

2011

PEQUANNOCK, LINCOLN PARK

AND FAIRFIELD SEWERAGE AUTHORITY

BUDGET

STATE of NEW JERSEY
DEPARTMENT of COMMUNITY AFFAIRS
DIVISION of LOCAL GOVERNMENT SERVICES

2011

PEQUANNOCK, LINCOLN PARK AND FAIRFIELD

SEWERAGE AUTHORITY

AUTHORITY BUDGET

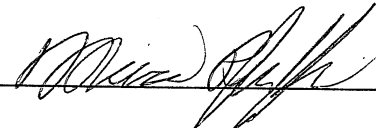
FISCAL YEAR: FROM DECEMBER 1, 2010 TO NOVEMBER 30, 2011

For Division Use Only

CERTIFICATION OF APPROVED BUDGET

It is hereby certified that the approved Budget made a part hereof complies with the requirements of law and the rules and regulations of the Local Finance Board, and approval is given pursuant to N.J.S.A.40A:5A-11.

**State of New Jersey
Department of Community Affairs
Director of the Division of Local Government Services**

By  Date 11/10/10

CERTIFICATION OF ADOPTED BUDGET

It is hereby certified that the adopted Budget made a part hereof has been compared with the approved Budget previously certified by the Division, and any amendments made thereto. This adopted Budget is certified with respect to such amendments and comparisons only.

**State of New Jersey
Department of Community Affairs
Director of the Division of Local Government Services**

By _____ Date _____

PREPARER'S CERTIFICATION

of the

2011

PEQUANNOCK, LINCOLN PARK AND FAIRFIELD

SEWERAGE AUTHORITY

AUTHORITY BUDGET

FISCAL YEAR: FROM DECEMBER 1, 2010 TO NOVEMBER 30, 2011

It is hereby certified that the Authority Budget, including both the Annual Budget and the Capital Budget/Program annexed hereto, represents the members of the governing body's resolve with respect to statute in that; all estimates of revenue are reasonable, accurate and correctly stated, all items of appropriation are properly set forth and in itemization, form and content, the budget will permit the exercise of the comptroller function within the Authority.

It is further certified that all proposed budgeted amounts and totals are correct. Also, I hereby provide reasonable assurance that all assertions contained herein are accurate and all Supplemental Schedules required are completed and attached.



(Preparer's signature)

Robert N. Bongiovanni

(name)

Executive Director

(title)

P.O. Box 188

(address)

Lincoln Park, New Jersey 07035

(address)

(973) 696-4494 / (973) 305-1764

(phone number) (fax number)

APPROVAL CERTIFICATION

of the

2011

PEQUANNOCK, LINCOLN PARK AND FAIRFIELD

SEWERAGE AUTHORITY

AUTHORITY BUDGET

FISCAL YEAR: FROM DECEMBER 1, 2010 TO NOVEMBER 30, 2011

It is hereby certified that the Authority Budget, including Supplemental Schedules appended hereto, are a true copy of the Annual Budget and Capital Budget/Program approved by resolution by the governing body of the Pequannock, Lincoln Park and Fairfield Sewerage Authority, at an open public meeting held pursuant to N.J.A.C. 5:31-2.3, on the 8th day of September, 2010.

It is further certified that the recorded vote appearing in the resolution represents a not less than a majority of the full membership of the governing body thereof.



(Secretary's signature)

Dale Allen
(name)

Secretary to the Board
(title)

P.O. Box 188
(address)

Lincoln Park, New Jersey 07035
(address)

(973) 696-4494 / (973) 305-1764
(phone number) (fax number)

AUTHORITY INFORMATION SHEET

2011

Please complete the following information regarding this Authority:

Name of Authority:	Pequannock, Lincoln Park and Fairfield Sewerage Authority		
Address:	P.O. Box 188		
City, State, Zip:	Lincoln Park	New Jersey	07035
Phone: (ext.)	973-696-4494 ext. 200	Fax:	973-305-1764

Preparer's Name:	Robert N. Bongiovanni/Executive Director		
Preparer's Address:	P.O. Bo 188		
City, State, Zip:	Lincoln Park	New Jersey	07035
Phone: (ext.)	973-696-4494 ext. 215	Fax:	973-305-1764

Chief Executive Officer:	Robert N. Bongiovanni/Executive Director		
Phone: (ext.)	973-696-4494 ext. 215	Fax:	973-305-1764
E-mail:	TBSA@ensocorp.net		

Chief Financial Officer:	Robert N. Bongiovanni/Executive Director		
Phone: (ext.)	973-696-4494 ext. 215	Fax:	973-305-1764
E-mail:	TBSA@ensocorp.net		

Name of Auditor:	Paul Cuva, CPA,RMA		
Name of Firm:	Ferraioli, Wielkotz. Ceri;;p & Cuva		
Address:	401 Wanaque Avenue		
City, State, Zip:	Pompton Plains	New Jersey	07442
Phone: (ext.)	973-835-9700 ext. 209	Fax:	973-835-6631
E-mail:	paulcuv@optonline.net		

Membership of Board of Commissioners (Full Name)	Title
Raymond Verdonik	Chairman
Jerry S. Notte	Vice Chairman
Paul J. Hollick	Treasurer
Ronald H. Carr	Member
Robert Voorman	Member
Arthur J. Schmidt	Member
James A. Wild	Member
Raymond T. Kerwin	Member

RESOLUTION #10- 070

2011
PEQUANNOCK, LINCOLN PARK AND FAIRFIELD SEWERAGE AUTHORITY
AUTHORITY BUDGET RESOLUTION

FISCAL YEAR: FROM DECEMBER 1, 2010 TO NOVEMBER 30, 2011

WHEREAS, the Annual Budget and Capital Budget for the Pequannock, Lincoln Park and Fairfield Sewerage Authority for the fiscal year beginning December 1, 2010 and ending November 30, 2011 has been presented before the governing body of the Pequannock, Lincoln Park and Fairfield Sewerage Authority at its open public meeting of September 8, 2010 ; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$11,816,281, Total Appropriations, including any Accumulated Deficit if any, of \$12,166,281 and Total Unreserved Retained Earnings utilized of \$350,000; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$4,890,000, and Total Unreserved Retained Earnings planned to be utilized as funding thereof, of \$0.00; and

WHEREAS, the schedule of rates, fees and other charges in effect will produce sufficient revenues, together with all other anticipated revenues to satisfy all obligations to the holders of bonds of the Authority, to meet operating expenses, capital outlays, debt service requirements, and to provide for such reserves, all as may be required by law, regulation or terms of contracts and agreements; and

WHEREAS, the Capital Budget/Program, pursuant to N.J.A.C. 5:31-2, does not confer any authorization to raise or expend funds; rather it is a document to be used as part of the said Authority's planning and management objectives. Specific authorization to expend funds for the purposes described in this section of the budget, must be granted elsewhere; by bond resolution, by a project financing agreement, by resolution appropriating funds from the Renewal and Replacement Reserve or other means provided by law.

NOW, THEREFORE BE IT RESOLVED, by the governing body of the Pequannock, Lincoln Park and Fairfield Sewerage Authority, at an open public meeting held on September 8, 2010 that the Annual Budget, including appended Supplemental Schedules, and the Capital Budget/Program of the Pequannock, Lincoln Park and Fairfield Sewerage Authority for the fiscal year beginning December 1, 2010 and ending November 30, 2011 is hereby approved; and

BE IT FURTHER RESOLVED, that the anticipated revenues as reflected in the Annual Budget are of sufficient amount to meet all proposed expenditures/expenses and all covenants, terms and provisions as stipulated in the said Authority's outstanding debt obligations, capital lease agreements, service contracts, and other pledged agreements; and

BE IT FURTHER RESOLVED, that the governing body of the Pequannock, Lincoln Park and Fairfield Sewerage Authority will consider the Annual Budget and Capital Budget/Program for adoption on November 10, 2010.

ATTEST: Ronald H. Carr, Secretary

Raymond Verdonik, Chairman

Dated: September 8, 2010

Recorded Vote

Table with 5 columns: Member, Aye, Nay, Abstain, Absent. Lists members like Arthur J. Schmidt, Paul J. Hollick, Robert A. Voorman, Jerry Notte, Ronald H. Carr, James A. Wild, Raymond T. Kerwin, and Raymond Verdonik with checkmarks in the Aye column.

2011

PEQUANNOCK, LINCOLN PARK AND FAIRFIELD

SEWERAGE AUTHORITY

AUTHORITY BUDGET

FISCAL YEAR: FROM DECEMBER 1, 2010 TO NOVEMBER 30, 2011

BUDGET MESSAGE

1. Complete a brief statement on the 2011 proposed Annual Budget and make comparison to the current year's adopted budget. Explain significant increases or decreases, if any.

Expenses are down by \$266,544 or 2.14%. This is mostly due to decreases in Energy (down by \$424,500).

Outside Revenues are down by \$372,458 or 15.85%. Interest rates are significantly lower (estimated at 0.05%, down by \$66,500). Sludge/Septage income is also down by \$56,100). In addition, we are using \$350,000 unreserved retained earnings (surplus) which is down from the \$425,000 appropriated last budget year.

2. Complete a brief statement on the impact the proposed Annual Budget will have on Anticipated Revenues, especially service charges and on the general purpose/component unit financial statements. Explain significant increases or decreases, if any.

The combination of the above changes in expenses and revenues results in an overall increase in Participant payments of \$105,914 or 1.05%. However, due to the prescribed methods for the distribution of offsetting revenues and the distribution of costs in relation to flow, the range of increases to each Participant will vary.

3. Describe the state of the local/regional economy and how it may impact the proposed Annual Budget, including the planned Capital Budget/Program.

Fluctuations in energy costs, both fuel oil and electricity, continue to be very difficult to predict. We have received ARRA financing for a \$6.7 million project to install UV disinfection and we have applied for \$2,253,000 in supplemental financing which will add a total of about \$380,000 to our annual debt service starting in FY 2012. In addition, we are mandated by NJDEP to provide a major upgrade to our treatment plant. A study to expand and upgrade the plant has been completed. We can expect a very significant increase in debt service, probably starting after FY 2015.

See page CB2 of the Capital Budget for further comment on this very significant item.

4. Describe the reasons for utilizing Unreserved Retained Earnings in the proposed Annual Budget, i.e. rate stabilization, debt service reduction, to balance the budget, etc.

Retained Earnings were used to reduce Participant payments & balance the budget. Additional retained earnings will not be needed to address GASB 16 requirements for unused sick and vacation days since we have already expensed \$390,263 and reserved another \$500,000 for this purpose. Retained Earnings have been used continuously for the past 8 years and may not be available for future budgets.

5. If the proposed Annual Budget contains an Accumulated Deficit either existing or anticipated, pursuant to N.J.S. 40A:5A-12, then an explanation as to reasons for occurrence must be disclosed.

N/A

2011

AUTHORITY BUDGET

PEQUANNOCK, LINCOLN PARK AND FAIRFIELD

SEWERAGE AUTHORITY

FISCAL YEAR: FROM DECEMBER 1, 2010 TO NOVEMBER 30, 2011

--ANTICIPATED REVENUES--

<u>OPERATING REVENUES</u>	<u>CROSS REF.</u>	<u>2011 PROPOSED BUDGET</u>	<u>2010 CURRENT YEAR'S ADOPTED BUDGET</u>
SERVICE CHARGES	* A-1 *	\$10,188,581.00	\$10,082,667.00
CONNECTION FEES	* A-2 *		
PARKING FEES	* A-3 *		
OTHER OPERATING REVENUES	* A-4 *	<u>\$1,625,200.00</u>	<u>\$1,856,158.11</u>
TOTAL OPERATING REVENUES	* R-1 *	<u>\$11,813,781.00</u>	<u>\$11,938,825.11</u>
<u>NON-OPERATING REVENUES</u>	<u>CROSS REF.</u>	<u>2011 PROPOSED BUDGET</u>	<u>2010 CURRENT YEAR'S ADOPTED BUDGET</u>
OPERATING GRANTS & ENTITLEMENTS	* A-5 *		
LOCAL SUBSIDIES & DONATIONS	* A-6 *		
INTEREST ON INVESTMENTS AND DEPOSITS	* A-7 *	\$2,500.00	\$69,000.00
OTHER NON-OPERATING REVENUES	* A-8 *		
TOTAL NON-OPERATING REVENUES	* R-2 *	<u>\$2,500.00</u>	<u>\$69,000.00</u>
TOTAL ANTICIPATED REVENUES (R-1 + R-2)	* B-1 *	<u>\$11,816,281.00</u>	<u>\$12,007,825.11</u>

2011

AUTHORITY BUDGET

PEQUANNOCK, LINCOLN PARK AND FAIRFIELD

SEWERAGE AUTHORITY

FISCAL YEAR: FROM DECEMBER 1, 2010 TO NOVEMBER 30, 2011

--BUDGETED APPROPRIATIONS--

--OPERATING APPROPRIATIONS--

ADMINISTRATION	CROSS REF.	2011 PROPOSED BUDGET	2010 CURRENT YEAR'S ADOPTED BUDGET
SALARY & WAGES	* * *	\$442,420.00 *	\$426,290.00 *
FRINGE BENEFITS	* * *	\$173,800.00 *	\$149,500.00 *
OTHER EXPENSES	* * *	\$230,300.00 *	\$226,200.00 *
TOTAL ADMINISTRATION	* E-1 *	\$846,520.00 *	\$801,990.00 *
COST OF PROVIDING SERVICES	CROSS REF.	2011 PROPOSED BUDGET	2010 CURRENT YEAR'S ADOPTED BUDGET
SALARY & WAGES	* * *	\$1,855,020.00 *	\$1,778,830.00 *
FRINGE BENEFITS	* * *	\$746,900.00 *	\$640,800.00 *
OTHER EXPENSES	* * *	\$4,760,000.00 *	\$5,059,300.00 *
TOTAL COST OF PROVIDING SERVICE	* E-2 *	\$7,361,920.00 *	\$7,478,930.00 *
TOTAL PRINCIPAL PAYMENTS ON DEBT SERVICE IN LIEU OF DEPRECIATION	* D-1 *	\$2,475,017.30 *	\$2,675,963.84 *
TOTAL OPERATING APPROPRIATIONS (E-1 + E-2 + D-1)	* B-2 *	\$10,683,457.30 *	\$10,956,883.84 *

2011

AUTHORITY BUDGET

PEQUANNOCK, LINCOLN PARK AND FAIRFIELD

SEWERAGE AUTHORITY

FISCAL YEAR: FROM DECEMBER 1, 2010 TO NOVEMBER 30, 2011

--BUDGETED APPROPRIATIONS--

--NON-OPERATING APPROPRIATIONS--	CROSS REF.	2011 PROPOSED BUDGET	2010 CURRENT YEAR'S ADOPTED BUDGET
TOTAL INTEREST PAYMENTS ON DEBT	* D-2 *	\$527,581.26 *	\$548,521.03 *
OPERATIONS & MAINTENANCE RESERVE	* * *		
RENEWAL & REPLACEMENT RESERVE(S)	* C-1 *	\$955,242.00 *	\$927,420.00 *
OTHER RESERVES	* C-2 *		
TOTAL NON-OPERATING APPROPRIATIONS	* B-3 *	\$1,482,823.26 *	\$1,475,941.03 *
ACCUMULATED DEFICIT	* B-4 *		
TOTAL OPERATING & NON-OPERATING APPROPRIATIONS & ACCUMULATED DEFICIT (B-2 + B-3 + B-4)	* B-5 *	\$12,166,280.56 *	\$12,432,824.87 *
LESS: UNRESERVED RETAINED EARNINGS UTILIZED	* R-3 *	\$350,000.00 *	\$425,000.00 *
NET TOTAL APPROPRIATIONS (B-5-R-3)	* B-6 *	\$11,816,280.56 *	\$12,007,824.87 *

ADOPTION CERTIFICATION

OF THE

2011

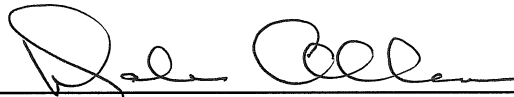
PEQUANNOCK, LINCOLN PARK AND FAIRFIELD

SEWERAGE AUTHORITY

AUTHORITY BUDGET

FISCAL YEAR: FROM DECEMBER 1, 2010 TO NOVEMBER 30, 2011

It is hereby certified that the Authority Budget and Capital Budget/Program annexed hereto is a true copy of the Budget adopted by the governing body of the Pequannock, Lincoln Park and Fairfield Sewerage Authority, pursuant to N.J.A.C. 5:31-2.3, on the 10th day of November, 2010.



(Secretary's signature)

Dale Allen

(name)

Secretary to the Board

(title)

P.O. Box 188

(address)

Lincoln Park, New Jersey 07035

(address)

(973) 696-4494

(phone number)

/

(973) 305-1764

(fax number)

RESOLUTION #10-081

2011
PEQUANNOCK, LINCOLN PARK AND FAIRFIELD SEWERAGE AUTHORITY
ADOPTED BUDGET RESOLUTION

FISCAL YEAR: FROM DECEMBER 1, 2010 TO NOVEMBER 30, 2011

WHEREAS, the Annual Budget and Capital Budget/Program for the Pequannock, Lincoln Park and Fairfield Sewerage Authority for the fiscal year beginning December 1, 2010 and ending November 30, 2011 has been presented for adoption before the governing body of the Pequannock, Lincoln Park and Fairfield Sewerage Authority at its open public meeting of November 10, 2010; and

WHEREAS, the Annual Budget and Capital Budget as presented for adoption reflects each item of revenue and appropriation in the same amount and title as set forth in the introduced and approved budget, including all amendments thereto, if any, which have been approved by the Director of the Division of Local Government Services; and

WHEREAS, the Annual Budget as presented for adoption reflects Total Revenues of \$11,816,281, Total Appropriations, including Accumulated Deficit, if any, of \$12,166,281, and Total Unreserved Retained Earnings utilized of \$350,000; and

WHEREAS, the Capital Budget as presented for adoption reflects Total Capital Appropriations of \$4,890,000, and Total Unreserved Retained Earnings planned to be utilized of \$0.00.

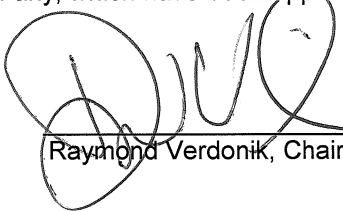
NOW, THEREFORE BE IT RESOLVED, by the governing body of Pequannock, Lincoln Park and Fairfield Sewerage Authority, at an open public meeting held on November 10, 2010 that the Annual Budget and Capital Budget/Program of the Pequannock, Lincoln Park and Fairfield Sewerage Authority for the fiscal year beginning December 1, 2010 and ending November 30, 2011 is hereby adopted and shall constitute appropriations for the purposes stated; and

BE IT FURTHER RESOLVED, that the Annual Budget and Capital Budget/Program as presented for adoption reflects each item of revenue and appropriation in the same amount and title as set forth in the introduced and approved budget, including all amendments thereto, if any, which have been approved by the Director of the Division of Local Government Services.

ATTEST:



Ronald H. Carr, Secretary



Raymond Verdonik, Chairman

Dated: November 10, 2010

Recorded Vote

Governing Body Member:	Aye	Nay	Abstain	Absent
Arthur J. Schmidt	M			
Paul J. Hollick	✓			
Robert A. Voorman	✓			
Jerry Notte	S			
Ronald H. Carr	✓			
James A. Wild	✓			
Raymond T. Kerwin	✓			
Raymond Verdonik	✓			

2011

**PEQUANNOCK, LINCOLN PARK
AND FAIRFIELD SEWERAGE AUTHORITY
CAPITAL BUDGET/
PROGRAM**

CERTIFICATION

of the

2011

PEQUANNOCK, LINCOLN PARK AND FAIRFIELD

SEWERAGE AUTHORITY

AUTHORITY CAPITAL BUDGET/PROGRAM

FISCAL YEAR: FROM DECEMBER 1, 2010 TO NOVEMBER 30, 2011

It is hereby certified that the Authority Capital Budget/Program annexed hereto is a true copy of the Capital Budget/Program approved, pursuant to N.J.A.C. 5:31-2.2, along with the Annual Budget, by the Commissioners of the Pequannock, Lincoln Park and Fairfield Sewerage Authority, on the 8th day of September, 2010.



(Secretary's signature)

Dale Allen

(name)

Secretary to the Board

(title)

P.O. Box 188

(address)

Lincoln Park, New Jersey 07035

(address)

(973) 696-4494
(phone number)

(973) 305-1764
(fax number)

2011

PEQUANNOCK, LINCOLN PARK AND FAIRFIELD

SEWERAGE AUTHORITY

AUTHORITY CAPITAL BUDGET

FISCAL YEAR: FROM DECEMBER 1, 2010 TO NOVEMBER 30, 2011

CAPITAL BUDGET/PROGRAM MESSAGE

1. Has each municipality or county affected by the actions of the authority participated in the development of the capital plan and reviewed or approved the plans or projects included within the Capital Budget /Program?

The Capital Budget will be submitted to the Participants following approval by the Authority.

2. Has each capital project/project financing been developed from a specific capital improvements plan or report; does it include full lifecycle costs, and is it consistent with appropriate elements of Master Plans or other plans in the jurisdictions served by the authority?

The annual Consulting Engineers Report was used to develop the Capital Budget.

3. Has a long term (10-20 years) infrastructure needs assessment or other capital plan with a horizon beyond six years been prepared?

No such assessment has been done.

4. Describe the projected impacts of the proposed capital projects, including impact on the schedule of rates, fees, and service charges and the impact on current and future year's schedules.

For the budget year, all capital projects will be funded by a combination of current debt authorization, existing construction funds, and Renewal & Replacement (R&R) reserves. We have received ARRA financing for the UV Project. A supplemental financing request has been submitted. The total UV Project costs, about \$9 million, will result in additional debt service of about \$380,000/year, which will be capitalized (principal and interest) to 2012. We will borrow from our own reserves to provide for initial project cash flow.

For future years, adequate funding should be available for most of the five year planning period, for the projects listed. However, significant additional capital improvements, which have not been budgeted, are anticipated. These improvements are the result of new DEP requirements and our need for plant capacity. Pending final treatment levels and plant capacity, there is a very wide range of alternative project costs. Capital costs vary from about \$20 to \$70 million, which will increase debt service in the range of \$2 million to \$6 million per year, probably starting after FY 2015.

(CAPITAL BUDGET MESSAGE CONTINUED)

5. Please indicate which capital projects/project financings are being undertaken in the Metropolitan or Suburban Planning Areas as defined in the State Development and Redevelopment Plan.

N/A

6. Please indicate which capital projects/project financings are being undertaken within the boundary of a State Planning Commission-designated Center and/or Endorsed Plan and if the project was included in the Plan Implementation Agenda for that Center/Endorsed Plan.

N/A

2011

AUTHORITY CAPITAL BUDGET

PEQUANNOCK, LINCOLN PARK AND FAIRFIELD

SEWERAGE AUTHORITY

FISCAL YEAR: FROM DECEMBER 1, 2010 TO NOVEMBER 30, 2011

PROPOSED YEAR'S CAPITAL IMPROVEMENT PLAN

PROJECTS	ESTIMATED TOTAL COST	FUNDING SOURCES			
		UNRESERVED RETAINED EARNINGS	RENEWAL & REPLACEMENT RESERVE	DEBT AUTH- ORIZATION	OTHER SOURCES
<u>Pumping Stations:</u>					
P1 Upgrade of Jane Road PS					
P2 Upgrade of Plant Sew PS					
P3 Deepavaal P.S. Mixer/Pumps	250,000		250,000		
P4 Plant Sewer PS Port. Generator	150,000		150,000		
<u>Collection System:</u>					
C1 Evaluate PCCP Force Mains					
C2 TV & Clean Force Mains					
C3 TV & Clean Interceptors					
C4 Rehab Pipelines & MH at Plant	20,000		20,000		
C5 Repair Southside Interceptor	100,000		100,000		
Page Subtotal	520,000		520,000		

2011

AUTHORITY CAPITAL BUDGET

PEQUANNOCK, LINCOLN PARK AND FAIRFIELD

SEWERAGE AUTHORITY

FISCAL YEAR: FROM DECEMBER 1, 2010 TO NOVEMBER 30, 2011

PROPOSED YEAR'S CAPITAL IMPROVEMENT PLAN

PROJECTS	ESTIMATED TOTAL COST	FUNDING SOURCES			
		UNRESERVED RETAINED EARNINGS	RENEWAL & REPLACEMENT RESERVE	DEBT AUTH- ORIZATION	OTHER SOURCES
<u>Treatment Plant:</u>					
T1 Replace Pumps, Compres'rs, etc.	120,000		120,000		
T2 High Voltage Testing/Repair	100,000		100,000		
T3 1st Stage Grit Removal					
T4 Planing & Design Upgrade/Expan	25,000				25,000
T5 Ash Lagoons Rehab.					
T6 VFDs on RAS & Make-up Pumps					
T7 Gravity Thicken Mech Drives					
T8 Replace Sand Filter Media					
T9 Upgrade Radio Communicat.	75,000		75,000		
T10 Backwash/Hold'g Tank Mixers	75,000		75,000		
T11 Replace Standby Generator					
T12 Incinerator #2 Repairs	100,000		100,000		
Page Subtotal	<u>495,000</u>		<u>470,000</u>		<u>25,000</u>

2011

AUTHORITY CAPITAL BUDGET

PEQUANNOCK, LINCOLN PARK AND FAIRFIELD

SEWERAGE AUTHORITY

FISCAL YEAR: FROM DECEMBER 1, 2010 TO NOVEMBER 30, 2011

PROPOSED YEAR'S CAPITAL IMPROVEMENT PLAN

PROJECTS	ESTIMATED TOTAL COST	FUNDING SOURCES			
		UNRESERVED RETAINED EARNINGS	RENEWAL & REPLACEMENT RESERVE	DEBT AUTH- ORIZATION	OTHER SOURCES
T13 Vehicles	20,000		20,000		
T14 Sludge Pumps & MCC, VFDs					
T15 Plant Bldg. Roof Replacement					
T16 Clarifier Effic'y Improvements	30,000		30,000		
T17 Misc Grating System Repairs	25,000		25,000		
T18 UV Disinfection Facilities	3,500,000			3,500,000	
T19 Grit Collect Slide Gate/Grating					
T20 Grit Bldg. Ventilation					
T21 Screens in Grit Building					
T22 Schwing Pumps Replacement	300,000		300,000		
Page Subtotal	<u>3,875,000</u>		<u>375,000</u>	<u>3,500,000</u>	
TOTAL	<u>4,890,000</u>		<u>1,365,000</u>	<u>3,500,000</u>	<u>25,000</u>

2011

AUTHORITY CAPITAL PROGRAM

PEQUANNOCK, LINCOLN PARK AND FAIRFIELD

SEWERAGE AUTHORITY

FISCAL YEAR: FROM DECEMBER 1, 2010 TO NOVEMBER 30, 2011

5 YEAR CAPITAL IMPROVEMENT PLAN COSTS

<u>PROJECTS</u>	<u>ESTIMATED TOTAL COST</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Pumping Stations:</u>						
P1 Upgrade of Jane Road PS	1,600,000		200,000	200,000	800,000	400,000
P2 Upgrade of Plant Sew PS	700,000				200,000	500,000
P3 Deepavaal P.S. Mixer/Pumps	850,000	250,000	600,000			
P4 Plant Sewer PS Port. Generator	150,000	150,000				
 <u>Collection System:</u>						
C1 Evaluate PCCP Force Mains	0					
C2 TV & Clean Force Mains	225,000		75,000	75,000	75,000	
C3 TV & Clean Interceptors	150,000			50,000	50,000	50,000
C4 Rehab Pipelines & MH at Plant	20,000	20,000				
C5 Repair Southside Interceptor	100,000	100,000				
 Page Subtotal	 <u>3,795,000</u>	 <u>520,000</u>	 <u>875,000</u>	 <u>325,000</u>	 <u>1,125,000</u>	 <u>950,000</u>

2011

AUTHORITY CAPITAL PROGRAM

PEQUANNOCK, LINCOLN PARK AND FAIRFIELD

SEWERAGE AUTHORITY

FISCAL YEAR: FROM DECEMBER 1, 2010 TO NOVEMBER 30, 2011

5 YEAR CAPITAL IMPROVEMENT PLAN COSTS

<u>PROJECTS</u>	<u>ESTIMATED TOTAL COST</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Treatment Plant:</u>						
T1 Replace Pumps, Compres'rs, etc.	620,000	120,000	125,000	125,000	125,000	125,000
T2 High Voltage Testing/Repair	200,000	100,000			100,000	
T3 1st Stage Grit Removal	0					
T4 Planing & Design Upgrade/Expan	2,075,000	25,000	25,000	25,000	1,000,000	1,000,000
T5 Ash Lagoons Rehab.	0					
T6 VFDs on RAS & Make-up Pumps	150,000		50,000	100,000		
T7 Gravity Thicken Mech Drives	150,000		150,000			
T8 Replace Sand Filter Media	500,000			250,000	250,000	
T9 Upgrade Radio Communicat.	75,000	75,000				
T10 Backwash/Hold'g Tank Mixers	75,000	75,000				
T11 Replace Standby Generator	0					
T12 Incinerator #2 Repairs	200,000	100,000	100,000			
Page Subtotal	<u>4,045,000</u>	<u>495,000</u>	<u>450,000</u>	<u>500,000</u>	<u>1,475,000</u>	<u>1,125,000</u>

2011

AUTHORITY CAPITAL PROGRAM

PEQUANNOCK, LINCOLN PARK AND FAIRFIELD

SEWERAGE AUTHORITY

FISCAL YEAR: FROM DECEMBER 1, 2010 TO NOVEMBER 30, 2011

5 YEAR CAPITAL IMPROVEMENT PLAN COSTS

PROJECTS	ESTIMATED TOTAL COST	2011	2012	2013	2014	2015
T13 Vehicles	70,000	20,000		20,000	30,000	
T14 Sludge Pumps & MCC, VFDs	150,000			25,000	125,000	
T15 Plant Bldg. Roof Replacement	200,000			200,000		
T16 Clarifier Effic'y Improvements	230,000	30,000	200,000			
T17 Misc Grating System Repairs	25,000	25,000				
T18 UV Disinfection Facilities	3,500,000	3,500,000				
T19 Grit Collect Slide Gate/Grating	125,000			125,000		
T20 Grit Bldg. Ventilation	0					
T21 Screens in Grit Building	150,000		50,000	50,000	50,000	
T22 Schwing Pumps Replacement	600,000	300,000		300,000		
Page Subtotal	<u>5,050,000</u>	<u>3,875,000</u>	<u>250,000</u>	<u>720,000</u>	<u>205,000</u>	<u>0</u>
TOTAL	<u>12,890,000</u>	<u>4,890,000</u>	<u>1,575,000</u>	<u>1,545,000</u>	<u>2,805,000</u>	<u>2,075,000</u>

2011

AUTHORITY CAPITAL PROGRAM

PEQUANNOCK, LINCOLN PARK AND FAIRFIELD

SEWERAGE AUTHORITY

FISCAL YEAR: FROM DECEMBER 1, 2010 TO NOVEMBER 30, 2011

5 YEAR CAPITAL PLAN FUNDING SOURCES

PROJECTS	ESTIMATED TOTAL COST	FUNDING SOURCES			
		UNRESERVED RETAINED EARNINGS	RENEWAL & REPLACEMENT RESERVE	DEBT AUTH- ORIZATION	OTHER SOURCES
<u>Pumping Stations:</u>					
P1 Upgrade of Jane Road PS	1,600,000		1,600,000		
P2 Upgrade of Plant Sew PS	700,000		700,000		
P3 Deepavaal P.S. Mixer/Pumps	850,000		850,000		
P4 Plant Sewer PS Port. Generator	150,000		150,000		
<u>Collection System:</u>					
C1 Evaluate PCCP Force Mains					
C2 TV & Clean Force Mains	225,000		225,000		
C3 TV & Clean Interceptors	150,000		150,000		
C4 Rehab Pipelines & MH at Plant	20,000		20,000		
C5 Repair Southside Interceptor	100,000		100,000		
TOTAL	3,795,000		3,795,000		

2011

AUTHORITY CAPITAL PROGRAM

PEQUANNOCK, LINCOLN PARK AND FAIRFIELD

SEWERAGE AUTHORITY

FISCAL YEAR: FROM DECEMBER 1, 2010 TO NOVEMBER 30, 2011

5 YEAR CAPITAL PLAN FUNDING SOURCES

<u>PROJECTS</u>	<u>ESTIMATED TOTAL COST</u>	<u>FUNDING SOURCES</u>			
		<u>UNRESERVED RETAINED EARNINGS</u>	<u>RENEWAL & REPLACEMENT RESERVE</u>	<u>DEBT AUTH- ORIZATION</u>	<u>OTHER SOURCES</u>
<u>Treatment Plant:</u>					
T1 Replace Pumps, Compres'rs, etc.	620,000		620,000		
T2 High Voltage Testing/Repair	200,000		200,000		
T3 1st Stage Grit Removal	0		0		
T4 Planing & Design Upgrade/Expan	2,075,000			2,000,000	75,000
T5 Ash Lagoons Rehab.	0		0		
T6 VFDs on RAS & Make-up Pumps	150,000				150,000
T7 Gravity Thicken Mech Drives	150,000		150,000		
T8 Replace Sand Filter Media	500,000		500,000		
T9 Upgrade Radio Communicat.	75,000		75,000		
T10 Backwash/Hold'g Tank Mixers	75,000		75,000		
T11 Replace Standby Generator	0		0		
T12 Incinerator #2 Repairs	200,000		200,000		
Page Subtotal	<u>4,045,000</u>	<u>0</u>	<u>1,820,000</u>	<u>2,000,000</u>	<u>225,000</u>

2011

AUTHORITY CAPITAL PROGRAM

PEQUANNOCK, LINCOLN PARK AND FAIRFIELD

SEWERAGE AUTHORITY

FISCAL YEAR: FROM DECEMBER 1, 2010 TO NOVEMBER 30, 2011

5 YEAR CAPITAL PLAN FUNDING SOURCES

PROJECTS	ESTIMATED TOTAL COST	FUNDING SOURCES			
		UNRESERVED RETAINED EARNINGS	RENEWAL & REPLACEMENT RESERVE	DEBT AUTH- ORIZATION	OTHER SOURCES
T13 Vehicles	70,000		70,000		
T14 Sludge Pumps & MCC, VFDs	150,000		150,000		
T15 Plant Bldg. Roof Replacement	200,000		200,000		
T16 Clarifier Effic'y Improvements	230,000		230,000		
T17 Misc Grating System Repairs	25,000		25,000		
T18 UV Disinfection Facilities	3,500,000			3,500,000	
T19 Grit Collect Slide Gate/Grating	125,000		125,000		
T20 Grit Bldg. Ventilation	0		0		
T21 Screens in Grit Building	150,000				150,000
T22 Schwing Pumps Replacement	600,000		600,000		
Page Subtotal	<u>5,050,000</u>	<u>0</u>	<u>1,400,000</u>	<u>3,500,000</u>	<u>150,000</u>
TOTAL	<u>12,890,000</u>	<u>0</u>	<u>7,015,000</u>	<u>5,500,000</u>	<u>375,000</u>

2011

**PEQUANNOCK, LINCOLN PARK
AND FAIRFIELD SEWERAGE AUTHORITY
SUPPLEMENTAL
SCHEDULES**

2011

AUTHORITY BUDGET
SUPPLEMENTAL SCHEDULES

PEQUANNOCK, LINCOLN PARK AND FAIRFIELD

SEWERAGE AUTHORITY

FISCAL YEAR: FROM DECEMBER 1, 2010 TO NOVEMBER 30, 2011

--OPERATING REVENUES--

<u>--SERVICE CHARGES--</u>	CROSS REF.	# UNITS	2011 PROPOSED ANNUAL COLLECTION	# UNITS	2010 CURRENT YEAR'S ADOPTED BUDGET
RESIDENTIAL	*	*		*	*
BUSINESS/COMMERCIAL	*	*		*	*
INDUSTRIAL	*	*		*	*
INTERGOVERNMENTAL	*	*	\$10,188,581.00	*	\$10,082,667.00
OTHER	*	*	_____	*	_____
TOTAL OPERATING REVENUES	* A-1 *		<u>\$10,188,581.00</u> *		<u>\$10,082,667.00</u> *

<u>--CONNECTION FEES--</u>	CROSS REF.	# UNITS	2011 PROPOSED ANNUAL COLLECTION	# UNITS	2010 CURRENT YEAR'S ADOPTED BUDGET
RESIDENTIAL	*	*		*	*
BUSINESS/COMMERCIAL	*	*		*	*
INDUSTRIAL	*	*		*	*
INTERGOVERNMENTAL	*	*		*	*
OTHER	*	*	_____	*	_____
TOTAL CONNECTION FEES	* A-2 *		<u>_____</u>	*	<u>_____</u>

* INCLUDE ALL APPLICABLE RATE SCHEDULES TO SUPPORT SUCH FEES

2011

AUTHORITY BUDGET
SUPPLEMENTAL SCHEDULES

PEQUANNOCK, LINCOLN PARK AND FAIRFIELD

SEWERAGE AUTHORITY

FISCAL YEAR: FROM DECEMBER 1, 2010 TO NOVEMBER 30, 2011

--OPERATING REVENUES--

<u>--PARKING FEES--</u>	<u>CROSS REF.</u>	<u># UNITS</u>	<u>2011 PROPOSED ANNUAL COLLECTION</u>	<u># UNITS</u>	<u>2010 CURRENT YEAR'S ADOPTED BUDGET</u>
METERS	*	*		*	*
PERMITS	*	*		*	*
FINES/PENALTIES	*	*		*	*
OTHER	*	*		*	*
TOTAL PARKING FEES	* A-3	*	<u> </u>	*	<u> </u>

--OTHER OPERATING REVENUES--

<u>LIST IN DETAIL:</u>	<u>CROSS REF.</u>	<u># UNITS</u>	<u>2011 PROPOSED ANNUAL COLLECTION</u>	<u># UNITS</u>	<u>2010 CURRENT YEAR'S ADOPTED BUDGET</u>
Sludge & Septage Revenues	*	*	\$1,561,200.00	*	\$1,617,300.00
Industrial Permits & Misc.	*	*	\$64,000.00	*	\$14,000.00
R&R Fund Offset	*	*		*	\$224,858.11
	*	*		*	*
	*	*		*	*
TOTAL OTHER REVENUES	* A-4	*	<u>\$1,625,200.00</u>	*	<u>\$1,856,158.11</u>

* INCLUDE ALL APPLICABLE RATE SCHEDULES TO SUPPORT SUCH FEES

2011

**AUTHORITY BUDGET
SUPPLEMENTAL SCHEDULES**

PEQUANNOCK, LINCOLN PARK AND FAIRFIELD

SEWERAGE AUTHORITY

FISCAL YEAR: FROM DECEMBER 1, 2010 TO NOVEMBER 30, 2011

--NON-OPERATING REVENUES--

--GRANTS &-- --ENTITLEMENTS--	CROSS REF.		2011 PROPOSED ANNUAL COLLECTION	2010 CURRENT YEAR'S ADOPTED BUDGET
LIST IN DETAIL:	_____	_____	_____	_____
	*	*		*
	*	*		*
	*	*		*
	*	*	_____	_____
TOTAL GRANTS & ENT.	*	A-5	*	*
			=====	=====
--LOCAL SUBSIDIES-- --& DONATIONS--				
LIST IN DETAIL:	CROSS REF.		2011 PROPOSED ANNUAL COLLECTION	2010 CURRENT YEAR'S ADOPTED BUDGET
LIST IN DETAIL:	_____	_____	_____	_____
	*	*		*
	*	*		*
	*	*		*
	*	*		*
	*	*	_____	_____
TOTAL SUB. & DONATIONS	*	A-6	*	*
			=====	=====

2011

**AUTHORITY BUDGET
SUPPLEMENTAL SCHEDULES**

PEQUANNOCK, LINCOLN PARK AND FAIRFIELD

SEWERAGE AUTHORITY

FISCAL YEAR: FROM DECEMBER 1, 2010 TO NOVEMBER 30, 2011

--NON-OPERATING REVENUES--

**--INTEREST ON INVESTMENTS--
--AND DEPOSITS--**

	<u>CROSS REF.</u>		<u>2011 PROPOSED BUDGET</u>		<u>2010 CURRENT YEAR'S ADOPTED BUDGET</u>
INVESTMENTS	*	*	\$2,500.00	*	\$69,000.00
SECURITY DEPOSITS	*	*		*	
PENALTIES	*	*		*	
OTHER INVESTMENTS	*	*		*	
TOTAL INTEREST ON INVESTMENTS & DEPOSITS	*	A-7	<u>\$2,500.00</u>	*	<u>\$69,000.00</u>

--OTHER NON-OPERATING REVENUES--

	<u>CROSS REF.</u>		<u>2011 PROPOSED BUDGET</u>		<u>2010 CURRENT YEAR'S ADOPTED BUDGET</u>
LIST IN DETAIL:	*	*		*	
	*	*		*	
	*	*		*	
	*	*		*	
	*	*		*	
TOTAL OTHER REVENUES	*	A-8	<u> </u>	*	<u> </u>

2011

AUTHORITY BUDGET
SUPPLEMENTAL SCHEDULES

PEQUANNOCK, LINCOLN PARK AND FAIRFIELD

SEWERAGE AUTHORITY

FISCAL YEAR: FROM DECEMBER 1, 2010 TO NOVEMBER 30, 2011

--NON-OPERATING APPROPRIATIONS--

--RENEWAL &--
--REPLACEMENT RESERVE(S)--

	CROSS REF.		2011 PROPOSED BUDGET		2010 CURRENT YEAR'S ADOPTED BUDGET
LIST IN DETAIL:					
Renewal & Replacement	*	*	\$955,242.00	*	\$927,420.00
	*	*		*	*
	*	*		*	*
	*	*		*	
TOTAL RENEWAL & REPLACEMENT RESERVE(S)	*	C-1	\$955,242.00	*	\$927,420.00

--OTHER RESERVES--

	CROSS REF.		2011 PROPOSED BUDGET		2010 CURRENT YEAR'S ADOPTED BUDGET
LIST IN DETAIL:					
	*	*		*	*
	*	*		*	*
	*	*		*	*
	*	*		*	*
	*	*		*	
TOTAL OTHER RESERVES	*	C-2		*	

2011

**AUTHORITY BUDGET
SUPPLEMENTAL SCHEDULES**

PEQUANNOCK, LINCOLN PARK AND FAIRFIELD

SEWERAGE AUTHORITY

FISCAL YEAR: FROM DECEMBER 1, 2010 TO NOVEMBER 30, 2011

--BUDGETED DEBT SERVICE REQUIREMENTS--

--PRINCIPAL PAYMENTS--	CROSS REF.	2011 PROPOSED BUDGET	2010 CURRENT YEAR'S ADOPTED BUDGET
AUTHORITY NOTES	* P-1 *		
AUTHORITY BONDS	* P-2 *	\$1,861,094.30	\$2,062,040.84
CAPITAL LEASES	* P-3 *		
INTERGOVERN. LOANS	* P-4 *	\$613,923.00	\$613,923.00
OTHER OBLIGATIONS	* P-5 *		
TOTAL PRINCIPAL PAYMENTS	* D-1 *	<u>\$2,475,017.30</u>	<u>\$2,675,963.84</u>

--INTEREST PAYMENTS--	CROSS REF.	2011 PROPOSED BUDGET	2010 CURRENT YEAR'S ADOPTED BUDGET
AUTHORITY NOTES	* I-1 *		
AUTHORITY BONDS	* I-2 *	\$527,581.26	\$548,521.03
CAPITAL LEASES	* I-3 *		
INTERGOVERN LOANS	* I-4 *		
OTHER OBLIGATIONS	* I-5 *		
TOTAL INTEREST PAYMENTS	* D-2 *	<u>\$527,581.26</u>	<u>\$548,521.03</u>

2011

AUTHORITY BUDGET
SUPPLEMENTAL SCHEDULES

PEQUANNOCK, LINCOLN PARK AND FAIRFIELD

SEWERAGE AUTHORITY

FISCAL YEAR: FROM DECEMBER 1, 2010 TO NOVEMBER 30, 2011

5 YEAR DEBT SERVICE SCHEDULE

PRINCIPAL PAYMENTS	YEARS				
	2011	2012	2013	2014	2015
--AUTHORITY NOTES--	*	*	*	*	*
	*	*	*	*	*
	*	*	*	*	*
	*	*	*	*	*
TOTAL PAYMENTS P-1	*	*	*	*	*
--AUTHORITY BONDS--	*	*	*	*	*
Series 2010 A		65,000	65,000	70,000	75,000
Series 2010 B		92,722	92,722	92,722	92,722
Series 2003	1,415,000	1,475,000	1,515,000	1,590,000	1,657,000
Series 2006 A	195,000	205,000	215,000	225,000	235,000
Series 2006 B	251,094	251,254	251,094	250,615	249,817
	*	*	*	*	*
TOTAL PAYMENTS P-2	* 1,861,094	* 2,088,976	* 2,138,816	* 2,228,337	* 2,309,539
--AUTHORITY CAPITAL LEASES--	*	*	*	*	*
	*	*	*	*	*
	*	*	*	*	*
	*	*	*	*	*
TOTAL PAYMENTS P-3	*	*	*	*	*
--AUTHORITY INTERGOVERNMENTAL LOANS--	*	*	*	*	*
PRBRSA	613,923	613,923	613,923	613,923	613,923
	*	*	*	*	*
	*	*	*	*	*
	*	*	*	*	*
TOTAL PAYMENTS P-4	* 613,923	* 613,923	* 613,923	* 613,923	* 613,923
--AUTHORITY OBLIGATIONS (LIST)--	*	*	*	*	*
	*	*	*	*	*
	*	*	*	*	*
	*	*	*	*	*
TOTAL PAYMENTS P-5	*	*	*	*	*
TOTAL PRINCIPAL DEBT PAYMENTS SS-6	* <u>2,475,017</u>	* <u>2,702,899</u>	* <u>2,752,739</u>	* <u>2,842,260</u>	* <u>2,923,462</u>

2011

AUTHORITY BUDGET
SUPPLEMENTAL SCHEDULES

PEQUANNOCK, LINCOLN PARK AND FAIRFIELD

SEWERAGE AUTHORITY

FISCAL YEAR: FROM DECEMBER 1, 2010 TO NOVEMBER 30, 2011

5 YEAR DEBT SERVICE SCHEDULE

INTEREST PAYMENTS	YEARS				
	2011	2012	2013	2014	2015
--AUTHORITY NOTES--	*	*	*	*	*
	*	*	*	*	*
	*	*	*	*	*
	*	*	*	*	*
TOTAL PAYMENTS I-1	* \$0 *	* \$0 *	* \$0 *	* \$0 *	* \$0 *
--AUTHORITY BONDS--	*	*	*	*	*
Series 2010 A		\$73,750	\$70,500	\$67,250	\$63,750
Series 2010 B		\$0	\$0	\$0	\$0
Series 2003	\$329,494	\$279,969	\$226,131	\$148,488	\$67,000
Series 2006 A	\$198,088	\$188,338	\$178,088	\$167,338	\$156,088
Series 2006 B	\$0	\$0	\$0	\$0	\$0
	*	*	*	*	*
TOTAL PAYMENTS I-2	* \$527,582 *	* \$542,056 *	* \$474,719 *	* \$383,075 *	* \$286,838 *
--AUTHORITY CAPITAL LEASES--	*	*	*	*	*
	*	*	*	*	*
	*	*	*	*	*
	*	*	*	*	*
TOTAL PAYMENTS I-3	* \$0 *	* \$0 *	* \$0 *	* \$0 *	* \$0 *
--AUTHORITY INTERGOVERNMENTAL LOANS--	*	*	*	*	*
	*	*	*	*	*
	*	*	*	*	*
	*	*	*	*	*
TOTAL PAYMENTS I-4	* \$0 *	* \$0 *	* \$0 *	* \$0 *	* \$0 *
--AUTHORITY OBLIGATIONS (LIST)--	*	*	*	*	*
	*	*	*	*	*
	*	*	*	*	*
	*	*	*	*	*
TOTAL PAYMENTS I-5	* \$0 *	* \$0 *	* \$0 *	* \$0 *	* \$0 *
TOTAL INTEREST DEBT PAYMENTS SS-6	* <u>\$527,582</u> *	* <u>\$542,056</u> *	* <u>\$474,719</u> *	* <u>\$383,075</u> *	* <u>\$286,838</u> *

