Administration intends to move forward with the dissolution of the MUA.

Be assured that this decision is not intended as a reflection on the administration and services provided to the residents of the Township of Gloucester by the Administration, Office Personnel and Employees at the MUA. It is without question the MUA has provided exemplary services to the residents of the Township of Gloucester, and always in a cost-effective manner.

However, the Mayor and Township Council have determined to dissolve the MUA in the interest of government efficiencies, redundancy of services, and overall cost savings to residents.

As I am sure you are aware, dissolution of a local utility authority involves a process not only within the Township of Gloucester, but also a financial review process by the Local Finance Board of the Department of Community Affairs, State of New Jersey. This being time consuming, the Township Council intends to adopt an Ordinance Dissolving the MUA and a Resolution



Printed on recycled paper

Authorizing Application to the Local Finance Board at the next meeting of Township Council, scheduled for January 23rd, 2023.

Should the Local Finance Board approve the dissolution of the MUA, the Township Council intends to proceed with the second reading of the Ordinance for Dissolution and introduction of an Ordinance transferring ownership of the MUA's sewerage and collection system, together with all other MUA assets.

The objective is to continue all services uninterrupted to the residents of Gloucester Township and to have all monies, rents, and other assets collected by the MUA to be redirected to the Township's Utility Budget.

Accordingly, the Mayor and Council President are hopeful, and respectfully request, that the Commissioners of the Gloucester Township Municipal Utility Authority will introduce and adopt a Resolution of Support for dissolution of the MUA at their next scheduled meeting to be held on January 19th, 2023.

Do not hesitate to get in touch with this office with any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "David F. Carlamere". The signature is fluid and cursive, with the first name "David" being the most prominent.

David F. Carlamere, Esq.
Municipal Attorney

DFC/mc

cc: Wade Long Wood & Long, LLC
Howard Long, Esq. via email only

EXHIBIT C
DISSOLUTION REPORT

TOWNSHIP OF GLOUCESTER



Study of Potential

Dissolution of The Gloucester Township Municipal Utilities Authority

and

**Creation of a Gloucester Township Sewer Utility Department
and Global Services Department**

March 2023

TABLE OF CONTENTS

	<u>Page</u>
Introduction.....	1
GTMUA Background and Overview	3
GTMUA Financial Condition – Analysis and Observations	4
GTMUA Outstanding Indebtedness	8
GTMUA Capital Assets and Budget.....	10
Transition Plan/Continuity of Services.....	10
Summary of Cost Savings and Other Efficiencies.....	12
Conclusions.....	13
<i>Exhibit A - Remington and Vernice Engineers - Assessment Report of the GTMUA System</i>	
<i>Exhibit B - Conner, Strong & Buckelew – Employee Benefits Letter</i>	
<i>Exhibit C - Wade, Long, Wood & Long, LLC – No Litigation Letter</i>	
<i>Exhibit D – Authority Organizational Chart</i>	

1) **INTRODUCTION**

The purpose of this document is to describe the feasibility and fiscal impact of dissolving the Gloucester Township Municipal Utilities Authority ("GTMUA" or "Authority") as a sub-municipal agency and, in lieu thereof, establishing: (i) a Department of Sewer Utility; and (ii) a Department of Global Services (as hereinafter described) within the Township of Gloucester ("Township"). New Jersey State law places the responsibility of creating and dissolving municipal utility authorities with the elected governing body of the host municipality (here, the Township). Local Authorities Fiscal Control Law, N.J.S.A. 40A:5A-1, et seq., as amended and supplemented ("Local Authorities Fiscal Control Law"), specifically N.J.S.A. 40A:5A-20, provides that a municipality that has established an authority shall have the power to dissolve the authority by means of an ordinance approved by the New Jersey Local Finance Board ("LFB") prior to final adoption by the municipality. When reviewing the ordinance, the LFB ". . . shall approve the dissolution if it finds that the ordinance . . . makes adequate provision . . . for the payment of all creditors or obligees of the authority and that adequate provision is made 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."

In accordance with the requirements of the Local Authorities Fiscal Control Law, the Mayor and Township Council for the Township have determined that it would be in the best interests of the residents of the Township to (i) dissolve the Authority, and (ii) as a result thereof, establish an internal Department of Sewer Utility to operate the sewerage department and a Department of Global Services to operate the solid waste department (including recyclables, composting and other solid waste) to serve the same functions and provide the same services presently provided by the Authority. Pursuant to this action, included herein is a comprehensive set of documents, financial statements and other materials indicative of satisfaction of the requirements of the Local Authorities Fiscal Control Law for the proper dissolution of the Authority by the Township.

Reasons for Dissolution

The primary reasons for dissolution are as follows: 1) conformity with the larger policy of the State of New Jersey ("State") for reduction in redundancy in government; 2) greater accountability to the electorate; 3) enhanced operating efficiencies; and 4) financial considerations.

STATE POLICY: It has been consistent State policy for over thirty (30) years to encourage the reduction of the number of local government subdivisions. In 1986, the State created the County and Municipal Government Study Commission charged in part with studying local government fragmentation into numerous sub-municipal independent agencies. The Commission expressed the opinion that municipal governing bodies should have direct policy control of the services offered by independent agencies. In 2007, the State established the Local Unit Alignment, Reorganization and Consolidation Commission¹ to promote a reduction in the number of local units of government including independent authorities. In 2015, the State's Best Practices Program² specifically asked if municipalities reviewed the possibility of consolidating utility services with municipal operations. After undertaking a thorough review and analysis in furtherance of this directive, the Township has determined that the dissolution of the GTMUA meets the policy objectives established by the State.

¹ <https://www.nj.gov/dca/affiliates/luarcc/pdf/n.j.s.a.52.27D-502.pdf>

² https://www.nj.gov/dca/divisions/dlgs/programs/best_practices.html (see SFY 2015 Program)

ACCOUNTABILITY TO THE ELECTORATE: A fundamental principle of local government is that elected officials provide the most direct line of accountability to residents. In accordance with this principal, the dissolution of the Authority will lead to greater political accountability as evidenced by the overlap of current Authority customers in comparison to taxpaying residents of the Township. Specifically, the Authority has 21,058 total accounts of which 21,039 (approximately 99.91%) are in the Township. Dissolving the Authority and creating a Department of Sewer Utility and a Department of Global Services within the Township will naturally provide for greater accountability to the electorate of the Township through the direct oversight of sewer utility operations by the Mayor and Township Council.

EFFICIENCY : Consolidation presents opportunities to create more value for the taxpayers and ratepayers of the Township through economies of scale and more effective use of public resources. Certain benefits include the elimination of duplicate professional services and the cost of the Authority Board, consolidation of financial operations, improved collection rates and the integration of all infrastructure improvements under a unified capital improvement program. The Township also expects to realize additional efficiencies over time as the Authority operations are integrated into the Township.

FINANCIAL CONSIDERATIONS: The Authority is financially sound and has historically operated at a profit with stable and consistent cash inflows. As such, it is anticipated that there will be no additional financial burden to the Township's electorate. Further, it is anticipated that by merging the Authority's responsibilities into the Township, greater inroads can be made in capping customer payment deficiencies, leading to even greater incoming cash flows in the future.

In addition to the above, the provision of sewer services through a municipal department is a common practice throughout the region. By way of example, in Camden County, 21 of the 35 total towns operate their sewer system as a municipal utility. The numbers are similar in the neighboring counties of Burlington (17 out of 35 towns) and Gloucester (14 out of 22 towns).

Foundation of Due Diligence

As part of the feasibility and due diligence process, Township staff and its professional advisors (Parker McCay P.A.(Bond Counsel) and Acacia Financial Group, Inc (Financial Advisor)) reviewed the following documents.

- 1 – GTMUA Organizational Chart
- 2 – GTMUA List of Current Employees
- 3 – GTMUA Fixed Assets
- 4 – GTMUA List of Inventory of all Creditors and Obligees
- 5 – GTMUA Outstanding Debt
- 6 – GTMUA Historic Operating Costs and Current Operating Costs,
as of February 1, 2023
- 7 – GTMUA 2023 Current Budget (Including Capital)
- 8 – GTMUA Budgets for 2022, 2021 and 2020 (Including Capital)
- 9 – GTMUA Short-Term and Long-Term Capital Plans and Anticipated Spending
- 10 – GTMUA Audited Financial Statements from 2011 through 2022
- 11 – GTMUA Annual Report of Authority Engineer of Year 2021

- 12 – GTMUA Plans, Drawings & Other Materials Related to the O&M of the System
- 13 – GTMUA Contracts (Related to the Operations and Maintenance of System)
- 14 – GTMUA ED Contract CBA
- 15 – GTMUA State of NJ – Chapter 48 Resolution
- 16 – GTMUA Current Rate Schedule
- 17 – GTMUA Bond Resolutions
- 18 – Shared Services Agreement (Compost and Recycling)
- 19 – 1983 Service Contract between the Authority and the Township
- 20 – 1993 Resolution Authorizing Revenue Bonds

The Township also engaged the law firm of Archer & Greiner, P.C. to conduct a review of the Authority's employment and labor agreements. Further, engineering firm Remington & Vernick Engineers was engaged to perform a study to determine the present condition of the Authority's infrastructure and future capital needs (refer to Exhibit A). Conner Strong & Buckelew, the Township's employee benefits consultant, reviewed the claims experience and plans provided by the Authority (refer to Exhibit B). Finally, the Township's solicitor, David Carlamere, Esq., inquired about any pending or threatened litigation for which the Authority either is currently or would be a party with the Authority's solicitor, Howard Long, Esq. and a letter was provided to the Township (refer to Exhibit C).

2) GTMUA BACKGROUND AND OVERVIEW

The Authority was created by a Township ordinance, dated October 6, 1958, and amended November 29, 1963. The Authority is organized under P.L. 1957 C.183 of the laws of the State ("Act"). The Act grants power to every municipality of the State by means and through agency of a municipal utilities authority to acquire, construct, maintain, operate or improve works for the accumulation, supply or distribution of water and works for the collection, treatment, purification or disposal of sewage or other wastes. A seven-member board ("Board") governs the Authority. The Township Council appoints members of the Board for five-year terms on a staggered basis. The members of the Board oversee the Authority's operations.

The Authority's primary function is to maintain and service the Gloucester Township sewer system, which consists of 51 pumping stations with an associated 13 miles of sanitary sewer force mains, 368 miles of sanitary gravity sewer mains and 4,851 manholes. The Authority maintains over 300 miles of pipe that transport 8.8 million gallons of sewage per day from the Authority to the Camden County Municipal Utilities Authority's ("CCMUA") regional treatment plant. The age of various system components ranges from 50 plus years to the present. Currently, there are 30,091 equivalent dwelling units (300 GPO/EDU) with an associated estimated average daily flow (# of EDU's x 300 g/EDU) of 9.02 MGD. Flows from the Authority collection system are discharged into the CCMUA's regional collection system for treatment and disposal at the CCMUA's Delaware No. 1 Treatment Plant in the City of Camden. The Authority primarily services Gloucester Township. There are also minor points of connection from the neighboring municipalities of the Boroughs of Runnemede, Pine Hill, Magnolia and the Township of Winslow. The majority of Gloucester Township is serviced by public sewer, with the exception of a few small areas still on individual septic systems. In order to accomplish these services, the Authority maintains a fleet of twenty-one (23) vehicles, fourty (40) generators and two (2) Jet Vac trucks.

Although budgeted separately, the Authority is also responsible for the Township's Solid Waste program which as two primary functions: 1) the collection of recyclable materials (paper, glass, plastic,

metal, etc.); and 2) the operation of a composting facility (grass & leaves). The Solid Waste budget is supported primarily by the Township (via an existing Shared Services Agreement with the Authority) along with revenue from compost sales and tipping fees.

The Township has joined several other towns across the State by successfully implementing a Single-Stream Recycling program. The Authority also maintains and operates a sixty-acre compost site on behalf of the Township. The state-of-the-art composting facility recycles leaves and grass into high quality compost and topsoil that is sold to the public. In order to operate the recycling and composting programs, the Authority must maintain another fleet of vehicles, which includes recycling trucks, compactor trucks and composting equipment. The Township purchased five single-Stream Automated Recycling Trucks, one Compactor Truck and one retro-fitted truck. The Township also purchased 20,500 Automated Recycling Carts (Toters).

The Authority maintains billing, bookkeeping and accounting departments. Primary functions include budgeting; accounting; managing and investing cash; managing debt; paying invoices; executing payroll; and billing and collection of receivables (sewer rents, interest on delinquent accounts, connection fees, searches, tower rentals and other various revenues). The Authority's management is responsible for the financial reporting to the Board of Commissioners of the Authority.

The management and structural organizational chart of the Authority is provided in Exhibit D.

3) GTMUA FINANCIAL CONDITION - ANALYSIS AND OBSERVATIONS

In evaluating the financial condition of the Authority, the Township reviewed the Authority's audited financial statements from the years 2011 through 2022 and the Authority's budget for the last four (4) years (2020-2023), concluding the Authority is in sound financial condition and operating at a profit. As of February 28, 2022 (the Authority's last fiscal year end audit), the Authority's assets totaled \$56,833,333, while its total liabilities amounted to \$21,039,836. The total net position of the Authority for FY2022 was \$31,468,557. As illustrated in Table 1 below, the Authority's net position has grown steadily over the last four (4) years, at an average rate of approximately 5.30% annually. As noted above, the Authority's Sewer System and Solid Waste System (Recycling and Compost) components are budgeted separately. The Sewer System component is the primary operating function of the Authority and, accordingly, is by far the largest portion of the budget. This is illustrated in Table 2 (2022 GTMUA Audit Breakdown) and Table 3 (2023 GTMUA Budget). The principal source of Sewer System revenue is derived from residential customers (86.52%). The current residential sewer utility user rate is \$46.00 per quarter. The last rate increase was approved in August 2012 and included an increase of the quarterly rate from \$41.00 to \$43.00 in October 2012 and from \$43.00 to \$46.00 in January 2014. Other Sewer system revenue sources include Business/Commercial customers (7.81%), connection fees (1.95%) and non-operating miscellaneous revenue (3.72%). Sewer System connection fee revenue has averaged \$230,000 over the last 10 years (with a high of \$272,025 and low of \$88,050) and it is expected that this source of revenue will decline in future years as development slows in the Township.

The principal source of Solid Waste System revenue comes directly from the Township via the Shared Service Agreement. The Authority's FY2023 Budget shows \$1,891,689 in expected intergovernmental revenue, which is 85.72% of the total system revenue. In addition, the Township has historically funded the purchase of capital equipment as noted above.

Cash and cash equivalents for the Authority as of the FY 2022 Audit were \$8,474,110. The amount of year end cash and cash equivalents cash has risen steadily in a consistent manner over the previous ten (10) years, which is indicative stable future inflows. FY 2022 year end total net position was approximately \$6,150,000 (consisting of \$3,750,000 of unrestricted funds and \$2,400,000 of funds restricted per the 1993 Bond Resolution).

The Bond Resolution also requires the Authority to meet a debt service coverage ratio of 110% each year. The Authority's audits show this requirement has been met in each year reviewed. In reliance on the Authority's auditor, there were no material audit findings during the period reviewed.

Table 1
Summary of GTMUA Audited Financial Statements (FY Ending February 28)

	2019	2020	2021	2022
ASSETS				
Current Unrestricted Assets	3,381,513	2,486,534	4,770,969	3,016,045
Current Restricted Assets	5,409,655	6,138,312	4,389,506	6,631,439
Noncurrent Capital Assets	46,398,018	47,033,850	46,938,356	46,689,240
Other Noncurrent Assets	716,005	644,006	570,856	496,609
Total Assets	55,905,192	56,302,702	56,669,686	56,833,333
DEFERRED OUTFLOWS				
Deferred Loss on Refunding/OPEB/Pension	2,159,922	1,830,439	3,937,003	3,634,152
LIABILITIES				
Current Unrestricted	1,628,989	1,490,960	1,767,998	1,711,941
Current Restricted Liabilities	1,232,935	1,320,509	1,335,935	1,134,299
Long-Term Liabilities	21,293,817	18,110,712	19,907,249	18,193,595
Total Liabilities	24,155,741	20,922,182	23,011,182	21,039,836
DEFERRED INFLOWS				
Deferred Fee Revenue/OPEB/Pensions	7,354,463	8,998,350	8,086,268	7,959,092
NET POSITION				
Net Investment in Capital Assets	40,546,101	41,865,543	42,427,296	42,914,637
Restricted Net Position	2,888,971	2,862,357	2,954,795	2,918,180
Unrestricted Net Position (Deficit)	(16,880,163)	(16,515,291)	(15,872,852)	(14,364,259)
TOTAL NET POSITION	26,554,910	28,212,609	29,509,240	31,468,557

Table 2			
2022 GTMUA Audit Breakdown			
	Sewer	Solid Waste	Total
ASSETS			
Current Unrestricted Assets	2,684,649	331,396	3,016,045
Current Restricted Assets	6,564,283	67,157	6,631,439
Noncurrent Capital Assets	46,131,219	558,021	46,689,240
Other Noncurrent Assets	-	496,609	496,609
Total Assets	55,380,150	1,453,183	56,833,333
DEFERRED OUTFLOWS			
Deferred Loss on Refunding/OPEB/Pension	3,608,699	25,453	3,634,152
LIABILITIES			
Current Unrestricted	1,633,727	78,215	1,711,941
Current Restricted Liabilities	853,566	280,733	1,134,299
Long-Term Liabilities	17,657,381	536,214	18,193,595
Total Liabilities	20,144,674	895,162	21,039,836
DEFERRED INFLOWS			
Deferred Fee Revenue/OPEB/Pensions	7,959,092	-	7,959,092
NET POSITION			
Net Investment in Capital Assets	42,331,163	583,474	42,914,637
Restricted Net Position	2,918,180	-	2,918,180
Unrestricted Net Position (Deficit)	(14,364,259)	-	(14,364,259)
TOTAL NET POSITION	30,885,084	583,474	31,468,557

Table 3			
2023 GTMUA Budget			
	Sewer	Solid Waste	Total
Revenues			
Total Operating Revenues	4,929,923	2,206,689	7,136,612
Total Non-Operating Revenues	190,500	-	190,500
Total Anticipated Revenues	5,120,423	2,206,689	7,327,112
Appropriations			
Total Administration	1,282,430	418,069	1,700,499
Total Cost of Providing Services	3,204,085	1,708,881	4,912,966
Total Payments on Debt Service in Lieu of Depreciation	571,543	67,157	638,700
Total Operating Appropriations	5,058,058	2,194,107	7,252,165
Total Interest Payments on Debt	62,365	12,582	74,947
Total Other Non-Operating Appropriations	252,900	-	252,900
Total Non-Operating Appropriations	315,265	12,582	327,847
Accumulated Deficit	-	-	-
Total Appropriations and Accumulated	5,373,323	2,206,689	7,580,012
Less: Total Unrestricted Net Position Utilized	252,900	-	252,900
Total Appropriations	5,120,423	2,206,689	7,327,112

Delinquent Collections

The Township reviewed the Authority's collection rate for billed sewer charges. Such analysis indicates that the general collection rate has averaged about 93.71% over the past five (5) years. By contrast, the Township has maintained a stable tax collection rate of 99.67% over the same period. It should be noted that a 1% increase in the collection rate for utility fees would produce a \$50,000 increase in revenue. Upon incorporation as a municipal utility, the Township intends to better coordinate collection policies and resources to achieve a higher collection rate to generate additional, consistent operating revenue.

	Township Tax	GTMUA Utility
Year	Collection Rate	Collection Rate
2022	99.62%	93.42%
2021	99.72%	93.50%
2020	99.68%	94.10%
2019	99.63%	93.55%
2018	99.70%	93.97%

4) GTMUA OUTSTANDING INDEBTEDNESS

The Authority has \$4,247,054 in total outstanding borrowing debt as of March 1, 2023. Similar to other utility authorities throughout the State, the Authority has utilized the New Jersey Infrastructure Bank ("NJIB") (previously known as the New Jersey Environmental Infrastructure Trust), to finance its capital plans and, accordingly, all of the Authority's outstanding debt has been issued through the NJIB. The Authority's debt profile consists of five (5) issues, each of which includes a bond issued to the NJIB (referred to as a "Trust Loan") (market rate) and a bond issued to the State, acting by and through the New Jersey Department of Environmental Protection (referred to as a "Fund Loan") (zero interest), each as show in the table below.

				Par Outstanding 3/1/2023
Series				
2004	NJIB Trust Loan (Market Rate)			470,000
	NJIB Fund Loan (Zero Interest)			326,246
2008	NJIB Trust Loan (Market Rate)			-
	NJIB Fund Loan (Zero Interest)			679,007
2010	NJIB Trust Loan (Market Rate)			280,000
	NJIB Fund Loan (Zero Interest)			644,682
2016	NJIB Trust Loan (Market Rate)			845,000
	NJIB Fund Loan (Zero Interest)			-
2017	NJIB Trust Loan (Market Rate)			275,000
	NJIB Fund Loan (Zero Interest)			727,119
			Total	4,247,054

The existing bonds are evidenced by loan agreements entered into by the Authority at the time of each transaction ("Existing Loan Agreements") with each of the NJIB and the Department of Environmental

Protection of the State of New Jersey ("DEP") to fund certain improvements to the Authority's utility system (the "NJIB Loans"). As part of the dissolution of the Authority, the Township will coordinate with the NJIB and the DEP to assume the responsibilities of the Authority under the Existing NJIB Loan Agreements. To secure the responsibilities assumed by the Township thereunder, the Township will either: (i) replace the existing Trust and Fund Bonds of the Authority securing each of the Existing NJIB Loan Agreements with general obligation bonds of the Township on the same terms and conditions; or (ii) assume the Trust and Fund Bonds directly. The Township is desirous of maintaining the existing terms of the outstanding Trust and Fund bonds because the rates (a combination of zero interest and AAA-rated equivalent at market) on each bond are more attractive than what can be achieved with a traditional Township general obligation bond issue in the current market.

Relevant Terms of the Service Contract

Under a Service Contract, dated October 24, 1983, between the Township and the Authority ("Service Contract"), the Township is obligated to pay to the Authority "amounts" equal to any deficits in Authority revenues necessary to pay or provide for: (i) operation and maintenance expenses and administrative or other expenses of the Authority; (ii) the principal of and interest on bonds or notes of the Authority; (iii) the maintenance of such reserves as may be required by the Bond Resolution or by any contract deemed necessary by the Authority; and (iv) amounts necessary to enable the Authority to comply with the terms of the Bond Resolution. Pursuant to these requirements, it is not anticipated that assigning the current outstanding debt of the Authority to the Township will cause a material change in the budget or risk profile of the Township, as it was already responsible for covering the Authority's operating and debt service deficits.

The Authority's existing debt service pattern (as illustrated in the following table) shows annual debt service of approximately \$700,000 for the next three (3) fiscal years before declining to approximately \$430,000 the next four (4) years, after which the Authority's debt service declines significantly. This debt structure demonstrates capacity of the Township to issue additional bonds (either through the NJIB or by way of traditional public bonds issued by the Township) to finance capital projects while minimizing the impact to rate payers. The Township intends to continue utilizing the NJIB to finance eligible projects, when available.

Year Ending 2/28	Trust Principal	Trust Interest	Fund Principal	Total D/S
2023	299,000	74,945	339,697	713,642
2024	308,000	60,651	337,482	706,133
2025	331,000	46,098	341,586	718,684
2026	171,000	34,414	230,953	436,367
2027	175,000	26,664	229,817	431,481
2028	184,000	19,074	231,483	434,557
2029	197,000	10,951	229,893	437,844
2030	60,000	5,669	105,636	171,304
2031	20,000	4,269	49,576	73,845
2032	20,000	3,669	49,576	73,245
2033	20,000	3,069	49,576	72,645
2034	20,000	2,456	49,576	72,033
2035	20,000	1,819	49,576	71,395
2036	20,000	1,169	49,576	70,745
2037	25,000	422	33,051	58,473
Total	1,870,000	295,338	2,377,054	4,542,392

5) GTMUA CAPITAL ASSETS AND CAPITAL BUDGET

To develop a complete understanding of the Authority's sanitary sewer collection and conveyance system's current operations, the Township engaged Remington & Vernick Engineers ("RVE") to complete an assesment of the existing conditions of the system (refer to Exhibit A). The scope of service provided by RVE included site visits to the existing sewer facilities, review of past and current utility records, and interviewing utility personnel to prepare an assessment of the existing utility facilities. Included in this assessment was completion of an analysis of both above ground and below ground infrastructure. The condition of existing infrastructure was based upon known age, recent improvements/upgrades, repair/emergency response records and operational/maintenance records.

As a result of the completed investigation and analysis of Authority's' facilities, record review and detailed review of the components of the sanitary sewer system and its operation, RVE is of the opinion that Authority's system and associated properties are well maintained, preserved, and kept in good working order and condition.

RVE recommended continued preventative maintenance, repairs, and capital improvements to protect the infrastructure and maximize its useful life. The projects listed below were identified by RVE as those that the Township should consider undertaking in the near future:

1. Replacement of pumps at Fay Ann and Stephen Drive Pump Station
2. Installation of an emergency generator at Evesham Pumping Station
3. Replacement of the Glen Oaks Pump Station
4. Installation of a bypass chamber at Erial Road Pump Station
5. Relocation of Somerdale Road Pump Station
6. Replacement of Orr Road force main
7. Investigate and prepare alternatives for sewer along Prospect Avenue

RVE's report indicates that the GTMUA has been proactive in identifying and completing projects to continually upgrade the sanitary sewer system. Most of the projects identified above are included in the GTMUA annual engineering reports as anticipated projects. Upon dissolution of the Authority, Township leadership will work with utility staff and professional engineers to prioritize projects and develop a plan for financing and implementation.

6) TRANSITION PLAN/CONTINUITY OF SERVICES

The Township is governed by a Mayor and a seven (7) member Township Council. The Mayor is elected for a four-year term and serves as the full-time Chief Executive Officer of the Township. Members of the Township Council are elected to four-year terms on a staggered basis and function as the legislative body of the Township. The Township Administrator and the Township Clerk are appointed by the Mayor and monitor the daily administrative and financial responsibilities of the Township, including but not limited to, staffing and personnel issues and budget preparation and implementation.

The Township intends to maintain the Authority's existing leadership team and all classes of employees.

The Township expects that the Authority's existing collective bargaining agreements will remain in place under their current terms. The current executive director will become the department head

responsible for the new Department of Sewer Utility. The proposed Department of Sewer Utility will essentially duplicate the current organizational structure of the Authority. The administrative and operating divisions would remain intact, and the reporting relationships would be maintained, with one exception. Rather than reporting to the Authority's Board of Commissioners, the department head would report to the Township Administrator as all other department heads do in accordance with current form of government. The Solid Waste System operations will become a new Department of Global Services and will also maintain the same operating organization.

During the initial phase of the transition, core functions of the Authority (fiscal, managerial and field activities) will be implemented to integrate the new department into the overall Township organization. This includes the transfer of Authority's debt to the Township (as described above), transfer of policy making responsibilities to the Mayor and Township Administrator, orienting former Authority staff to Township policies and procedures, and integrating purchasing, accounting and personnel information systems. This phase also includes adding sewer permitting into the site plan review process handled by the Township.

Integration

The Township's approach to the key areas of integration are as follows:

1) Management Information Systems: There is inherent synergy regarding management software. The Authority currently uses Edmunds as its financial software system. The Township also uses Edmunds for its finance and tax collection functions. The Township would provide the Edmunds utility module to the new sewer department and change the utilities' accounting format from the current Generally Accepted Accounting Principles ("GAAP") to the accounting method required by the State of New Jersey for municipalities. In addition, applicable personnel will be trained on any new inputs. Integrating the software would result in an estimated annual savings of \$7,200. Discussions with the Township's software provider indicated that the Township would experience no problems with the conversion.

2) Payroll/Benefits Administration: The Township operates an automated timekeeping system and payroll is processed internally. This system issues paychecks on a bi-weekly basis. The Authority processes payroll through Paychex and currently has time clocks for employees to clock in and out. Township payroll is processed via Paychex on a weekly basis. The new utility department is expected to use the Township's timekeeping system and its employees would be paid on the Township's payroll intervals. Likewise, pension, health insurance and other benefits would be centrally processed by the Township's human resources office. Integrating these payroll systems will result in an estimated annual savings of \$33,000.

3) Insurance: Upon dissolution, the former Authority's employees would be covered under the Township's group insurance plan. Conner Strong & Buckelew, the Township's employee benefits consultant, reviewed the claims experience and plans provided by the Authority and submitted a letter summarizing its findings (attached as Exhibit "B" hereto). The letter concludes with the following statement: *"Conner Strong & Buckelew believes the merging of the Gloucester Township MUA plan under the Gloucester Township self-funded plan will not have a negative impact on the overall Township plan costs as well as providing the MUA employees with stability in their plan offerings and costs."*

4) Labor and Employment: Since the Township will be assuming the ownership and operations of the Authority as an ongoing enterprise, the Township will hire all of the former Authority employees who are currently members of the Teamsters Union. Upon inclusion of these employees as part of the Township, the Township plans to recognize the Teamsters Union as the majority bargaining representative for these employees, including accepting the current contract in force between the Authority and the Teamsters. This action plan has been reviewed, and determined to be appropriate and legally permissible by the Township's labor counsel Archer & Greiner P.C.

5) Training: Each new employee will receive a copy of the Township's Policy and Procedures Manual and the new departments would have in-service training to conform to the Township policies and procedures. Training activities are expected to include, but not be limited to, the following:

- Purchasing policy and procedures
- Human resources software (automated timekeeping, leave requests, etc.)
- Council agenda procedures and use of software
- Personnel policies and procedures
- Township budgeting and reporting processes

7) SUMMARY OF COST SAVINGS AND OTHER EFFICIENCIES:

The Township has identified opportunities for efficiencies through the dissolution of the Authority. Central administrative tasks such as accounts receivable/payable, finance, and human resources are presently duplicated as separate entities and can be merged. The Township Public Works Department performs fleet and facilities maintenance with a greater economy of scale than the Authority. Consolidating these two entities would create a more capable organization that would better allocate resources to meet variations in interdepartmental demand. Through consolidation, both the tax payer and rate payer would benefit as excess staffing costs are reduced through a greater economies of scale. The following is a summary of certain cost savings identified by the Township:

- Elimination of the Board of Commissioners: By eliminating the seven (7) commissioner positions, at a per commissioner cost of \$4,350 per member, annual savings of \$30,450 will be realized.
- Finance software integration: Annual savings of \$7,200 will be realized.
- Payroll system integration: Annual savings of \$33,000 will be realized.
- Improved Collection Rates: Township tax collection rate is ~99.7% vs. ~93.7% GTMUA collection rate.
- Insurance plan consolidation: Pursuant to the Township's employee benefits consultant, transferring the GTMUA employees to the Township plan will provide additional stability in their plan offerings and costs.
- Elimination of duplicate professional services: Auditor, Solicitor and Bond Counsel.
- Attrition: The Township has determined that efficiencies in staffing can be achieved through attrition. A review of the Authority workforce indicates it has an aging staff that can provide opportunity for cost savings in the relatively near term through attrition without having to lay off employees.

- Capital Improvement Coordination: One of the chief assets of the GTMUA is hundreds of miles of sewer mains beneath one of the Township's main assets, hundreds of miles of roadways. Consolidation would address the current challenges presented by different budget cycles and financing mechanisms between the two entities. This holistic approach to infrastructure planning would be a more comprehensive approach to planning capital investments for the Township.
- Debt Management: The Authority's Bond Resolution requires the Authority to meet a debt service coverage ratio of 110% each year. Upon dissolution, the existing debt of the Authority will be assumed by the Township and the covenants under the Bond Resolution will no longer apply. Future bond issues to finance the Sewer System will be secured by the General Obligation pledge of the Township.

In general, the Township will review opportunities for realignment of core missions across all operating line departments. This process will assess the staffing, equipment and core competencies of the public works department and the proposed municipal utility department to determine if there are more efficient and effective ways to serve residents. This may involve transferring functions, equipment or employees with unique skills to the appropriate departments.

8) CONCLUSIONS

Based upon the comprehensive review and analysis performed by the Township and its professional advisors described herein, and in accordance with the requirements of the Local Authorities Fiscal Control Law, the Mayor and Township Council for the Township have determined that it would be in the best interests of the residents of the Township to (i) dissolve the Authority, and (ii) as a result thereof, establish (a) an internal sewerage department (through a newly created "Sewer Utility Department"), and (b) an internal recycling, composting and solid waste department (through a newly created "Department of Global Services") to serve the same functions and provide the same services presently provided by the Authority.

In addition, the Township has determined that, upon dissolution of the Authority, the Township will adequately provide for the payment of all creditors or obligees of the Authority and will be able to ably assume those services previously provided by the Authority that are necessary for the health, safety, and welfare of the recipients of those services.

Exhibit A

Remington and Vernick Engineers
Assesment Report of the GTMUA System

Engineer's Report

Assessment of the GTMUA Sanitary Sewer Collection and Conveyance System

March 2023

Prepared for:

Gloucester Township

1261 Chews Landing Rd

Laurel Springs, NJ 08021



Signature

3-15-23

Date

Prepared by:

Stephanie Cuthbert, P.E., C.M.E

License no. 42136

Remington & Vernick Engineers

2059 Springdale Rd

Cherry Hill, NJ 08003

(856) 795-9595

RVE Project Number: 0415T840

Engineer's Report
Gloucester Township
Assessment of GTMUA Sanitary Sewer Collection and Conveyance System
March 2023

Table of Contents

Section 1 -	Introduction	1
Section 2 -	System Description.....	1
Section 3 -	Service Area	1
Section 4 -	Pump Stations.....	1
4.1.	Ballantree Pump Station.....	2
4.2.	Breckenridge Pump Station.....	2
4.3.	Briar Lake Pump Station	2
4.4.	Brookwood Pump Station	2
4.5.	Central Ave Pump Station.....	2
4.6.	Cherrywood Pump Station	3
4.7.	Clementon Ave Pump Station	3
4.8.	Cobblestone Pump Station	3
4.9.	Coles Hill Pump Station.....	3
4.10.	College Pump Station	4
4.11.	Crimson Meadows Pump Station	4
4.12.	Deer Park Pump Station	4
4.13.	Erial Road Pump Station	4
4.14.	Evesham Road Pump Station	4
4.15.	Fay Ann Dr. Pump Station	5
4.16.	Forest Ridge Pump Station	5
4.17.	Front & Rowand Pump Station	5
4.18.	Front & Woodland Pump Station	5
4.19.	Girard Ave Pump Station	5
4.20.	Glenn Ave Pump Station	6
4.21.	Glen Oaks Pump Station.....	6
4.22.	Highland Pump Station.....	6
4.23.	Highland Village Pump Station.....	6
4.24.	Hydes Chemical Pump Station	7
4.25.	Jarvis Road Pump Station.....	7

4.26.	La Cascata Pump Station	7
4.27.	Lakeside Pump Station	7
4.28.	Laurel Hills Pump Station	7
4.29.	Laurel Plaza Pump Station	8
4.30.	Lincoln Ave Pump Station	8
4.31.	Little Glou. Rd Pump Station	8
4.32.	Mayfair Pump Station.....	8
4.33.	Oakwood View Pump Station	9
4.34.	Orr Rd Pump Station	9
4.35.	Peters Walk Pump Station	9
4.36.	Pierce Battery Pump Station.....	9
4.37.	Pine Run Pump Station.....	10
4.38.	Raintree Pump Station	10
4.39.	Revere Run II Pump Station.....	10
4.40.	Sicklerville Rd Pump Station	10
4.41.	Somerdale Rd Pump Station.....	10
4.42.	Somer Hill Pump Station.....	11
4.43.	Stephen Drive Pump Station.....	11
4.44.	Sturbridge Pump Station.....	11
4.45.	Tilford Road Pump Station.....	11
4.46.	Terrestria Pump Station	12
4.47.	Timber Cove Pump Station	12
4.48.	Twin Streams Pump Station	12
4.49.	Wood Bridge Pump Station.....	12
4.50.	Woods Lane Pump Station	12
4.51.	Wye Oaks Pump Station.....	13
Section 5 -	Wastewater Conveyance System.....	13
Section 6 -	System Condition	13
Section 7 -	Capital Improvements	14
Section 8 -	Assumptions.....	14
Section 9 -	Opinions	14
Section 10 -	RVE Experience and Qualifications.....	14
Section 11 -	Documents Reviewed	15



List of Appendices

Appendix A – Map of GTMUA Sewer System

Section 1 - Introduction

To develop a complete understanding of the GTMUA sanitary sewer collection and conveyance system's current operations, the Gloucester Township has requested Remington & Vernick Engineers (RVE) to complete an assessment of the existing conditions of system. The scope of service provided by RVE included site visits to the existing sewer facilities, review of past and current utility records, and interviewing utility personnel to prepare an assessment of the existing utility facilities. Included in this assessment was completion of an analysis of both above ground and below ground infrastructure. The condition of existing infrastructure was based upon known age, recent improvements/upgrades, repair/emergency response records and operational/maintenance records.

Section 2 - System Description

The Gloucester Township Municipal Utilities Authority (GTMUA) sanitary sewer system includes an area of approximately 24 square miles and consists of approximately 368 miles of sanitary gravity sewer mains, 13 miles of sanitary sewer force mains, 51 pumping stations, and 4,851 manholes. The gravity mains range in size from 8-inches to 24-inches in diameter and the force mains range in size from 4-inches to 20-inches. The mains are made of terracotta clay, asbestos-cement, and ductile iron and the age of various components in the piping system range from 50 plus years to the present.

The Authority services a total of 30,091 customers in the region, with an associated average daily flow of 5.5 MGD, which is then transported every day from the Authority to Camden County MUA's regional treatment plant.

To maintain provision of services, the Authority has a fleet of 23 vehicles, including a sewer TV camera vehicle, in addition to 40 generators and 2 Jet Vac trucks. Issues such as breaks in the sewer main and blockages can be captured on the TV camera, which assists the crew in uncovering the underground pipe and making repairs with minimal disturbance to service. The TV camera is also used to inspect new lines to ensure they have been properly installed. In addition to emergency maintenance, the Authority has a preventative maintenance program where the equipment is used to inspect and clean the mains on a routine basis.

Section 3 - Service Area

Apart from a few small areas that use individual septic systems, the GTMUA provides sanitary sewer service for the majority of Gloucester Township. There are also minor points of connection from the neighboring municipalities including the Boroughs of Pine Hill, Runnemede, Magnolia and Winslow Township. A system map showing the mains, manholes, and locations of pump stations is attached in Appendix A.

Section 4 - Pump Stations

The existing sanitary sewer system consists of 51 pump stations, which deliver between 30 GPM and 2800 GPM of sewage from the gravity system to the Camden County Municipal Utilities Authority treatment system. Based on available records and site visits, a brief description of each pump station has been completed and presented below. Please note that due to time constraints, RVE did not have the opportunity to visit all of the pump stations. In addition, there are some pumps stations that included wet wells that are lined with a corrosion resistant liner that was not identifiable from a site visit or other record reviews. For general purposes for this assessment, wet wells with liners are considered to be constructed with concrete

**ENGINEER'S REPORT
GLOUCESTER TOWNSHIP**

as noted below.

4.1. Ballantree Pump Station

This facility is located at 2 Sofia Dr. and is secured within a perimeter chain link fence. The station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 3-HP submersible pumps which were installed in 2014, with each pump having a pumping capacity of 450 GPM. The condition of the wet well is fair. The station also contains a backup Kohler diesel-powered emergency generator mounted on a sub-base fuel tank. The generator was manufactured in 2005 and is rated for 26 kW. The electrical and control systems for the facility are well maintained and in good condition. Overall, based upon RVE's review of available records and a site visit, the facility is in good condition.

4.2. Breckenridge Pump Station

This facility is located at 2 Sugar Bush Drive and is enclosed in a perimeter chain link fence. The station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 30-HP submersible pumps which were installed in 2010, with each pump having a pumping capacity of 500 GPM. The condition of the wet well is fair. The station also contains a backup Kohler diesel-powered emergency generator mounted on a sub-base fuel tank. The generator was installed in 2008 and is rated for 81 kW. The electrical and control systems for the facility are in fair condition. Overall, based upon RVE's review of available records and a site visit, the facility is in fair condition.

4.3. Briar Lake Pump Station

This facility is located at 41 Primrose Lane. Based on available records, this station includes a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 5-HP submersible pumps which were installed in 2008, with each pump having a pumping capacity of 100 GPM. The station does not contain an emergency generator. Due to time constraints, a site visit could not be completed for this pump station. However, based on the information provided by the GTMUA, interviews with personnel, and visits to similar pump stations, it is RVE's engineering judgement that this station is in fair condition, at a minimum.

4.4. Brookwood Pump Station

This facility is located at 100 Crossing Place. Based on available records, this station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 5-HP submersible pumps which were installed in 2020, with each pump having a pumping capacity of 100 GPM. The station does not contain an emergency generator. A generator set is expected to be provided at this station in the near future. Due to time constraints, a site visit could not be completed for this pump station. However, based on the information provided by the GTMUA, interviews with personnel, and visits to similar pump stations, it is RVE's engineering judgement that this station is in good condition.

4.5. Central Ave Pump Station

This facility is located at 10 West Ave. Based on available records, this station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 7.5-HP submersible pumps which were installed in 2015, with each pump having a pumping

ENGINEER'S REPORT

GLOUCESTER TOWNSHIP

capacity of 75 GPM. The influent pipe to this station was replaced in 2020. The station also contains a backup Kohler diesel-powered emergency generator mounted on a sub-base fuel tank. The generator is rated for 40 kW. Due to time constraints, a site visit could not be completed for this pump station. However, based on the information provided by the GTMUA, interviews with personnel, and visits to similar pump stations, it is RVE's engineering judgement that this station is in good condition.

4.6. Cherrywood Pump Station

This facility is located at 1900 Broadacres Drive and contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 30-HP submersible pumps which were installed in 2022, with each pump having a pumping capacity of 885 GPM. The condition of the wet well is fair. The station also contains a backup Detroit Diesel diesel-powered emergency generator mounted on a sub-base fuel tank. The generator was installed in 2005 and is rated for 80 kW. The electrical and control systems for the facility were upgraded in 2019 and maintained in good condition. Overall, based upon RVE's review of available records and a site visit, the facility is in good condition.

4.7. Clementon Ave Pump Station

This facility is located at 2 Clementon Ave. and is secured inside a perimeter chain link fence with a gate. The station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 10-HP submersible pumps which were installed in 2011, with each pump having a pumping capacity of 150 GPM. The condition of the wet well is good. The station also contains a backup Cummins diesel-powered emergency generator mounted on a sub-base fuel tank. The generator is rated for 35 kW. The electrical and control systems for the facility are maintained in good condition. Overall, based upon RVE's review of available records and a site visit, the facility is in good condition.

4.8. Cobblestone Pump Station

This facility is located at 132 Mullen Dr. and is enclosed within a fence with a perimeter chain link gate. The station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 5-HP submersible pumps which were installed in 2012, with each pump having a pumping capacity of 100 GPM. The condition of the wet well is good. The station also contains a backup Kohler diesel-powered emergency generator mounted on a sub-base fuel tank. The generator was installed in 2009 and is rated for 35 kW. The electrical and control systems for the facility are maintained in good condition. Overall, based upon RVE's review of available records and a site visit, the facility is in good condition.

4.9. Coles Hill Pump Station

This facility is located at 68.5 Willow Cedar Way and contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 5-HP submersible pumps which were installed in 2020, with each pump having a pumping capacity of 100 GPM. The condition of the wet well is good. The station also contains a backup Kohler diesel-powered emergency generator mounted on a sub-base fuel tank. The generator was manufactured in 2005 and is rated for 40 kW. The electrical and control systems for the facility are maintained in good condition. Overall, based upon RVE's review of available records and a site visit, the facility is in good condition.

**ENGINEER'S REPORT
GLOUCESTER TOWNSHIP**

4.10. College Pump Station

This facility is located at 400 College Dr. and contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 30-HP submersible pumps which were installed in 2003, with each pump having a pumping capacity of 600 GPM. The condition of the wet well is good. The station also contains a backup Kohler diesel-powered emergency generator mounted on a sub-base fuel tank. The generator was manufactured in 2003 and is rated for 40 kW. The electrical and control systems for the facility are maintained in good condition. Overall, based upon RVE's review of available records and a site visit, the facility is in good condition.

4.11. Crimson Meadows Pump Station

This facility is located at 31 Mayapple Dr. Based on available records, this station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 5-HP submersible pumps which were installed in 2013, with each pump having a pumping capacity of 85 GPM. The station also contains a backup Kohler diesel-powered emergency generator mounted on a sub-base fuel tank. The generator is rated for 26 kW. Due to time constraints, a site visit could not be completed for this pump station. However, based on the information provided by the GTMUA, interviews with personnel, and visits to similar pump stations, it is RVE's engineering judgement that this station is in fair condition.

4.12. Deer Park Pump Station

This facility is located at 38 Deer Park Circle and is secured in a perimeter chain link fence. The station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 6.5-HP submersible pumps which were installed in 2013, with each pump having a pumping capacity of 80 GPM. The condition of the wet well is fair. The station does not contain a generator. The electrical and control systems for the facility are maintained in fair condition. Overall, based upon RVE's review of available records and a site visit, the facility is in fair condition.

4.13. Erial Road Pump Station

This facility is located at 1502 Erial Road and contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 30-HP submersible pumps which were installed in 2014 (Pump No.1) and 2013 (Pump No. 2), with each pump having a pumping capacity of 1525 GPM. The condition of the wet well is fair. The station also contains a backup MTU diesel-powered emergency generator mounted and is powered by natural gas. The generator was installed in 2021 and is rated for 125 kW. The electrical and control systems for the facility are new and maintained in good condition. Overall, based upon RVE's review of available records and a site visit, the facility is in fair condition.

4.14. Evesham Road Pump Station

This facility is located at 838 E. Evesham Rd. and contains a concrete wet well with a valve chamber, and complete electrical and control systems. The wet well contains two (2) 2.2-HP submersible pumps which were installed in 2017, with each pump having a pumping capacity of 70 GPM. The condition of the wet well is good. The station does not contain a generator. The electrical and control systems for the facility are maintained in good condition. Overall, based upon RVE's review of available records and a site visit, the facility is in good condition.

**ENGINEER'S REPORT
GLOUCESTER TOWNSHIP**

4.15. Fay Ann Dr. Pump Station

This facility is located at 606 Fay Ann Dr. and contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The station contains two (2) 10-HP above grade pumps (situated above the wet well) which were installed in 2013, with each pump having a pumping capacity of 150 GPM. The condition of the wet well is fair. The station also contains a backup Onan diesel-powered emergency generator mounted on a sub-base fuel tank. The generator is rated for 35 kW. The electrical and control systems for the facility are maintained in fair condition. Overall, based upon RVE's review of available records and a site visit, the facility is in fair condition and should be scheduled for a rehabilitation in the near future.

4.16. Forest Ridge Pump Station

This facility is located at 35 Woodthrush Ave. Based on available records, this station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 5-HP submersible pumps which were installed in 2012, with each pump having a pumping capacity of 38 GPM. The station also contains a backup Kohler diesel-powered emergency generator mounted on a sub-base fuel tank. The generator is rated for 35 kW. Due to time constraints, a site visit could not be completed for this pump station. However, based on the information provided by the GTMUA, interviews with personnel, and visits to similar pump stations, it is RVE's engineering judgement that this station is in fair condition, at a minimum.

4.17. Front & Rowand Pump Station

This facility is located at 706 Rowand Ave. Based on available records, this station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 7.5-HP submersible pumps which were installed in 2012 (Pump No. 1) and 2016 (Pump No. 2), with each pump having a pumping capacity of 100 GPM. The station also contains a backup Kohler diesel-powered emergency generator mounted on a sub-base fuel tank. The generator is rated for 40 kW. Due to time constraints, a site visit could not be completed for this pump station. However, based on the information provided by the GTMUA, interviews with personnel, and visits to similar pump stations, it is RVE's engineering judgement that this station is in fair condition, at a minimum.

4.18. Front & Woodland Pump Station

This facility is located at 508 N. Front St. and contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 20-HP submersible pumps which were installed in 2016, with each pump having a pumping capacity of 1000 GPM. The condition of the wet well is fair. The station also contains a backup Generac diesel-powered emergency generator mounted on a sub-base fuel tank. The generator is rated for 80 kW. The electrical and control systems for the facility are maintained in good condition. Overall, based upon RVE's review of available records and a site visit, the facility is in good condition.

4.19. Girard Ave Pump Station

This facility is located at 81 Girard Ave. and is secured within a perimeter chain link fence and a gate. The station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 30-HP submersible pumps which were installed in 2019

ENGINEER'S REPORT

GLOUCESTER TOWNSHIP

(Pump No. 1) and 2010 (Pump No. 2), with each pump having a pumping capacity of 550 GPM. The condition of the wet well is fair. The station also contains a backup Kohler diesel-powered emergency generator mounted on a sub-base fuel tank. The generator is rated for 100 kW. The electrical and control systems for the facility are maintained in fair condition. Overall, based upon RVE's review of available records and a site visit, the facility is in fair condition.

4.20. Glenn Ave Pump Station

This facility is located at 214 So. Lake Ave. and is located by a lake. The station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 7.5-HP submersible pumps which were installed in 2015 (Pump No. 1) and 2014 (Pump No. 2), with each pump having a pumping capacity of 75 GPM. The condition of the wet well is good. The station also contains a backup Kohler diesel-powered emergency generator mounted on a sub-base fuel tank. The generator is rated for 35 kW. The electrical and control systems for the facility are maintained in good condition. Overall, based upon RVE's review of available records and a site visit, the facility is in good condition.

4.21. Glen Oaks Pump Station

This facility is located at 25 Jefferson Dr. and contains a concrete wet well, a dry well with a valve chamber, a generator set, and complete electrical and control systems. The dry well contains two (2) 30-HP pumps which were installed in 2015, with each pump having a pumping capacity of 550 GPM. The condition of the dry well is fair for its age. The station also contains a backup Detroit Diesel diesel-powered emergency generator mounted on a sub-base fuel tank. The generator was installed in 2004 and is rated for 80 kW. The electrical and control systems for the facility are maintained in fair condition. Overall, based upon RVE's review of available records and a site visit, the facility is in fair condition and should be scheduled for rehabilitation in the near future.

4.22. Highland Pump Station

This facility is located at 350 Erial Rd. Based on available records, this station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 7.5-HP submersible pumps which were installed in 2011 (Pump No. 1) and 2005 (Pump No. 2), with each pump having a pumping capacity of 250 GPM. The station also contains a backup Kohler diesel-powered emergency generator mounted on a sub-base fuel tank. The generator is rated for 40 kW. The generator is to be replaced in the near future. Due to time constraints, a site visit could not be completed for this pump station. However, based on the information provided by the GTMUA, interviews with personnel, and visits to similar pump stations, it is RVE's engineering judgement that this station is in fair condition, at a minimum.

4.23. Highland Village Pump Station

This facility is located at 13 Fraser Rd. Based on available records, this station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 10-HP submersible pumps which were installed in 2018, with each pump having a pumping capacity of 200 GPM. The station also contains a backup Onan diesel-powered emergency generator mounted on a sub-base fuel tank. The generator is rated for 35 kW. Due to time constraints, a site visit could not be completed for this pump station. However, based on the information provided by the GTMUA, interviews with personnel, and visits to similar pump stations, it is RVE's engineering judgement that this station is in

good condition.

4.24. Hydes Chemical Pump Station

This facility is located at 369 Central Ave. by the creek. The station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 10-HP submersible pumps which were installed in 2018, with each pump having a pumping capacity of 300 GPM. The condition of the wet well is fair. The station also contains a backup Cummins diesel-powered emergency generator mounted on a sub-base fuel tank. The generator is rated for 35 kW. The electrical and control systems for the facility are maintained in good condition. Overall, based upon RVE's review of available records and a site visit, the facility is in fair condition.

4.25. Jarvis Road Pump Station

This facility is located at 1350 Jarvis Rd. Based on available records, this station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 5-HP submersible pumps which were installed in 2019, with each pump having a pumping capacity of 250 GPM. The station also contains a backup Kohler diesel-powered emergency generator mounted on a sub-base fuel tank. The generator is rated for 35 kW. Due to time constraints, a site visit could not be completed for this pump station. However, based on the information provided by the GTMUA, interviews with personnel, and visits to similar pump stations, it is RVE's engineering judgement that this station is in good condition.

4.26. La Cascata Pump Station

This facility is located at 100 Via Cascata Dr. and is secured within a wall and a perimeter chain link gate. The station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 10-HP submersible pumps which were installed in 2012, with each pump having a pumping capacity of 380 GPM. The condition of the wet well is fair. The station also contains a backup Onan diesel-powered emergency generator mounted on a sub-base fuel tank. The generator was installed in 2008 and is rated for 35 kW. The electrical and control systems for the facility are maintained in fair condition. Overall, based upon RVE's review of available records and a site visit, the facility is in fair condition.

4.27. Lakeside Pump Station

This facility is located at 5 Independence Blvd. and is enclosed in a fence. It contains a concrete wet well with a valve chamber, a generator set, electrical and control systems and a chemical tank. The wet well contains two (2) 110-HP submersible pumps which were installed in 2002, with each pump having a pumping capacity of 1000 GPM. The condition of the wet well is good. The station also contains a backup Onan diesel-powered emergency generator mounted on a sub-base fuel tank. The generator is rated for 200 kW. The electrical and control systems for the facility are maintained in good condition. The station also has an on-site chemical tank that contains bioxide for odor control. Overall, based upon RVE's review of available records and a site visit, the facility is in good condition.

4.28. Laurel Hills Pump Station

This facility is located at 990 Chews Landing Rd and is secured within a perimeter chain link fence with a gate. The station contains a concrete wet well with a valve chamber, a generator set, and complete electrical

**ENGINEER'S REPORT
GLOUCESTER TOWNSHIP**

and control systems. The wet well contains two (2) 6.5-HP submersible pumps which were installed in 2010 (Pump No. 1) and 2015 (Pump No. 2), with each pump having a pumping capacity of 150 GPM. The condition of the wet well is good. The station also contains a backup Cummins diesel-powered emergency generator mounted on a sub-base fuel tank. The generator was installed in 2010 and is rated for 35 kW. The electrical and control systems for the facility are maintained in good condition. Overall, based upon RVE's review of available records and a site visit, the facility is in good condition.

4.29. Laurel Plaza Pump Station

This facility is located at 10 Little Mill Rd. Based on available records, this station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 5-HP submersible pumps which were installed in 2015, with each pump having a pumping capacity of 100 GPM. The station also contains a backup Kohler diesel-powered emergency generator mounted on a sub-base fuel tank. The generator is rated for 26 kW. Due to time constraints, a site visit could not be completed for this pump station. However, based on the information provided by the GTMUA, interviews with personnel, and visits to similar pump stations, it is RVE's engineering judgement that this station is in good condition.

4.30. Lincoln Ave Pump Station

This facility is located at 405 Lincoln Ave. and contains a concrete wet well with a valve chamber, a generator set, a grinder, and complete electrical and control systems. The wet well contains two (2) 88-HP submersible pumps which were installed in 2022, with each pump having a pumping capacity of approximately 1000 GPM. The condition of the wet well is good. The station also contains a backup MTU diesel-powered emergency generator mounted on a sub-base fuel tank. The generator was installed in 2020 and is rated for 250 kW. The electrical and control systems for the facility are maintained in good condition. This station also has a secondary inlet to handle extra flow in case of repairs to other stations. Overall, based upon RVE's review of available records and a site visit, the facility is in good condition.

4.31. Little Glou. Rd Pump Station

This facility is located at 867 Little Gloucester Rd. Based on available records, this station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 5-HP submersible pumps which were installed in 2014, with each pump having a pumping capacity of 292 GPM. The station also contains a backup Kohler diesel-powered emergency generator mounted on a sub-base fuel tank. The generator is rated for 26 kW. Due to time constraints, a site visit could not be completed for this pump station. However, based on the information provided by the GTMUA, interviews with personnel, and visits to similar pump stations, it is RVE's engineering judgement that this station is in good condition.

4.32. Mayfair Pump Station

This facility is located at 43.5 Jonquil Way and is secured within a perimeter chain link fence with a gate. The station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 18-HP submersible pumps which were installed in 2018, with each pump having a pumping capacity of 400 GPM. The condition of the wet well is good. The station also contains a backup Kohler diesel-powered emergency generator mounted on a sub-base fuel tank. The generator was manufactured in 2005 and is rated for 60 kW. The electrical and control systems for the facility are maintained in fair condition. Overall, based upon RVE's review of available records and a site

**ENGINEER'S REPORT
GLOUCESTER TOWNSHIP**

visit, the facility is in fair condition and should be scheduled for rehabilitation in the near future.

4.33. Oakwood View Pump Station

This facility is located at 12 Elizabeth Pl. Based on available records, this station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 3-HP submersible pumps which were installed in 2014, with each pump having a pumping capacity of 85 GPM. The station does not contain an emergency generator. Due to time constraints, a site visit could not be completed for this pump station. However, based on the information provided by the GTMUA, interviews with personnel, and visits to similar pump stations, it is RVE's engineering judgement that this station is in fair condition, at a minimum.

4.34. Orr Rd Pump Station

This facility is located at 501 Orr Rd. and is secured within a perimeter chain link fence with a sliding gate. The station contains a building that houses the pumps, a dry well with a valve chamber, a permanent bypass pumping system, a generator set, a grinder, and complete electrical and control systems. The wet wells and access hatches to the underground sanitary sewer system are present outside the structure that houses three (3) 100-HP vertically mounted centrifugal Pentair dry well sanitary pumps. The pumps which were installed in 2012, with each pump having a pumping capacity of 2800 GPM. Pump No. 1 is to be rebuilt. The condition of the dry well is fair. The station also contains a backup Onan diesel-powered emergency generator mounted on a sub-base fuel tank. The generator was installed in 2016 and is rated for 250 kW. The electrical and control systems for the facility are maintained in good condition. The gravity piping to the Orr Rd Pump Station was upgraded between 2019-2022. The station also contains an on-site chemical storage tank of hydrogen peroxide for odor control. Overall, based upon RVE's review of available records and a site visit, the facility is in fair condition.

4.35. Peters Walk Pump Station

This facility is located at 27 Bethel Lane Based on available records, this station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 4-HP submersible pumps which were installed in 2010, with each pump having a pumping capacity of 85 GPM. The station also contains a backup Kohler diesel-powered emergency generator mounted on a sub-base fuel tank. The generator is rated for 26 kW. Due to time constraints, a site visit could not be completed for this pump station. However, based on the information provided by the GTMUA, interviews with personnel, and visits to similar pump stations, it is RVE's engineering judgement that this station is in good condition.

4.36. Pierce Battery Pump Station

This facility is located at 1040 Black Horse Pike and contains a concrete wet well with a valve chamber, a generator set, a grinder, and complete electrical and control systems. The wet well contains two (2) 90-HP submersible pumps which were installed in 2001 (Pump No. 1) and 2008 (Pump No. 2), with each pump having a pumping capacity of 2645 GPM. Pump No. 1 is to be replaced this year. The condition of the wet well is good. The station also contains a backup Kohler diesel-powered emergency generator mounted on a sub-base fuel tank. The generator is rated for 350 kW. The electrical and control systems for the facility are maintained in good condition. Overall, based upon RVE's review of available records and a site visit, the facility is in fair condition.

**ENGINEER'S REPORT
GLOUCESTER TOWNSHIP**

4.37. Pine Run Pump Station

This facility is located at 100 Lakeview Dr. Based on available records, this station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 15-HP submersible pumps which were installed in 2014, with each pump having a pumping capacity of 600 GPM. The station also contains a backup Kohler diesel-powered emergency generator mounted on a sub-base fuel tank. The generator is rated for 70 kW. Due to time constraints, a site visit could not be completed for this pump station. However, based on the information provided by the GTMUA, interviews with personnel, and visits to similar pump stations, it is RVE's engineering judgement that this station is in good condition.

4.38. Raintree Pump Station

This facility is located at 2220 Peters Cheeseman Rd. and is enclosed within a perimeter chain link fence and a gate. The station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 2-HP submersible pumps which were installed in 2012, with each pump having a pumping capacity of 155 GPM. The condition of the wet well is good. The station also contains a backup Kohler diesel-powered emergency generator mounted on a sub-base fuel tank. The generator was installed in 2019 and is rated for 25 kW. The electrical and control systems for the facility are maintained in good condition. Overall, based upon RVE's review of available records and a site visit, the facility is in good condition.

4.39. Revere Run II Pump Station

This facility is located at 1 Heatherwood Dr. Based on available records, this station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 10-HP submersible pumps which were installed in 2013, with each pump having a pumping capacity of 195 GPM. The station also contains a backup Kohler diesel-powered emergency generator mounted on a sub-base fuel tank. The generator is rated for 40 kW. Due to time constraints, a site visit could not be completed for this pump station. However, based on the information provided by the GTMUA, interviews with personnel, and visits to similar pump stations, it is RVE's engineering judgement that this station is in fair condition, at a minimum.

4.40. Sicklerville Rd Pump Station

This facility is located at 1110 Sicklerville Road and is secured within a fence. The station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 10-HP submersible pumps which were installed in 2018, with each pump having a pumping capacity of 450 GPM. The condition of the wet well is good. The station also contains a backup Kohler diesel-powered emergency generator mounted on a sub-base fuel tank. The generator was manufactured in 2008 and is rated for 50 kW. The electrical and control systems for the facility are maintained in good condition. Overall, based upon RVE's review of available records and a site visit, the facility is in good condition.

4.41. Somerdale Rd Pump Station

This facility is located at 199 Somerdale Rd. and contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 15-HP submersible pumps which were installed in 2007 (Pump No. 1) and 2013 (Pump No. 2), with each pump

ENGINEER'S REPORT

GLOUCESTER TOWNSHIP

having a pumping capacity of 600 GPM. The condition of the wet well is fair. The station also contains a backup Detroit Diesel diesel-powered emergency generator mounted on a sub-base fuel tank. The generator was installed in 2008 and is rated for 70 kW. The electrical and control systems for the facility are maintained in good condition. Overall, based upon RVE's review of available records and a site visit, the facility is in good condition.

4.42. Somer Hill Pump Station

This facility is located at 11 Autumn Ct. and is secured in a fence with a gate. The station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 5-HP submersible pumps which were installed in 2013, with each pump having a pumping capacity of 135 GPM. The condition of the wet well is fair. The station also contains a backup Kohler diesel-powered emergency generator mounted on a sub-base fuel tank. The generator was manufactured in 2005 and is rated for 26 kW. The electrical and control systems for the facility are maintained in good condition. Overall, based upon RVE's review of available records and a site visit, the facility is in fair condition.

4.43. Stephen Drive Pump Station

This facility is located at 46 Stephens Dr. and is secured in a fence with a gate. The station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The station contains two (2) 10-HP above grade pumps which were installed in 1997, with each pump having a pumping capacity of 200 GPM. The condition of the pumps is fair but in need of replacement. The station also contains a backup Onan diesel-powered emergency generator mounted on a sub-base fuel tank. The generator was installed in 2021 and is rated for 35 kW. The electrical and control systems for the facility are fairly new and maintained in good condition. Overall, based upon RVE's review of available records and a site visit, the facility is in fair condition and should be scheduled for rehabilitation in the near future.

4.44. Sturbridge Pump Station

This facility is located at 1 Sturbridge Dr. Based on available records, this station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 3-HP submersible pumps which were installed in 2018, with each pump having a pumping capacity of 48 GPM. The station also contains a backup Kohler diesel-powered emergency generator mounted on a sub-base fuel tank. The generator is rated for 26 kW. Due to time constraints, a site visit could not be completed for this pump station. However, based on the information provided by the GTMUA, interviews with personnel, and visits to similar pump stations, it is RVE's engineering judgement that this station is in good condition.

4.45. Tilford Road Pump Station

This facility is located at 293 Tilford Rd. Based on available records, this station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 7.5-HP submersible pumps which were installed in 2018, with each pump having a pumping capacity of 300 GPM. The station also contains a backup Cummins diesel-powered emergency generator mounted on a sub-base fuel tank. The generator is rated for 35 kW. Due to time constraints, a site visit could not be completed for this pump station. However, based on the information provided by the GTMUA, interviews with personnel, and visits to similar pump stations, it is RVE's engineering judgement that this station is in good condition.

4.46. Terrestria Pump Station

This facility is located at 2900 Stone Bridge Dr. Based on available records, this station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 3-HP submersible pumps which were installed in 2019, with each pump having a pumping capacity of 80 GPM. The station also contains a backup Kohler diesel-powered emergency generator mounted on a sub-base fuel tank. The generator is rated for 26 kW. Due to time constraints, a site visit could not be completed for this pump station. However, based on the information provided by the GTMUA, interviews with personnel, and visits to similar pump stations, it is RVE's engineering judgement that this station is in good condition.

4.47. Timber Cove Pump Station

This facility is located at 50 Coles Landing Rd. Based on available records, this station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 7.5-HP submersible pumps which were installed in 2021, with each pump having a pumping capacity of 200 GPM. The station also contains a backup Kohler diesel-powered emergency generator mounted on a sub-base fuel tank. The generator is rated for 40 kW. Due to time constraints, a site visit could not be completed for this pump station. However, based on the information provided by the GTMUA, interviews with personnel, and visits to similar pump stations, it is RVE's engineering judgement that this station is in good condition.

4.48. Twin Streams Pump Station

This facility is located at 90 Monticello Dr. Based on available records, this station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 5-HP submersible pumps which were installed in 2014, with each pump having a pumping capacity of 135 GPM. The station also contains a backup Kohler diesel-powered emergency generator mounted on a sub-base fuel tank. The generator is rated for 20 kW. Due to time constraints, a site visit could not be completed for this pump station. However, based on the information provided by the GTMUA, interviews with personnel, and visits to similar pump stations, it is RVE's engineering judgement that this station is in fair condition, at a minimum.

4.49. Wood Bridge Pump Station

This facility is located at 36 Lee Ann Dr. and contains a concrete wet well with a valve chamber, and complete electrical and control systems. The wet well contains two (2) 5-HP submersible pumps which were installed in 2021, with each pump having a pumping capacity of 135 GPM. The condition of the wet well is fair. The station does not contain a generator. The electrical and control systems for the facility are maintained in good condition. Overall, based upon RVE's review of available records and a site visit, the facility is in fair condition.

4.50. Woods Lane Pump Station

This facility is located at 315 Woods Lane Based on available records, this station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 3-HP submersible pumps which were installed in 2010, with each pump having a pumping capacity of 30 GPM. The station does not contain an emergency generator mounted. Due to time constraints, a site visit could not be completed for this pump station. However, based on the information provided by

the GTMUA, interviews with personnel, and visits to similar pump stations, it is RVE's engineering judgement that this station is in fair condition, at a minimum.

4.51. Wye Oaks Pump Station

This facility is located at 23 Easton Dr. and is enclosed within a wall. The station contains a concrete wet well with a valve chamber, a generator set, and complete electrical and control systems. The wet well contains two (2) 30-HP submersible pumps which were installed in 2010, with each pump having a pumping capacity of 500 GPM. The condition of the wet well is fair. The station also contains a backup Kohler diesel-powered emergency generator mounted on a sub-base fuel tank. The generator is rated for 80 kW. The electrical and control systems for the facility are maintained in good condition. Overall, based upon RVE's review of available records and a site visit, the facility is in fair condition.

Section 5 - Wastewater Conveyance System

The wastewater collection system consists mostly of clay/terracotta pipe. The existing sanitary system consists of approximately 368 miles of gravity main and 13 miles of sanitary sewer force mains. The gravity mains are between 8-inches and 24-inches in diameter while the force mains range from 4-inches to 20-inches. The pipes are made of terracotta, asbestos-cement, and ductile iron and the age of various components in the piping system range from 50 plus years to the present. The collection system also includes approximately 4,851 manholes. The GTMUA is not responsible for maintaining sanitary laterals beyond the curb line to the property structure. Accordingly, property owners are responsible for maintaining laterals from their property to the curb line.

The GTMUA maintains a log of the repairs, breaks and blockage events. Approximately 34 main stops were recorded on average every year since 2015. The Authority also fixed 5 laterals and 16 mains on average in the last seven years. This information is incorporated into the prioritized replacement of sanitary main on an annual basis. It is also utilized by the GTMUA to prioritize the sanitary main areas which need more routine maintenance (i.e., jetting). The GTMUA routinely has the crew complete routine jetting maintenance during low maintenance periods for the utility. The GTMUA owns their own jetting equipment. The routine cleaning of the mains allows the conveyance system to operate at optimal levels for its current conditions. This is particularly important in areas of heavy grease (i.e., commercial or restaurant areas). Jetting the mains also prevents the buildup of grease, rags and debris from collecting in an area (which lead to backups and overflows). Over the last seven years, approximately 240,000 linear feet of pipe was jetted every year. In addition, approximately 4,000 linear feet of pipe was cleaned and rehabilitated annually over the same time period.

Section 6 - System Condition

As outlined above, the GTMUA professional, operations and maintenance staff have carefully and thoroughly managed to operate the facilities to ensure that the sanitary sewer system remains functional consistently to support their customer needs. The GTMUA has also been proactive in identifying the needs of an aging system and has provided necessary funds to support capital improvements and rehabilitation projects. The GTMUA has been conducting annual inspection and preventative maintenance services to ensure smooth operation of the sanitary sewer system.

Section 7 - Capital Improvements

While it is desired to maintain the current rate structure, preventative maintenance, repairs, and capital improvements are needed to protect the infrastructure and maximize its useful life. Since public health, safety, and environmental protections are at stake, continuous operation of the sanitary sewer system is essential. At a minimum, the projects included below should be performed to upgrade and maintain the current sewer system. A long-term capital improvement plan consisting of multiple system upgrades each year is recommended to maintain the system and achieve the level of service goals.

Based on available records and site visits, the GTMUA should consider undertaking the following projects in the near future:

1. Replacement of pumps at Fay Ann and Stephen Drive Pump Station
2. Installation of an emergency generator at Evesham Pumping Station
3. Replacement of the Glen Oaks Pump Station
4. Installation of a bypass chamber at Erial Road Pump Station
5. Relocation of Somerdale Rd Pump Station
6. Replacement of Orr Road force main
7. Investigate and prepare alternatives for sewer along Prospect Avenue

Overall, GTMUA has been proactive in identifying and completing projects to continually upgrade the sanitary sewer system. Most of these projects are scheduled to be completed in the near future as they are included in the GTMUA annual engineering reports as anticipated projects.

Section 8 - Assumptions

The RVE team visited and interviewed GTMUA personnel and reviewed a significant amount of historical data developed by the GTMUA and has summarized the findings in this report. Due to time constraints, all pump stations could not be visited as previously stated in Section 4 above. A total of 30 out of 51 pump stations were visited and reviewed. However, RVE has made an engineering judgement to assess the condition of the pump stations that could not be visited based on information provided by GTMUA, interviews with personnel, and visits to similar pump stations.

Section 9 - Opinions

As a result of the completed investigations and analysis of GTMUA's facilities, record review and detailed review of the components of the sanitary sewer system and its operation, RVE is of the opinion that GTMUA's system and associated properties are well maintained, preserved, and kept in good working order and condition. GTMUA continues to be proactive and plan ahead for necessary repairs, replacements, and renewals.

Section 10 - RVE Experience and Qualifications

Remington & Vernick Engineers (RVE) has been providing engineering and consulting services to water and wastewater clients throughout its 120-year history. RVE's professional staff includes experts in the major areas of engineering required to support capital facilities and infrastructure improvements, land use planning and redevelopment, tax map maintenance, GIS database, environmental support services, resident engineering, construction inspection, owner's representation, program management, technical and administrative support services. RVE provided an experienced team to undertake this review. RVE staff,

along with GTMUA personnel had the experience to execute a thorough and complete analysis of the GTMUA facilities and the details surrounding this financing. GTMUA staff and its professional managers were extremely helpful and are clearly very competent and experienced in their daily and long-range management of the system.

Section 11 - Documents Reviewed

- GTMUA report – “Age of Pumps”
- GTMUA report – “Pumping Station Physical Address”
- GTMUA report – “Emergency Generator Listing”
- GTMUA report – “Repairs and jets per year”
- GTMUA report – “Fixed Asset Listing”
- “Annual Report of Authority Engineer for Year 2020”
- “Annual Report of Authority Engineer for Year 2021”
- “Annual Report of Authority Engineer for Year 2022”
- “Annual Report of Authority Engineer for Year 2023”

ENGINEER'S REPORT GLOUCESTER TOWNSHIP

APPENDIX A

Master Plan of GTMUA Sanitary Sewer System

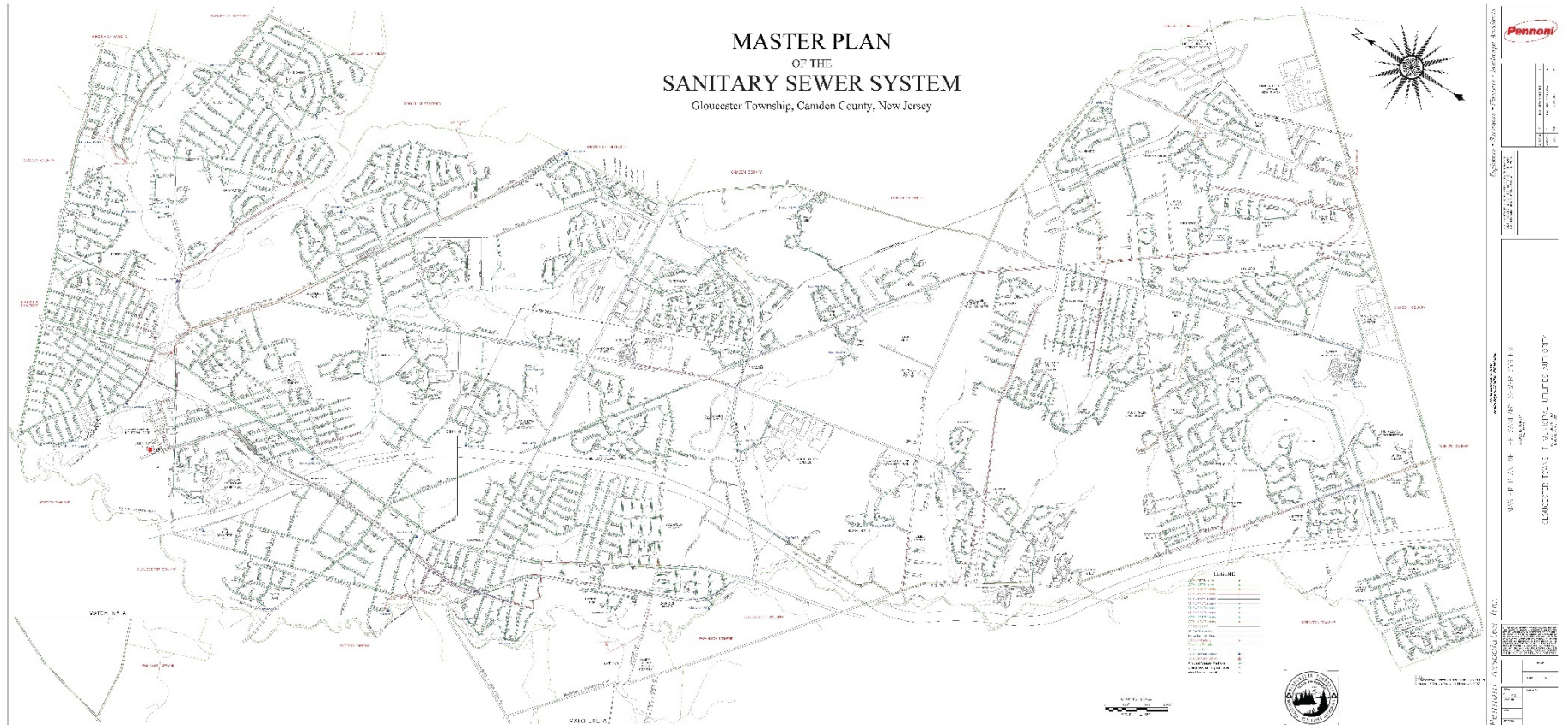


Exhibit B

Conner, Strong & Buckelew
Employee Benefits Letter



DIANE PETERSON

Partner, Employee Benefits

P 856-552-4602

E dpeterson@connerstrong.com

National Headquarters

TRIAD1828 CENTRE

2 Cooper Street | Camden, NJ 08102

Mailing Address

PO Box 99106 | Camden, NJ 08101

connerstrong.com

March 13, 2023

Tom Cardis
Township Administrator
Gloucester Township
1261 Chews Landing Road
Laurel Springs, NJ 08021

RE: Initial Review – Gloucester Township Municipal Utility Authority (MUA)

Dear Tom:

At the request of Gloucester Township, the Conner Strong & Buckelew (CBS) team reviewed the claims experience and plans provided for Gloucester Township MUA. Gloucester Township MUA is currently in the New Jersey State Health Benefit Program. For Plan Year 2023, the active population for the group had an increase of ~21%, while Medicare Advantage increased by .7%. It is expected, under the state budget for 2024, that there will be some relief provided to local government employees for their health costs; however, the relief is contingent on revisions to the plan offerings expected to provide additional savings.

The Township is contracted with AETNA as the third-party administrator and Express Scripts as the pharmacy benefit manager. AETNA will be able to administer the Gloucester Township MUA plans on an “Equal to or Better Than” basis. Express Scripts will manage the prescription drug plans under their National Preferred Formulary.

The experience reporting provided included medical and prescription claims experience through December 31, 2022, and an invoice dated November 21, 2022, for the active population. There were 35 active employees, with the majority of the participants in the NJ Direct 10 in a single tier. There is no information regarding eligible retirees.

The population is small and not credible, with the average monthly premium in 2022 of ~\$53,000. The state claims experience is broken out by plan type and year. The PPO plan types improved the overall loss ratio from 2021 ending 2022 with a medical loss ratio of .54. One large claimant from 2021 did not appear on the 2022 reporting. The medical experience improved overall in 2022 with a loss ratio of 75.9%; however, the prescription coverage is not broken out by medical plan type.

The prescription is covered under the medical plan subject to deductibles and coinsurance. For operational efficiency and cost savings, it would be recommended to split the prescription coverage under a separate prescription plan eligible for better discounts and rebates than a medical integration. Prescription costs an average of \$759.29 PEP and increased under trend in 2022. What is unknown in this review is the application of rebates that can be worth as much as 45% on brand prescriptions reduction under the Township contract reducing the overall loss ratio for medical and prescription by 10%.

CSB is not able to evaluate coverage for retirees at this time. Gloucester Township provides medical eligible retirees with a richer plan than the state plan. This offering is under United HealthCare. Some retirees may be eligible to purchase coverage under the state for medical, prescription, and/or dental on a direct bill basis. The coverage and costs will be determined after the discovery of any participants.

Conner Strong & Buckelew is providing this analysis in order to assist Gloucester Township in the evaluation and analysis of the MUA group benefit plan(s). The CSB analysis reflected is based upon data and information provided by the state's administrators, carriers, and other vendors which may be engaged in the state plan. As such, CSB cannot warrant the accuracy of said data and information received and used by us in order to produce this analysis. We have evaluated said data and information to the best of our capability and rely upon the representations of the state's contracted administrators, carriers, and other vendors as to the accuracy of the data and information they have supplied. Nothing contained herein is intended to provide legal or tax advice. Given the uncertainty of the Coronavirus and its resultant impact on employers' claims, there is an additional unknown factor that the Township should consider in the impact of costs. CSB contends the Coronavirus has and may continue to have an impact on the changing risk pool and underwriting guidelines; therefore, actual calendar year results versus budget may vary substantially from past and current year results given the high degree of uncertainty.

Conner Strong & Buckelew believes the merging of the Gloucester Township MUA plan under the Gloucester Township self-funded plan will not have a negative impact on the overall Township plan costs as well as providing the MUA employees with stability in their plan offerings and costs.

We look forward to another successful year in partnership with the Township of Gloucester.

Sincerely,

Diane Peterson

Diane Peterson
Partner

cc: Carla Geppi – Gloucester Township, Human Resources

Exhibit C

Wade, Long, Wood & Long, LLC
No Litigation Letter

WADE, LONG, WOOD & LONG, LLC

Howard C. Long, Jr. †
Daniel H. Long†±
Christopher F. Long†
John A. Moustakas†

John A. Moustakas†

† Admitted to NJ Bar
± Admitted to Washington DC Bar
◊ Admitted to PA Bar

John D. Wade†
OF COUNSEL
Leonard J. Wood, Jr.†
OF COUNSEL

March 16, 2023

Via E-Mail Only

David P. Carlamere, Solicitor
Township of Gloucester
P.O. Box 8
Blackwood, New Jersey 08012

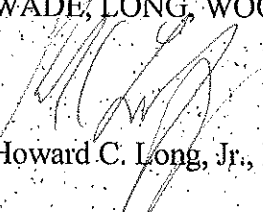
**RE: Update to Audit Report – Legal Letter
Gloucester Township Municipal Utilities Authority**

Dear Mr. Carlamere:

This firm serves a Legal Counsel to the Gloucester Township Municipal Utilities Authority (“GTMUA”). Pursuant to your request, attached is our 2022 General Audit Litigation Report filed on behalf of the GTMUA. Since the issuance of the attached February 22, 2023 correspondence, we are not aware of any material changes or necessary modifications needed to our initial report.

Should you have any questions or require any further clarification, please do not hesitate to contact me.

Very truly yours,
WADE, LONG, WOOD & LONG, LLC


Howard C. Long, Jr., Esquire

cc: Marianne Coyle, Legal Asst./Risk Mgr.
Richard P. Calabrese, Chairman
Raymond Carr, Executive Director
Marlene Hrynio, Administrative Secretary
Christopher F. Long, Esquire

WADE, LONG, WOOD & LONG, LLC

Howard C. Long, Jr. †
Daniel H. Long†±◇
Christopher F. Long†◇

John A. Moustakas†◇

† Admitted to NJ Bar
± Admitted to Washington DC Bar
◇ Admitted to PA Bar

John D. Wade†
OF COUNSEL
Leonard J. Wood, Jr.†
OF COUNSEL

February 22, 2023

Mr. Michael Wagner
Bowman & Company, LLP
601 White Horse Road
Voorhees, NJ 08043

**RE: Audit Report – Legal Letter
 Gloucester Township Municipal Utilities Authority**

Dear Mr. Wagner:

By letter dated February 22, 2023, this firm has been requested by Marlene Hrynio, Administrative Secretary of the Gloucester Township Municipal Utilities Authority, County of Camden, State of New Jersey ("GTMUA"), to furnish you with certain information in connection with your examination of the GTMUA's financial statements as of February 28, 2022. Specifically, I have been requested to provide information to which I have been engaged and to which I have devoted substantive attention on behalf of the GTMUA in the form of legal consultation or presentation. The representations made herein are valid as of February 22, 2023.

a) Pending or Threatened Litigation, Claims and Assessments (excluding unasserted claims)

To my knowledge, there are no pending or threatened litigation, claims and assessments at this time.

b) Unasserted Claims and Assessments

In the course of performing legal services for the GTMUA with respect to a matter recognized to involve an unasserted possible claim or assessment that may call for financial statement disclosure, if I have formed a professional conclusion that the GTMUA should disclose or consider disclosure concerning such possible claim or assessment, as a matter of professional responsibility to the GTMUA, I will so advise the GTMUA and will consult with the GTMUA concerning the question of such disclosure and the applicable requirements of generally accepted accounting principles.

c) Single Audit Act Amendments of 1996

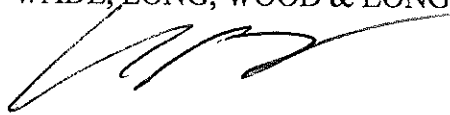
Bowman & Company, LLP
February 22, 2023
Page 2

Re: Gloucester Township Municipal Utilities Authority

To my knowledge, there are no pending or adjudicated civil rights suits at this time.

Should you have any questions or require any further clarification, please do not hesitate to contact me.

Very truly yours,
WADE, LONG, WOOD & LONG, LLC

A handwritten signature in black ink, appearing to read 'C. Long', written over the printed name of the signatory.

Christopher F. Long, Esquire

cc: Marlene Hrynio, Administrative Secretary

Exhibit D
Authority Organizational Chart

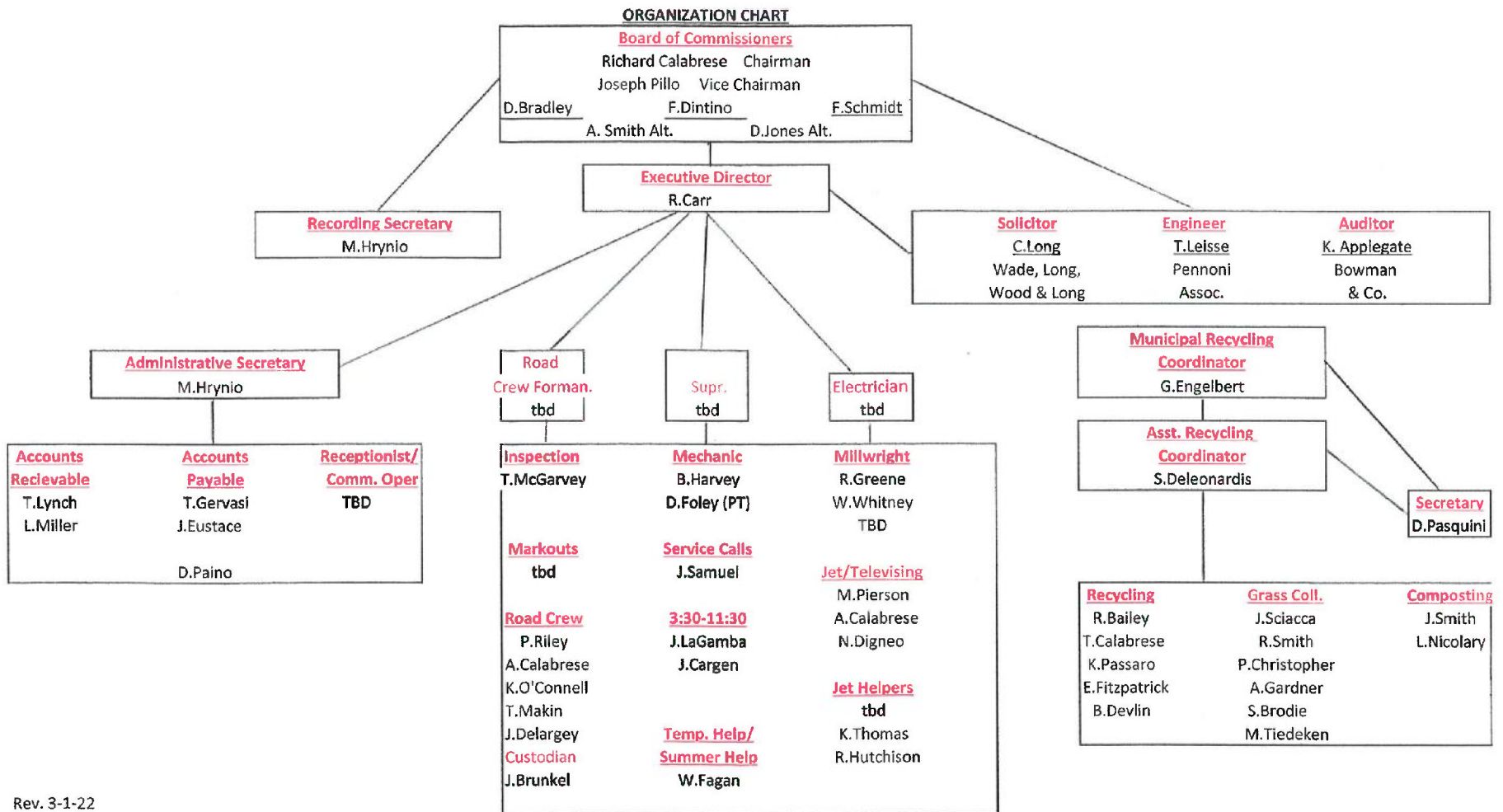


EXHIBIT D

CERTIFICATION OF THE AUTHORITY REGARDING LIABILITIES

Commissioners
Richard P. Calabrese
Chairman
Joseph Pillo
Vice Chairman

Board Members
Frank Schmidt
Dorothy Bradley
Frank Dintino
Alisa Smith
Donna Jones



Raymond J. Carr
Executive Director

Marlene Hrynio
Administrative Secretary

Christopher F. Long, Esq.
Solicitor

Thomas Leisse, PE, CME
Consulting Engineer

THE GLOUCESTER TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

401 W. Landing Road, Blackwood, NJ 08012
P.O. Box 216, Glendora, NJ 08029-0216
Phone: (856) 227-8666 • FAX: (856) 227-5668

March 16, 2023

New Jersey Local Finance Board
Department of Community Affairs
101 South Broad Street – CN 803
Trenton, NJ 08625-0803

Re: Gloucester Township Municipal Utilities Authority Certificate of Liabilities & Obligations

Local Finance Board:

As of February 28, 2022, the Gloucester Township Municipal Utilities Authority has the following liabilities/obligations:

<u>Liabilities/Obligations</u>	<u>Principal & Interest Amount Outstanding</u>
2004 NJEIT Loans	\$ 827,924.25
2008 NJEIT Loans	\$ 679,007.37
2010 NJEIT Loans	\$ 971,094.74
2016 NJEIT Refunding Loan	\$ 989,925.00
2017 NJEIT Loans	\$1,074,440.72
Accounts Payable	\$ 696,819.16
Contracts Payable	\$ 0.00
Compensated Absences	\$ 115,631.53

In addition to the items listed in the table above, the Authority has recorded a long term liability related to pensions in accordance with GASB 68 in the amount of \$3,104,840.00.

Lastly, the Authority has recorded a long term liability related to other postemployment benefits (OPEB) in accordance with GASB 75 in the amount of \$11,029,652.00.

GLOUCESTER TOWNSHIP MUNICIPAL UTILITIES AUTHORITY

By:


Richard P. Calabrese, Chairman

By:


Raymond J. Carr, Executive Director