

TO: MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
FROM: ROBERT MAYBURY, EXECUTIVE DIRECTOR
DATE: MAY 11, 2017
SUBJECT: REGULAR MEETING

There will be a REGULAR MEETING of the Mount Holly Municipal Utilities Authority held on Thursday, May 11, 2017 at 6:00 PM in the Administrative Office of the Mount Holly Municipal Utilities Authority, 37 Washington Street, Mount Holly, New Jersey. The agenda for this meeting is as follows:

- 1. ROLL CALL
- 2. VERIFICATION OF NOTICE
- 3. PLEDGE OF ALLEGIANCE
- 4. PUBLIC COMMENTS ON ACTION ITEMS
- 5. APPROVAL OF MINUTES

| | |
|-------------------|-------------------------------------|
| Regular Meeting | April 13, 2017 |
| Executive Session | April 13, 2017 (Resolution 2017-43) |

- 6. BUSINESS
- 7. NEW BUSINESS

PUBLIC NOTICE: RFP for Auditor was posted on the MHMUA’s website and newspapers. Bid opening scheduled for May 24, 2017.

RESOLUTION 2017-46 A resolution approving the renewal of Industrial Waste Service Agreement with L&D Landfill for treatment of non-domestic wastewater.

RESOLUTION 2017-47 A resolution approving the renewal of Industrial Waste Service Agreement with Parklands Landfill and the former Agway for treatment of non-domestic wastewater.

RESOLUTION 2017-48 A resolution of Mt. Holly Municipal Utilities Authority authorizing the approval of the 2016 audit and corrective action plan.

RESOLUTION 2017-49 A resolution of the Mount Holly Municipal Utilities Authority authorizing Engineering services with Alaimo for High Street Reconstruction.

CONSENT AGENDA:
“All items listed with an asterisk (*) are considered routine by the Authority and will be enacted by one motion. Should a Commissioner wish to discuss a consent agenda item separately, that item can be removed from the consent agenda and considered in its normal sequence.”

***RESOLUTION 2017-44** A resolution approving the operating expenses for the month of April 2017.

***RESOLUTION 2017-45** A resolution approving the sewer refunds for the month of April 2017

- 8. COMMUNICATIONS
- 9. MATTERS TO BE PRESENTED BY THE PUBLIC
- 10. REPORT OF THE EXECUTIVE DIRECTOR
- 11. REPORT OF THE ENGINEER
- 12. REPORT OF THE OPERATIONS SUPERINTENDENT
- 13. REPORT OF THE SAFETY DIRECTOR AND SPECIAL PROJECTS
- 14. REPORT OF THE SOLICITOR
- 15. REPORT OF THE FINANCE ADMINISTRATOR/TREASURER
- 16. OTHER NEW BUSINESS
- 17. MATTERS TO BE PRESENTED BY THE COMMISSIONERS
- 18. ADJOURNMENT

** Indicates addendum to original agenda

OPEN PUBLIC MEETINGS ACT STATEMENT

REGULAR MEETING

“In compliance with the Open Public Meetings Act, adequate notice of this meeting was provided in the following manner: Notice of this meeting was published in the Courier Times on February 15, 2017, and the Courier-Post on February 15, 2017. On Monday, May 08, 2017 advanced written notice of this meeting was (1) posted on the Administrative Bulletin Board at the Township Building and (2) advanced written notice of this meeting was mailed to all persons who, according to the records of the MUA, requested such notice.”

MANDATORY AFFIRMATIVE ACTION COMPLIANCE NOTICE

Any contracts awarded tonight, and between now and the next meeting, the contractor, company or firm must comply with the requirements of N.J.S.A. 10:5-31 et seq. (P.L. 1975, C.127) N.J.A.C. 17:27.

**MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
RESOLUTION 2017-43
AUTHORIZING EXECUTIVE SESSION**

WHEREAS, N.J.S.A. 10:4-12 allows for a Public Body to go into closed session during a Public Meeting, and

WHEREAS, the Board of the Mount Holly MUA has deemed it necessary to go into closed session to discuss certain matters which are exempted from the Public; and

WHEREAS, the regular meeting of this Board will reconvene at the conclusion of closed session, at approximately 6:35 p.m. this evening.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Mount Holly Municipal Utilities Authority, in the Township of Mount Holly, County of Burlington, State of New Jersey will go into closed session for the following reason(s) as outlined in N.J.S.A. 10:4-12:

_____ Any matter which, by express provision of Federal Law, State Statute or Rule of Court shall be rendered confidential or excluded from discussion in public (Provision relied upon: _____);

_____ Any matter in which the release of information would impair a right to receive funds from the federal government;

_____ Any matter the disclosure of which constitutes an unwarranted invasion of individual privacy;

 X Any collective bargaining agreement, or the terms and conditions of which are proposed for inclusion in any collective bargaining agreement, including the negotiation of terms and conditions with employees or representatives of employees of the public body (Specify contract: negotiations with bargaining units);

_____ Any matter involving the purpose, lease or acquisition of real property with public funds, the setting of bank rates or investment of public funds where it could adversely affect the public interest if discussion of such matters were disclosed;

_____ Any tactics and techniques utilized in protecting the safety and property of the public provided that their disclosure could impair such protection;

_____ Any investigations of violations or possible violations of the law;

 X Any pending or anticipated litigation or contract negotiation in which the public body is or may become a party. Any matters falling within the attorney-client privilege, to the extent that confidentiality is required in order for the attorney to exercise his ethical duties as a lawyer (If pending or anticipated litigation, the matter is: contract negotiations & Lumberton Township.

Under certain circumstances, if public disclosure of the matter would have a potentially negative impact on the Authority's position in the litigation or negotiation, this information may be withheld until such time that the matter is concluded or the circumstances no longer present a potential impact);

_____ Any matter involving the employment, appointment, termination of employment, terms and conditions of employment, evaluation of the performance, promotion or disciplining of any specific prospective public officer or employee or current public officer or employee employed or appointed by the public body, unless all individual employees or appointees whose rights could be adversely affected request in writing that such matter or matters be discussed at a public meeting (Subject to the balancing of the public's interest and the employee's privacy rights under *South Jersey Publishing*, 124 N.J. 478, the employee(s) and nature of discussion is _____)

_____ Any deliberation of a public body occurring after a public hearing that may result in the imposition of a specific civil penalty upon the responding party or the suspension or loss of a license or permit belonging to the responding party as a result of an act of omission for which the responding party bears responsibility;

BE IT FURTHER RESOLVED that the Commissioners hereby declare that its discussion of the aforementioned subject(s) may be made public at a time when the Solicitor advises the Board that the disclosure of the discussion will not detrimentally affect any right, interest or duty of the Authority or any other entity with respect to said discussion.

BE IT FURTHER RESOLVED that the Board, for the aforementioned reasons, hereby declares that the public is excluded from the portion of the meeting during which the above discussion shall take place and hereby directs the Authority to take the appropriate action to effectuate the terms of this resolution.

I, Brandy Boyington, do hereby certify the above to be a true and correct copy of a resolution adopted by the Mount Holly Municipal Utilities Authority at its meeting held on April 13, 2017.

Brandy C. Boyington

**REQUEST, SOLICITATION AND INVITATION
FOR PROPOSAL FOR THE POSITION OF
MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
AUDITOR
CONTRACT# C2017-12**

The proposer is requested to provide a proposal to the Mount Holly Municipal Utilities Authority ("MHMUA"), County of Burlington and State of New Jersey for the position of Auditor. The proposer must comply strictly with the submission requirements set forth herein.

Please click on the "For the Public" tab on our website (www.mhmua.com) under "Public Notices" to download the proposal or contact the offices of the MHMUA at 609-267-0015. The proposal must be received at the MHMUA's Administration Building, 1 Park Drive, P. O. Box 486, Mount Holly, New Jersey 08060 on or before Wednesday, May 24, 2017 at 10:00 am, Attention: Sherrill Cox, Assistant to Finance Administrator. The proposal must be submitted in the format required by the MHMUA: one (1) original hard copy, one (1) copy of the original proposal, plus one (1) in PDF format on CD. The CD shall be clearly marked with the name of the proposer and the contract number for which the proposer seeks consideration. No late submissions will be accepted. All properly submitted sealed proposals will be publicly opened, announced and recorded on Wednesday, May 24, 2017 at 10:00 am at 37 Washington Street, Mount Holly, NJ 08060, for the position of Auditor. No action will be taken at the time of opening except to announce the identity of the person or firm making the proposal and to record the response.

In addition, all proposers shall comply with P.L. 1977, c.33, as amended by P.L. 2016, c. 43 requiring submission of a Statement Of Ownership Disclosure; N.J.S.A. 52:32-44 requiring submission of a New Jersey Business Registration Certificate and the collection of use taxes; and with the provisions of P.L.1975, c.127 and N.J.A.C. 17:27 concerning equal employment opportunity and affirmative action and the submission of proof of compliance therewith.

Robert G. Maybury Jr.
Executive Director

**RESOLUTION OF THE MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
APPROVING A SERVICE AGREEMENT WITH L & D LANDFILL SANITARY
SEWERAGE SERVICE
RESOLUTION 2017-46**

WHEREAS, the Mount Holly Municipal Utilities Authority (hereinafter "MHMUA") is a public body created by the governing body of the Township of Mount Holly pursuant to the provisions of the Municipal Utilities Authorities Law of the State of New Jersey, as amended and supplemented; and

WHEREAS, the MHMUA, a State designated pretreatment authority, is charged inter alia, with the responsibility for the maintenance, operation and improvement of works for the collection, treatment, purification and disposal of sewerage within the Township of Mount Holly and surrounding service areas; and

WHEREAS, L & D Landfill, has submitted application and requested a Service Agreement Renewal for disposal of wastewater. This information is outlined in a memo from David W. Reich of the Industrial Pretreatment Department, a copy is attached and considered a part of this resolution; and

WHEREAS, the MHMUA has reviewed said application and under the terms and provisions of the submittal, as well as the Rules and Regulations of the MHMUA, will accept said wastewater from L & D Landfill pursuant to the terms of the Service Agreement between the MHMUA and L & D Landfill and

WHEREAS, the public hearing was held with regard to this Service Agreement on March 11th, 2017; and

WHEREAS, the MHMUA deems it in its best interests to enter into the aforesaid Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Mount Holly Municipal Utilities Authority as follows:

1. The Service Agreement Renewal between the Mount Holly Municipal Utilities Authority and L & D Landfill for Sanitary Sewerage Service, dated as of May 11, 2017 is hereby ratified and approved.
2. The Chairman and Secretary of the MHMUA are authorized and directed to execute the necessary documentation for the aforesaid Sewerage Service Agreement on behalf of the MHMUA.

CERTIFICATION

STATE OF NEW JERSEY }
 :
COUNTY OF BURLINGTON }

I, Brandy C. Boyington, Secretary of the Mount Holly Municipal Utilities Authority, do hereby CERTIFY the foregoing to be a true copy of a Resolution adopted by the Mount Holly Municipal Utilities Authority at a regular meeting thereof held on May 11, 2017.
IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Authority this 11th day of May 2017.

BRANDY C. BOYINGTON, SECRETARY

**RESOLUTION OF THE MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
APPROVING A SERVICE AGREEMENT WITH PARKLANDS LANDFILL AND
FORMER AGWAY SANITARY SEWERAGE SERVICE**

RESOLUTION 2017-47

WHEREAS, the Mount Holly Municipal Utilities Authority (hereinafter "MHMUA") is a public body created by the governing body of the Township of Mount Holly pursuant to the provisions of the Municipal Utilities Authorities Law of the State of New Jersey, as amended and supplemented; and

WHEREAS, the MHMUA, a State designated pretreatment authority, is charged inter alia, with the responsibility for the maintenance, operation and improvement of works for the collection, treatment, purification and disposal of sewerage within the Township of Mount Holly and surrounding service areas; and

WHEREAS, Parklands Landfill and Former Agway, has submitted application and requested a Service Agreement Renewal for disposal of wastewater. This information is outlined in a memo from David W. Reich of the Industrial Pretreatment Department, a copy is attached and considered a part of this resolution; and

WHEREAS, the MHMUA has reviewed said application and under the terms and provisions of the submittal, as well as the Rules and Regulations of the MHMUA, will accept said wastewater from Parklands Landfill and former Agway. Pursuant to the terms of the Service Agreement between the MHMUA and Parklands Landfill and former Agway and

WHEREAS, the public hearing was held with regard to this Service Agreement on May 9, 2017; and

WHEREAS, the MHMUA deems it in its best interests to enter into the aforesaid Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Mount Holly Municipal Utilities Authority as follows:

1. The Service Agreement Renewal between the Mount Holly Municipal Utilities Authority Parklands Landfill and Former Agway for Sanitary Sewerage Service, dated as of May 11, 2017 is hereby ratified and approved.
2. The Chairman and Secretary of the MHMUA are authorized and directed to execute the necessary documentation for the aforesaid Sewerage Service Agreement on behalf of the MHMUA.

CERTIFICATION

STATE OF NEW JERSEY }
 :
COUNTY OF BURLINGTON } ss

I, Brandy C. Boyington, Secretary of the Mount Holly Municipal Utilities Authority, do hereby CERTIFY the foregoing to be a true copy of a Resolution adopted by the Mount Holly Municipal Utilities Authority at a regular meeting thereof held on May 11, 2017.
IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Authority this 11th day of May 2017.

BRANDY C. BOYINGTON, SECRETARY

RESOLUTION 2017-48

**RESOLUTION APPROVING THE ANNUAL AUDIT & CORRECTIVE ACTION PLAN FOR FISCAL YEAR
ENDING DECEMBER 31, 2016**

WHEREAS, N.J.S.A.40A:5A-15 requires the governing body to each local authority to cause an annual audit of its accounts to be made, and

WHEREAS, the annual audit report for the fiscal year ended 2016 has been completed and filed with the Division of Local Government Services, Department of Community Affairs pursuant to N.J.S.A.40A:5A-15, and

WHEREAS, N.J.S.A.40A:-17, requires the governing body of each authority to, within 45 days of receipt of the annual audit, certify by resolution to the Local Finance Board that each member thereof has personally reviewed the annual audit report, and specifically the sections of the audit report entitled "General Comments" and "Recommendations," in accordance with N.J.S.A.40A:5A-17, and;

WHEREAS, the annual audit report contained certain recommendations with respect to fiscal matters, including the adoption of a Corrective Action Plan in response to those recommendations, and;

WHEREAS, the Authority has adopted a Corrective Action Plan in response to those recommendations

NOW, THEREFORE BE IT RESOLVED, that the governing body of the Mount Holly Municipal Utilities Authority hereby certifies to the Local Finance Board of the State of New Jersey that each Governing body member has personally reviewed the sections of the audit report for entitled "General Comments" and "Recommendations," and has evidenced same by group affidavit in the form prescribed by the Local Finance Board.

BE IT FURTHER RESOLVED that the secretary of the authority is hereby directed to promptly submit to the Local Finance Board the aforesaid group affidavit, accompanied by the certified true copy of this resolution.

**IT IS HEREBY CERTIFIED THAT THIS IS A TRUE COPY OF THE RESOLUTION PASSED
AT THE MEETING HELD ON MAY 11, 2017**

Brandy C. Boyington Secretary

Date

MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of Mount Holly Township, New Jersey)

Financial Statements and Supplementary Schedule

For the years ended December 31, 2016 and 2015

MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY

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MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of Mount Holly Township, New Jersey)
Board of Commissioners
December 31, 2016

Jules K. Thiessen
Chairman

Robert C. Silcox
Vice Chairman

Christopher Banks
Commissioner

Josh Brown
Commissioner

Jason Jones
Commissioner

Michelle Nocito
Treasurer
(11/12/15 through 6/9/16)

Brandy Boyington
Secretary

Robert G. Maybury Jr.
Executive Director

MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of the Township of Mount Holly)

INDEPENDENT AUDITOR'S REPORTS
FOR THE YEAR ENDED DECEMBER 31, 2016



BRENT W. LEE & CO., LLC
Certified Public Accounting Firm

INDEPENDENT AUDITOR'S REPORT

To the Chairman and Members of the
Mount Holly Municipal Utilities Authority
County of Burlington
Mount Holly, New Jersey 08060

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and the aggregate remaining fund information of the Mount Holly Municipal Utilities Authority, a component unit of Mount Holly Township, in the County of Burlington, State of New Jersey, as of and for the fiscal years ended December 31, 2016 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents. The financial statements of the Mount Holly Municipal Utilities Authority as of December 31, 2015, were audited by other auditors whose report dated April 15, 2016, expressed an unmodified opinion on those statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit standards prescribed by the Local Finance Board and by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's

609-456-8804
3008 New Albany Rd., Cinnaminson, NJ 08077

judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Mount Holly Municipal Utilities Authority as of December 31, 2016 and the results of operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis and Budgetary Comparison Information, as listed on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Mount Holly Municipal Utilities Authority's basic financial statements. The Introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other

records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standard generally accepted in the United States of America. In our opinion the combining and individual non-major financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated March 10, 2017 on our consideration of the Mount Holly Municipal Utilities Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Respectfully submitted,



Brent W. Lee
Certified Public Accountant

Cinnaminson, New Jersey
March 10, 2017

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BRENT W. LEE & CO., LLC
Certified Public Accounting Firm

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

To the Chairman and Members of the
Mount Holly Municipal Utilities Authority
County of Burlington
Mount Holly, New Jersey 08060

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements of the governmental activities, business-type activities and the aggregate remaining fund information of the Mount Holly Municipal Utilities Authority, County of Burlington, State of New Jersey, as of and for the fiscal year ended December 31, 2016, and related notes to the financial statements, which collectively comprise the Mount Holly Municipal Utilities Authority's basic financial statements, and have issued our report thereon dated March 10, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Mount Holly Municipal Utilities Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Mount Holly Municipal Utilities Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Mount Holly Municipal Utilities Authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of General Comments section, I did identify a certain deficiency in internal control that we consider to be material weakness and significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and

corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of General Comments section as Finding 2016-01 to be a material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying General Comments section to be significant deficiencies as Finding 2016-01 and 2016-02.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Mount Holly Municipal Utilities Authority statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey and which are described in the accompanying General Comments section as Findings 2016-01 and 2016-02.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



Brent W. Lee
Certified Public Accountant

Cinnaminson, New Jersey
March 10, 2017

REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management's Discussion and Analysis

**Mount Holly Municipal Utilities Authority
Management's Discussion and Analysis
for the Year Ended December 31, 2016
(Unaudited)**

Introduction:

The Mount Holly Municipal Utilities Authority, hereinafter referred to as the "MHMUA", presents their Annual Financial Report developed in accordance with the statement of Governmental Accounting Standard No. 34 entitled "Basic Financial Statement – Management's Discussion Analysis – for State and Local Governments", hereinafter referred to as GASB 34, and related statements.

Mission:

The MHMUA's mission is to provide wastewater treatment services, which enhance environmentally sound community development and ensure public health through improved water quality. Services are provided cost efficiently to Mount Holly and adjoining service areas in compliance with Federal and State regulations.

Location: **Administrative Office:**
1 Park Drive, PO Box 486, Mt. Holly, NJ 08060

Plant Facilities:
300 Rancocas Road, Mt Holly, NJ 08060
26 Maple Avenue, Lumberton, NJ 08048

Pump Stations:
Forty-two (42) Pump Stations are owned and operated/maintained by the MHMUA plus two (2) privately owned Pump Stations that are operated and maintained by the MHMUA.

Telephone: 609-267-0015

Fax: 609-267-5420

Web-Site: www.mhmua.com

Board of Directors: Jules K. Thiessen, Chairman
Robert C. Silcox, Vice Chairman
Jason Jones, Commissioner
Joshua Brown, Commissioner
Christopher Banks, Commissioner
Brandy C. Boyington, Secretary

Executive Director: Robert Maybury, Jr.
Operations Superintendent: Joel Hervey
Safety Director & Special Projects: Anthony G. Stagliano, Sr.
Finance Administrator/CFO: Michael B. Dehoff

I. General

The MHMUA owns and operates/maintains forty-two (42) pumping stations in six townships (Mount Holly, Hainesport, Eastampton, Westampton, Lumberton, and Moorestown). Additionally, the MHMUA operates/maintains two (2) privately owned Pump Stations (RVRHS Annex and Hainesport School). The MHMUA maintains more than 182 miles of sanitary (gravity and force) mains that collect and transfer wastewater to two (2) wastewater treatment facilities (the Rancocas Road Water Pollution Control Facility located in Mount Holly, and the Maple Avenue Water Pollution Control Facility located in Lumberton).

The MHMUA services approximately 15,000 residential customers (representing an estimated population of 50,000) in addition to approximately 651 commercial customers and approximately 38 industrial users. Industrial users are regulated by MHMUA's approved Industrial Pretreatment Program (IPP). The MHMUA is also a major receptor of liquid waste including sludge, septage, leachate, and miscellaneous wastewaters that are currently processed at both the Rancocas Road Water Pollution Control Facility and the Maple Avenue Water Pollution Control Facility under the direction of MHMUA's Hauled Wastes Program. The MHMUA's treatment facilities are the designated septage receiving facilities for Burlington County.

II. MHMUA's Rancocas Road Water Pollution Control Facility

A. General Description

The MHMUA's Rancocas Road Water Pollution Control Facility is a complex operation comprised of two individual but interconnected plants constructed at different times beginning in 1960. Plant No. 2, which was placed into operation in 1960 with a design capacity of 1.3 mgd. The plant provided secondary treatment using standard-rate trickling filters. The facility was expanded in 1981 and with current operating conditions, has a design capacity of 3.0 mgd with the addition of Plant No. 3, which includes additional primary clarification, conventional completely mixed activated sludge treatment, secondary clarification, discfilter filtration, chlorination/dechlorination, and post-aeration facilities.

B. Wastewater Treatment Processes

Screening and Grit Removal – Debris and heavy inorganic solids (sand, gravel, etc.) are removed from the raw wastewater. Odorous air is removed from the influent channels and is treated in a Biological Odor Control Treatment System prior to discharge to the atmosphere.

Flow Equalization – A 1.5 million gallon Equalization Tank (Surge Tank No. 1) attenuates the flow and concentration peaks to achieve a relatively constant flow rate and loading to downstream treatment plant processes.

Primary Settling Tanks – Removes heavy organic solids from the raw wastewater, and settled biosolids from the Intermediate Settling Tanks through the use of four (4)

B. Wastewater Treatment Processes (continued)

Primary Settling Tanks, distributed between Plant No. 2 (two (2) tanks) and Plant No. 3 (two (2) tanks). The solids removed from these tanks are directed to the Sludge Blending and Storage Tank.

Trickling Filters and Intermediate Settling Tanks – The three (3) Trickling Filters (two (2) in Plant No. 1 and one (1) in Plant No. 2) provide reliable, inexpensive removal of biodegradable organics from the primary effluent of Plant No. 2. The settled biosolids from the two (2) Plant No. 2 Intermediate Settling Tanks are directed back to the head of the plant for removal in the Primary Settling Tanks.

Activated Sludge Process – The two (2) aeration tanks employ a completely mixed activated sludge process.

This variation of the activated sludge process utilizes suspended growth microorganisms in a completely mixed reactor to biologically remove ammonia and biodegradable organics from the wastewater. Additionally, non-biodegradable organic compounds are removed through absorption/adsorption onto the activated sludge floc. The completely mixed reactor provides a uniform oxygen demand and organic/ammonia loading throughout the tank.

Secondary Settling Tanks – The Rancocas Road WWTP typically utilizes one (1) of two (2) secondary settling tanks. The tank provides for the separation of the settled activated sludge solids from the clarified secondary effluent. The Return Activated Sludge is directed to the Scrubbing Mixing Chamber where it may be mixed with primary effluent from Plant No. 3 prior to being returned back to the aeration tank. The Waste Activated Sludge is directed to the Sludge Blending and Storage Tank for sludge processing and disposal.

Discfilter Filtration – Three (3) discfilters provide for the tertiary removal of suspended solids from the combined effluent from both the Rancocas Road Water Pollution Control Facility and the Maple Avenue Water Pollution Control Facility. Following filtration, the dissolved oxygen content of the discharge from the discfilters is increased through two (2) stages of Cascade Aeration.

Disinfection – Following the second (2nd) Cascade Aeration stage, the filtered effluent is disinfected with Sodium Hypochlorite in three (3) Chlorine Contact Tanks. Following disinfection, the residual chlorine is removed by Sodium Bisulfite addition.

Post Aeration – The dissolved oxygen content in the treated effluent is further increased prior to discharge into the North Branch of the Rancocas Creek through the use of one (1) Post Aeration Tank equipped with a mechanical aerator followed by Cascade Aeration.

C. Sludge Treatment Processes

Sludge Blending and Storage Tank – A 350,000 gallon Sludge Storage Tank is used to store and blend the settled solids from the Primary Settling Tanks, the Waste Activated Sludge from the Maple Avenue Water Pollution Control Facility, the Waste Activated Sludge from the Rancocas Road Water Pollution Control Facility, and all other external miscellaneous trucked-in sludges, prior to solids processing. Odorous air is removed from this tank and treated in a Biological Odor Control Treatment System prior to discharge to the atmosphere.

B. Wastewater Treatment Processes (continued)

Thickening – Sludge from the Sludge Blending and Storage Tank is transferred by chopper-type pumps to a Rotary Screw Thickener, which removes water and increases the solids content to approximately 4-5% Total Solids (TS) prior to Belt Filter Press dewatering. The filtrate from this process is recycled back to the head of the plant for additional treatment. Odorous air is removed from this operation and treated in a Biological Odor Control Treatment System prior to discharge to the atmosphere.

Dewatering – Thickened sludge from the Rotary Screw Thickener is directed to a 125,000 gallon Thickened Sludge Storage Tank, which stores the thickened sludge prior to dewatering with Belt Filter Presses. The Belt Filter Presses dewater the sludge to a solids content of approximately 16-18 % TS. The combination of filtrate and wash water from this process is recycled back to Surge Tank No. 1 for additional treatment.

Disposal – All of the dewatered sludge is composted at the Burlington County Resource Recovery Complex.

III. MHMUA's Maple Avenue Water Pollution Control Facility

A. General Description

The MHMUA's Maple Avenue Water Pollution Control Facility is a 3.0 mgd facility that was placed into operation in December 2010. The facility includes screening and grit removal with odor control, activated sludge with biological nitrogen and phosphorus removal, secondary clarification, effluent pumping, and disinfection of the utility water.

The facility treats wastewater flows from Hainesport, Moorestown, Lumberton and Mount Holly through three (3) separate force mains (the Hainesport Force Main, Lumberton Force Main, and the Madison Avenue Force Main). The facility also treats screened and de-gritted wastewater flows from the Rancocas Road Water Pollution Control Facility's Surge Tank No. 1 through a dedicated transfer pump utilizing the Hainesport Force Main.

The secondary effluent discharged from this facility flows by gravity (the majority of the time) through a 20-inch diameter force main to the discfilters at the Rancocas

Road Water Pollution Control Facility for effluent filtration. The Waste Activated Sludge from this facility also flows by gravity to the Sludge Blending and Storage Tank at the Rancocas Road Water Pollution Control Facility for sludge processing.

Facility control is through a SCADA (Supervisory Control and Data Acquisition) system, which allows for the remote monitoring of all of the facility's operational systems and the control of a portion of the operational systems; thereby, minimizing the staffing requirements of the facility.

B. Wastewater Treatment Processes

Screening and Grit Removal – Debris and heavy inorganic solids (sand, gravel, etc.) are removed from the raw wastewater through the use of two (2) Headworks units. Odorous air is removed from these units and treated through two (2) Biological Odor Control Treatment Systems prior to discharge to the atmosphere.

Activated Sludge System with Biological Nutrient Removal – This variation of the activated sludge process utilizes suspended growth microorganisms in a plug flow reactor to biologically remove nitrogen, phosphorus, and biodegradable organics from the wastewater through the use of aerobic, anoxic, and anaerobic zones in a six (6) pass aeration tank. Additionally, non-biodegradable organic compounds are removed through absorption/adsorption onto the activated sludge floc.

High speed turbo blowers provide air through fine bubble air diffusers in the aerobic zones, while low speed submersible mixers are used in the anoxic and anaerobic zones.

Secondary Settling Tanks – Three (3) Secondary Settling Tanks provide for the separation of the settled activated sludge solids from the clarified secondary effluent. The Return Activated Sludge is directed back to the first pass of the aeration tank, while the Waste Activated Sludge is directed to the Sludge Blending and Storage Tank at the Rancocas Road Water Pollution Control Facility for solids processing.

The Waste Activated Sludge was designed to flow by gravity from the Maple Avenue Water Pollution Control Facility through an 8-inch diameter force main to the Sludge Blending and Storage Tank at the Rancocas Road Water Pollution Control Facility. When the discharge is unable to flow by gravity, one (1) pump has been provided to pump the Waste Activated Sludge to the Sludge Blending and Storage Tank.

Effluent Pump Station – Secondary effluent from the Maple Avenue Water Pollution Control Facility was designed to flow by gravity through a 20-inch diameter force main to the discfilters at the Rancocas Road Water Pollution Control Facility. When the discharge is unable to flow by gravity, three (3) pumps have been provided to pump the effluent to the discfilters.

Chlorine Contact Tank – A Chlorine Contact Tank is used to disinfect the utility water at the facility for the protection of the MHMUA's employees. The disinfection of the Maple Avenue Water Pollution Control Facility's effluent is provided at the Rancocas Road Water Pollution Control Facility, following filtration of the combined effluents from the two plants.

IV. Milestones

- | | |
|-------------|--|
| 1946 | Mount Holly Sewerage Authority (MHSA) established by local Ordinance. |
| 1950 | Rancocas Road Water Pollution Control Facility Plant No. 1 placed into operation with a design capacity of 0.7 mgd. |
| 1956 – 1960 | Sewer service initiated in non-sewered areas of the four Townships (Eastampton, Westampton, Lumberton, and Hainesport) adjacent to Mount Holly Township. |

IV. Milestones (continued)

- 1960 Rancocas Road Water Pollution Control Facility Plant No. 2 placed into operation with a design capacity of 1.3 mgd, resulting in a combined design capacity of 2.0 mgd.

- 1969 Sewer Service Agreement updated between the MHSA and the Township of Eastampton to provide sewage collection and treatment service within the boundaries of the Township of Eastampton.

- 1981 The Rancocas Road Water Pollution Control Facility was expanded to a design capacity of 5.0 mgd with the addition of Plant No. 3 and became first facility in the United States utilizing the Zimpro Wastewater Reclamation System.

- 1986 Purchased the Lumberton Municipal Utilities Authority.

- 1986 Sewer Service Agreement updated between the MHSA and the Township of Lumberton to provide sewage collection and treatment service within the boundaries of the Township of Lumberton.

- 1989 Sewer Service Agreement updated between the MHSA and the Township of Hainesport to provide sewage collection and treatment service within the boundaries of the Township of Hainesport.

- 1989 Sewer Service Agreement updated between the MHSA and Westampton Township to provide sewage collection and treatment service to a portion of the Township located within the MHSA Sewer Service Planning Area Boundary.

- 1993 Sewer Service Agreement updated between the MHSA and the Township of Moorestown to provide sewage collection and treatment service to a portion of the Township located within the MHSA Sewer Service Planning Area Boundary.

- 1994 Mount Holly Water Pollution Control Facility awarded "Zimpro Plant of the Year".

- 1997 Mount Holly Sewerage Authority reorganized under the name Mount Holly Municipal Utilities Authority (MHMUA).

- 1998 Purchased property on Maple Avenue in Lumberton for future plant expansion.

IV. Milestones (continued)

- 2005 MHMUA received the 2005 United States Environmental Protection Agency (USEPA) Region II 1st Place Clean Water Act Recognition Award for Operation and Maintenance Excellence for Medium-Size Advanced Treatment Plants.
- 2005 MHMUA received the 2005 USEPA National 1st Place Clean Water Act Recognition Award for Operations and Maintenance Excellence for Medium-Size Advanced Treatment Plants.
- 2010 Start-up of the new 3.0 mgd Maple Avenue Water Pollution Control Facility located in Lumberton Township.
- 2011 The Plant No. 1 Raw Sewage Pumps, Primary Settling Tanks, and Intermediate Settling Tanks; and the Plant No. 3 Wet Air Regeneration System and Dual Packed Carbon Tower Odor Control System were taken out of service at the Rancocas Road Water Pollution Control Facility. Also, the Plant No. 3 PAC/AS process was converted into a completely mixed activated sludge process.
- 2012 MHMUA received The New Jersey Department of Environmental Protection's Environmental Stewardship Initiative for its voluntary and proactive measures taken to go beyond compliance in an effort to improve the environment and ensure a sustainable future.

V. Responsibility and Control

The MHMUA has retained Brent W. Lee & Co., to prepare an independent audit of the financial statement for the year ending December 31, 2016. The MHMUA is responsible for furnishing financial statements and pertinent data for the auditor's review and analysis.

VI. Financial Highlights

A. Net Position

The MHMUA's net position for the year ended December 31, 2016 was \$26,055,650 which was an increase of \$1,107,792 from 2015. Net position consisted of \$19,070,318 of Net Investment in Capital Assets Net of Related Debt, \$3,420,307 Restricted for Debt Service Reserve, \$1,300,000 Restricted for Renewal & Replacement, \$2,267,743 Restricted for Operating Reserve and (\$2,718) Unrestricted and Unreserved.

STATEMENT OF NET POSITION

ASSETS

| | | |
|-----------------------------------|------------|-----------|
| Current Assets: | 2016 | 2015 |
| Total Unrestricted Current Assets | 10,300,604 | 8,171,345 |
| Total Restricted Current Assets | 10,451,497 | 9,846,644 |

| | | |
|-----------------------------------|------------|------------|
| Capital Assets: | | |
| Net Property, Plant and Equipment | 53,386,772 | 55,556,730 |

| | | |
|--------------|------------|------------|
| Total Assets | 74,138,873 | 73,574,719 |
|--------------|------------|------------|

DEFERRED OUTFLOW OF RESOURCES

| | | |
|-------------------------------------|-----------|-----------|
| Total Deferred Outflow of Resources | 4,389,368 | 2,118,104 |
|-------------------------------------|-----------|-----------|

| | | |
|--|---------------|---------------|
| Total Assets and Deferred Outflow of Resources | \$ 78,528,241 | \$ 75,692,823 |
|--|---------------|---------------|

LIABILITIES

| | | |
|--|------------|------------|
| Total Current Liabilities Payable From Unrestricted Assets | 1,826,341 | 769,730 |
| Total Current Liabilities Payable From Restricted Assets | 2,544,250 | 2,988,253 |
| Total Long-Term Liabilities Payable From Unrestricted Assets | 14,661,595 | 11,218,621 |
| Total Long-Term Liabilities Payable From Restricted Assets | 32,002,284 | 35,186,304 |
| Total Liabilities | 51,034,470 | 50,162,908 |

DEFERRED INFLOW OF RESOURCES

| | | |
|------------------------------------|-----------|---------|
| Total Deferred Inflow of Resources | 1,438,121 | 582,057 |
|------------------------------------|-----------|---------|

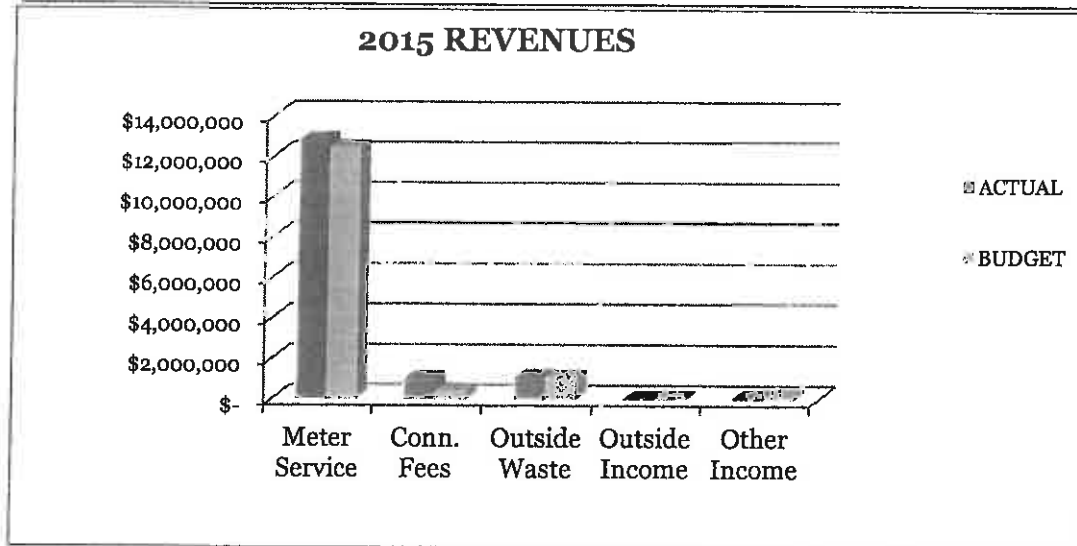
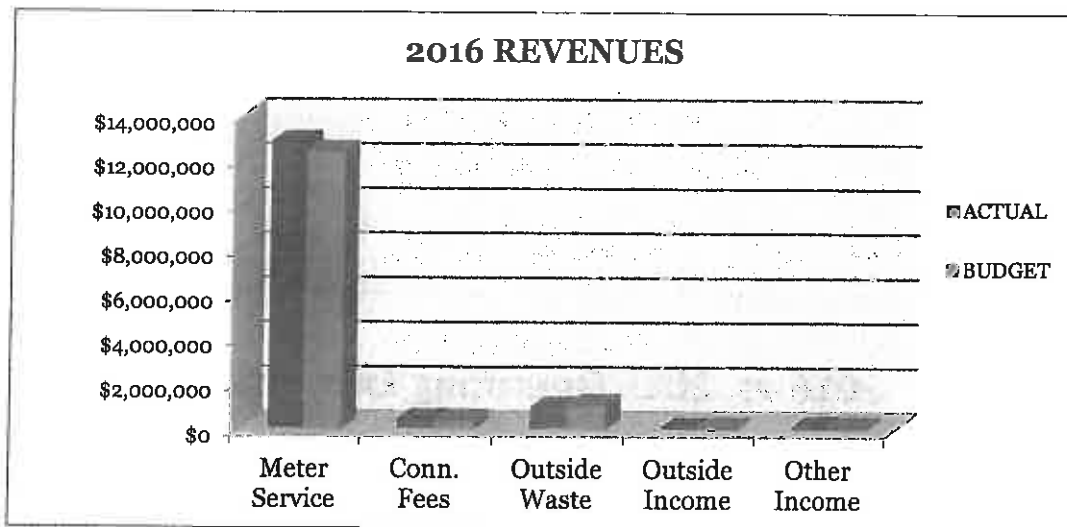
NET POSITION

| | | |
|--|---------------|---------------|
| Net Investment in Capital Assets, Net of Related Debt | 19,070,318 | 17,569,384 |
| Restricted for: | | |
| Future Debt Service | | 584,600 |
| Debt Service Reserve | 3,420,307 | 3,999,415 |
| Renewal and Replacement | 1,300,000 | 1,300,000 |
| Operating Reserve | 2,267,743 | 2,235,796 |
| Unrestricted for: | | |
| Unreserved | (2,718) | (741,337) |
| Total Net Position | 26,055,650 | 24,947,858 |
| Total Liabilities, Deferred Inflow of Resources and Net Position | \$ 78,528,241 | \$ 75,692,823 |

B. Revenue

The major source of revenue for the MHMUA is meter service revenue based on the water consumption of residential and commercial ratepayers. Meter service revenue increased slightly from \$12,804,319 in 2015 to \$12,884,351 in 2016. Total revenues however decreased from 2015 to 2016 by an amount of \$690,105. This is mainly attributable to the \$612,782 decrease in connection fee revenue from 2015 to 2016.

| | 2016 | 2015 |
|--------------------------|---------------|---------------|
| Operating Revenues: | | |
| Meter Services | \$ 12,884,351 | \$ 12,804,319 |
| Connection Fees | 417,114 | 1,029,896 |
| Sludge and Septic Income | 982,887 | 1,117,097 |
| Interest Income | 1,398 | 2,264 |
| Unleaded Gas to Township | 47,817 | 59,763 |
| Other | 98,261 | 108,594 |
| Total Operating Revenues | 14,431,828 | 15,121,933 |

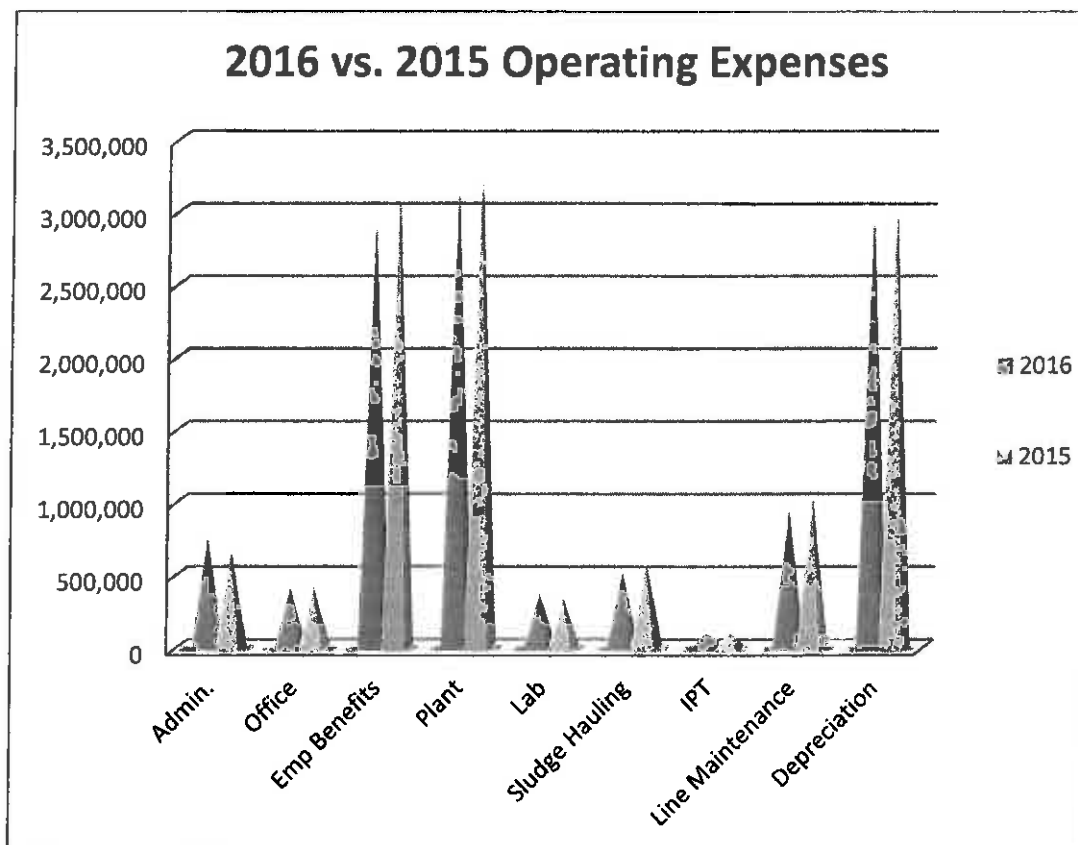


C. Expenses

Total operating expenses decreased by 11% in 2016. Administrative expenses increased by 14% due to being fully staffed in 2016 as compared to 2015 in addition to a new payroll service provider and website hosting. Employee benefits decreased in comparison to 2015 due in large part to the increase in employee contributions towards health care premium costs per Chapter 78, P.L. 2011. Plant expenses decreased by \$118,097 caused primarily to a reduction in electric costs in 2016. Laboratory expenses increased due to increases for contracted services for outside lab analysis. Sludge hauling expenses were lower than the previous year by \$53,580. Line maintenance costs decreases due to less repair costs and lower fuel usage in 2016 compared to 2015.

Operating Expenses 2016 & 2015

| | 2016 | 2015 |
|-----------------------------|------------|------------|
| Operating Expenses: | | |
| Administrative | 747,552 | 652,900 |
| Office | 399,196 | 409,087 |
| General - Employee Benefits | 2,912,800 | 3,097,794 |
| Plant | 3,134,630 | 3,252,727 |
| Laboratory | 363,246 | 337,259 |
| Sludge Hauling | 515,605 | 569,185 |
| Industrial Pretreatment | 95,859 | 94,855 |
| Line Maintenance | 936,730 | 1,014,176 |
| Depreciation | 2,951,132 | 3,020,693 |
| Total Operating Expenses | 12,056,750 | 12,448,676 |



BASIC FINANCIAL STATEMENTS

MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of Mount Holly Township, New Jersey)
STATEMENT OF NET POSITION
DECEMBER 31, 2016 AND 2015

ASSETS

| | | |
|---|----------------------|----------------------|
| Current Assets: | | |
| Unrestricted Assets: | 2016 | 2015 |
| Cash and Cash Equivalents | \$ 5,250,304 | \$ 2,937,376 |
| Accounts Receivable | 3,060,839 | 3,188,724 |
| Unbilled Service Charges | 1,912,281 | 1,970,580 |
| Prepaid Expenses | 2,792 | 2,639 |
| Inventory - Treatment Materials and Fuel | 74,388 | 72,026 |
| Total Unrestricted Current Assets | 10,300,604 | 8,171,345 |
| Restricted Assets: | | |
| Cash and Cash Equivalents | 4,412,385 | 5,236,329 |
| Cash on Hand with Fiscal Agent | | 22,446 |
| Investments | 6,027,342 | 4,579,553 |
| Developers' Receivable | 11,770 | 8,316 |
| Total Restricted Current Assets | 10,451,497 | 9,846,644 |
| Capital Assets: | | |
| Property, Plant and Equipment | 123,991,043 | 123,209,869 |
| Less: Accumulated Depreciation | 70,604,271 | 67,653,139 |
| Net Property, Plant and Equipment | 53,386,772 | 55,556,730 |
| Total Assets | 74,138,873 | 73,574,719 |
| DEFERRED OUTFLOW OF RESOURCES | | |
| Bond Discount, Net of Accumulated Amortization | 389,506 | 431,528 |
| Pension Deferred Outflows | 3,999,862 | 1,686,576 |
| Total Deferred Outflow of Resources | 4,389,368 | 2,118,104 |
| Total Assets and Deferred Outflow of Resources | \$ 78,528,241 | \$ 75,692,823 |

The accompanying Notes to the Financial Statements are an integral part of this Statement.

MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of Mount Holly Township, New Jersey)
STATEMENT OF NET POSITION
DECEMBER 31, 2016 AND 2015

| LIABILITIES | 2016 | 2015 |
|---|----------------------|----------------------|
| Current Liabilities Payable From Unrestricted Assets: | | |
| Accounts Payable - Operations | \$ 277,831 | \$ 473,728 |
| Contracts Payable | 186,440 | |
| Accrued Liabilities | 331,140 | 294,242 |
| Payroll Taxes Payable | 1,641 | |
| Sewer Overpayments | 1,671 | 1,760 |
| Unearned Revenue | 1,027,618 | |
| Total Current Liabilities Payable From Unrestricted Assets | 1,826,341 | 769,730 |
| Current Liabilities Payable From Restricted Assets: | | |
| Developers' and Employees' Deposits | 164,416 | 116,175 |
| Accrued Interest Payable | 231,813 | 251,971 |
| Bonds Payable - Current Portion | 915,000 | 1,325,000 |
| Loan Payable - Current Portion | 1,224,232 | 1,286,340 |
| Loan Payable - Summit Water Nexus - Current Portion | 8,789 | 8,767 |
| Total Current Liabilities Payable From Restricted Assets | 2,544,250 | 2,988,253 |
| Long-Term Liabilities Payable From Unrestricted Assets: | | |
| Post Retirement Benefits Payable | 214,443 | 182,224 |
| Net Pension Liability | 14,447,152 | 11,036,397 |
| Total Long-Term Liabilities Payable From Unrestricted Assets | 14,661,595 | 11,218,621 |
| Long-Term Liabilities Payable From Restricted Assets: | | |
| Bonds Payable | 18,160,000 | 19,075,000 |
| Loan Payable | 13,798,008 | 16,058,240 |
| Loan Payable - Summit Water Nexus | 44,276 | 53,064 |
| Total Long-Term Liabilities Payable From Restricted Assets | 32,002,284 | 35,186,304 |
| Total Liabilities | 51,034,470 | 50,162,908 |
| DEFERRED INFLOW OF RESOURCES | | |
| Bond and Loan Premium, Net of Accumulated Amortization | 166,149 | 180,935 |
| Gain on Refunding of NJEIT Loan | 1,036,000 | |
| Pension Deferred Inflows | 235,972 | 401,122 |
| Total Deferred Inflow of Resources | 1,438,121 | 582,057 |
| NET POSITION | | |
| Net Investment in Capital Assets, Net of Related Debt | 19,070,318 | 17,569,384 |
| Restricted for: | | |
| Future Debt Service | | 584,600 |
| Debt Service Reserve | 3,420,307 | 3,999,415 |
| Renewal and Replacement | 1,300,000 | 1,300,000 |
| Operating Reserve | 2,267,743 | 2,235,796 |
| Unrestricted for: | | |
| Unreserved | (2,718) | (741,337) |
| Total Net Position | 26,055,650 | 24,947,858 |
| Total Liabilities, Deferred Inflow of Resources and Net Position | \$ 78,528,241 | \$ 75,692,823 |

The accompanying Notes to the Financial Statements are an integral part of this Statement.

MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of Mount Holly Township, New Jersey)
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

| | 2016 | 2015 |
|--|----------------------|----------------------|
| Operating Revenues: | | |
| Meter Services | \$ 12,884,351 | \$ 12,804,319 |
| Connection Fees | 417,114 | 1,029,896 |
| Sludge and Septic Income | 982,887 | 1,117,097 |
| Interest Income | 1,398 | 2,264 |
| Unleaded Gas to Township | 47,817 | 59,763 |
| Other | 98,261 | 108,594 |
| Total Operating Revenues | 14,431,828 | 15,121,933 |
| Operating Expenses: | | |
| Administrative | 747,552 | 652,900 |
| Office | 399,196 | 409,087 |
| General - Employee Benefits | 2,912,800 | 3,097,794 |
| Plant | 3,134,630 | 3,252,727 |
| Laboratory | 363,246 | 337,259 |
| Sludge Hauling | 515,605 | 569,185 |
| Industrial Pretreatment | 95,859 | 94,855 |
| Line Maintenance | 936,730 | 1,014,176 |
| Depreciation | 2,951,132 | 3,020,693 |
| Total Operating Expenses | 12,056,750 | 12,448,676 |
| Operating Income | 2,375,078 | 2,673,257 |
| Nonoperating Revenue/(Expenses): | | |
| Interest Income | 657 | 24,278 |
| Gain/(Loss) on Sale or Disposal of Assets | | 25,234 |
| Unrealized Gain/(Loss) on Investment | 46,072 | 91,347 |
| Cancellation of Cash on Hand with Fiscal Agent | (22,446) | |
| Unemployment Reimbursement | (1,873) | (3,530) |
| Interest Expense | (1,270,850) | (1,421,899) |
| Reserve for Future Unemployment | 8,390 | 11,079 |
| Amortization of Premium/(Original Issue Discount) | (27,236) | (27,236) |
| Total Nonoperating Revenue/(Expenses) | (1,267,286) | (1,300,727) |
| Income/(Loss) Before Capital Contributions | 1,107,792 | 1,372,530 |
| Capital Contributions | | 155,945 |
| Change in Net Position | 1,107,792 | 1,528,475 |
| Net Position - Beginning of Year, As Restated (Note 11) | 24,947,858 | 23,419,383 |
| Net Position - End of Year | \$ 26,055,650 | \$ 24,947,858 |

The accompanying Notes to the Financial Statements are an integral part of this Statement.

MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of Mount Holly Township, New Jersey)
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

| | 2016 | 2015 |
|---|---------------------|---------------------|
| Cash Flows From Operating Activities: | | |
| Receipts From Service Users | \$ 13,586,940 | \$ 14,995,958 |
| Payments to Suppliers & Employees | (9,030,899) | (9,368,912) |
| Net Cash Provided/(Used) by Operating Activities | 4,556,041 | 5,627,046 |
| Cash Flows From Investing Activities: | | |
| Interest on Investments | 657 | 24,278 |
| (Purchase)/Maturities of Investments | 1,488,338 | 91,347 |
| Acquisition of Property, Plant & Equipment | (592,491) | (602,169) |
| Gain/(Loss) on Disposal of Fixed Assets | | 25,234 |
| Net Cash Provided by Investing Activities | 896,504 | (461,310) |
| Cash Flows From Financing Activities: | | |
| Principal Paid on Loans | (2,331,106) | (1,369,105) |
| Principal Paid on Bonds | (1,325,000) | (820,000) |
| Interest Paid | (1,270,850) | (1,456,512) |
| Net Cash Provided/(Used) by Capital & Related Financing Activities | (4,926,956) | (3,645,617) |
| Cash Flows from Noncapital Financing Activities: | | |
| Unemployment Activity | 6,517 | 7,609 |
| Net Cash Provided for Noncapital Financing Activities | 6,517 | 7,609 |
| Net Increase in Cash & Cash Equivalents | 532,106 | 1,527,728 |
| Cash and Cash Equivalents at January 1 | 8,196,151 | 6,668,423 |
| Cash and Cash Equivalents at December 1 | \$ 8,728,257 | \$ 8,196,151 |

Reconciliation of Net Income to Cash Provided/ (Used) by Operating Activities:

| | | |
|---|---------------------|---------------------|
| Operating Income/(Loss) | \$ 2,375,078 | \$ 2,673,257 |
| Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided/(Used) by Operating Activities: | | |
| Operating Activities: | | |
| Depreciation | 2,951,132 | 3,020,693 |
| (Increase)/Decrease in Assets : | | |
| Accounts Receivable | 127,885 | (262,042) |
| Unbilled Service Charges | 58,299 | 132,585 |
| Prepaid Expenses | (153) | (506) |
| Inventory | (2,362) | (7,979) |
| Developers' Receivable | (3,454) | 1,914 |
| Increase/(Decrease) in Liabilities: | | |
| Accounts Payable | (7,905) | 35,388 |
| Accrued Liability | 36,898 | 32,591 |
| Unearned Revenue | (1,027,618) | 1,568 |
| Developers' and Employees' Deposits | 48,241 | (423) |
| Net Cash Provided/(Used) by Operating Activities | \$ 4,556,041 | \$ 5,627,046 |

The accompanying Notes to the Financial Statements are an integral part of this Statement.

NOTES TO THE FINANCIAL STATEMENTS

MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of Mount Holly Township, New Jersey)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Mount Holly Municipal Utilities Authority have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

A. Reporting Entity:

The Authority was created by an ordinance adopted July 11, 1946, by the Township Committee of the Township of Mount Holly under the Sewerage Authorities Law, constituting Chapter 138 of the Pamphlet Laws of the 1946 of the State of New Jersey, approved April 23, 1946 and as amended by Revised Statutes Title 40 Chapter 14A, Sections 1 to 37.

The Authority was established to provide for the public health and welfare, with all necessary or proper powers to acquire, construct, maintain, operate or improve works for the collection, treatment, purification or disposal of sewerage or other wastes and to provide for sewerage services designed to relieve pollution of the waters in, bordering or entering the Township of Mount Holly and the Participants – Eastampton, Hainesport, Lumberton, Westampton and portions of Moorestown in compliance with the Sewer Authority Act, the Federal Water Pollution Control Act, the Authority's covenants with bondholders and its regulations.

The 1978 Service Contract, as amended on December 30, 1998, with the Township of Mount Holly requires the Authority to perform its duties within the covenants of that contract and to pay an annual fee of \$30,000 to the Township for as long as the contract is in effect. In return the Township is obligated to advance payment for any deficiencies incurred by the Authority with respect to debt service requirements until such time as the Authority can make repayment.

The Authority is a component unit of the Township of Mount Holly as described in Governmental Accounting Standards Board Statement No. 14 due to the existence of a service contract between the Authority and the Township. These financial statements would be either blended or discreetly present as part of the Township's financial statements if the Township reported using generally accepted accounting principles applicable to governmental entities.

The New Jersey Department of Environmental Protection (DEP) in accordance with the New Jersey Water Pollution Control Act regulates the Authority. The Authority operates under a New Jersey Pollutant Discharge Elimination System Permit. The current permit took effect on April 1, 2016 and expires March 31, 2021. The Authority is operated in accordance with regulations of the State of New Jersey, Department of Community Affairs, and Division of Local Government Services.

B. Basis of Presentation

The financial statements of the Authority have been prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles ("GAAP") applicable to enterprise funds of state and local governments.

MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of Mount Holly Township, New Jersey)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

All activities of the Authority are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprise where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the balance sheet. Net position (i.e., total assets net of total liabilities) are segregated into invested capital assets, net of related debt; restricted for capital activity; restricted for debt service; and unrestricted components.

During 2015 the Authority adopted GASB Statement 68 *Accounting and Financial Reporting for Pensions*; this statement improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. It replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Government Employers* as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The primary effect of this statement is to recognize a liability in the financial statements prepared using the economic resources measurement focus and accrual basis of accounting for its proportionate share of the collective net pension liability of all employers for benefits provided through the pension plan. This Statement had a significant effect on the Authority's financial statements for fiscal year ended December 31, 2015.

During 2015 the Authority adopted GASB Statement 71 *Pension Transition for Contributions made Subsequent to the measurement Date-An Amendment of GASB Statement No. 68*, this statement requires a state or local government employer to recognize a net pension liability measured as of a date no earlier than the end of its prior fiscal year. If a state or local government employer or non employer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources. In addition , Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or non employer contributing entity that arise from other types of events. At transition to Statement 68, if it's not practical for an employer or non employer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows or resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this statement are applied simultaneously with GASB 68.

MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
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NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

GASB Statement 72 *Fair Value Measurement and Application*, this Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The Authority does not expect this statement to impact its financial statements. The statement is effective for periods beginning after June 30, 2015.

GASB Statement 73 *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, the objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes. The statement is effective for periods beginning after June 30, 2015.

GASB Statement 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* the objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The Authority is evaluating this statement to determine its impact the financial statements.

GASB Statement 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter period equity, and creating additional transparency. The Authority is evaluating this statement to determine its impact the financial statements.

MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

GASB Statement 77 Tax Abatement Disclosures This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. This Statement requires governments that enter into tax abatement agreements to disclose brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients and the gross dollar amount of taxes abated during the period. The Authority is evaluating this statement to determine its impact on the financial statements.

C. Budgetary Data:

The Mount Holly Municipal Utilities Authority must adopt an annual budget in accordance with *N.J.A.C.5:31-2*. *N.J.A.C.5:31-2* requires the governing body to introduce the annual Authority budget at least 60 days prior to the end of the current fiscal year and to adopt not later than the beginning of the Authority's fiscal year. The governing body may amend the budget at any point during the year.

The legal level of budgetary control is established at the detail shown on the statement of Revenues, Expenses and Changes in Fund Equity. All budget transfers and amendments to those accounts must be approved by resolution of the Authority as required by the Local Finance Board. Management may transfer among supplementary line items as long as the legal level line items are not affected.

D. Prepaid Items:

Prepaid balances are for payments made by the Authority in the current year for insurance coverage in the subsequent fiscal year.

E. Inventory:

Inventory consists of fuel and chemicals for the treatment of sewage and sludge and is stated at cost determined on a first-in, first-out basis.

F. Contributed Capital:

Contributed Capital consists primarily of sewer lines and pumping stations constructed by local developers and donated to the Authority. These items are recorded at estimated fair market value. The sewer lines and pumping stations are recorded as contributed capital in the period received.

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Contributed Capital (continued)

The following is a reconciliation of the Contributed Capital account for 2016 and 2015:

| | <u>2016</u> | <u>2015</u> |
|---|---------------------|---------------------|
| Balance at January 1, | \$48,329,437 | \$48,173,492 |
| Additions | <u>-</u> | <u>155,945</u> |
| Balance at December 31, | 48,329,437 | 48,329,437 |
| Accumulated Depreciation | <u>(38,346,557)</u> | <u>(36,955,069)</u> |
| Net Contributed Capital at December 31, | <u>\$ 9,982,880</u> | <u>\$11,374,368</u> |

G. Capital Assets:

Property, Plant and equipment owned by the Authority are recorded at cost or, if contributed property, at their fair market value at the time of contribution and includes certain infrastructure assets such as the sanitary sewerage lines. Repairs and maintenance are recorded as expenses. The Authority capitalized interest on significant capital projects that are expected to be under construction for more than one year.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

| | |
|---|-------------|
| Treatment Plants, Pumping Stations & Other Structures | 20-50 years |
| Office Equipment | 5-20 years |
| Rolling Equipment | 5-20 years |
| Plant Equipment | 10-20 years |

H. Compensated Absences

Authority employees are granted vacation and sick leave in varying amounts under the Authority's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation at their current rate of pay. Payment for accumulated sick days is available to employees who reach retirement age under the state pension system. Upon retirement, an employee shall be reimbursed for fifty percent of accumulated unused sick leave up to a maximum payment of \$10,000 for union supervisors and \$7,500 for regular union workers.

The total compensated absences liability is recorded as an expense. A current liability is recorded for the value of the accrual. The amount of accrual for compensated absences as of December 31, 2016 and 2015 is as follows:

| | <u>2016</u> | | <u>2015</u> | |
|---------------|------------------|-----------------|------------------|-----------------|
| | <u>Accrued</u> | <u>Payroll</u> | <u>Accrued</u> | <u>Payroll</u> |
| | <u>Salaries</u> | <u>Taxes</u> | <u>Salaries</u> | <u>Taxes</u> |
| Sick Time | \$ 30,119 | \$ 2,305 | \$ 14,532 | \$ 1,112 |
| Vacation Time | <u>153,431</u> | <u>11,737</u> | <u>163,614</u> | <u>12,516</u> |
| Total | <u>\$183,550</u> | <u>\$14,042</u> | <u>\$178,146</u> | <u>\$13,628</u> |

MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of Mount Holly Township, New Jersey)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Compensated Absences (continued):

I. Revenues and Unbilled Services:

Revenues include connection fees and user consumption charges payable by residential and commercial customers in the Townships of Mount Holly, Eastampton, Hainesport, Lumberton, Westampton and portions of Moorestown charged in accordance with the Service Agreements between the Townships and the Authority. Unbilled services are determined from metered and sludge sewerage services billed in the following year for services rendered through December 31 of the preceding year.

In accordance with the Authority's 1978 Service Contract with Mount Holly as amended as of December 30, 1998 five-sixths (5/6) of all connection fee income received by the Authority is applied solely to debt service on the Authority bonded debt. The remaining one-sixth (1/6) is allocated to unbonded system improvements.

J. Bond Discounts/Premiums:

Bond premiums and discounts are deferred and amortized over the term of the bonds using straight line method.

| | 2016 Amortization | Accumulated Amortization | Unamortized Balance |
|---------------|------------------------------|-------------------------------------|--------------------------------|
| Bond Discount | \$ 42,022 | \$ 643,250 | \$ 389,506 |
| Bond Premium | \$ 14,786 | \$ 129,571 | \$ 166,149 |

K. Net Position

Net Position is distributed into the following two categories:

Restricted – represents earnings that are set aside as required by the Authority's Bond Resolution. Reserved net position include amounts set aside for renewals and replacements, debt service reserve, future debt service, operating reserve and future arbitrage payments when applicable.

Unrestricted – represents cumulative earnings that are currently available and may be appropriated for any lawful purpose.

L. Unrestricted and Restricted Accounts

In accordance with the bond resolution, the Authority has established the following funds:

1. **Revenue Fund** – All revenues collected by the Authority are to be deposited daily, if practical, in the name of the trustee in this fund.

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DECEMBER 31, 2016 AND 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. **Operating Fund** – Transfers are to be made from the revenue fund to the operating fund to pay all necessary amounts for the operating, maintenance, or repair of the sewer systems. The balance in the operating fund shall not be less than three whole months or more than six whole months of the Annual Budget adopted by the Authority.
3. **Debt Service Fund** – To accumulate funds for the payment of principal and interest on bonds coming due during the current fiscal year.
4. **Debt Reserve Fund** – To accumulate funds to equal the greatest amount of each respective debt service due in any future year. The current bond reserve requirement is \$3,420,307.

NOTE 2: CASH AND CASH EQUIVALENTS

The Authority is governed by the deposit and investment limitations of New Jersey state law. The Deposits and investments held at December 31, 2016 and 2015, and reported at fair value are as follows:

| <u>Type</u> | <u>2016 Carrying Value</u> | <u>2015 Carrying Value</u> |
|-----------------|------------------------------------|------------------------------------|
| Deposits | | |
| Demand Deposits | <u>\$15,690,031</u> | <u>\$12,775,704</u> |
| Total Deposits | <u>\$15,690,031</u> | <u>\$12,775,704</u> |

Reconciliation of Statements of Net Position

Current:

Unrestricted Assets:

| | | |
|---------------------------|--------------|--------------|
| Cash and Cash Equivalents | \$ 5,250,304 | \$ 2,937,376 |
|---------------------------|--------------|--------------|

Restricted Assets:

| | | |
|---------------------------|------------|-----------|
| Cash and Cash Equivalents | 10,439,727 | 9,815,882 |
|---------------------------|------------|-----------|

| | | |
|--------------------------------|---|--------|
| Cash On-hand with Fiscal Agent | - | 22,446 |
|--------------------------------|---|--------|

| | | |
|-------|---------------------|---------------------|
| Total | <u>\$15,690,031</u> | <u>\$12,775,704</u> |
|-------|---------------------|---------------------|

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority does not have a deposit policy for custodial credit risk. As of December 31, 2016 and 2015, the Authority's bank balance of \$15,752,753 and \$12,891,247 respectively, was insured or collateralized as follows:

| | <u>2016</u> | <u>2015</u> |
|---|----------------------|----------------------|
| Insured | \$ 500,000 | \$ 500,000 |
| Collateralized in the Authority's name under GUDPA | <u>15,252,753</u> | <u>12,391,247</u> |
| Total | <u>\$ 15,752,753</u> | <u>\$ 12,891,247</u> |

MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of Mount Holly Township, New Jersey)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015

NOTE 3: INVESTMENTS

A. Custodial Credit Risk

For an investment, custodial credit risk is a risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Authority, and are held by either the counterparty or the counterparty's trust department or agent but not in the Authority's name. All of the Authority's investments are held in the name of the Authority and are collateralized by GUDPA.

B. Investment Interest Rate Risk – The Authority has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Maturities of investment held at December 31, 2016 and 2015 are provided in the above schedule.

C. Investment Credit Risk – The Authority has an investment policy established in Cash Management Plan:

1. Pursuant to N.J. S.A. 40A:5-15.1, the Authority hereby authorizes the following type of securities to be purchased on its behalf:
 - a. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
 - b. Government money market mutual funds;
 - c. Any obligation that a federal agency or federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor;
 - d. Bonds or other obligations of the Authority or bonds or other obligations of the local unit or units within which the Authority is located;
 - e. Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, approved by the Division of Investment in the Department of Treasury for investment by the Authority;
 - f. Local Governments investment pools;
 - g. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281; or

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(A Component Unit of Mount Holly Township, New Jersey)
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DECEMBER 31, 2016 and 2015

NOTE 3: INVESTMENTS (continued)

- h. Agreements for the repurchase of fully collateralized securities with certain limitations.
- (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of subsection A herein;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral.
2. Any investment instruments in which the security is not physically held by the Authority shall be covered by a third party custodial agreement which shall provide for the designation of such investments in the name of the Authority and prevent unauthorized use of such investments;
3. Purchase of investment securities shall be executed by the "delivery versus payment" method to ensure that securities are either received by the Authority or a third party custodian prior to or upon the release of the Authority's funds.
4. Any investments not purchased and redeemed directly from the issuer, government money market mutual fund, local government investment pool, or the State of New Jersey Cash Management Fund, shall be purchased and deemed through the use of a national or State bank located within this State or through a broker-dealer which, at the time of purchase or redemption, has been registered continuously for a period of at least two years pursuant to section 9 of P.L.1967, c. 93 (C.49:3-56) and has at least \$25 million in capital stock (or equivalent capitalization if not a corporation), surplus reserves for contingencies and undivided profits, or through a securities dealer who makes primary markets in U.S. Government securities and reports daily to the Federal Reserve Bank of New York its position in and borrowing on such U.S. Government securities.

As of December 31, 2016 and 2015, the Authority had the following investments and maturities:

| | 2016 | 2015 |
|------------------------|---------------------|--------------------|
| <u>Investment</u> | <u>Fair Value</u> | <u>Fair Value</u> |
| Government Obligations | <u>\$ 3,891,513</u> | <u>\$3,656,314</u> |

NOTE 4: ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2016 and 2015 consisted of the following :

| | 2016 | 2015 |
|---------------------------------|--------------------|--------------------|
| Accounts Receivable - Customers | \$2,922,953 | \$3,052,643 |
| Other Receivables | 137,886 | 136,081 |
| Total | <u>\$3,060,839</u> | <u>\$3,188,724</u> |

MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
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NOTE 5: CAPITAL ASSETS:

The following is a summary of changes in the Authority's property, plant and equipment for the years ended December 31, 2016 and 2015:

| <u>Description</u> | <u>Balance</u> <u>December 31,</u> <u>2015</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>December 31,</u> <u>2016</u> |
|-----------------------------------|--|----------------------|------------------|--|
| Land | \$ 908,612 | \$ - | \$ - | \$ 908,612 |
| Buildings & Improvements | 111,819,611 | 781,174 | - | 112,600,785 |
| Equipment | 2,435,665 | - | - | 2,435,665 |
| Engineering & Other Costs | 8,045,981 | - | - | 8,045,981 |
| Total Property, Plant & Equipment | 123,209,869 | 781,174 | - | 123,991,043 |
| Less: Accumulated Depreciation | (67,653,139) | (2,951,132) | - | (70,604,271) |
| Net Property, Plant & Equipment | <u>\$ 55,556,730</u> | <u>\$(2,169,958)</u> | <u>\$ -</u> | <u>\$ 53,386,772</u> |

| <u>Description</u> | <u>Balance</u> <u>December 31,</u> <u>2014</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>December 31,</u> <u>2015</u> |
|-----------------------------------|--|-----------------------|------------------|--|
| Land | \$ 908,612 | \$ - | \$ - | \$ 908,612 |
| Buildings & Improvements | 110,808,205 | 1,011,406 | - | 111,819,611 |
| Equipment | 2,472,304 | - | (36,639) | 2,435,665 |
| Engineering & Other Costs | 8,045,981 | - | - | 8,045,981 |
| Total Property, Plant & Equipment | 122,235,102 | 1,011,406 | (36,639) | 123,209,869 |
| Less: Accumulated Depreciation | (64,669,085) | (3,020,693) | 36,639 | (67,653,139) |
| Net Property, Plant & Equipment | <u>\$ 57,566,017</u> | <u>\$ (2,009,287)</u> | <u>\$ -</u> | <u>\$ 55,556,730</u> |

NOTE 6: LONG-TERM DEBT

Outstanding Debt

The following is a summary of long-term debt at December 31, 2016 and 2015:

| | <u>Balance</u> <u>12/31/2015</u> | <u>Issued</u> | <u>Retired</u> | <u>Balance</u> <u>12/31/2016</u> | <u>Amounts</u> <u>Due Within</u> <u>One Year</u> |
|------------------------------|-------------------------------------|------------------|-----------------------|-------------------------------------|--|
| Bonds Payable | \$ 20,400,000 | - | \$ (1,325,000) | \$ 19,075,000 | \$ 915,000 |
| Unamortized Bond Premium | 180,935 | - | (14,786) | 166,149 | 14,786 |
| Post Retirement Benefits | 182,224 | 32,219 | - | 214,443 | - |
| Loan Payable - PSE&G | 61,831 | - | (8,767) | 53,064 | 8,789 |
| Loan Payable | 17,344,580 | - | (1,286,340) | 16,058,240 | 1,224,232 |
| Long Term Liabilities | <u>\$ 38,169,570</u> | <u>\$ 32,219</u> | <u>\$ (2,634,893)</u> | <u>\$ 35,566,896</u> | <u>\$ 2,162,807</u> |

MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
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NOTE 6: LONG-TERM DEBT (continued):

| | Balance 12/31/2014 | Issued | Retired | Balance 12/31/2015 | Amounts Due Within One Year |
|------------------------------|-----------------------|------------------|-----------------------|-----------------------|-----------------------------------|
| Bonds Payable | \$ 21,220,000 | - | \$ (820,000) | \$ 20,400,000 | \$ 1,325,000 |
| Unamortized Bond Premium | 195,721 | - | (14,786) | 180,935 | 14,786 |
| Post Retirement Benfits | 149,505 | 32,719 | - | 182,224 | - |
| Loan Payable - PSE&G | 70,576 | - | (8,745) | 61,831 | 8,767 |
| Loan Payable | 18,598,812 | - | (1,254,232) | 17,344,580 | 1,286,340 |
| Long Term Liabilities | \$ 40,234,614 | \$ 32,719 | \$ (2,097,763) | \$ 38,169,570 | \$ 2,634,893 |

A. 1998 Sewer Revenue Bonds -- Series of 1998:

The Authority determined to abandon that portion of the construction project related to the advanced wastewater pretreatment facility and has used the unexpended proceeds of the 1998 Bonds previously deposited to the Construction Fund, together with other available funds, to defease \$9,560,000 of the outstanding 1998 Bonds. The defeasance was completed pursuant to Section 12.01 of the bond resolution. An escrow deposit agreement between the Authority and TD Bank N.A. was executed. The refunded bonds have been discharged and satisfied, and such defease refunded bonds are deemed to have been paid and are no longer outstanding. The remaining payment schedule is as follows:

| <u>Issue</u> | <u>Initial Date of Issue</u> | <u>Date of Final Maturity</u> | <u>Interest Rate</u> | <u>Original Issue Amount</u> | <u>Principal Balance Outstanding</u> |
|-----------------------------|--------------------------------------|---------------------------------------|--------------------------|--------------------------------------|--|
| 1998 Sewer Revenue Bonds | 12/30/1998 | 12/1/2028 | 4.00%- 5.00% | <u>\$15,725,000</u> | <u>\$3,715,000</u> |

The following summary detailing the schedule of outstanding bonds by year and the annual debt principal requirements for each:

| | | | |
|-------------|----|------------------|--------|
| Term Bonds: | | | |
| 2018 | \$ | 410,000 | 4.750% |
| 2028 | | <u>3,305,000</u> | 4.750% |
| Total | \$ | <u>3,715,000</u> | |

Mandatory Sinking Fund Redemption

The Bonds maturing December 1, 2018 and December 1, 2028, respectively, are subject to mandatory redemption prior to maturity, by operation of a sinking fund in accordance with the provisions of the Resolution on December 1 of the years set forth below in the respective amounts listed opposite each year, at a price equal to 100% of the principal thereof, plus accrued interest thereon to the date fixed for such redemption.

MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
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DECEMBER 31, 2016 and 2015

NOTE 6: LONG-TERM DEBT (continued):

Bonds Maturing December 1, 2018

| <u>Year</u> | <u>Installment Sinking Fund</u> |
|--------------------|--|
| 2017 | 205,000 |
| 2018 (maturity) | 205,000 |

Bonds Maturing December 1, 2028

| <u>Year</u> | <u>Installment Sinking Fund</u> |
|--------------------|--|
| 2019 | \$215,000 |
| 2020 | 225,000 |
| 2021 | 235,000 |
| 2022 | 245,000 |
| 2023 | 255,000 |
| 2024 | 270,000 |
| 2025 | 280,000 |
| 2026 | 295,000 |
| 2027 | 310,000 |
| 2028 (maturity) | 975,000 |

Annual Requirements to Retire Debt Obligation – 1998 Sewer Revenue Bonds

| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--|-------------------------|------------------------|---------------------|
| 2017 | 205,000 | 176,462 | 381,462 |
| 2018 | 205,000 | 166,725 | 371,725 |
| 2019 | 215,000 | 156,987 | 371,987 |
| 2020 | 225,000 | 146,775 | 371,775 |
| 2021 | 235,000 | 136,087 | 371,087 |
| 2022 | 245,000 | 124,925 | 369,925 |
| 2023 | 255,000 | 113,287 | 368,287 |
| 2024 | 270,000 | 101,175 | 371,175 |
| 2025 | 280,000 | 88,350 | 368,350 |
| 2026 | 295,000 | 75,050 | 370,050 |
| 2027 | 310,000 | 61,037 | 371,037 |
| 2028 | 975,000 | 46,312 | 1,021,312 |
| Total | <u>\$3,715,000</u> | <u>\$1,393,172</u> | <u>\$5,108,172</u> |

B. 2007 Series C Sewer Revenue Bonds

On November 29, 2007, the Authority issued Series 2007 C Sewer Revenue Bonds that will be used to (i) Finance a portion of the costs of various capital improvements to the Authority's sewerage collection and treatment facilities, including construction of a new treatment facility, design of force mains, the upgrade and rehabilitation of an existing pump station and various improvements and integrations to connect the new treatment facility with the existing facility; (ii) Fund the debt service reserve requirement for the Series 2007 C Bonds through the deposit of a surety bond; and (iii) Pay certain costs associated with the issuance of the Series 2007 C Bonds, including the payment of the premium for the Bond Issuance Policy (collectively, the

MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
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NOTE 6: LONG-TERM DEBT (continued):

B. 2007 Series C Sewer Revenue Bonds (continued):

"2007 Project"). The amount of the Sewer Revenue Bonds was \$13,000,000 and the Bonds were delivered December 13, 2007.

| <u>Issue</u> | <u>Initial Date of Issue</u> | <u>Date of Final Maturity</u> | <u>Interest Rate</u> | <u>Original Issue Amount</u> | <u>Principal Balance Outstanding</u> |
|--|--------------------------------------|---------------------------------------|--------------------------|--------------------------------------|--|
| 2007 Series C Sewer Refunding Bonds | 12/13/2007 | 12/1/2037 | 4.00% to 5.00% | <u>\$13,000,000</u> | <u>\$12,920,000</u> |

The following summary detailing the schedule of outstanding bonds by year and the annual debt principal requirements for each:

| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Rate of Interest</u> |
|-------------------------------------|---------------------|---------------------|---------------------|-----------------------------|
| 2017 | 310,000 | 569,162 | 879,162 | 5.0% |
| 2018 | 335,000 | 553,662 | 888,662 | 5.0% |
| 2019 | 350,000 | 536,912 | 886,912 | 4.0% |
| 2020 | 360,000 | 522,912 | 882,912 | 4.0% |
| 2021 | 380,000 | 508,512 | 888,512 | 4.0% |
| 2022 | 395,000 | 493,312 | 888,312 | 4.1% |
| 2023 | 410,000 | 477,018 | 887,018 | 4.1% |
| 2024 | 430,000 | 460,106 | 890,106 | 4.2% |
| 2025 | 445,000 | 441,831 | 886,831 | 4.2% |
| 2026 | 465,000 | 422,918 | 887,918 | 4.2% |
| 2027 | 485,000 | 403,156 | 888,156 | 4.3% |
| 2028 | 1,000,000 | 381,937 | 1,381,937 | 4.3% |
| 2029 | 700,000 | 338,187 | 1,038,187 | 4.3% |
| 2030 | 730,000 | 307,562 | 1,037,562 | 4.3% |
| 2031 | 765,000 | 275,625 | 1,040,625 | 4.5% |
| 2032 | 800,000 | 241,200 | 1,041,200 | 4.5% |
| 2033 | 835,000 | 205,200 | 1,040,200 | 4.5% |
| 2034 | 870,000 | 167,625 | 1,037,625 | 4.5% |
| 2035 | 910,000 | 128,475 | 1,038,475 | 4.5% |
| 2036 | 950,000 | 87,525 | 1,037,525 | 4.5% |
| 2037 | <u>995,000</u> | <u>44,775</u> | <u>1,039,775</u> | 4.5% |
| Total | <u>\$12,920,000</u> | <u>\$ 7,567,612</u> | <u>\$20,487,612</u> | |

Optional Redemption

The Series 2007 C Bonds maturing on or after December 1, 2018 are subject to redemption prior to maturity at the option of the Authority on December 1, 2016 and on any date thereafter, as a whole, or in part from such maturities as the Authority shall determine and by lot within a single maturity, at a redemption price equal to the principal amount to be redeemed (together with interest accrued thereon to the date fixed for such redemption).

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DECEMBER 31, 2016 and 2015

NOTE 6: LONG-TERM DEBT (continued):

B. 2007 Series C Sewer Revenue Bonds (continued):

Sinking Fund

The Series 2007 C Bonds maturing on December 31, 2037 are subject to mandatory redemption by operation of a sinking fund provided for in the Resolution at a redemption price equal to the principal amount thereof in the following principal amounts on December 1 in each of the years set forth below:

| <u>Year</u> | <u>Principal Amount</u> |
|-----------------|-------------------------|
| 2027 | \$ 485,000 |
| 2028 | 1,000,000 |
| 2029 | 700,000 |
| 2030 | 730,000 |
| 2031 | 765,000 |
| 2032 | 800,000 |
| 2033 | 835,000 |
| 2034 | 870,000 |
| 2035 | 910,000 |
| 2036 | 950,000 |
| 2037 (Maturity) | 995,000 |

C. 2009 Series A Taxable Sewer Revenue Bonds

On July 9, 2009, the authority issued 2009 Series A Taxable Sewer Revenue Bonds that will be used to (i) fund a required deposit to the Debt Reserve Fund under the resolution; (ii) pay certain costs associated with the issuance of the 2009 Series A Bonds. The amount of the Taxable Revenue Bonds was \$2,440,000 and the Bonds were delivered July 9, 2009.

| <u>Issue</u> | <u>Initial Date of Issue</u> | <u>Date of Final Maturity</u> | <u>Interest Rate</u> | <u>Original Issue Amount</u> | <u>Principal Balance Outstanding</u> |
|--------------------------------|--------------------------------------|---------------------------------------|--------------------------|--------------------------------------|--|
| 2009 Series A Taxable Bonds | 7/09/2009 | 12/31/2038 | 6.00%- 6.75% | <u>\$2,440,000</u> | <u>\$2,440,000</u> |

The following summary details the schedule of outstanding bonds by year and the annual debt principal requirements for each:

| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Rate of Interest</u> |
|-------------------------------------|-----------------------|-----------------------------|
| Serial Bonds: | | |
| 2017 | \$ 400,000.00 | 6.000% |
| 2029 | 1,040,000.00 | 6.625% |
| 2038 | <u>1,000,000.00</u> | 6.750% |
| Total | <u>\$2,440,000.00</u> | |

MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of Mount Holly Township, New Jersey)
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DECEMBER 31, 2016 and 2015

NOTE 6: LONG-TERM DEBT (continued):

C. 2009 Series A Taxable Sewer Revenue Bonds (continued):

| <u>Year Ending</u> <u>December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Rate of</u> <u>Interest</u> |
|---|-----------------------|--------------------|--------------------|-----------------------------------|
| 2017 | \$ 400,000.00 | 160,400 | 560,400 | 6.0% |
| 2018 | | 136,400 | 136,400 | 6.0% |
| 2019 | | 136,400 | 136,400 | 6.0% |
| 2020 | | 136,400 | 136,400 | 6.0% |
| 2021 | | 136,400 | 136,400 | 6.0% |
| 2022 | | 136,400 | 136,400 | 6.0% |
| 2023 | | 136,400 | 136,400 | 6.0% |
| 2024 | | 136,400 | 136,400 | 6.0% |
| 2025 | | 136,400 | 136,400 | 6.0% |
| 2026 | | 136,400 | 136,400 | 6.0% |
| 2027 | | 136,400 | 136,400 | 6.0% |
| 2028 | | 136,400 | 136,400 | 6.0% |
| 2029 | 1,040,000.00 | 136,400 | 1,176,400 | 6.6% |
| 2030 | | 67,500 | 67,500 | 6.6% |
| 2031 | | 67,500 | 67,500 | 6.6% |
| 2032 | | 67,500 | 67,500 | 6.6% |
| 2033 | | 67,500 | 67,500 | 6.6% |
| 2034 | | 67,500 | 67,500 | 6.6% |
| 2035 | | 67,500 | 67,500 | 6.6% |
| 2036 | | 67,500 | 67,500 | 6.6% |
| 2037 | | 67,500 | 67,500 | 6.6% |
| 2038 | <u>1,000,000.00</u> | <u>67,500</u> | <u>1,067,500</u> | 6.7% |
| Total | <u>\$2,440,000.00</u> | <u>\$2,404,700</u> | <u>\$4,844,700</u> | |

D. New Jersey Environmental Infrastructure Trust and Fund Loan- Construction Project

The Authority has determined there exists a need within its service area to undertake various capital improvements to its System, including reconstruction of its central treatment plant and rehabilitation of various water mains, all as more particularly describe in the report prepared therefore by the Authority's Consulting Engineer as further defined in that certain Loan Agreement to be entered into between the Authority and the New Jersey Wastewater Treatment Trust and that certain Loan Agreement to be entered into between the Authority and the State of New Jersey, acting by and through the New Jersey Department of Environmental Protection, all pursuant to the 2007 New Jersey Environmental Infrastructure Trust financing program; and on November 9, 2006, the Authority adopted a note resolution pursuant to which the Authority has heretofore issued its Project Notes, Series 2006 to temporarily finance a portion of the 2007 Project; and on July 12, 2007, the Authority adopted a note resolution pursuant to which the Authority will issue its Project Notes, Series 2007 to temporarily finance a portion of the 2007 Project; and the Authority has determined to finance a portion of the acquisition, construction, renovation or installation of the 2007 Project with the proceeds of a loan to be made by each of the Trust and the State pursuant to the Trust Loan Agreement and the Fund Loan Agreement, respectively. During 2015 the Authority did not utilize the entire Trust funding

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NOTE 6: LONG-TERM DEBT (continued):

D. New Jersey Environmental Infrastructure Trust and Fund Loan- Construction Project (continued):

portion of the 2007A NJEIT Loan and the New Jersey Infrastructure Trust forgave and refunded bonds, Series 2015A-R1, to the Authority that resulted in a \$1,036,000 gain on refunding of bonds amortized over twelve years.

The following summary details the schedule of outstanding loans by year and the annual loan principal requirement for each:

| <u>Year</u> | <u>NJEIT TRUST LOAN</u> | | <u>Rate of Interest</u> | <u>NJEIT FUND LOAN</u> | | <u>TOTAL</u> |
|-------------|-------------------------|--------------------|-------------------------|------------------------|------------------|----------------------|
| | <u>Principal</u> | <u>Interest</u> | | <u>Principal</u> | <u>Principal</u> | |
| 2017 | 505,000 | 372,938 | 5.0% | 624,486 | | 1,129,486 |
| 2018 | 531,000 | 343,438 | 5.0% | 624,810 | | 1,155,810 |
| 2019 | 557,000 | 312,438 | 4.0% | 624,161 | | 1,181,161 |
| 2020 | 588,000 | 286,438 | 4.0% | 626,756 | | 1,214,756 |
| 2021 | 616,000 | 259,238 | 5.0% | 625,329 | | 1,241,329 |
| 2022 | 646,000 | 223,988 | 5.0% | 625,167 | | 1,271,167 |
| 2023 | 681,000 | 186,988 | 4.2% | 627,112 | | 1,308,112 |
| 2024 | 713,000 | 153,838 | 4.5% | 625,069 | | 1,338,069 |
| 2025 | 751,000 | 117,388 | 4.5% | 627,372 | | 1,378,372 |
| 2026 | 786,000 | 79,138 | 4.5% | 625,264 | | 1,411,264 |
| 2027 | <u>825,000</u> | <u>39,312</u> | 4.2% | <u>625,378</u> | | <u>1,450,378</u> |
| Total | <u>\$ 7,199,000</u> | <u>\$2,375,142</u> | | <u>\$ 6,880,904</u> | | <u>\$ 14,079,904</u> |

E. New Jersey Environmental Infrastructure Trust and Fund Loan- Edward Street Pump Station

On March 10, 2011, the Authority borrowed \$1,950,000 in Revenue Bonds through the New Jersey Environmental Infrastructure Trust. The "Fund" (Federal Funds) portion of the Bond Issue, \$1, 470, 000, was issued with no interest rate. The remaining Bonds mature semi- annually from August 1, 2011 through August 1, 2029 at maturities ranging from \$49,831 to \$74,746. On May 24, 2012, \$399,363 was de-obligated by the State of New Jersey from the NJEIT Fund Loan.

The "Loan" (State Funds) portion of the Bond Issue, \$480,000, the remaining bonds mature annually from August 1, 2011 through 2029 at annual maturities ranging from \$15,000 to \$35,000 and bear interest at rates ranging from 3.00% to 5.00%.

The following summary details the schedule of outstanding loans by year and annual loan principal requirement for each:

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NOTE 6: LONG-TERM DEBT (continued):

E. New Jersey Environmental Infrastructure Trust and Fund Loan- Edward Street Pump Station (continued):

| <u>Year</u> | <u>NJEIT TRUST LOAN</u> | | <u>Rate of Interest</u> | <u>NJEIT FUND LOAN</u> | | <u>TOTAL</u> |
|-------------|-------------------------|------------------|-------------------------|------------------------|------------------|-------------------|
| | <u>Principal</u> | <u>Interest</u> | | <u>Principal</u> | <u>Principal</u> | <u>Principal</u> |
| 2017 | 20,000 | 15,100 | 5.0% | 74,745 | | 94,745 |
| 2018 | 25,000 | 14,100 | 5.0% | 74,746 | | 99,746 |
| 2019 | 25,000 | 12,850 | 4.0% | 74,745 | | 99,745 |
| 2020 | 25,000 | 11,850 | 5.0% | 74,746 | | 99,746 |
| 2021 | 25,000 | 10,600 | 3.0% | 74,746 | | 99,746 |
| 2022 | 25,000 | 9,850 | 4.0% | 74,746 | | 99,746 |
| 2023 | 30,000 | 8,850 | 4.0% | 74,746 | | 104,746 |
| 2024 | 30,000 | 7,650 | 4.0% | 49,112 | | 79,112 |
| 2025 | 30,000 | 6,450 | 4.0% | - | | 30,000 |
| 2026 | 30,000 | 5,250 | 4.0% | - | | 30,000 |
| 2027 | 35,000 | 4,200 | 4.0% | - | | 35,000 |
| 2028 | 35,000 | 2,800 | 4.0% | - | | 35,000 |
| 2027 | <u>35,000</u> | <u>1,400</u> | 4.0% | - | | <u>35,000</u> |
| Total | <u>\$370,000</u> | <u>\$110,950</u> | | <u>\$572,332</u> | | <u>\$ 942,332</u> |

F. Loan Payable – Summit Water Nexus

On September 13, 2012, the Authority entered into loan agreement to finance a portion of additional expenditures needed to upgraded utilities owned by Public Service Electric & Gas in order to properly operate the solar energy system as part of the Solar Power Purchase Agreement. The total cost of the upgrade was \$246,000, and the cost was to be split equally between the Authority, Vanguard Energy Partners LLC and Summit Water Nexus, Mount Holly, LLC. The payments are to be made to Summit Water Nexus as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|------------------|-----------------|---------------|
| 2017 | 8,789 | 133 | 8,922 |
| 2018 | 8,811 | 111 | 8,922 |
| 2019 | 8,833 | 89 | 8,922 |
| 2020 | 8,855 | 67 | 8,922 |
| 2021 | 8,877 | 44 | 8,921 |
| 2022 | <u>8,899</u> | <u>22</u> | <u>8,921</u> |
| Total | <u>\$ 53,064</u> | <u>466</u> | <u>53,530</u> |

MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
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NOTE 7: PENSION NOTE

Description of System and Vesting

All eligible authority employees participate in the contributory defined benefit public employee retirement system established by state statute. The Public Employees Retirement System (PERS) is sponsored and administered by the State of New Jersey and considered a cost-sharing multiple employer plan.

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage.

At December 31, 2016 the Authority reported a liability of \$14,447,152 for its proportionate share of the net pension liability as measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The authority's proportion of the net pension liability was based on a projection of the authority's long - term share of contributions to the pension plan relative to the projected contributions of all participating authorities, actuarially determined. At June 30, 2015, the authority's proportion was .0487797127% which increased by .0249% from its proportion measured as of June 30, 2015.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the year ended December 31, 2016 the Authority recognized pension expense of \$1,355,000 At December 31, 2016, the Authority reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

| | <u>November 30, 2016</u> | | <u>November 30, 2015</u> | |
|--|--|---|--|---|
| | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> | <u>Deferred Outflow of Resources</u> | <u>Deferred Inflow of Resources</u> |
| Difference Between Expected and Actual Experience | 268,673 | | \$ 263,290 | |
| Changes of Assumptions | 2,992,678 | | 1,185,221 | |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 550,883 | | | 177,444 |
| Changes in Proportion and Differences Between Authority Contributions and Proportionate Share of Contributions | 187,628 | 235,972 | 238,065 | 223,678 |
| Authority Contributions Subsequent to The Measurement Date | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>\$3,999,862</u> | <u>\$ 235,972</u> | <u>\$1,686,576</u> | <u>\$401,122</u> |

MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of Mount Holly Township, New Jersey)
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DECEMBER 31, 2016 and 2015

NOTE 7: PENSION NOTE (continued):

\$3,999,862 and \$1,686,576 will be reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date are recognized as a reduction of the net pension liability in the years ended December 31, 2016 and 2015 respectively. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as shown below. The amounts represent the Authority's proportionate share of deferred outflows of resources and deferred inflows of resources.

| Year ended December 31 : | | Year ended December 31 : | |
|--------------------------|---------------------|--------------------------|---------------------|
| 2017 | \$ 670,914 | 2016 | \$ 204,632 |
| 2018 | 670,914 | 2017 | 204,632 |
| 2019 | 670,914 | 2018 | 204,632 |
| 2020 | 670,914 | 2019 | 204,631 |
| 2021 | 670,912 | 2020 | 204,631 |
| Thereafter | <u>409,322</u> | Thereafter | <u>262,296</u> |
| Total | \$ <u>3,763,890</u> | Total | \$ <u>1,285,454</u> |

Additional Information

Collective local balances at December 31, 2016 and 2015 are as follows

| | 12/31/2016 | 12/31/2015 |
|---|------------------|----------------|
| Collective Deferred outflows of resources | \$ 8,685,338,380 | 3,578,755,666 |
| Collective Deferred inflows of resources | 870,133,595 | 993,410,455 |
| Collective net pension liability | 29,617,131,759 | 22,447,996,119 |
| Authority's Proportion | 0.04878% | 0.04916% |

Actuarial Assumptions

The total pension liability in the June 30, 2016 and 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement as follows:

| | <u>2016</u> | | <u>2015</u> |
|-------------------|--------------|-------------------|--------------|
| Inflation Rate | 3.08% | Inflation Rate | 3.04% |
| Salary Increases: | 1.65 – 4.15% | Salary Increases: | 2.15 – 4.40% |
| Through 2026 | Based on Age | 2012 – 2021 | Based on Age |
| Thereafter | 2.65 – 5.15% | Thereafter | 3.15 – 5.40% |
| | Based on Age | | Based on Age |

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

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DECEMBER 31, 2016 and 2015

NOTE 7: PENSION NOTE (continued):

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 and 2015 are summarized in the following tables:

| Asset Class | 2016 Target Allocation | 2016 Long-Term Expected Real Rate of Return |
|-------------------------------|---------------------------|--|
| Cash | 5.00% | 0.87% |
| U.S. Treasuries | 1.50% | 1.74% |
| Investment Grade Credit | 8.00% | 1.79% |
| Mortgages | 2.00% | 1.67% |
| High Yield Bonds | 2.00% | 4.56% |
| Inflation-Indexed Bonds | 1.50% | 3.44% |
| Broad US Equities | 26.00% | 8.53% |
| Developed Foreign Equities | 13.25% | 6.83% |
| Emerging Market Equities | 6.50% | 9.95% |
| Private Equity | 9.00% | 12.40% |
| Hedge Funds / Absolute Return | 12.50% | 4.68% |
| Real Estate (Property) | 2.00% | 6.91% |
| Commodities | 0.50% | 5.45% |
| Global Debt Ex U.S. | 5.00% | -0.25% |
| REIT | 5.25% | 5.63% |

MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
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NOTE 7: PENSION NOTE (continued):

Long-Term Expected Rate of Return (continued):

| Asset Class | 2015 Target Allocation | 2015 Long-Term Expected Real Rate of Return |
|-------------------------------|---------------------------|--|
| Cash | 5.00% | 1.04% |
| U.S. Treasuries | 1.75% | 1.64% |
| Investment Grade Credit | 10.00% | 1.79% |
| Mortgages | 2.10% | 1.62% |
| High Yield Bonds | 2.00% | 4.03% |
| Inflation-Indexed Bonds | 1.50% | 3.25% |
| Broad US Equities | 27.25% | 8.52% |
| Developed Foreign Equities | 12.00% | 6.88% |
| Emerging Market Equities | 6.40% | 10.00% |
| Private Equity | 9.25% | 12.41% |
| Hedge Funds / Absolute Return | 12.00% | 4.72% |
| Real Estate (Property) | 2.00% | 6.83% |
| Commodities | 1.00% | 5.32% |
| Global Debt Ex U.S. | 3.50% | -0.40% |
| REIT | 4.25% | 5.12% |

Discount Rate

The discount rate used to measure the total pension liability was 3.98% and 4.90% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65%, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, respectively, based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2016 and 2015, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

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(A Component Unit of Mount Holly Township, New Jersey)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015

NOTE 7: PENSION NOTE (continued):

| 2016 | | | |
|-------------|-----------------------------------|---|-----------------------------------|
| | <u>At 1% decrease (2.98%)</u> | <u>At current discount rate (3.98%)</u> | <u>At 1% increase (4.98%)</u> |
| State | 34,422,851,197 | 29,390,685,705 | 25,246,574,457 |
| Local | <u>36,292,338,055</u> | <u>29,617,131,759</u> | <u>24,106,170,190</u> |
| | <u>70,715,189,252</u> | <u>49,007,817,464</u> | <u>49,352,744,647</u> |
| 2015 | | | |
| | <u>At 1% decrease (3.90%)</u> | <u>At current discount rate (4.90%)</u> | <u>At 1% increase (5.90%)</u> |
| State | 27,802,122,942 | 23,722,135,537 | 20,314,768,782 |
| Local | <u>27,900,112,533</u> | <u>22,447,996,119</u> | <u>17,876,981,108</u> |
| | <u>55,702,235,475</u> | <u>46,170,131,656</u> | <u>38,191,749,890</u> |

Description of System and Vesting

Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above-mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

The State of New Jersey, Department of Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include financial statements and required supplementary information for PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Contribution Requirements

The contribution policy is set by *N.J.S.A.43:15A*, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and *N.J.S.A.18:66*, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provide for employee contributions of 6.5%, effective October 1, 2011, of employees' annual compensation as defined. The rate will increase over the next seven years to 7.5%. Employers are required to contribute at an actuarially determined rate in PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits and post-retirement medical premiums. The Authority's contributions to P.E.R.S. for the years ending December 31, 2016, 2015 and 2014 were \$422,681, \$392,948 and \$371,941, respectively, equal to the required contributions for each year.

MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of Mount Holly Township, New Jersey)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015

NOTE 8: JOINT INSURANCE FUND

The Mount Holly Municipal Utilities Authority is a member of the New Jersey Utility Authorities Joint Insurance Fund (NJUA). The NJUA Fund provides lines of coverage to the Mount Holly Municipal Utilities Authority as follows:

| | <u>MUA Deductible</u> | <u>JIF</u> | <u>MEL</u> | <u>Excess Coverage</u> |
|--|---------------------------|------------|------------|----------------------------|
| (A) Worker's Compensation (each claim) | None | \$200,000 | \$200,000 | \$1,800,000 |
| (B) Property Coverage (each loss) | \$1,000 | 25,000 | | \$150,000,000 |
| (C) Boiler & Machinery (each loss) | 1,000 | 5,000 | | Up to \$150,000,000 |
| (D) General Liability (each occurrence) | None | 200,000 | 800,000 | 10,000,000 |
| (E) Auto Liability (each occurrence) | None | 200,000 | 800,000 | 10,000,000 |
| (F) Public Officials/Employment Practices | Varies | | 2,000,000 | \$3,000,000 |
| (G) Employee Dishonesty & Faithful Performance (Retention \$50,000) | 1,000 | 50,000 | | Up to \$1,000,000 |

NOTE 9: RETIREE HEALTH BENEFIT COVERAGE

The Authority provides health care benefits to its eligible retired employees. In order for a retiree to be eligible to receive retirement benefits from the Authority the following conditions must be met:

- A. Retire with 30 or more years of service with the Authority.
- B. Retiree must be 55 years or older at the time of retirement.

Eligible retirees meeting the above requirements cannot have hospitalization insurance from another source. Retiree health benefits terminate when the retired employee is eligible for Medicare or dies. Employees receiving retiree health benefits must notify the Authority in writing, with proof of enrollment, when they become eligible for Medicare Parts A and B. The maximum contribution by the Authority for retiree health benefits is \$7,000 for union supervisors and \$8,500 for regular union workers per year per retiree.

As a result of implementing GASB statement No.'s 43 and 45 *Accounting and Financial Reporting for Post-Employment Benefit Plans Other than Pension Plans ("OPEB")* the Authority has hired an independent actuarial firm to calculate their annual OPEB costs and unfunded accrued liability as required by GASB 45. The Authority's annual Other Post-Employment Benefit cost is calculated based on the Annual Required Contribution. The actuarial cost method used to determine the Plan's funding requirements is the "Projected Unit Credit" method. Under this method, an actuarial accrued liability is determined as the present value of the portion of projected benefits, which is allocated to service before the current plan year. In addition, a normal cost is determined as the actuarial present value of the portion of projected benefits, which is allocated to service in the current plan year for each active participant under the assumed retirement age. The normal cost amount is expected to increase annually at the discount rate, currently 4.5%. The Plan is currently unfunded. The unfunded actuarial liability is amortized over a period not to exceed 30 years. The following table shows the changes in the Authority's annual Other Post-Employment Benefit cost for the year, the amount actually contributed to the Plan and changes in the Authority's net Other Post-Employment Benefit obligation to the plan:

MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of Mount Holly Township, New Jersey)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015

NOTE 9: RETIREE HEALTH BENEFIT COVERAGE (continued):

| | 2016 | 2015 |
|--|------------------|------------------|
| Annual Required Contribution | \$39,219 | \$39,219 |
| Payments to Retirees | (7,000) | (6,500) |
| Increase in Net Other Post Employment Benefit Obligation | 32,219 | 32,719 |
| Post Employment benefits Beginning of the year | 182,224 | 149,505 |
| Net Other Post-Employment Benefit - December 31 | <u>\$214,443</u> | <u>\$182,224</u> |

The Authority's annual Other Post-Employment Benefit cost, the percentage of annual Other Post-Employment Benefit cost contributed to the Plan, and the net Other Post Employment Benefit obligation (OPEB) for the year ending December 31, 2016 and 2015 is as follows:

| <u>YEAR ENDED</u> | <u>ANNUAL OPEB COST</u> | <u>PERCENTAGE CONTRIBUTED</u> | <u>NET OPEB OBLIGATION</u> |
|-----------------------|-----------------------------|-----------------------------------|--------------------------------|
| 12/31/16 | \$ 32,719 | 0.00% | \$ 214,443 |
| 12/31/15 | 33,219 | 0.00% | 182,224 |

Actuarial assumptions were used to value the post-retirement medical liabilities. Actuarial assumptions were based on the actual experience of the covered group, to the extent that creditable experience data was available, with an emphasis on expected long-term future trends rather giving undue weight to recent past experience. The reasonableness of each actuarial assumption was considered independently based on its own merits, its consistency with each other assumption, and the combined impact of all assumptions. In accordance with Local 2008-15 issued by the New Jersey Department of Community Affairs, we used demographic and health care assumptions consistent with the assumptions used by New Jersey Division of Pensions and Benefits and the State Health Benefits Plan as reported in their July 1, 2006 Actuarial Valuation to value the GASB obligations, except where it was appropriate to use different assumptions.

Two economic assumptions used in the valuation are the discount rate and the health care cost trend rates. The economic assumptions are used to account for changes in the cost of benefits over time and to discount future benefit payments for the time value of money.

The investment return assumption (discount rate) should be the estimated long-term investment yield on the investments that are expected to be used to finance the payments of benefits. The investments expected to be used to finance the payments of benefits would be plan assets for funded plans, assets of the employer for pay-as-you-go plans, or a proportionate combination of the two for plans that are being partially funded. We assumed a discount rate of 4.5 percent for purposes of developing the liabilities and Annual Required Contribution on the basis that the Plan would not be funded.

The valuation projects the cost to the Authority of providing medical benefits to employees who remain in the medical plan after retirement (post-employment coverage). Mt. Holly MUA contributes a maximum amount towards the health plan per employee per year based on the employee's position. We elected to use for this valuation the maximum contribution costs based on 100% of future retirees participating in the post-employment benefit plan.

MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of Mount Holly Township, New Jersey)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015

NOTE 9: RETIREE HEALTH BENEFIT COVERAGE (continued):

The Authority is required by New Jersey regulations to recalculate the Net Other Post-Employment Benefit Obligation every three years. An actuarial calculation will be required for the year ended December 31, 2017.

The Authority currently has two eligible retired employee receiving retirement benefits. The net Other Post-Employment Benefit obligation to the Authority to provide benefits to the retirees for the year ended December 31, 2016 was \$214,443. The Authority paid \$7,000 in 2016 and \$6,500 in 2015 for retiree health benefits.

NOTE 10: UNRESTRICTED NET POSITION APPROPRIATED

2016 Unrestricted Net Position before pension liability, amounts to \$14,444,434. Of that amount, \$341,000 was appropriated for payment to Mount Holly Township in the 2017 budget.

In addition, there has been a reclassification of 2015 Restricted Net Position for Renewal and Replacement from \$3,999,415 to \$1,300,000. The 2015 Unrestricted Net Position changes from (\$3,440,752) to (\$741,337).

NOTE 11: RETROACTIVE RESTATEMENT OF NET POSITION

The Authority adopted GASB No. 68 – Accounting and Financial Reporting for Pensions – An amendment of GASB No. 27 during the 2015 fiscal year as required by the pronouncement. The pronouncement requires the Authority to record its proportional share of the State of New Jersey’s net pension liability on the face of its financial statements as of December 31, 2015 and to record related pension expense in accordance with the pronouncement. In order to correctly reflect pension expense in accordance with GASB No. 68, the beginning Net Position of the Authority was adjusted to reflect the beginning balance of the net position liability. Since the measurement date of the net pension liability is December 31, 2015, the restatement adjustments to Net Position relate to the beginning net pension liability measured as of January 1, 2015. Also, in accordance with GASB 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date, the Authority restated its Net Position for pension contributions made after the beginning net pension liability measurement date of January 1, 2015 (Deferred Outflows).

| | |
|--|---------------------|
| Net Position, January 1, 2015 | \$32,063,051 |
| Restatement of: | |
| Net Pension Liability | (8,924,296) |
| Pension Deferred Outflows | <u>280,628</u> |
| Net Position - Per Exhibit A, January 1, 2015 (As Restated) | <u>\$23,419,383</u> |

NOTE 12: SUBSEQUENT EVENTS

The Mount Holly Municipal Utilities Authority has evaluated subsequent events occurring after December 31, 2016 through the date of March 10, 2017, which is the date the financial statements were available to be issued.

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REQUIRED SUPPLEMENTARY INFORMATION – PART II

MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of Mount Holly Township, New Jersey)
SCHEDULE OF OPERATING REVENUES AND COST FUNDED BY
OPERATING REVENUES COMPARED TO BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2016
(With Comparative Totals for the Year Ended December 31, 2015)

| | DECEMBER 31, 2016 | | | DECEMBER 31, 2015 | | |
|---------------------------------|--------------------|-------------------|---------------|--------------------|-------------------|---------------|
| | ORIGINAL BUDGET | AMENDED BUDGET | ACTUAL | ORIGINAL BUDGET | AMENDED BUDGET | ACTUAL |
| Revenues: | | | | | | |
| Meter Services | \$ 12,424,500 | \$ 12,424,500 | \$ 12,884,351 | \$ 12,421,000 | \$ 12,421,000 | \$ 12,804,319 |
| Connection Fees | 400,000 | 400,000 | 417,114 | 400,000 | 400,000 | 1,029,896 |
| Sludge & Septic Income | 1,094,000 | 1,094,000 | 982,887 | 1,094,000 | 1,094,000 | 1,117,097 |
| Interest Income | 10,750 | 10,750 | 1,398 | 50,750 | 50,750 | 2,264 |
| Unleaded Gas to Township | 75,000 | 75,000 | 47,817 | 75,000 | 75,000 | 59,763 |
| Other | 103,750 | 103,750 | 98,261 | 107,250 | 107,250 | 108,594 |
| Total Revenues | 14,108,000 | 14,108,000 | 14,431,828 | 14,148,000 | 14,148,000 | 15,121,933 |
| Operating Expenses: | | | | | | |
| Administrative: | | | | | | |
| Salaries | 627,500 | 627,500 | 500,441 | 627,500 | 627,500 | 444,399 |
| Professional Fees | 130,500 | 130,500 | 156,262 | 130,500 | 130,500 | 129,442 |
| Trustee Fees | 15,000 | 15,000 | 11,550 | 15,000 | 15,000 | 11,550 |
| Computer Expenses | 25,000 | 25,000 | 12,355 | 25,000 | 25,000 | 13,161 |
| Travel | 5,000 | 5,000 | 6,505 | 5,000 | 5,000 | 5,952 |
| Other Expenses | 64,500 | 64,500 | 60,439 | 74,500 | 74,500 | 48,396 |
| Total Administrative Expense | 867,500 | 867,500 | 747,552 | 877,500 | 877,500 | 652,900 |
| Office: | | | | | | |
| Payment In-Lieu of Taxes | 341,000 | 341,000 | 341,000 | 365,150 | 365,150 | 341,000 |
| Utility Expenses | 25,500 | 25,500 | 8,605 | 25,500 | 25,500 | 13,394 |
| Telephone Expenses | 10,000 | 10,000 | 9,470 | 10,000 | 10,000 | 9,944 |
| Repair and Maintenance | 5,000 | 5,000 | 1,464 | 5,000 | 5,000 | 4,184 |
| Supplies | 15,000 | 15,000 | 8,574 | 15,000 | 15,000 | 10,963 |
| Small Tools/Equipment | | | 110 | | | 257 |
| Postage | 32,000 | 32,000 | 29,973 | 32,000 | 32,000 | 29,345 |
| Total Office Expense | 428,500 | 428,500 | 399,196 | 452,650 | 452,650 | 409,087 |
| General - Employee Benefits: | | | | | | |
| Employee Taxes | 337,400 | 337,400 | 323,673 | 332,400 | 332,400 | 318,768 |
| Pension | 425,000 | 425,000 | 1,355,000 | 425,000 | 425,000 | 1,501,583 |
| Insurance Expenses | 270,000 | 270,000 | 233,834 | 250,000 | 250,000 | 233,610 |
| Health Benefits | 1,289,170 | 1,289,170 | 1,000,293 | 1,201,984 | 1,201,984 | 1,043,833 |
| Total General-Employee Benefits | 2,321,570 | 2,321,570 | 2,912,800 | 2,209,384 | 2,209,384 | 3,097,794 |
| Plant: | | | | | | |
| Salaries | 2,325,600 | 2,325,600 | 2,214,134 | 2,280,000 | 2,280,000 | 2,201,654 |
| Professional Fees | 15,000 | 15,000 | 57,066 | 15,000 | 15,000 | 95,175 |
| Contracted Services | 80,000 | 80,000 | 37,799 | 80,000 | 80,000 | 52,729 |
| Utilities Expense | 632,500 | 632,500 | 340,352 | 632,500 | 632,500 | 462,234 |
| Telephone Expense | 20,000 | 20,000 | 17,256 | 20,000 | 20,000 | 14,043 |
| Repair & Maintenance | 120,000 | 120,000 | 115,538 | 120,000 | 120,000 | 82,762 |
| Supplies | 78,000 | 78,000 | 51,847 | 71,000 | 71,000 | 42,701 |
| Other Expenses | 55,000 | 55,000 | 42,713 | 62,000 | 62,000 | 59,209 |
| Travel | 11,000 | 11,000 | 9,447 | 21,000 | 21,000 | 4,691 |
| Small Tools/Equipment | 38,250 | 38,250 | 44,906 | 38,250 | 38,250 | 50,313 |

MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of Mount Holly Township, New Jersey)
SCHEDULE OF OPERATING REVENUES AND COST FUNDED BY
OPERATING REVENUES COMPARED TO BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2016
(With Comparative Totals for the Year Ended December 31, 2015)

| | DECEMBER 31, 2016 | | | DECEMBER 31, 2015 | | |
|--|--------------------|-------------------|-----------|--------------------|-------------------|-----------|
| | ORIGINAL BUDGET | AMENDED BUDGET | ACTUAL | ORIGINAL BUDGET | AMENDED BUDGET | ACTUAL |
| Operating Expenses (continued): | | | | | | |
| Plant (continued): | | | | | | |
| License Fees | 32,500 | 32,500 | 23,407 | 42,500 | 42,500 | 23,477 |
| Chemicals | 228,500 | 228,500 | 143,015 | 228,500 | 228,500 | 122,162 |
| Hauling Expense | 65,000 | 65,000 | 37,150 | 65,000 | 65,000 | 41,577 |
| Total Plant Expenses | 3,701,350 | 3,701,350 | 3,134,630 | 3,675,750 | 3,675,750 | 3,252,727 |
| Laboratory: | | | | | | |
| Salaries | 285,000 | 285,000 | 291,443 | 285,000 | 285,000 | 285,449 |
| Contracted Services | 25,000 | 25,000 | 35,306 | 25,000 | 25,000 | 16,853 |
| Repair & Maintenance | 12,000 | 12,000 | 5,696 | 12,000 | 12,000 | 4,333 |
| Supplies | 29,000 | 29,000 | 27,448 | 29,000 | 29,000 | 26,346 |
| Other Expenses | 3,250 | 3,250 | 859 | 3,250 | 3,250 | 744 |
| Travel | 800 | 800 | 685 | 800 | 800 | 411 |
| Small Tools/Equipment | 2,250 | 2,250 | 1,033 | 2,250 | 2,250 | 444 |
| License Fees | 1,500 | 1,500 | 776 | 1,500 | 1,500 | 2,679 |
| Total Laboratory Expenses | 358,800 | 358,800 | 363,246 | 358,800 | 358,800 | 337,259 |
| Sludge Hauling: | | | | | | |
| Hauling Expense | 550,000 | 550,000 | 515,605 | 550,000 | 550,000 | 569,185 |
| Total Sludge Hauling Expense | 550,000 | 550,000 | 515,605 | 550,000 | 550,000 | 569,185 |
| Industrial Pretreatment: | | | | | | |
| Salaries | 90,500 | 90,500 | 95,034 | 90,500 | 90,500 | 93,892 |
| Telephone Expense | 500 | 500 | 260 | 500 | 500 | 341 |
| Other Expenses | 1,250 | 1,250 | 565 | 1,250 | 1,250 | 425 |
| Travel | 1,000 | 1,000 | | 1,000 | 1,000 | 197 |
| Total Industrial Pretreatment Expenses | 93,250 | 93,250 | 95,859 | 93,250 | 93,250 | 94,855 |
| Line Maintenance: | | | | | | |
| Salaries | 500,000 | 500,000 | 522,808 | 500,000 | 500,000 | 525,761 |
| Contracted Services | 50,000 | 50,000 | 12,506 | 50,000 | 50,000 | 36,098 |
| Utilities Expense | 327,000 | 327,000 | 218,374 | 323,500 | 323,500 | 253,360 |
| Telephone Expense | 15,000 | 15,000 | 7,544 | 15,000 | 15,000 | 14,346 |
| Repair & Maintenance | 94,500 | 94,500 | 81,583 | 98,000 | 98,000 | 105,556 |
| Supplies | 500 | 500 | 875 | 500 | 500 | 379 |
| Other Expenses | 27,000 | 27,000 | 7,979 | 27,000 | 27,000 | 5,740 |
| Travel | 5,000 | 5,000 | 1,852 | 5,000 | 5,000 | 2,607 |
| Small Tools/Equipment | 10,500 | 10,500 | 3,743 | 10,500 | 10,500 | 3,854 |
| License Fees | 1,500 | 1,500 | 4,361 | 1,500 | 1,500 | 3,481 |
| Chemicals | 60,000 | 60,000 | 75,105 | 60,000 | 60,000 | 62,994 |
| Total Plant Expenses | 1,091,000 | 1,091,000 | 936,730 | 1,091,000 | 1,091,000 | 1,014,176 |
| Total Operating Expenses | 9,411,970 | 9,411,970 | 9,105,618 | 9,308,334 | 9,308,334 | 9,427,983 |

MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
(A Component Unit of Mount Holly Township, New Jersey)
SCHEDULE OF OPERATING REVENUES AND COST FUNDED BY
OPERATING REVENUES COMPARED TO BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2016
(With Comparative Totals for the Year Ended December 31, 2015)

| | DECEMBER 31, 2016 | | | DECEMBER 31, 2015 | | |
|--|--------------------|--------------------|--------------|--------------------|--------------------|--------------|
| | ORIGINAL BUDGET | AFTER TRANSFERS | ACTUAL | ORIGINAL BUDGET | AFTER TRANSFERS | ACTUAL |
| Non-operating Expenses: | | | | | | |
| Interest Paid | 1,388,229 | 1,388,229 | 1,270,850 | 1,456,513 | 1,456,513 | 1,421,899 |
| Debt Service | 2,620,157 | 2,620,157 | 2,620,107 | 2,083,153 | 2,083,153 | 2,083,153 |
| Total Non-operating Expenses | 4,008,386 | 4,008,386 | 3,890,957 | 3,539,666 | 3,539,666 | 3,505,052 |
| Capital Outlay and Reserves: | | | | | | |
| Other Reserve | 341,000 | 341,000 | | | | |
| Renewal and Replacement | 1,158,000 | 1,158,000 | | 1,300,000 | 1,300,000 | |
| Total Capital Outlay and Reserves | 1,499,000 | 1,499,000 | - | 1,300,000 | 1,300,000 | - |
| Total Expenses | 14,919,356 | 14,919,356 | 12,996,575 | 14,148,000 | 14,148,000 | 12,933,035 |
| Total Expenses & Other Cost | | | | | | |
| Funded by Operating Revenues | \$ (811,356) | \$ (811,356) | \$ 1,435,253 | \$ - | \$ - | \$ 2,188,898 |
| Plus: | | | | | | |
| Adjustment for interest accrued | | | | | | |
| Debt Service | | | 2,620,107 | | | 2,083,153 |
| Amortization premium/ (bond costs) , net | | | (27,236) | | | (27,236) |
| Interest Income | | | 657 | | | 24,278 |
| Reserve for future Unemployment | | | 8,390 | | | 11,079 |
| Less: | | | | | | |
| Depreciation | | | (2,951,132) | | | (3,020,693) |
| Unrealized gain /(loss) on investments | | | 46,072 | | | 91,347 |
| Cancellation of Cash On-hand with Fiscal Agent | | | (22,446) | | | |
| Unemployment reimbursement | | | (1,873) | | | (3,530) |
| Gain/(Loss) on disposal of asset | | | | | | 25,234 |
| Change in net position per Statements of | | | | | | |
| Revenue , Expenses and Changes in Net Position | | | \$ 1,107,792 | | | \$ 1,372,530 |

**MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY - PERS ***

| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--|--------------|--------------|-------------|-------------|
| Authority's Proportion of the Net Pension Liability (Asset) | 0.02448% | 0.02390% | 0.02297% | 0.02456% |
| Authority's Proportionate Share of the Net Pension Liability (Asset) | \$14,447,152 | \$11,036,397 | \$8,924,296 | 9,434,272 |
| Authority's covered employee payroll | \$3,234,111 | \$3,228,957 | \$3,316,429 | \$3,263,544 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 31.20% | 52.08% | 47.92% | 48.72% |

**SCHEDULE OF THE AUTHORITY'S CONTRIBUTIONS - PERS
SCHEDULE OF CONTRIBUTIONS ***

| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---|----------------|----------------|----------------|----------------|
| Actuarially Determined Contribution | \$422,681 | \$392,948 | \$371,941 | \$378,258 |
| Contributions in relation to the Actuarially Determined Contributions | <u>422,681</u> | <u>392,948</u> | <u>371,941</u> | <u>378,258</u> |
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Covered-Employee Payroll | \$3,596,350 | \$3,609,856 | \$3,821,382 | \$3,825,382 |
| Contributions as a Percentage of Covered - Employee Payroll | 11.753% | 10.885% | 9.733% | 9.888% |

* - Until a full ten year trend is compiled, information will be presented for those years for which information is available.

REQUIRED SUPPLEMENTARY INFORMATION – PART III

MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2016 AND 2015

Public Employees' Retirement System (PERS)

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Changes of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 2 years for males and 7 years for females) with adjustments for mortality improvements from the base year of 2013 using a generation approach based on the plan actuary's modified MP-2014 projection scale.

Additional detailed information about the pension plans is available in the separately issued State of New Jersey Public Employees' Retirement System – Schedules of Employer Allocations and Schedules of Pension Amounts by Employer at <http://www.nj.gov/treasury/pensions/financial-rpts-home.shtml>

GENERAL COMMENTS AND RECOMMENDATIONS

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BRENT W. LEE & CO., LLC
Certified Public Accounting Firm

To the Chairman and Members of the
Mount Holly Municipal Utilities Authority
Mount Holly, New Jersey 08060

I have audited the financial accounts and transactions of the Mount Holly Municipal Utilities Authority in the County of Burlington for the year ended December 31, 2016. In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year then ended.

GENERAL COMMENTS

Contracts and Agreements Required to be advertised by (N.J.S.A.40A:11-4)

N.J.S.A.40A:11-4 - Every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the governing body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$17,500 except by contract or agreement.

The Authority has a qualified purchasing agent on staff and therefore may award contracts up to \$40,000 without competitive bids.

It is pointed out that the Members of the Authority have the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

The minutes indicate that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services," per *N.J.S.A.40A:11-5*.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Chemicals, Belt Filter Press Installation and Repairs to Settling Tank.

Contracts and Agreements Requiring Solicitation of Quotations

The examination of expenditures did not reveal any instances where individual payments, contracts or agreements in excess of \$6,000 "for the performance of any work or the furnishing or hiring of any materials or supplies", other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provision of (*N.J.S.A.40A:11-6.1*).

Collection of Service Revenue

It appears from an examination of the billing records that service revenue was collected in accordance with the Authority's policy.

Collection of Interest on Delinquent Service Fees

Sewer usage is billed in four cycles on a quarterly basis, with one cycle billed monthly. Bills not paid within four weeks of the billing date are considered delinquent. Delinquent accounts are charged interest of eighteen percent (18%) per annum on the total amount due.

***Finding 2016-01:**

Service Organization

New Jersey American Water Company, a service organization, provides water meter readings to the Authority which are used in the sewer billing process. Management has not documented its understanding of the operating effectiveness of the service organization controls by obtaining service auditor reports or other appropriate procedures.

Recommendation:

Management should document its understanding of the operating effectiveness of the service organization controls by obtaining service auditor reports or other appropriate procedures.

Examination of Bills

A test check of paid bills was made and each bill, upon proper approval, was considered as a separate and individual contract unless the records disclosed it to be a part payment or estimate. The results of the examination did not disclose any discrepancies with respect to signatures, certification or supporting documentation.

Payroll Fund

Finding 2016-02:

The first and second quarterly tax returns (Form 941) were not in agreement with the Authority's payroll records. The Authority over reported Medicare wages by \$84,039 which resulted in an \$12,858 overpayment of taxes.

Recommendation:

Payroll tax reports filed with taxing authorities should be prepared accurately.

Property, Plant and Equipment

The property, plant and equipment subsidiary ledger was maintained properly and a reconciliation between the physical and perpetual inventory records was performed at year-end.

Follow-up on Prior Years' Findings

In accordance with government auditing standards, my procedures included a review of all prior year findings. The previous year audit finding has been corrected.

Acknowledgment

I received the complete cooperation of all officials and employees of the Authority and I greatly appreciate the courtesies extended to the members of the audit team.



Brent W. Lee
Certified Public Accountant

March 10, 2017

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MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY

P.O. Box 486, 1 Park Drive Mount Holly, New Jersey 08060

Office (609) 267-0015 ~ Fax (609) 267-5420

CORRECTIVE ACTION PLAN

Mount Holly Township
Municipal Utilities Authority

Audit Report
December 31, 2016

Finding #2016-01: New Jersey American Water Company, a service organization, provides water meter readings to the Authority which are used in the sewer billing process. Management has not documented its understanding of the operating effectiveness of the service organization controls by obtaining service auditor reports or other appropriate procedures.

Recommendation: Management should document its understanding of the operating effectiveness of the service organization controls by obtaining service auditor reports or other appropriate procedures.

Corrective Action: Management will take the necessary steps to document its understanding of the operating effectiveness of New Jersey American Water's controls and request a service auditor report from New Jersey American Water.

Finding #2016-02: The first and second quarterly tax returns (Form 941) were not in agreement with the Authority's payroll records. The Authority over reported Medicare Wages by \$84,039 which resulted in an \$12,858 overpayment of taxes.

Recommendation: Payroll tax reported filed with taxing authorities should be prepared accurately.

Corrective Action: Payroll tax reports were corrected for the remaining quarter of 2016. Starting in May of 2016, the MHMUA has been utilizing a Payroll provider who prepares all tax reporting on behalf of the MHMUA. In addition, all payroll deductions have been reviewed to ensure the proper taxable wages are reported per IRS guidelines.

RESOLUTION 2017-49
A RESOLUTION APPROVING THE EXPENDITURES
FROM THE RENEWAL & REPLACEMENT FUND
(High Street Reconstruction)

BE IT RESOLVED by the Mount Holly Municipal Utilities Authority that the following expenditures from the Renewal & Replacement Fund are hereby approved:

| | |
|--------------|----------------------|
| TOTAL | \$ 172,000.00 |
|--------------|----------------------|

CERTIFICATION

STATE OF NEW JERSEY }
COUNTY OF BURLINGTON } :SS

I, Brandy C. Boyington, Secretary of the Mount Holly Municipal Utilities Authority do hereby certify the foregoing to be a true copy of the Resolution adopted by the Mount Holly Municipal Utilities Authority at a regular meeting thereof, held on the 11th of May, 2017.

Brandy C Boyington, Secretary

CERTIFICATION OF AUTHORITY

I HEREBY CERTIFY that each of the aforesaid obligations has been incurred by the MHMUA in or about the construction of the 2017 Project and that each item thereof is a proper charge against the Renewal & Replacement Fund.

MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY

By: _____
Robert G. Maybury, Executive Director

CERTIFICATION OF CONSULTING ENGINEER

I HEREBY CERTIFY that the Consulting Engineer has made reasonable investigations and to the best of his knowledge, each of the aforesaid obligations has been properly incurred, and that insofar as such obligation was incurred for work, materials, supplies or equipment, such work was actually performed or such materials, supplies, or equipment were actually delivered, installed or fabricated in, about, or for the construction of the 2017 Project.

RICHARD A. ALAIMO ASSOCIATES

Date:_____

By: _____
Engineer

RESOLUTION 2017-44

**A RESOLUTION APPROVING THE ANTICIPATED PAYROLL
FOR MAY AND THE ACTUAL PAYROLL FOR THE MONTH
OF APRIL AND THE OPERATING EXPENSES**

BE IT RESOLVED by the Mount Holly Municipal Utilities Authority that the following anticipated payroll for the upcoming month is hereby approved subject to verification of actual payroll at the next regular meeting of the Mount Holly Municipal Utilities Authority. Anticipated \$300,000.00

BE IT FURTHER RESOLVED by the Mount Holly Municipal Utilities Authority that the payroll and Operating Expenditures in the amount of \$1,237,899.20 per attached listings are hereby approved.

CERTIFICATION

[illegible]

I, Brandy C. Boyington, Secretary of the Mount Holly Municipal Utilities Authority do hereby Certify the foregoing to be a true copy of a resolution adopted by the Mount Holly Municipal Utilities Authority at a regular meeting, held on the 11th day of May, 2017.

IN WITNESS WHEREOF, I have hereunto set my hand affixed to the seal of said MUA this 11th day of May, 2017.

Brandy C. Boyington, Secretary

| | | | |
|-------------------|---------|----------|-----------------------|
| P.O. Type: All | Open: N | Paid: N | Void: N |
| Range: First | Rcvd: Y | Held: Y | Aprv: N |
| Format: Condensed | Bid: Y | State: Y | Other: Y Exempt: Y |

| Vendor # Name | | | | | | |
|--------------------------------------|----------|--------------------------------|--------|----------|-------------|------------------|
| PO # | PO Date | Description | Status | Amount | Void Amount | Contract PO Type |
| ALLIN005 ALL IND-SAFETY PRDTS INC. | | | | | | |
| 17-00070 | 04/05/17 | ABSORBENT OIL PADS | Open | 319.98 | 0.00 | |
| AMERI065 AMERICAN WATER | | | | | | |
| 17-00201 | 05/01/17 | AMERICAN WATER BILLING | Open | 259.60 | 0.00 | |
| AMERI080 AMERIGAS | | | | | | |
| 17-00106 | 04/13/17 | PROPANE FOR MAINT | Open | 177.98 | 0.00 | |
| ARMAN005 ARMANDO V. RICCIO, LLC | | | | | | |
| 17-00205 | 05/01/17 | PROFESSIONAL SERVICES | Open | 589.00 | 0.00 | |
| ARTHU005 ARTHUR & CAROLYN SWINDELL | | | | | | |
| 17-00220 | 05/02/17 | SEWER REFUND/57 NASSAU ROAD | Open | 15.41 | 0.00 | |
| BRENT BRENT W. LEE & CO., LLC | | | | | | |
| 17-00202 | 05/01/17 | PROFESSIONAL SERVICES | Open | 3,400.00 | 0.00 | |
| BRIAN005 BRIAN BIDDLE | | | | | | |
| 17-00222 | 05/02/17 | SEWER REFUND/157 ARCH STREET | Open | 60.01 | 0.00 | |
| BRUCE005 BRUCE REED BUILDING MAINT | | | | | | |
| 17-00233 | 05/02/17 | APRIL,2017 OFFICE CLEANING | Open | 235.00 | 0.00 | |
| CINTA005 CINTAS CORPORATION | | | | | | |
| 17-00059 | 04/05/17 | UNIFORMS FOR EMPLOYEES | Open | 264.13 | 0.00 | |
| 17-00094 | 04/11/17 | UNIFORMS FOR EMPLOYEES | Open | 264.13 | 0.00 | |
| 17-00136 | 04/18/17 | UNIFORMS FOR EMPLOYEES | Open | 267.13 | 0.00 | |
| | | | | 795.39 | | |
| CITYE005 CITY ELECTRIC SUPPLY CO | | | | | | |
| 17-00055 | 04/04/17 | ELECTRICAL PARTS FOR P/S 238 | Open | 222.46 | 0.00 | |
| COURI005 COURIER TIMES, INC. | | | | | | |
| 17-00141 | 04/19/17 | MTG 3-9,RES 2017-19,NCA HAWKIN | Open | 233.64 | 0.00 | |
| WEEK0005 COURIER-POST & THIS WEEK | | | | | | |
| 17-00149 | 04/20/17 | INDUSTRIAL WASTE SERVICE AGREE | Open | 62.56 | 0.00 | |
| COYNE005 COYNE CHEMICAL CO INC. | | | | | | |
| 17-00011 | 03/27/17 | SODIUM BISULFITE | Open | 2,119.12 | 0.00 | |
| 17-00103 | 04/13/17 | SODIUM BISULFITE - CONT14-16 | Open | 2,201.74 | 0.00 | |
| | | | | 4,320.86 | | |
| CRISP005 DIANE CRISPI | | | | | | |
| 17-00185 | 04/27/17 | WORK PANTS | Open | 27.99 | 0.00 | |
| EASTE005 EASTERN AUTOPARTS WAREHOUSE | | | | | | |
| 17-00012 | 03/27/17 | FLEET SERVICE SUPPLIES | Open | 521.68 | 0.00 | |

| | | | | |
|-------------------------|---------------------------------------|---------|----------|-----------|
| P.O. Type: All | | Open: N | Paid: Y | Void: N |
| Range: First | to Last | Rcvd: N | Held: N | Aprv: N |
| Format: Condensed | Paid Date Range: 04/14/17 to 05/11/17 | Bid: Y | State: Y | Other: Y |
| Include Non-Budgeted: Y | Prior Year Only: N | | | Exempt: Y |

| Vendor # Name | PO # | PO Date | Description | Status | Amount | Void Amount | Contract | PO Type |
|--|----------|----------|--------------------------------|--------|------------|-------------|----------|---------|
| WEEK0005 COURIER-POST & THIS WEEK | | | | | | | | |
| | 17-00033 | 04/03/17 | CONTRACT C2017-11,RISK MGR AWA | c1sd | 123.36 | 0.00 | | |
| LUMBE005 LUMBERTON TOWNSHIP | | | | | | | | |
| | 17-00173 | 04/25/17 | FIRE SAFETY USE REGISTRATION | c1sd | 75.00 | 0.00 | | |
| MIDDL010 MIDDLESEX WELDING SALES | | | | | | | | |
| | 17-00105 | 04/13/17 | CYLINDER RENTAL | c1sd | 61.50 | 0.00 | | |
| MISSI005 MISSION COMMUNICATIONS, LLC | | | | | | | | |
| | 17-00038 | 04/03/17 | SERVICE PACKAGE RENEWAL | c1sd | 563.40 | 0.00 | | |
| NATIO020 NATIONAL SAFETY COUNCIL | | | | | | | | |
| | 17-00142 | 04/19/17 | MEMBERSHIP RENEWAL | c1sd | 395.00 | 0.00 | | |
| PATUR005 P A TURNPIKE | | | | | | | | |
| | 17-00078 | 04/07/17 | TURNPIKE TOLL BY PLATE | c1sd | 6.75 | 0.00 | | |
| PENNO005 PENNONI ASSOCIATES, INC. | | | | | | | | |
| | 17-00036 | 04/03/17 | PROFESSIONAL SERVICES | c1sd | 8,967.27 | 0.00 | | |
| POSTM005 POSTMASTER | | | | | | | | |
| | 17-00124 | 04/17/17 | MAILING CYCLE "C" BILLING | c1sd | 1,806.57 | 0.00 | | |
| PURCH005 PURCHASE POWER | | | | | | | | |
| | 17-00132 | 04/18/17 | POSTAGE METER REFILL/1 PARK DR | c1sd | 1,020.99 | 0.00 | | |
| SHERW005 SHERWIN-WILLIAMS | | | | | | | | |
| | 17-00005 | 03/22/17 | 5 gallons paint for press pad | c1sd | 246.70 | 0.00 | | |
| | 17-00029 | 03/31/17 | PAINT FOR VARIOUS LOCATIONS | c1sd | 77.36 | 0.00 | | |
| | | | | | 324.06 | | | |
| SOUTH030 SOUTHERN REGIONAL EMP BENEFIT | | | | | | | | |
| | 17-00181 | 04/27/17 | HEALTH INS BILLING/APRIL,2017 | c1sd | 108,404.00 | 0.00 | | |
| SPRIN005 SPRINT | | | | | | | | |
| | 17-00175 | 04/25/17 | PCS CONNECTION CARD | c1sd | 65.38 | 0.00 | | |
| ADVAN020 STAPLES ADVANTAGE | | | | | | | | |
| | 17-00133 | 04/18/17 | FOLDERS, TONER, POST-IT NOTES | c1sd | 149.86 | 0.00 | | |
| STEVE005 STEVENSON SUPPLY CO. INC. | | | | | | | | |
| | 17-00045 | 04/04/17 | SUMP PUMP & FITTINGS | c1sd | 192.57 | 0.00 | | |
| TOWNS010 TOWNSHIP OF MOORESTOWN | | | | | | | | |
| | 17-00174 | 04/25/17 | PS @ LAUREL CREEK BL WTR BILL | c1sd | 30.00 | 0.00 | | |

| Vendor # Name | PO # | PO Date | Description | Status | Amount | Void Amount | Contract | PO Type |
|--|----------|----------|-------------------------------|--------|---------------|-------------|----------|---------|
| TREAS015 TREASURER OF BURLINGTON | | | | | | | | |
| | 17-00176 | 04/25/17 | 28-CAKE SLUDGE | clsd | 43,034.11 | 0.00 | | |
| VERIZ015 VERIZON | | | | | | | | |
| | 17-00131 | 04/18/17 | FIOS/TV BILLING/300 RANCOCAS | clsd | 90.34 | 0.00 | | |
| VERIZ005 VERIZON | | | | | | | | |
| | 17-00170 | 04/25/17 | BASIC TELEPHONE LINE/26 MAPLE | clsd | 55.80 | 0.00 | | |
| VERIZ015 VERIZON | | | | | | | | |
| | 17-00171 | 04/25/17 | FIOS INTERNET/1 PARK DRIVE | clsd | 694.23 | 0.00 | | |
| VERIZ035 VERIZON WIRELESS | | | | | | | | |
| | 17-00134 | 04/18/17 | CELL PHONE BILLING | clsd | 352.95 | 0.00 | | |
| | 17-00182 | 04/27/17 | CELL PHONE BILLING | clsd | <u>165.76</u> | 0.00 | | |
| | | | | | 518.71 | | | |
| Total Purchase Orders: 22 Total P.O. Line Items: 0 Total List Amount: 166,578.90 Total Void Amount: 0.00 | | | | | | | | |

| Totals by Year-Fund | | | | | |
|---------------------|------|-------------------|---------------|-------------|-------------------|
| Fund Description | Fund | Expend Total | Revenue Total | G/L Total | Total |
| | 7-01 | 166,578.90 | 0.00 | 0.00 | 166,578.90 |
| Total of All Funds: | | <u>166,578.90</u> | <u>0.00</u> | <u>0.00</u> | <u>166,578.90</u> |

| Totals by Fund | | | | | |
|---------------------|------|-------------------|---------------|-------------|-------------------|
| Fund Description | Fund | Expend Total | Revenue Total | G/L Total | Total |
| | 01 | 166,578.90 | 0.00 | 0.00 | 166,578.90 |
| Total of All Funds: | | <u>166,578.90</u> | <u>0.00</u> | <u>0.00</u> | <u>166,578.90</u> |

| Fund Description | Fund | Current | Prior Rcvd | Prior Open | Paid Prior | Fund Total |
|---------------------|------|-------------------|-------------|-------------|-------------|-------------------|
| | 7-01 | 166,578.90 | 0.00 | 0.00 | 0.00 | 166,578.90 |
| Total of All Funds: | | <u>166,578.90</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>166,578.90</u> |

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| Vendor # Name | | | | | | |
|--|----------|--------------------------------|--------|----------|-------------|------------------|
| PO # | PO Date | Description | Status | Amount | Void Amount | Contract PO Type |
| EASTE005 EASTERN AUTOPARTS WAREHOUSE Continued | | | | | | |
| 17-00017 | 03/28/17 | ADDITIONAL BRAKE PARTS-TRK #12 | Open | 144.50 | 0.00 | |
| 17-00019 | 03/28/17 | TRUCK #12 AXLE SEALS | Open | 46.56 | 0.00 | |
| | | | | 712.74 | | |
| ENHAN005 ENHANCED WEB SERVICES | | | | | | |
| 17-00113 | 04/17/17 | SIGNATURE FONT - J.THIESSEN | Open | 29.95 | 0.00 | |
| EVOQU005 EVOQUA WATER TECHNOLOGIES, LLC | | | | | | |
| 17-00006 | 03/23/17 | BIOXIDE CONT 13-16 | Open | 6,308.07 | 0.00 | |
| 17-00084 | 04/10/17 | EVOQUA TANK EXCHANGE | Open | 1,424.00 | 0.00 | |
| | | | | 7,732.07 | | |
| FRANK025 FRANKLIN FAIRCHILD | | | | | | |
| 17-00226 | 05/02/17 | SEWER REFUND/11 LAWRENCE LANE | Open | 19.57 | 0.00 | |
| GILES005 GILES & RANSOME INC. | | | | | | |
| 17-00073 | 04/06/17 | GEN C VOLTAGE TROUBLESHOOTING | Open | 917.22 | 0.00 | |
| GOODY005 GOODYEAR AUTO SERVICE CENTER | | | | | | |
| 17-00010 | 03/24/17 | REAR TIRES FOR TRUCK # 12 | Open | 323.38 | 0.00 | |
| 17-00092 | 04/11/17 | 2 TIRES FOR TRUCK # 56 | Open | 261.26 | 0.00 | |
| | | | | 584.64 | | |
| GRAIN005 GRAINGER | | | | | | |
| 17-00008 | 03/23/17 | MOTOR SWITCH,JACK PORTS,SWITCH | Open | 201.54 | 0.00 | |
| GRIFF010 GRIFFITH ELECTRIC SUPPLY CO., | | | | | | |
| 17-00111 | 04/13/17 | 20 AMP GFEP BREAKER | Open | 210.10 | 0.00 | |
| HACHC005 HACH COMPANY | | | | | | |
| 17-00076 | 04/06/17 | LABORATORY SUPPLIES | Open | 1,274.39 | 0.00 | |
| 17-00135 | 04/18/17 | LABORATORY SUPPLIES | Open | 325.52 | 0.00 | |
| | | | | 1,599.91 | | |
| HARRI010 HARRIS FENCE CORPORATION | | | | | | |
| 17-00046 | 04/04/17 | PHOTO EYE | Open | 225.00 | 0.00 | |
| HERDT005 HERDT FENCING INC. | | | | | | |
| 17-00022 | 03/29/17 | GATE HINGE | Open | 25.00 | 0.00 | |
| HOMEA005 HOME ALLIANCE REALTY | | | | | | |
| 17-00229 | 05/02/17 | SEWER REFUND/31 W MONROE ST | Open | 11.50 | 0.00 | |
| JHBER005 J & H BERGE INC | | | | | | |
| 17-00079 | 04/07/17 | LABORATORY SUPPLIES AND CHEMIC | Open | 921.83 | 0.00 | |
| JOSEP010 JOSEPH FAZZIO, INC. | | | | | | |
| 17-00014 | 03/27/17 | METAL- STEEL ANGLE IRON | Open | 158.55 | 0.00 | |
| KENNE015 KENNETH & DONNA MCCLURE | | | | | | |
| 17-00228 | 05/02/17 | SEWER REFUND/2 EDGEWATER DRIVE | Open | 375.44 | 0.00 | |

| Vendor # Name | | | | | | | |
|---|----------|-------------------------------|--------|------------|-------------|----------|---------|
| PO # | PO Date | Description | Status | Amount | Void Amount | Contract | PO Type |
| KIMBE005 KIMBERLY COFFIELD | | | | | | | |
| 17-00223 | 05/02/17 | SEWER REFUND/39 CHASE ROAD | Open | 31.28 | 0.00 | | |
| KRYST005 KRYSTE SANCHEZ | | | | | | | |
| 17-00227 | 05/02/17 | SEWER REFUND/13 NEW YORK AVE | Open | 37.06 | 0.00 | | |
| LINES005 LINE SYSTEMS, INC. | | | | | | | |
| 17-00208 | 05/02/17 | TELEPHONE BILLING | Open | 746.15 | 0.00 | | |
| LOWTH005 LOWTHER'S SERVICE CENTER, INC. | | | | | | | |
| 17-00018 | 03/28/17 | LAWN MAINT EQUIP PARTS | Open | 43.50 | 0.00 | | |
| LUMHO005 LUM HOLDINGS | | | | | | | |
| 17-00225 | 05/02/17 | SEWER REFUND/7 TARRAGON DRIVE | Open | 81.95 | 0.00 | | |
| METLI005 METLIFE | | | | | | | |
| 17-00210 | 05/02/17 | DISABILITY INSURANCE BILLING | Open | 7,581.00 | 0.00 | | |
| MIDDL010 MIDDLESEX WELDING SALES | | | | | | | |
| 17-00177 | 04/25/17 | CYLINDER RENTAL | Open | 61.50 | 0.00 | | |
| MISSION005 MISSION COMMUNICATIONS, LLC | | | | | | | |
| 17-00179 | 04/26/17 | SERVICE PACKAGE RENEWAL | Open | 4,686.00 | 0.00 | | |
| MODER010 MODERN HANDLING EQUIPMENT CO. | | | | | | | |
| 17-00082 | 04/10/17 | M4032PB WINCH | Open | 396.00 | 0.00 | | |
| TOILE005 MR. BOB PORTABLE TOILETS | | | | | | | |
| 17-00083 | 04/10/17 | PORTABLE TOILET RENTAL | Open | 92.00 | 0.00 | | |
| NEWJE005 NEW JERSEY AMERICAN WATER | | | | | | | |
| 17-00198 | 05/01/17 | WATER COMPANY BILLING | Open | 1,612.48 | 0.00 | | |
| UTILI005 NEW JERSEY UTILITY | | | | | | | |
| 17-00143 | 04/19/17 | 2ND BILLING FOR JIF | Open | 136,833.56 | 0.00 | | |
| NORRI005 NORRIS SALES COMPANY, INC. | | | | | | | |
| 17-00102 | 04/13/17 | SCISSOR LIFT FOR PLANT USE | Open | 400.00 | 0.00 | | |
| ONECA005 ONE CALL CONCEPTS, INC. | | | | | | | |
| 17-00146 | 04/20/17 | MARKOUT REQUESTS FOR MHMUA | Open | 410.00 | 0.00 | | |
| PATRI010 PATRICIA JOHNSON | | | | | | | |
| 17-00224 | 05/02/17 | SEWER REFUND/12 ADLER CIRCLE | Open | 95.60 | 0.00 | | |
| PEACH005 PEACHTREE CONSULTING, LLC | | | | | | | |
| 17-00150 | 04/20/17 | WEBSITE MAINTENANCE | Open | 175.00 | 0.00 | | |
| 17-00203 | 05/01/17 | WEBSITE MAINTENANCE | Open | 350.00 | 0.00 | | |
| | | | | 525.00 | | | |
| PEMBE005 PEMBERTON ELECTRICAL SUPPLY CO | | | | | | | |
| 17-00138 | 04/19/17 | CONTACT KITS FOR PS 227 | Open | 453.70 | 0.00 | | |

| Vendor # Name | | | | | | |
|--|----------|-------------------------------|--------|-----------------|-------------|------------------|
| PO # | PO Date | Description | Status | Amount | Void Amount | Contract PO Type |
| PENDE005 PENDERGAST SAFETY EQUIP | | | | | | |
| 17-00093 | 04/11/17 | REFURBISHMENT MULTI GAS METER | Open | 469.42 | 0.00 | |
| PENNO005 PENNONI ASSOCIATES, INC. | | | | | | |
| 17-00162 | 04/24/17 | NJDES PERMIT RENEWAL STUDIES | Open | 3,575.00 | 0.00 | |
| 17-00163 | 04/24/17 | PAA PILOT STUDY | Open | <u>3,185.00</u> | 0.00 | |
| | | | | 6,760.00 | | |
| PETER005 PETER OBANOR & CLAUDIA DIXON | | | | | | |
| 17-00231 | 05/02/17 | SEWER REFUND/51 JASMINE ROAD | Open | 217.35 | 0.00 | |
| POLIC005 POLICE & FIRE CREDIT UNION | | | | | | |
| 17-00232 | 05/02/17 | SEWER REFUND/182 MERION COURT | Open | 98.62 | 0.00 | |
| PRIME005 PRIMEPOINT LLC | | | | | | |
| 17-00157 | 04/21/17 | PAYROLL PROCESSING-3/9,3/23 | Open | 816.60 | 0.00 | |
| PSEGC005 PSE&G COMPANY | | | | | | |
| 17-00200 | 05/01/17 | GAS AND ELECTRIC BILLING | Open | 31,413.84 | 0.00 | |
| RAIN0005 RAINONE, COUGHLIN MINCHELLO LLC | | | | | | |
| 17-00158 | 04/21/17 | RETAINER | Open | 1,000.00 | 0.00 | |
| 17-00159 | 04/21/17 | RETAINER | Open | <u>1,000.00</u> | 0.00 | |
| | | | | 2,000.00 | | |
| RAYMO005 RAYMOND, COLEMAN, HEINOLD & NO | | | | | | |
| 17-00204 | 05/01/17 | PROFESSIONAL SERVICES | Open | 3,500.00 | 0.00 | |
| RIGGI005 RIGGINS INC. | | | | | | |
| 17-00090 | 04/10/17 | DIESEL FUEL | Open | 2,025.24 | 0.00 | |
| ROBER025 ROBERT JOHNSON & IMENA COLLINS | | | | | | |
| 17-00221 | 05/02/17 | SEWER REFUND/4 CAMEL DRIVE | Open | 44.35 | 0.00 | |
| RONAL005 RONALD CONRAD | | | | | | |
| 17-00219 | 05/02/17 | SEWER REFUND/10 WAGON ROAD | Open | 72.31 | 0.00 | |
| RSMUS005 RSM US PRODUCT SALES LLC | | | | | | |
| 17-00207 | 05/01/17 | PROFESSIONAL CONSULTING | Open | 1,110.00 | 0.00 | |
| RUSSE015 RUSSELL REID INC. | | | | | | |
| 17-00164 | 04/24/17 | MAPLE AVE. GRIT DISPOSAL | Open | 186.00 | 0.00 | |
| 17-00165 | 04/24/17 | RANOCAS GRIT/TRASH DISPOSAL | Open | <u>372.00</u> | 0.00 | |
| | | | | 558.00 | | |
| SHERW005 SHERWIN-WILLIAMS | | | | | | |
| 17-00016 | 03/27/17 | PAINT SUPPLIES | Open | 69.88 | 0.00 | |
| SOUTH030 SOUTHERN REGIONAL EMP BENEFIT | | | | | | |
| 17-00218 | 05/02/17 | HEALTH INS BILLING/MAY, 2017 | Open | 103,156.00 | 0.00 | |
| STEVE005 STEVENSON SUPPLY CO. INC. | | | | | | |
| 17-00072 | 04/06/17 | FLOAT SWITCH FOR PS 208 | Open | 70.26 | 0.00 | |

Total Purchase Orders: 83 Total P.O. Line Items: 0 Total List Amount: 350,036.81 Total Void Amount: 0.00

| Totals by Year-Fund | | | | | | | |
|---------------------|------|-------------|-------------|--------------|---------------|-----------|------------|
| Fund Description | Fund | Expend Rcvd | Expend Held | Expend Total | Revenue Total | G/L Total | Total |
| | 7-01 | 348,809.69 | 0.00 | 348,809.69 | 0.00 | 1,227.12 | 350,036.81 |
| Total of All Funds: | | 348,809.69 | 0.00 | 348,809.69 | 0.00 | 1,227.12 | 350,036.81 |

| Totals by Fund | | | | | | | |
|---------------------|------|-------------|-------------|--------------|---------------|-----------|------------|
| Fund Description | Fund | Expend Rcvd | Expend Held | Expend Total | Revenue Total | G/L Total | Total |
| | 01 | 348,809.69 | 0.00 | 348,809.69 | 0.00 | 1,227.12 | 350,036.81 |
| Total of All Funds: | | 348,809.69 | 0.00 | 348,809.69 | 0.00 | 1,227.12 | 350,036.81 |

| Fund Description | Fund | Current | Prior Rcvd | Prior Open | Paid Prior | Fund Total |
|---------------------|------|-------------------|-------------|-------------|-------------|-------------------|
| | 7-01 | 348,809.69 | 0.00 | 0.00 | 0.00 | 348,809.69 |
| Total of All Funds: | | <u>348,809.69</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>348,809.69</u> |
| | | <div>B</div> | | | | |

| | |
|-------------------------------|------------------|
| Total PO Listing: | \$166,578.90 (A) |
| Total Bill Listing: | \$348,809.69 (B) |
| Total Payroll: | \$722,510.61 |
| Total Operating Expenditures: | \$1,237,899.20 |

RESOLUTION 2017-45

A RESOLUTION APPROVING SEWER REFUNDS

BE IT RESOLVED by the Mount Holly Municipal Utilities Authority that the following Sewer Refunds for the month of April are hereby approved.

TOTAL REFUNDS AS PER THE ATTACHED REPORT: \$1,227.12

CERTIFICATION

STATE OF NEW JERSEY }

:SS

COUNTY OF BURLINGTON }

I, Brandy C. Boyington, Secretary of the Mount Holly Municipal Utilities Authority do hereby certify the foregoing to be a true copy of a resolution adopted by the Mount Holly Municipal Utilities Authority at a regular meeting, held on the 11th day of May, 2017.

IN WITNESS WHEREOF, I have here unto set my hand affixed of the seal of said MUA
this May 11, 2017.

Brandy C. Boyington, Secretary

Tracking Id Range: SWR REFUND to SWR REFUND Vendor Range: First to Last Open: Y Rcvd: Y Paid: Y Held: Y Aprv: Y Void: Y
Account Type: G/L First Encumber Date Range: 01/01/17 to 12/31/17 Include Items Without Tracking Id: N
Account Range: First to Last

Tracking Id Description

| P.O. # | Item | Vendor # | Vendor Name | Description | Charge Account | Quantity | Amount | Purch. Type | First Encumber Date | Status |
|------------|------|----------|--------------------------------|--------------------------------|----------------|----------|---------|-------------|---------------------|----------|
| SWR REFUND | | | | | | | | | | |
| 17-00219 | 1 | RONAL005 | RONALD CONRAD | SEWER REFUND/10 WAGON ROAD | 01-000-2020 | 1.00 | 72.31 | other | 05/02/17 | Held |
| 17-00220 | 1 | ARTHU005 | ARTHUR & CAROLYN SWINDELL | SEWER REFUND/57 NASSAU ROAD | 01-000-2020 | 1.00 | 15.41 | other | 05/02/17 | Held |
| 17-00221 | 1 | ROBER025 | ROBERT JOHNSON & IMENA COLLINS | SEWER REFUND/4 CAMEL DRIVE | 01-000-2020 | 1.00 | 44.35 | other | 05/02/17 | Held |
| 17-00222 | 1 | BRIAN005 | BRIAN BIDDLE | SEWER REFUND/157 ARCH STREET | 01-000-2020 | 1.00 | 60.01 | other | 05/02/17 | Held |
| 17-00223 | 1 | KIMBE005 | KIMBERLY COFFIELD | SEWER REFUND/39 CHASE ROAD | 01-000-2020 | 1.00 | 31.28 | other | 05/02/17 | Held |
| 17-00224 | 1 | PATRI010 | PATRICIA JOHNSON | SEWER REFUND/12 ADLER CIRCLE | 01-000-2020 | 1.00 | 95.60 | other | 05/02/17 | Held |
| 17-00225 | 1 | LUMHO005 | LUM HOLDINGS | SEWER REFUND/7 TARRAGON DRIVE | 01-000-2020 | 1.00 | 81.95 | other | 05/02/17 | Held |
| 17-00226 | 1 | FRANK025 | FRANKLIN FAIRCHILD | SEWER REFUND/11 LAWRENCE LANE | 01-000-2020 | 1.00 | 19.57 | other | 05/02/17 | Held |
| 17-00227 | 1 | KRYST005 | KRYSTE SANCHEZ | SEWER REFUND/13 NEW YORK AVE | 01-000-2020 | 1.00 | 37.06 | other | 05/02/17 | Held |
| 17-00228 | 1 | KENNE015 | KENNETH & DONNA MCCLURE | SEWER REFUND/2 EDGEWATER DRIVE | 01-000-2020 | 1.00 | 375.44 | other | 05/02/17 | Held |
| 17-00229 | 1 | HOMEA005 | HOME ALLIANCE REALTY | SEWER REFUND/31 W MONROE ST. | 01-000-2020 | 1.00 | 11.50 | other | 05/02/17 | Held |
| 17-00230 | 1 | WILLI035 | WILLIAM BOYD | SEWER REFUND/7 GLASGOW ROAD | 01-000-2020 | 1.00 | 66.67 | other | 05/02/17 | Held |
| 17-00231 | 1 | PETER005 | PETER OBANOR & CLAUDIA DIXON | SEWER REFUND/51 JASMINE ROAD | 01-000-2020 | 1.00 | 217.35 | other | 05/02/17 | Held |
| 17-00232 | 1 | POLIC005 | POLICE & FIRE CREDIT UNION | SEWER REFUND/182 MERION COURT | 01-000-2020 | 1.00 | 98.62 | other | 05/02/17 | Held |
| Bid: | | 0.00 | State: | 0.00 | Other: | 1,227.12 | Exempt: | 0.00 | Total: | 14.00 |
| | | | | | | | | | | 1,227.12 |

Total Tracking Ids: 1 Total Qty: 14.00 Total Amount: 1,227.12

Total Bid: 0.00 Total State: 0.00 Total Other: 1,227.12 Total Exempt: 0.00

Mount Holly Municipal Utilities Authority
Regular Meeting of the Board of Commissioners
May 11, 2017
Executive Director's Report

- **Hainesport Sewer Project:** As of May 04, 2017, 18 of the sewer project properties remained out of compliance with Hainesport's ordinance (No. 2016-11-8). This ordinance requires dwellings that meet specific criteria to connect to Hainesport's 2003 sewer infrastructure project. Hainesport Township held a tax sale on April 22, 2017 and 11 of these properties were part of the sale. The remainder of the properties paid their fees prior to the April 22 sale. The MHMUA will receive the payment for these connections after Hainesport's May 9th Committee Meeting.
- **Pump Station 213 (Garden Street) Resolution # 2017-29:** Alaimo Associates continues to work on the engineering proposal for the new pumping station.
- **Rancocas Road Belt Filter Press Installation - Resolution # 2016-29:** The belt press project is essentially complete, both belt presses are in operation and a final punch list is being prepared. It is anticipated that this project will end up with a final construction cost that is within or under the original bid amount.
- **Edmunds Accounting Software:** The new office accounting and billing software transition is just about complete and will be in use effective May 10, 2017. MHMUA Customers will be able to view and pay their sewer bills online just as many homeowners already do with township property taxes.
- **Meeting with Dave Skibicki of Alaimo Associates:** A meeting was held between Dave Skibicki and the Executive Director on Wednesday May 03, 2017. The status of several developer and MHMUA projects were discussed.
- **Fuel Dispensing Services:** A target date of August 03, 2017 has been set to remove the MHMUA from fuel storage and dispensing. The affected agencies that currently receive fuel through the MHMUA program will be notified that fuel will no longer be supplied by the MHMUA on or before May 18, 2017. The largest user of the fueling system is Mount Holly Police and they have been verbally notified of the upcoming change. The MHMUA will utilize a New Jersey State approved card system accepted by most major petroleum corporations, such as Wawa and Exxon. The card system automatically removes the exempt taxes so the fuel costs will remain stable.
- **Starbucks:** Bohler Engineering has been designing a sewer extension to provide sewer service for a proposed Starbucks. The proposal is at the intersection of the Bypass and Route 38 in Lumberton Township (currently Lone Wolfe Farm). The sewer extension, if constructed, would be able to receive connections from several businesses located near the Mount Holly Bypass, Rte. 38 and Maple Avenue in Lumberton.
- **Ron Nicholson Scholarship Fund:** Rancocas Valley High School requested the MHMUA participate again in 2017 by presenting this scholarship to a deserving student at the June 07, 2017 Scholarship Awards Ceremony.
- **Union Negotiations:** The MHMUA is working on collection of comparable data from other collective bargaining contracts and other settlement options. The bargaining units have been advised there may be several weeks before the next meeting could be scheduled.

**MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
ENGINEER'S STATUS REPORT
May 5, 2017**

M-0030-0314

Belt Filter Press Installation

The following progress has been made:

- 1) **Alaimo met with MHMUA on May 3, 2017 to go over punchlist items. Alaimo to set-up meeting with Sika to go over curb-cracking issue.**

M-0030-0316

MHMUA WMP Compliance Review

No activity by Alaimo during this time period.

M-0030-0317

Garden Street Pump Station Replacement

Conceptual design site plan to be issued for MHMUA's review the week of May 15, 2017.

M-0030-0318

Sanitary Sewer Replacement – Monmouth Road

Meeting was held on January 25, 2017 to plan project. 16-inch sanitary sewer replacement. **Alaimo to submit proposal to complete design in May 2017.**

M-0030-0319

High Street Sanitary Sewer Improvements

Alaimo submitted a proposal to complete the design for MHMUA review and comment on May 4, 2017.

M-0031-0210

Eastampton Village II Subdivision

Sanitary sewer mains have been installed and manholes have been set. Alaimo issued a revised performance bond reduction letter on September 13, 2016. Alaimo issued a letter with a revised Punch List on March 28, 2017. Per Alaimo Field Inspection (April 7, 2017), all items on Punchlist have been completed except for as-builts. **Performance Bond Reduction letter sent out on April 13, 2017.**

M-0031-0213 West Rancocas Redevelopment, Phase 3B

Contractor started installing 10-inch sewer main on August 30, 2016. Work on 6-inch sewer lateral at 48 Levis Drive started on September 1, 2016. Construction site inspection is ongoing. **Contractor to continue with 10-inch SDR-35 sewer main installation.**

M-0031-0218 Waverly Pointe Subdivision

Contractor has installed all of the 8" SDR PVC sanitary main. Developer was requested a Performance Bond Reduction.

M-0031-0219 Quaker Steak & Lube

Review and comment letter was issued on October 24, 2016 denoting documentation package as "Revise and Resubmit". Received review package on December 20, 2016. Review and comment letter was issued on February 20, 2017. Received revised package on March 13, 2017. Review and comment letter to be issued.

M-0031-0220 Eastampton Place Apartments

Review and comment letter was issued on October 27, 2016. Shop Drawings were approved on October 12, 2016. Construction started on October 13, 2016 with 8-inch main and manhole installation. Eight (8") inch sanitary sewer main along Woodlane Road was tested on February 10, 2017.

M-0031-0221 The Lofts at the Mi-Place

Alaimo received documentation package on August 23, 2016. Review and comment letter was issued on September 16, 2016. Received revised review package on December 19, 2016. Review and comment letter was issued on January 13, 2017; awaiting revised drawing package.

M-0031-0222 Atlanticare Urgent Care

Alaimo received a package on January 17, 2017. Alaimo received lateral video inspection on February 22, 2017. Review and comment letter was issued on March 7, 2017. Documents have been noted as "Approved as Noted". **Alaimo and MHMUA to set-up construction inspection.**

M-0031-0223

Lennar at Rancocas Creek

Alaimo received documentation package for review on September 19, 2016. Review and comment letter to be issued. A meeting was held on November 18, 2016 with Applicant's Engineer, Bowman Consulting to review MHMUA and Alaimo comments on Specifications and Drawings. Alaimo received revised documentation package for review on February 15, 2017. A meeting was held with the MHMUA on March 1, 2017 to review preliminary comments. **Letter sent out addressing contribution to the Garden Street Pumping Station Upgrade on April 13, 2017. Review and comment letter to be issued in May 2017.**

M-0031-0224

Eastampton Place West

Alaimo received documentation package for review on October 14, 2016. Review and comment letter was issued in December 2, 2016. Additional review and comment letter issued on January 16, 2017, citing that the MHMUA needs to evaluate the upgrade of Garden Street Pumping Station and communicate the costs of these upgrades to the applicant. **Letter sent out addressing contribution to the Garden Street Pumping Station Upgrade on April 13, 2017. Review and comment letter was issued on April 20, 2017.**

M-0031-0225

Starbucks – Route 38/Lone Wolf

A meeting was held with the MHMUA and applicant's Engineer, Keith Cahill of Bohler Engineering, on November 18, 2016 to review the various options as presented by the Applicant. Bohler Engineering submitted a Concept Plan for review. Review and comment letter was issued by MHMUA on February 3, 2017.

DJS/dal



SUPERINTENDENT OF OPERATION'S REPORT

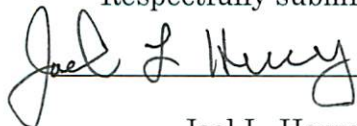
FOR

May 11, 2017

PLANT OPERATIONS

1. The **MONTHLY DISCHARGE MONITORING REPORT** summary for April, 2017 is included. There were **no violations** for the period.
2. The **YEAR TO DATE CONSUMABLES USAGE REPORT** for April, 2017 is attached.
3. The **SLUDGE QUALITY** data summaries through April, 2017 are attached. There were no significant changes in sludge quality for the period covered.
4. The **COLLECTION SYSTEM OPERATIONS** report for April, 2017 is attached.
5. There was **ONE ODOR COMPLAINT** received during the period covered by this report.
 - a. The Odor complaint was from a resident on Hainesport Mount Laurel Road and was attributed to a failure of an odor control chemical feed pump at an upstream pump station. The pump was repaired and placed back into operation. No further complaints have been received.
6. The **YEAR TO DATE INDUSTRIAL PRETREATMENT ACTIVITIES REPORT** summary for April, 2017 is attached.

Respectfully submitted,



Joel L. Hervey
Superintendent of Operations

MONTHLY AVERAGE VALUES

| PARAMETER | 10/16 | 11/16 | 12/16 | 01/17 | 02/17 | 03/17 | 04/17 | 05/17 | 06/17 | 07/17 | 08/17 | 09/17 | YEARLY AVERAGE | | Limits |
|-------------------------|--------|--------|--------|--------|--------|--------|--------|-------|-------|-------|-------|-------|-----------------------|-----------------------|--------|
| | | | | | | | | | | | | | This Reporting Period | Last Reporting Period | |
| POTW Flow | 2.92 | 2.86 | 2.98 | 3.04 | 2.93 | 3.02 | 3.08 | | | | | | | 2.983 | 5 |
| CBOD5(influent) | 270 | 302 | 283 | 252 | 308 | 333 | 252 | | | | | | | 266.8 | n/a |
| CBOD5(effluent) | < 2 | < 2 | < 2 | 5.3 | 6.9 | 3.5 | 4.2 | | | | | | | 1.7 | 15 |
| COD(influent) | 1099 | 1063 | 972 | 715 | 825 | 941 | 825 | | | | | | | 935.8 | n/a |
| COD(effluent) | 43.5 | 29.6 | 30.5 | 42.5 | 33.6 | 47.8 | 30.8 | | | | | | | 42.5 | n/a |
| TSS(influent) | 615 | 693 | 613 | 404 | 489 | 785 | 465 | | | | | | | 610.1 | n/a |
| TSS(effluent) | 2 | 1.5 | 3 | 1 | 1.5 | 1.5 | 3.5 | | | | | | | 1.8 | 30 |
| pH(influent-Max) | 7 | 8 | 7.3 | 8.1 | 7.2 | 7.2 | 7.1 | | | | | | | 8.5 | n/a |
| pH(influent-Min) | 6 | 6.4 | 6.5 | 6.6 | 6.5 | 6.6 | 6.4 | | | | | | | 6.0 | n/a |
| pH(effluent-Max) | 7 | 7 | 7 | 7 | 6.9 | 6.9 | 6.7 | | | | | | | 7.1 | 9 |
| pH(effluent-Min) | 6.6 | 6.6 | 6.7 | 6.6 | 6.7 | 6.4 | 6.3 | | | | | | | 6.5 | 6 |
| Oil & Grease (effluent) | < 2.2 | < 2.2 | < 2.2 | < 2.2 | < 2.2 | < 2 | 5.3 | | | | | | | 1.3 | 10 |
| | | | | | | | | | | | | | | | |
| SQAR | | | | | | | | | | | | | | | |
| Arsenic | < 12.1 | < 11.5 | < 13 | < 13.1 | < 12.8 | < 12.6 | < 10.6 | | | | | | | <12.6 | 41 |
| Beryllium | < 6 | < 5.7 | < 6.5 | < 6.5 | < 6.4 | < 6.3 | < 5.3 | | | | | | | <6.3 | n/a |
| Cadmium | < 3 | < 2.9 | < 3.2 | < 3.3 | < 3.2 | < 3.1 | < 2.7 | | | | | | | <3.1 | 39 |
| Chromium | 22.7 | 27.1 | 38.6 | 40.9 | 27.8 | 19.6 | 19.8 | | | | | | | 0.00 | n/a |
| Copper | 779 | 853 | 1360 | 1410 | 1000 | 693 | 727 | | | | | | | 0.0 | 1500 |
| Lead | 25.8 | 32.4 | 39.4 | 43.5 | 34.1 | 22.5 | 21.7 | | | | | | | 0.00 | 300 |
| Mercury | 0.47 | 0.74 | 1.2 | 0.81 | 1.4 | 0.49 | 0.44 | | | | | | | 0.00 | 17 |
| Molybdenum | < 12.1 | < 11.5 | 15.5 | 16.1 | < 12.8 | < 12.6 | < 10.6 | | | | | | | 0.00 | 75 |
| Nickel | 19.3 | 22.3 | 24.6 | 28.6 | 20.1 | 16.2 | 16.7 | | | | | | | 0.00 | 420 |
| Selenium | < 30.2 | < 28.7 | < 32.4 | < 32.6 | < 32.1 | < 31.5 | < 26.6 | | | | | | | <31.5 | 100 |
| Zinc | 1420 | 1800 | 2170 | 2380 | 1790 | 1110 | 1230 | | | | | | | 0.0 | 2800 |
| Cyanide | N/A | N/A | N/A | 1.7 | N/A | N/A | N/A | | | | | | | <1.5 | n/a |

Unless otherwise indicated, liquid analysis reported in mg/l, sludge reported in mg/kg (dry weight basis), pH reported in Standard Units
FORM AR-5a

NOTE: Sludge limits do not apply to sludge that is not land-applied.
Most recent permit violation: 1/97 for Effluent Chlorine Residual

Annual Consumables Summary- 2017

| Fund Number | Consumable Name | Unit | | | | | | | | | | | | | | Actual | Actual | Actual | Projected 2017 | | 2017 |
|-------------------------------|------------------------------|--------|----------|----------|----------|----------|-----|-----|-----|-----|-----|-----|-----|-----|-------------|----------|-------------|--------------|----------------|----------------|------|
| | | Price | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTDTOT | YTDAVE | YTDCOST | Quantity | Costs | Budget | |
| 020-6042 | City H2O (100 gal) | 0.5968 | 180.49 | 169.37 | 311.42 | 285.67 | | | | | | | | | 946.95 | 236.74 | \$565.14 | 2840.85 | \$1,695.42 | \$15,000.00 | |
| 040-6045 | Diesel Fuel (gal) Vehicles | 1.8109 | 744.60 | 645.20 | 473.70 | 208.00 | | | | | | | | | 2,071.50 | 517.88 | \$3,751.28 | 6,214.50 | \$11,253.84 | \$11,100.00 | |
| 020-6044 | Diesel Fuel (gal) Gen | 1.8109 | 92.00 | 52.00 | 60.00 | 74.00 | | | | | | | | | 278.00 | 69.50 | \$503.43 | 834.00 | \$1,510.29 | \$20,000.00 | |
| 022-6044 | Diesel Fuel (gal) Maple Ave | 1.8109 | 39.00 | 22.00 | 53.00 | 14.00 | | | | | | | | | 128.00 | 32.00 | \$231.80 | 384.00 | \$695.39 | \$5,000.00 | |
| 020-6107 | Ecogrow Nutrients | 5.7500 | 15.00 | 15.00 | 15.00 | 15.00 | | | | | | | | | 60.00 | 15.00 | \$345.00 | 180.00 | \$1,035.00 | \$2,000.00 | |
| 020-6041 | Electric (100 kwhr) | 1.0530 | 2,352.00 | 2,016.00 | 2,156.00 | 1,876.00 | | | | | | | | | 8,400.00 | 2,100.00 | \$8,845.20 | 25,200.00 | \$26,535.60 | \$380,000.00 | |
| 022-6041 | Electric (100 kwhr)Maple Ave | 1.0530 | | 1,043.11 | 985.43 | | | | | | | | | | 2,028.54 | 1,014.27 | \$2,136.05 | 12,171.24 | \$12,816.32 | \$20,000.00 | |
| 020-6102 | Hypochlorite (gal) | 1.0280 | 2,700.00 | 2,303.00 | 2,608.00 | 2,435.00 | | | | | | | | | 10,046.00 | 2,511.50 | \$10,327.29 | 30,138.00 | \$30,981.86 | \$80,000.00 | |
| 022-6102 | Hypochlorite - Maple Ave | 1.0280 | 11.00 | 360.00 | 137.00 | 302.00 | | | | | | | | | 810.00 | 202.50 | \$832.68 | 2,430.00 | \$2,498.04 | \$0.00 | |
| 020-6105 | Lime (lbs) | 0.0810 | 1,050.00 | 850.00 | 900.00 | 800.00 | | | | | | | | | 3,600.00 | 900.00 | \$291.60 | 10,800.00 | \$874.80 | \$1,000.00 | |
| 020-6104 | MgOH (gal) | 2.2512 | 1,100.00 | 1,277.00 | 1,568.00 | 1,636.00 | | | | | | | | | 5,581.00 | 1,395.25 | \$12,563.95 | 16,743.00 | \$37,691.84 | \$60,000.00 | |
| 020-6046 | Natural Gas (ccf) | 1.0176 | 1,083.00 | 813.00 | 865.00 | 124.00 | | | | | | | | | 2,885.00 | 721.25 | \$2,935.78 | 8,655.00 | \$8,807.33 | \$7,500.00 | |
| 022-6045 | Natural Gas (ccf) Maple Ave | 1.0176 | | 75.95 | 68.79 | | | | | | | | | | 144.74 | 72.37 | \$147.29 | 868.43 | \$883.72 | \$5,000.00 | |
| 020-6101 | Polymer (lbs) | 1.2900 | 1,840.00 | 1,400.00 | 1,410.00 | 1,290.00 | | | | | | | | | 5,940.00 | 1,485.00 | \$7,662.60 | 17,820.00 | \$22,987.80 | \$55,000.00 | |
| 020-6103 | Sodium Bisulfite (gal) | 2.2330 | 1,814.00 | 1,677.00 | 1,830.00 | 1,852.00 | | | | | | | | | 7,173.00 | 1,793.25 | \$16,017.31 | 21,519.00 | \$48,051.93 | \$25,000.00 | |
| 040-6045 | Unleaded-MUA (gal)** | 1.7512 | 3,056.00 | 591.20 | 741.30 | 604.50 | | | | | | | | | 4,993.00 | 1,248.25 | \$8,743.74 | 14,979.00 | \$26,231.22 | \$389,000.00 | |
| Subtotal | | | | | | | | | | | | | | | \$75,900.13 | | | \$234,550.39 | | \$1,075,600.00 | |
| Collection System Consumables | | | | | | | | | | | | | | | | | | | | | |
| 040-6104 | Bioxide (gals) | 2.7200 | 2,038.70 | 1,948.50 | 2,050.40 | 1,926.50 | | | | | | | | | 7,964.10 | 1,991.03 | \$21,662.35 | 23,892.30 | \$64,987.06 | \$77,000.00 | |
| 040-6044 | Diesel Fuel (gal) P/S Gen | 1.8109 | 17.30 | 24.90 | 28.20 | 18.20 | | | | | | | | | 88.60 | 22.15 | \$160.45 | 265.80 | \$481.34 | \$500.00 | |
| 040-6046 | Natural Gas (ccf) | 1.0176 | 80.64 | 68.00 | 85.77 | 43.64 | | | | | | | | | 278.05 | 69.51 | \$282.94 | 834.15 | \$848.83 | \$3,500.00 | |
| Subtotal | | | | | | | | | | | | | | | 22,105.74 | | | 66,317.22 | | | |
| Total | | | | | | | | | | | | | | | \$98,005.87 | | | \$300,867.62 | | \$1,075,600.00 | |

| Source Name | Waste Type | Flow, gpd | Total Gallons | Total Tons | No. of Trucks | Average % Solids | Amount Charged |
|-------------------------------------|---------------|-----------|---------------|------------|---------------|------------------|----------------|
| A & L SEPTIC SERVICES | Septage | 13395 | 415,250 | | 77 | 0.4 | \$16,610.00 |
| A-Action Plumbing, Inc. | Septage | 387 | 12,000 | | 7 | 0.5 | \$480.00 |
| BEMS / BIG HILL LANDFILL | Leachate | 323 | 9,998 | | 2 | 0.2 | \$389.92 |
| BROWN, ALBERT S. | Septage | 258 | 8,000 | | 2 | 2.2 | \$628.00 |
| Burlington County RRF PO# 13-09265 | Leachate | 23040 | 714,248 | | 118 | 0.6 | \$12,856.46 |
| Cella's Septic Company | Septage | 3355 | 104,000 | | 25 | 0.8 | \$4,520.50 |
| DREDGE HARBOR BOAT CENTER LLC | Septage | 226 | 7,000 | | 1 | 0.1 | \$280.00 |
| Deckers Septic | Septage | 745 | 23,100 | | 7 | 0.7 | \$924.00 |
| Dey Farms | Miscellaneous | 1129 | 35,000 | | 5 | 0.3 | \$1,750.00 |
| Dolan Septic LLC | Septage | 155 | 4,800 | | 1 | 0.8 | \$192.00 |
| Don E. Miller Cesspool Service | Septage | 2732 | 84,700 | | 25 | 0.6 | \$3,388.00 |
| Drayton | Septage | 10555 | 327,200 | | 79 | 0.6 | \$13,088.00 |
| Drayton Transfer Station | Septage | 4748 | 147,200 | | 33 | 1.2 | \$6,400.00 |
| Fieldsboro | Sludge | 129 | 4,000 | | 1 | 2.2 | \$320.00 |
| GROWS Landfill Stormwater | Miscellaneous | 7795 | 241,655 | | 42 | 0.1 | \$4,375.97 |
| Homestead Treatment Utilities, Inc. | Sludge | 2068 | 64,100 | | 10 | 0.7 | \$2,628.10 |
| Jackson Transfer Station | Septage | 703 | 21,800 | | 4 | 2.6 | \$1,675.80 |
| Laird & Company | Miscellaneous | 553 | 17,145 | | 3 | 0.2 | \$788.67 |
| Mansfield Farms | Sludge | 1761 | 54,600 | | 8 | 1.2 | \$2,238.60 |
| Medford Township STP | Sludge | 903 | 28,000 | | 4 | 1.7 | \$1,540.00 |
| Mobile Estates of Southampton, Inc. | Sludge | 290 | 9,000 | | 2 | 2.1 | \$720.00 |
| NEW EGYPT SCHOOL PO#15-1280 | Sludge | 129 | 4,000 | | 1 | 1.4 | \$320.00 |
| Palmyra | Sludge | 1048 | 32,500 | | 5 | 1.1 | \$1,625.00 |
| Puglisi Egg Farms. Inc. | Septage | 774 | 24,000 | | 4 | 0.8 | \$960.00 |
| Seneca High School | Sludge | 245 | 7,600 | | 2 | 1.1 | \$646.00 |
| State Environmental Services | Septage | 2219 | 68,800 | | 16 | 0.6 | \$2,902.50 |
| Waste Management/Parklands Landfill | Leachate | 1387 | 43,000 | | 10 | 0.4 | \$1,075.00 |

| | | | |
|---------------|------------|---------------|----------------|
| Total Gallons | Total Tons | No. of Trucks | Amount Charged |
| 2,512,696 | 0 | 494 | \$83,322.52 |

YEARLY TOTALS OF COLLECTION SYSTEM WORK

R-23A

YEAR 2017

| MONTH | | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | TOTAL |
|--------------|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| 1) | MISCELLANEOUS BEEPER CALL | 4 | 4 | 7 | 10 | | | | | | | | | 25 |
| 2) | MISCELLANEOUS CALLS NOT OURS | 1 | 1 | 1 | 3 | | | | | | | | | 6 |
| 3) | NUMBER OF OVERTIME CALLS | 3 | 2 | 4 | 5 | | | | | | | | | 14 |
| 4) | ACTUAL OTHER BILLABLE MANHOURS | 0 | 0 | 0 | 0 | | | | | | | | | 0 |
| 5) | NUMBER OF FEET OF PIPE CLEANED | 35,111 | 22,488 | 21,027 | 21,210 | | | | | | | | | 99,836 |
| 6) | MANHOLE OVERFLOW INCIDENTS | 0 | 0 | 1 | 1 | | | | | | | | | 2 |
| 7) | LATERAL INSPECTIONS | 2 | 6 | 2 | 4 | | | | | | | | | 14 |
| 8) | MANHOLE INSPECTIONS | 30 | 19 | 23 | 17 | | | | | | | | | 89 |
| 9) | TOTAL NUMBER OF SERVICE CALLS (STOPPAGE) | 15 | 9 | 10 | 9 | | | | | | | | | 43 |
| 10) | NUMBER OF SERVICE CALLS NOT OUR PROBLEM | 15 | 7 | 7 | 8 | | | | | | | | | 37 |
| 11) | NUMBER OF OVERTIME SERVICE | 5 | 4 | 3 | 3 | | | | | | | | | 15 |
| 12) | NUMBER OF REPEAT SERVICE CALLS ** | 0 | 0 | 0 | 0 | | | | | | | | | 0 |
| 13) | NUMBER OF SECOND WATER METER READINGS | 5 | 5 | 5 | 26 | | | | | | | | | 41 |
| 14) | NUMBER OF FEET OF PIPE SMOKE TESTED | 0 | 0 | 0 | 0 | | | | | | | | | 0 |
| 15) | NUMBER OF FEET OF PIPE TELEVISED | 1,114 | 0 | 0 | 0 | | | | | | | | | 1114 |
| 16) | MARK OUT REQUESTS | 255 | 244 | 337 | 341 | | | | | | | | | 1,177 |

** SAME MAIN IN A 3 MONTH PERIOD

APRIL 2017 COLLECTION SYSTEM COMMENTS

| Pump Station | Date | Electrical Maint Required | Mechanical Maint Required | Pumps Clogging | Generator Problems | Alarm System Problems | Miscellaneous |
|-------------------|--------------------|--|---------------------------|----------------------|--------------------|-----------------------|---|
| 209 | 4-28-17 | Yes, techs responded to replace UPS battery back up. | | | | | We received a PLC failure alarm. Found error on the UPS battery back up and contacted techs. |
| 215 | 4-18-17 | | | Yes, P-2 check valve | | | |
| 226 | 4-9-17 | Yes, techs responded for low battery alarm from Mission. Replaced battery. | | | | | |
| 227 | 4-26-17 | Techs replaced contacts for P-1 and P-2 motor starters. | | | | | |
| 229 | 4-27-17 | Techs replaced contacts for P-1 and P-2 motor starters. | | | | | |
| 230 | 4-25-17 | Techs replaced contacts for P-1 and P-2 motor starters. | | | | | |
| 238 | 4-1-17 thru 4-4-17 | | | | | | Responded numerous times with 25 KW generator to pump down wet well while we had no electric service. On 4-4-17 PSE&G finished electric work and station is back on line as normal. |
| Hainesport School | | | | | | | Responded for P-1 seal fail alarm. Removed pump and brought back to shop for repair. |

APRIL 2017 COLLECTION SYSTEM COMMENTS

THERE WERE NO BIOXIDE DELIVERIES MADE IN THE MONTH OF APRIL.

| <u>PUMP STATIONS</u> | <u>GALLONS</u> |
|-----------------------------|-----------------------|
| P/S # 15 | |
| P/S # 19 | |
| P/S # 21 | |
| P/S # 22 | |
| P/S # 24 | |
| P/S # 25 | |
| P/S # 26 | |
| C.O.B | |

THERE WERE NO FUEL ADDITIONS MADE IN THE MONTH OF APRIL.

| <u>PUMP STATION</u> | <u>GALLONS</u> | <u>PUMP STATION</u> | <u>GALLONS</u> |
|----------------------------|-----------------------|----------------------------|-----------------------|
| P/S # 01 | | P/S # 21 | |
| P/S # 02 | | P/S # 22 | |
| P/S # 08 | | P/S # 23 | |
| P/S # 10 | | P/S # 24 | |
| P/S # 11 | | E.A.S. | |
| P/S # 14 | | H.A.I | |
| P/S # 15 | | 20 KW | |
| P/S # 17 | | 100 KW | |
| P/S # 18 | | 150KW | |
| P/S # 19 | | | |
| P/S # 20 | | | |

Odor Complaint Record

Odor Complaint Instructions

The Shift Supervisor or other qualified employee of the MHMUA must complete this form and investigate the complaint within 2-hours of receipt of an odor complaint.

Name of MHMUA employee taking call: Jason Corn Date: 4/17/2017 Time: 21:00
Caller: Nam Karen Kauterman Telephone: (609)471-7507
Address: 20 Hainesport Mt. Laurel Road Township Hainesport **Select check box on all odor complaints to send an email ☒**

ANY ODOR CONTROL COMPLAINT FROM SOUTH HUNTERDON AVENUE IN HAINESPORT CALL JOEL'S CELL PHONE @ (609) 969-2009 IMMEDIATELY!

Questions to be asked of caller by MHMUA employee

What time did you first detect an odor: 8:00 Do you still smell the odor: No
Have you smelled the odor before: Yes Where: Outside in the yard
When: Various times
Is the odor constant or intermittent: Intermittent Describe the odor: Sewer odor
Caller comments: This caller works with my wife and the resident sent a text message to my wife on Monday night 4-17-17 saying she had detected sewer odors intermittently over the previous holiday weekend and asked if we could look into what may be causing the odors on Tuesday.

If the caller indicates that they no longer detect an odor, advise them that we cannot investigate an odor complaint unless the odor is currently present. Advise them that if the odor returns t please call back as soon as possible so that we can investigate.

Name of MHMUA investigator: Jason Corn Time investigated: 7:30 Date: 4/18/2017
Weather Conditions: Sunny Humidity Level: N/A
Wind Information: Speed: N/A MP Direction: N/A Gusting: N/A GustingTo: N/A MP
Did you investigate the complaint: Yes Did you detect an odor: No

If you do not detect an odor, advise the resident of that and that they should call if they detect another odor. Do not make any unsubstantiated statements.

If an odor is detected:

Print Current Record

Did you isolate the source of the odor: No Did you speak with the caller: Yes
What did you tell the caller about your findings: See below

What corrective actions, if any are needed:

The caller sent a text message to wife Monday night saying she was detecting sewer odors in her yard over the Easter holiday weekend and asked if I could investigate on Tuesday why she was smelling the odors. The first thing I did was on my way to work Tuesday morning was stop at Kelly's pump station to make sure the blower on the eco-pure mini biofilter was running. The last two times this resident called the blower had tripped out on the unit which caused the station to begin emanating sewer odors and she could detect them from her home. This time the blower was operating normally. When I arrived at work I reviewed the recent bioxide measurements from upstream pump stations (PS 226, 221 and 219) and I could see there were some problems at all three stations since last Friday. PS 219 was not pumping to capacity, PS 221 and 226 had the same measurements from Friday to Monday. I went to PS 226 first and both pumps were airbound. I was able to prime P-1 and set it the pump rate. I was unable to prime P-2 so I placed a call to Evoqua to have a service man respond to repair P-2. Both pumps at PS 221 were airbound but I was able to prime each pump and set the pump rate. The last station I went to was PS 219. P-1 pump rate was exactly where it was supposed to be but P-2 was airbound. I was able to prime P-2 and set the pump rate. On my way back to the plant I stopped at the resident's home and explained to her there were some issues with the chemical pumps at some upstream stations that control odors downstream. She said she had not detected any odors yesterday it was mostly over the weekend and Monday. I explained to her since I was able to get most them pumping as normal, hopefully she would not be able to detect any future odors. I received a call back from Evoqua and the service tech will be here on Wednesday 4-19-17 to inspect P-2 at PS 226. While he is here on Wednesday I am going to ask him to check on the systems at PS 219 and 221. If he is unable to check on all of them I'll ask if he can come back in the next couple of days to check them.

If the odor is emanating from the plant, then the source must be identified and corrected:

Name of Supervisor contacted: _____ Time: _____
Supervisor's response or comments:

**TABLE AR-4
SUMMARY OF IWPT MONITORING PROGRAM**

October 2016 through September 2017
POTW: Mount Holly Municipal Utilities Authority

| | CATEGORICAL IUs | | NON-SIGNIFICANT CATEGORIAL IUs | | SIGNIFICANT/ MAJOR IUs | | OTHER REGULATED | |
|--|-----------------|-------------|--------------------------------|-------------|------------------------|-----------------|-----------------|-------------|
| | This Period | Last Period | This Period | Last Period | This Period | Last Period | This Period | Last Period |
| Number of Industrial Users (IUs) included in POTW Monitoring Program | 2 | 2 | 0 | 0 | 2 | 2 | 2 | 2 |
| Number of IUs added to POTW Monitoring Program | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of IUs eliminated from POTW Monitoring Program | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total number of POTW inspections of IUs. | | 2 | | 0 | | 2 | | 2 |
| Total number of POTW sampling visits to IUs. | 2 | 3 | | 0 | 0 ¹ | 15 ¹ | 1 | 2 |
| Total number of IUs in IPP not sampled. | | 0 | | 0 | | 0 | | 0 |
| Total number of IUs in IPP not inspected. | | 0 | | 0 | 0 | 0 | | 0 |

¹ Includes MHMUA monitoring in lieu of self-monitoring for the following facilities: Monmouth County Reclamation Center, Dey Farm

Bulk Waste Monitoring April, 2017

| | April | March | October 2016-September 2017 | October 2015-September 2016 |
|---|-------|-------|-----------------------------|-----------------------------|
| 1. Number of bulk delivery pH, T.S. and sensory checks: | 494 | 386 | 2,880 | 5,356 |
| 2. Number of bulk delivery SQAR sampling checks: | 0 | 0 | 0 | 0 |
| 3. Number of bulk delivery conventional pollutant checks: | 10 | 9 | 65 | 124 |
| 4. Number of bulk septage sources: | 13 | 14 | 20 | 20 |
| 5. Number of bulk sludge sources: | 8 | 7 | 12 | 10 |

Sampling (April): MET
Inspections (April): None

May 4, 2017
MHMUA STATUS REPORT
Safety Director and Special Projects
MONTHLY UPDATES

These fields are to remain blank or the words "no change in status" if progress has not been achieved since the previous report.

- Develop a Human Resources Information Folder available to all employees: Six chapters are complete with links to the EPL, Collective Bargaining Agreements, Policy & Procedures, Benefits, Health & Safety Related, etc. both as an Adobe and Word document on the shared drive.
- Electronic Records Imaging and Information Management System:
 - I have completed the inventory of record storage areas at Rancocas Road and Maple Avenue.
 - Spreadsheets have been developed identifying the individual items stored at each location and related file information needed to determine year, contents, file disposition, etc.
 - To date, over 124,000 images have been scanned since the scanner was activated on February 3rd.
- MHMUA fueling system: All information sent to office.
- Safety Committee Scheduled Meeting Highlights and Upcoming Meeting Dates: The Committee met Monday May 1st with minutes to follow. The committee is scheduled to meet again on Tuesday June 20th.
- Training: Six Personal Protective Equipment (PPE) training programs were provided. Right-To-Know/Chemical hazard Communication and Communicable Disease training programs are scheduled for May
- Claims: All required documents, photos, etc. for the property loss claim at pump station 238 were submitted to Qual Lynx and the adjuster. The claim is in the process of being closed and a check issued to the Authority for reimbursement of costs incurred for repair and restoration of service.
- Safety Equipment: Updated and/or replacement safety equipment and first aid supplies were ordered and will be distributed as needed.
- ARC Flash Update: Leighton Bryan and Tony Fisher will be reviewing and comparing the Easy Power arc flash software to determine if the Authority will be capable of performing the facility analysis.

QUARTERLY UPDATES

These fields are to remain blank or the words "no change in status" if progress has not been achieved since the previous report.

ANNUAL UPDATES

These fields are to remain blank or the words "no change in status" if progress has not been achieved since the previous report.

- NJUAJIF: Received and reviewed a copy of the Loss Control Report submitted by Robert Holwitt of J A Montgomery following his inspection on Monday, February 13, 2017 of the Maple Avenue facility and Davenport Village pump station. The inspection also included a review of training records and employee injuries and related recordkeeping.
 - Waiting for the 2016 SIP Award Plaque received by mail so it can be added to the perpetual Safety Incentive Program participation plaque for achievement in the JIF Safety Incentive Program.
 - Received the 2017 Safety Incentive Program and will be working to make sure the Authority remains in compliance with the JIF Safety Program requirements

**MOUNT HOLLY MUNICIPAL UTILITIES AUTHORITY
BANK BALANCE REPORT
APRIL 30, 2017**

| <u>BANK ACCOUNTS</u> | <u>REGISTRATION</u> | <u>ACCOUNT NO.</u> | <u>AMOUNT</u> |
|----------------------|-------------------------------|--------------------|-------------------------------|
| Beneficial Bank | MHMUA Escrow Account | xxxxx84877 | \$ 244,399.76 |
| Beneficial Bank | MHMUA Self Insured UE Fund | xxxxx87581 | \$ 40,480.90 |
| Beneficial Bank | MHMUA Payroll | xxxxx87599 | \$ 10,082.15 |
| Beneficial Bank | MHMUA Operating Fund | xxxxx87607 | \$ 324,194.65 |
| Beneficial Bank | MHMUA Trustee Deposit Account | xxxxx87631 | \$ 644,244.08 |
| Beneficial Bank | MHMUA FSA Account | xxxxx75685 | \$ 4,933.50 |
| | | | <u>\$ 1,268,335.04</u> |

| <u>ACCOUNTS HELD IN TRUST</u> | | <u>ACCT. NO.</u> | | |
|-------------------------------|-----------------------|------------------|--------------------------------|----------|
| T.D. Wealth Management | Debt Service Reserve | xxxx76305 | \$ 3,908,450.04 | In Trust |
| T.D. Wealth Management | Revenue Fund | xxxx75018 | \$ 3,078,053.90 | In Trust |
| T.D. Wealth Management | Renewal & Replacement | xxxx79606 | \$ 6,027,342.55 | In Trust |
| T.D. Wealth Management | Debt Service Fund | xxxx80802 | \$ 3,265,994.48 | In Trust |
| | | | <u>\$ 16,279,840.97</u> | |

Debt Service payment June 1,2017:

| | |
|--|-------------------------------|
| Total Debt Payment 6/1/2017 | \$ 453,012.51 |
| Balance 4/30/2017 | \$ 3,265,994.48 |
| Debt Service (Required)/Available | <u>\$ 2,812,981.97</u> |

DEBT SERVICE SCHEDULED PAYMENTS (P&I) FOR 2017: NJEIT FEES

| | | |
|-------------|-------------------------------|-----------|
| Due 2.1.17 | \$ 333,369.34 | 18,960.00 |
| Due 6.1.17 | \$ 453,012.51 | |
| Due 8.1.17 | \$ 1,265,912.61 | 18,960.00 |
| Due 12.1.17 | \$ 1,368,012.51 | |
| | <u>\$ 3,420,306.97</u> | |

[illegible]

[illegible]