

OLD BRIDGE MUNICIPAL UTILITIES AUTHORITY

OLD BRIDGE, NEW JERSEY

PUBLIC RATE HEARING
WATER DIVISION

**TRANSCRIPT
OF
PROCEEDINGS**

WEDNESDAY, JANUARY 16, 2013
6:30 P.M.

Kami Lyn Lauer
Shorthand Reporter
732-547-1331

CHAIRMAN AND COMMISSIONERS PRESENT

KIRAN DESAI

ROCCO DONATELLI

THOMAS GALANTE

EDWARD TESTINO

REGINALD BUTLER

RICHARD GREENE

ANITA GREENBERG

ALSO PRESENT

GUY DONATELLI - Executive Director

LOUIS GRANATA, ESQ. -- Board Attorney

STEPHEN A. FLOREK -- Comptroller

MICHAEL ROY - Staff Engineer

ROBERT MORRISON -- Auditor

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DIRECT BY MR. GRANATA:

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(Whereupon, Affidavit of Publication in the Home News Tribune was received and marked as Exhibit-A)

(Whereupon, Affidavit of Publication in the Asbury Park Press was received and marked as Exhibit-B)

(Whereupon, the Participant Estimate Cost Comparison was received and marked as Exhibit-C)

(Whereupon, an Invoice from the Middlesex County Utilities Authority dated February 1, 2012 was received and marked as Exhibit-D)

(Whereupon, the 2013 Sewer Rate Based on 2007/2012 Actual Flow and Loadings was received and marked as Exhibit-E)

(Whereupon, the Rate Structure – Sewer Division was received and marked as Exhibit-F)

(Whereupon, the Rate Structure – Water Division was received and marked as Exhibit-G)

(Whereupon, OBMUA Current & Projected Costs
was received and marked as Exhibit-H)

(Whereupon, the OBMUA Connection Fee
Calculations thru May 31, 2012 was received and
marked as Exhibit-I)

(Whereupon, the Pledge of Allegiance was recited)

MR. GALANTE: This public rate hearing is being held in
conformance with the Open Public Meetings Act. Notice
has been given to the newspapers and notice of the Public
Rate Hearing has been posted in public places. Would you
please call roll?

MS. GREENE: Mr. Desai?

MR. DESAI: Here.

MS. GREENE: Mr. Donatelli?

MR. DONATELLI: Here.

MS. GREENE: Mr. Testino?

MR. TESTINO: Here.

MS. GREENE: Mr. Butler?

MR. BUTLER: Present.

MS. GREENE: Mrs. Greenberg?

DR. GREENBERG: Present.

MS. GREENE: Mr. Galante?

MR. GALANTE: Present. At this time I am going to turn this meeting over to Mr. Granata.

MR. GRANATA: Thank you Mr. Chairman and Commissioners. This Public Rate Hearing is being held in conformance with the Open Public Meetings Act. Notice has been given to the newspapers and notice of the Public Rate Hearing has been posted in public places. We have already had roll call, correct Mr. Chairman?

MR. GALANTE: Yes.

MR. GRANATA: Now, at this time I would like to have the witnesses sworn in, Mr. Roy, Mr. Morrison and Mr. Florek.

(Whereupon, the witnesses were sworn in)

STEPHEN FLOREK, MICHAEL ROY and ROBERT MORRISON, Having been duly sworn according to law, were examined and testifies as follows:

DIRECT EXAMINATION BY MR. GRANATA:

Q. Mr. Florek, if you could state your name and position with the Authority for the record?

A. Stephen Florek. Comptroller of the Old Bridge MUA.

Q. Mr. Florek, I show you what has been marked for identification as Exhibit – A and B. Can you identify what those exhibits are?

A. Exhibit – A and B are the respective notices given to the Home New Tribune and Asbury Park Press advertising the rate hearing on this day. They were advertised on December 22nd and 26th respectively.

Q. Attached to them is the Affidavit of Publication?

A. Yes, it is.

Q. I asked you – I have previously marked some exhibits. Exhibit-D, could you identify what Exhibit-D is?

A. Exhibit-D is used in the connection fee calculation. Exhibit – D and I which are two of the calculations used in connection fee calculations. Exhibit – I, is the actual spreadsheet, which basically uses the historical values which was prior calculations to the rate hearing and added in the current years payments made to bonds, also capital from the operating budget. Then there is a section on the bottom which lists Middlesex County Utilities Authority Debt Service, which the number in there lists back to Exhibit-D.

Q. How did you calculate the connection fee as you got it on Exhibit-I?

A. You have to take all of your historic data, current year data and you come up with the current debt service from the MCUA, you come up with a combined number. With that combined

number you take the equivalent domestic consumer units, divide that through and you come up with a new connection fee rate.

(Whereupon, Richard Greene joined the Hearing)

Q. Was the rates that you calculated based upon that formula?

A. In the Water Division, the total Historic Costs \$71,117,959 divided by Equivalent Units of 27,403, gives you a new connection fee rate of \$2,595. On the Sewer Division, you have the Historical Costs of \$88,113,653 divided by the Equivalent Units of 26,538, you come up with a new connection fee rate of \$3,320.

Q. Based upon your experience and knowledge, is that calculation in accordance with the Statutory Requirements?

A. Yes, it is.

Q. Is it in accordance with the Bonding Indentures?

A. Yes, it does.

Q. Do you recommend that the Commissioners adopt these rates?

A. Yes, I do.

Q. Would you take a look at Exhibit-H. Can you identify that document?

A. Exhibit-H lists the sewer rates, what they are currently and proposed. The total billed per minimum user, both current and proposed. Also the connection fees, which we just went over for both the water and sewer division, what the current rate is and what the proposed rate is and the amount of interest.

Q. I ask you to look at what has been marked Exhibit-C. Can you tell us what that is?

A. Exhibit-C is an excerpt from the Middlesex County Utilities Authority for 2012 and 2011. It should be 2012 and 2013. Here it is.

Q. This will replace Exhibit-C?

A. Exactly.

Q. They are the same?

A. No. They are totally different.

MR. GALANTE: What is he looking at?

MR. GRANATA: He is looking at the one that is entitled – This spreadsheet. The one that you are looking at says 2012 and 2011, that is not the correct one that you are looking at. He now has one with yearly estimates for 2012 and 2013.

MR. FLOREK: Which means that the wrong amounts were used in the calculation –

MR. MORRISON: You are behind.

MR. FLOREK: Wait. That's right. The spreadsheets that you do have are correct. This one is used for the rate hearing itself, not for the connection fees.

A. So the sheet that you originally have, Exhibit-C, basically gives you the 2011 and 2012 Debt Service numbers, that is all that I am using for the connection fee calculations –

Q. In Exhibit-I?

A. In Exhibit – I. You have the 2012 numbers, which is transposed to Exhibit-I and the 2011 numbers. Plus, Exhibit-D, there is a portion on there, \$142,029.66, which is added to the amount on Exhibit-C for the Debt Service for 2011.

Q. You used all of those numbers to come up with the rate calculations?

A. Correct. For the connection fees.

Q. Now, I ask you to take a look at what has been marked as Exhibit-F and G. Can you identify what those documents are?

A. Exhibit-F and G represent the Resolutions for both the Water and Sewer Divisions respectively. G is the Water and F is the Sewer.

Q. Would you state for the record what those rates would be under the new rate structure set-forth in Exhibit-F?

A. Exhibit-F, the residential rate on the Sewer Division is going from \$126.99 to \$133.49.

Q. Is that quarterly or monthly?

A. That is quarterly.

Q. The Commercial Rate is going from \$6.93 per 1,000 gallons to \$7.38 per 1,000 gallons. B.O.D. is going from \$606.93 per ton to \$621.70 per ton. Suspended Solids are going from \$700.13 per ton to \$728.36 per ton. Chlorine demand is going from \$158.12 per million gallons to \$151.44 per million gallons.

Groundwater Remediation is going from \$1.71 per 1,000 gallons to \$1.81 per 1,000 gallons. The only other items that have changed on this is the connections fees, which we have gone over already.

Q. Exhibit-G, is the resolution that you have prepared for the Commissioners to consider for the rate structure in the Water Division?

A. Right. The only thing that has changed is the connection fee rate here. That is going from \$2,472.00 to \$2,595.00.

Q. I have no further questions for Mr. Florek at this time.

DIRECT EXAMINATION BY MR. GRANATA:

Q. Mr. Roy, would you state your name and position with the Authority?

A. Michael Roy, Staff Engineer.

Q. Mr. Roy, I refer you to Exhibit-E. Would you identify what Exhibit-E is?

A. This is the five sheet calculation that I have performed.

Q. What was this five sheet calculation performed for?

A. It was to determine the Old Bridge MUA's Sewer Rates that were necessary for the revenues that would be needed to meet our expenses.

Q. Those were the calculations that Mr. Florek used in preparing the rate schedule that he testified to?

A. Yes. Mr. Florek provided the necessary revenue as well as took the final rate calculations and incorporated that in to the Schedules, F and G, for the Water and Sewer Divisions.

Q. Briefly, would you explain to the Commissioners what you did – what your conclusion was?

A. What I did was took the rate increases from Middlesex County Utilities Authority, also known as MCUA, that they adopted recently for their budget year, which is on a calendar basis, so it starts January 1st. I took those rate increases along with Historical Data of our flow and strength of sewage, which is called loadings, that we measured in our demands and I incorporated those MCUA charges and calculated what the Old Bridge MUA sewer charges had to be for various flow and loading categories, such as the Industrial flow, Industrial BOD charges, Industrial Suspended total, suspended solids, the Commercial Sewer rate per 1,000 gallons, the residential flat sewer rate per quarter and the ground water remediation rate per thousand gallons.

Q. As a result of that, what conclusions did you reach?

A. The rates had to be adjusted upwards and the numbers that were just testified to by Steve Florek were included in the rate structure for the Water and Sewer Division.

Q. Based upon your knowledge of the rates that you have calculated, does that calculation conform with the requirements of the Statute?

A. As far as my knowledge, yes.

Q. Do you recommend to the Commissioners that they adopt the rate schedule that has been testified to by Mr. Florek?

A. Yes, I do.

Q. I have no further questions.

DIRECT EXAMINATION BY MR. GRANATA:

Q. Mr. Morrison, would you state your name and position with the Authority?

A. Robert Morrison, CPA with the firm Hodulik & Morrison, independent auditors to the Authority.

Q. Mr. Morrison, what if anything did you do with regards to the calculations made by Mr. Florek and the calculations made by Mr. Roy?

A. We examined them to make sure that any beginning numbers that went in to the calculations were mathematically correct. That the actual calculations performed were mathematically correct. That the calculations were consistent with prior calculations for the same type of rate structure and that the resultant rate adjustments would yield the revenues necessary for the Authority to comply with its Indenture of Trust and Service Agreement.

Q. As a result of your review of the work that was done by Mr. Florek and Mr. Roy, did you find that the calculations were made in accordance with the Statutory Requirements?

A. Yes, they were.

Q. Did you find that they were made in accordance with the Bonding Indentures?

A. Yes, sir.

Q. Based upon the review that you made, do you recommend to the Commissioners that they adopt the rates as recommended by Mr. Florek and Mr. Roy?

A. I do.

MR. GRANATA: I have no further questions of Mr. Morrison. At this time do any of the Commissioners have any questions?

MR. GREENE: On the Industrial Chlorine Rate, it decreased?

MR. FLOREK: That is correct.

MR. GREENE: What is the reason for that calculation?

MR. ROY: The reason for that was that Middlesex County Utilities Authority's rates were reduced in those areas. They had previously had high rates because they were changing over their capital improvements in that area and then they had reduced them. It is directly a reduction due

to MCUA's reduction in that category. You can see on this sheet here that they have gone up.

MR. GRANATA: What exhibit are you looking at?

MR. ROY: Exhibit – E. They have gone up in certain categories, like the FLOW, BOD and Suspended Solids, between 6% and 7% and they went down in chlorine.

MR. GREENE: The water connection fees, is that an annual calculation?

MR. FLOREK: That is an annual thing allowed by Statutes.

MR. GREENE: How did you come up with that increase?

MR. FLOREK: That increase is based upon the –

MR. MORRISON: The Statute regarding connection fees was established so that new users entering in to the system would pay their fair share of the total capitalized costs of the Authority. On an annual basis, Steve has to take beginning capitalized costs add all of the debt service paid during the prior twelve month period and add any direct cash capital outlays paid through the budget and then add the debt service costs for sewer infrastructure that were paid through the MCUA budget. So he basically starts through capitalized costs –

MR. GRANATA: Less any grants or gifts.

MR. MORRISON: Yes. Plus the additions for the year and then divide that new total capitalization by the number of equivalent units to come up with the new connection fee.

MR. GREENE: Thank you.

MR. GRANATA: The reason for that, Mr. Greene, anyone who connects to the system is getting the advantage of the system that is in place. So the Statute requires that they pay a fair share of the capital expenditures that all the other rate payers have paid up until that time. That calculation is required to be made every year based upon additional capital expenditures and expansion of the system.

MR. GREENE: I understand it, I just wanted to get a better idea of the calculation.

MR. GRANATA: Any other questions?

MR. GREENE: No.

MR. GRANATA: Do the Commissioners have any other questions as a result of Mr. Greene's questions? At this time I open the questioning to the public. Anyone in the public would like to ask some questions? Hearing no questions from the public, are there any comments that any of the Commissioners would like to make?

DR. GREENBERG: As far as everything they explained, the usage and the increases are – we talked about this so many times when an increase is passed on from Middlesex

County Utility Authority, I think there is a lot that still needs to be looked at from the Utility side. Those are the questions that I have before they pass on raises to us.

MR. GRANATA: You mean Middlesex County?

DR. GREENBERG: Yes.

MR. GRANATA: They annually have a rate hearing as we do. They advertise it to the public and at that time we have a right or any member of the public has a right to go to that meeting and question those rate increases that they are proposing. What we have now is as result of their process that they had approved. After they adopted their budgets and the rates, then they pass it on to us.

DR. GREENBERG: Some of the things I would like to look at, and it is not included in here, is their salary, their bonuses and their overtime. That's the problem.

MR. GRANATA: That is something that is an open public record. I certainly don't know if we get that.

MR. FLOREK: We have it just on a budgetary basis for the whole Authority. It does not break it down into categories or stuff like that. It says salary and wages period.

MR. GRANATA: If you want something more specific, we could ask for it or make a request under the Open Public Records Request Act.

DR. GREENBERG: I guess I will have to do that because from the articles that we have seen in the newspapers, it is not fair with their salary increases and bonuses, then it is passed on to the rate payer in these economic times. I have a problem with that. It continues, it continues that we pay a lot of money in taxes to Middlesex County. I think they could offset some of that with the taxes that we pay because I don't think that we get much back in return.

MR. GRANATA: Well the taxes of the Middlesex County is independent of the rates charged by the Middlesex County Utility Authority. It raises its rates, it raises its revenue through its services. It raises connection fees through the same process that you do. They may be guaranteed by the Middlesex County tax base, just like the Old Bridge Township tax base guarantees for this Authority. They are autonomous in taxes they pay to Middlesex which does not support Middlesex County Utilities Authority.

DR. GREENBERG: I understand. But I also understand that every time their expenses go up, yes, it is passed on to us and then we have a rate hearing and pass it on to the residents of Old Bridge and I don't think they are scrutinized. When it is obvious when they talk about some of the bonuses that they got, I think it's unacceptable. It is

fine for all of the times to be in an uproar – all we heard about during the past few years was facts, Wall Street, no one pays attention to this. I think it is really unfair to the residents and it's not going to stop. I don't think they are scrutinized enough.

MR. GRANATA: Any other comments?

MR. GREENE: Yes. I think Dr. Greenberg is right. They work as an entity and pass along their fees and so forth and their costs to us and we are the ones who get blamed. We should have more scrutinizing as to what is in their budget, what are we paying for, why are we getting these increases like we are. A year ago we got a \$20 increase. It's not right.

MR. GRANATA: Every citizen or anyone in the public has a right to scrutinize all of their costs and expenses and that is something that any individual can do or any committee or any body can do. That is available for anyone who wishes to pursue that.

MR. GREENE: I think we should have an ongoing oversight, where we are investigating the rise and the cost. The chemical cost of our treatment that they have passed on to us. I think they found that there was some type of error involved. I think we should scrutinize what is going on.

DR. GREENBERG: I think it is very easy to say they have increases, they put out the tin cup. They do not have to do anything – they haven't done -- I can't say as far as that meeting -- I know what our utility has done for cost saving measures, I do not think they go to that extreme. I think it is very unfortunate, I know for myself being in business, there haven't been increases in rates in years. Salaries have not gone up, etcetera. This is the reality. I just don't think that every time they say that they should have carte blanche, where they say, okay, let's pass it on to our rate payers and always do an increase. I understand why things go up. Costs of materials go up. I don't know how efficient they are. To me, I do not think they do their due diligence. I think if you are in the paper, there is a problem. I think other people should look at them, and maybe the State should look at them some more. I don't know. I just feel bad that we have to decide to go along with what they present to us, without all of the information I want. Yes, I didn't have time to go to their meeting. Yes, I am sure the residents do not have time to go through that. People are living their lives. I don't think that we should pass it on to their residents. I think without them doing some of the work – why and how it came to this because we are going to be back here again.

MR. GRANATA: Perhaps during the reorganization of this Authority we should make a suggestion to the Chairmen that they formulate a subcommittee. To do just what you are proposing.

DR. GREENBERG: I think that would be a good idea. Any further comments or questions? Please state your name and position.

MAYOR HENRY: Owen Henry, Mayor, Township of Old Bridge. Unfortunately, it is depressing when you come to this hearing – as Dr. Greenberg and Mr. Greene said this is something that is getting rammed right down the residents of Old Bridge’s throat. I do not hear any type of explanation why, if they have taken any measures to reduce their costs. Is it part of the OBMUA’s Mission Statement to challenge these rate increases? Are you supposed to be representing the rate payer at that hearing? What are they doing? What are you doing to reduce our sewer flow? Are we taking any efficiency measures regarding the sewer rate, not the flow? To reduce the amount of sewage that would be processed and in turn would reduce the price that we pay. Is there any accountability, and the people that I really have questions for are not here. Is there any accountability at the County level? Mr. Roy, are they doing any projects that you know of that will make them more efficient, more

cost effective? Is this going to be as is for twice a year, moving forward? Who holds the Middlesex County Authority accountable for their actions, what they do, how they operate? They are the only game in town, I assume.

MR. ROY: They are the regional sewage plant that treats the water that is collected from Old Bridge. We are a participant there. They have certain improvements that they need in expanding their plant in operations. They had to spend a lot of money with Sandy. They are still working on the pump station in Sayreville, which it takes in a huge area that includes New Brunswick, Piscataway, all of Rutgers University goes to this pump station that got knocked down during the hurricane. They are running in to expenses there. They have, as Mr. Granata stated, they had a rate hearing at this point, it is already over. What we can do next year is get some of the papers before-hand, look into it and find holes in it and what they can do to improve their efficiency, attend the rate hearing and make our voice known for this next coming year.

MAYOR HENRY: That would be appreciated. If the OBMUA has some type of resolution or something from the commissioners to the Middlesex County to express the displeasure on how they are conducting themselves over the last few years. As Dr. Greenberg said, they should be

making headlines for inefficiencies and then passing rate increases on to the rate payers.

MR. GRANATA: We have been in litigation before with the Middlesex County Utilities Authority where they tried to pass on costs regarding the expansions of certain lines which we objected to because we were not going to benefit from it.

MR. DONATELLI: There were lines that had nothing to do with us at the time. The MCUA, the same situation, they do whatever they want, they can get away with whatever they want and you can take them to court. I think the recommendation of Dr. Greenberg is right. We should get a committee to go there and voice our opinion and let them tell us why they are doing this very thing. We have an engineer on staff that can examine things and not just be blown off.

MR. DONATELLI: We have an ongoing INI, Infiltration Program that is ongoing, sealing manholes, finding leaks in lines, in which case we do have an ongoing relining project. In addition, which the Board knows, we're pretty much on both sides of the aisle, water and sewer just in the rank and file in the past four years have absorbed 20% cut in staff and we are operating with that, we are fine with that. Those levels are fine at this point in time. So we have

taken some measures to reduce our costs. This is why I present this to the Board every time I can. I can't remember in recent history for an operational increase that had nothing to do with an outside source. We have been doing everything we could either between refinance, finding efficiencies wherever we can to keep the costs of the operations status quo. We have been doing that through attrition, wherever we can. Other costs, healthcare, pension eat up whatever you save so you know we are kind of fighting to stay equal. Then we have these extraneous sources that demand costs between Middlesex Water and Middlesex Utilities Authority, they are a huge part of our budget. This is probably 40% of the sewer budget.

MAYOR HENRY: I am convinced what we are doing here. I am not convinced that they are doing what they are supposed to do at the County level. Because there is no pressure to do it.

MR. DONATELLI: I couldn't agree with you more.

MR. ROY: I also want to point out that the rate increase last year, we were talking about overages that we didn't know where they were coming from and that we were going to be doing an investigation. We did an investigation and we found the problem. It was out of Lawrence Harbor and Mr. Greene will refer to it where the MCUA was

sampling in a location where sludge was building up so that the sample was not representative. What the MCUA did when they realized it was we cleaned it all out and they started taking samples again. They were going to take the samples for November and December and then prorate us and adjust it back to the year based on what we got the last two months, because those would be more representative. Then Sandy hit. Now they are busy with trying to bypass systems down there. We haven't gotten to a meeting. So the momentum is in our favor in that area where we can sit down with them and get some credits that we think are due to us. We just don't know how far we are going to be able to get these credits and to get them back all the way to zero. Right now the prudent approach has been to include them and to wait and see how successful we are in getting back some of these credits later on when we do meet with them.

DR. GREENBERG: So those credits equate to dollars?

MR. ROY: Yes.

DR, GREENBERG: That would be a deduction across the board for all of us?

MR. ROY: That would be added in to our reserved and will then be able to put it in to our budget and keep rates down in the future. We haven't had that meeting yet. That is one of the things that we did talk about last year that we

want to get on. We can look at what these overage charges were, instead of just accepting them straight out because we weren't happy with them. We did find the problem and we are trying to address that in a future meeting with the MCUA.

DR. GREENBERG: So those credits will be held in a reserve to off-set future increases or would they be applied now?

MR. FLOREK: Basically, if we get a credit of \$600,000 or \$700,000 it would go to the Sewer Division. When the budget comes up the following year you would have additional funds available to draw down any additional rate increases that would be coming from them. So instead of having to make a 5% increase, maybe you would only have to make a 2% increase.

DR. GREENBERG: What I am saying is, earmarked for that, so that it cannot be used for anything else.

MR. FLOREK: It could be used for whatever the Commissioners want to use it for. One of the things it could be used for is to keep the rate adjustment next year down.

MR. GREENE: I wanted to continue on with what Guy was saying. It is frustrating as Commissioners sitting here and talking about all of the things that we have been doing

budget wise, downsizing personnel 20% in the last two years, that's big. We are still continuing with the service that we have been for the residents. We have been implementing new technologies like the SCADA, we will have to use less manpower on the sewer side, we have it on the water side. Then we get hammered with the Middlesex water increase, Middlesex Utilities giving an increase. Here we are struggling to keep our budget down and every time you turn around – you don't have an option.

MR. DONATELLI: Our other option is to find ways to stem the tides, on both sides. We continue to do that.

MR. GREENE: As far as the money that we may recoup from Middlesex County Utilities Authority, we can necessarily say, hey look we are going to reduce rates, but we have health insurance costs –

MR. DONATELLI: It may be a one-time \$30, \$40, now we're talking 26,000 units. I understand that is \$260,000 there –

MR. GREENE: What happens the following year?

MR. DONATELLI: That is my point. Everyone wants to be good, but in the end, you end up being real bad because time catches up to you. If you have a one-time thing that is not coming back, you can take some of these hits.

Reoccurring stuff is eventually going to drive you in to

bankruptcy. You either are going to do what you need to do or look at some other options.

MR. DESAI: I think the best thing is to get reduction and give us a credit. We should keep in the budget for the next year. Next year when we sit down for the rate increase, I think that money can push it off. Decrease the rate. I think what Guy is saying, we can hold the rate, save the rate. I think that is necessary.

DR. GREENBERG: I think there should be a newsletter or on public T.V. and explain it to the residents that it is being passed on from Middlesex County.

MR. GREENE: We talked about doing a video. I was going to do it –

MR. GALANTE: Commissioners, may I ask that this discussion be carried over to the regular meeting because we are running out of time for the Rate Hearing –

DR. GREENBERG: Also, I would just like to say –

MR. GALANTE: I don't mean to cut you off. We can carry this over to the regular meeting. If there is any other questions from the public for the Commissioners about the rate hearing for the rate structure. If none, Mr. Chairman, I would like the recommendations, you have the Rate Structure Resolution before you for consideration. There should be a motion and a move.

Would you like to do them separately or both?

MR. DONATELLI: I think we should do each one separately.

MR. GRANATA: First, would be the Water Division Rate Schedule.

MR. DONATELLI: Move.

MR. TESTINO: Second.

MR. GALANTE: It has been moved by Commissioner Donatelli and seconded by Commissioner Testino. Roll Call please.

MS. GREENE: Mr. Desai?

MR. DESAI: Yes.

MS. GREENE: Mr. Donatelli?

MR. DONATELLI: Yes.

MS. GREENE: Mr. Greene?

MR. GREENE: Yes.

MS. GREENE: Mr. Testino?

MR. TESTINO: Yes.

MS. GREENE: Mr. Butler?

MR. BUTLER: Yes.

MS. GREENE: Mrs. Greenberg?

DR. GREENBERG: Yes.

MS. GREENE: Mr. Galante?

MR. GALANTE: Yes.

MR. GRANATA: Next will be the Rate Structure for the Sewer Division.

MR. GALANTE: Do we have a motion?

MR. DONATELLI: Move.

MR. DESAI: Second. Just a statement, even though I do not like the rates going this up. I think that because Middlesex County Utilities Authority, it is unfortunate that we have to pass this on to the rate payer. I seconded it.

MR. GALANTE: It has been moved by Commissioner Donatelli and seconded by Commissioner Desai. Roll Call please.

MS. GREENE: Mr. Desai?

MR. DESAI: Yes.

MS. GREENE: Mr. Donatelli?

MR. DONATELLI: Yes.

MS. GREENE: Mr. Greene?

MR. GREENE: Abstain.

MS. GREENE: Mr. Testino?

MR. TESTINO: Yes.

MS. GREENE: Mr. Butler?

MR. BUTLER: Yes.

MS. GREENE: Mr. Galante?

MR. GALANTE: Yes.

MR. GRANATA: Mr. Chairman, I have nothing further.

You may adjourn the meeting.

MR. DONATELLI: Before you adjourn the meeting I want to address what Dr. Greenberg said about a Committee to let them know – I agree with her.

MR. GALANTE: I move to adjourn this meeting.

MR. GREENE: Second.

MR. GALANTE: Roll call.

MS. GREENE: Mr. Donatelli?

MR. DONATELLI: Yes.

MS. GREENE: Mr. Greene?

MR. GREENE: Yes.

MS. GREENE: Mr. Testino?

MR. TESTINO: Yes.

MS. GREENE: Mr. Galante?

MR. GALANTE: Yes.

MR. GALANTE: Meeting adjourned.

(WHERE UPON THE MEETING CONCLUDED AT
7:09 P.M.)

I Kami L. Lauer, a Shorthand Reporter, certify that the foregoing is a true and accurate transcript of the testimony of STEPHEN FLOREK, MICHAEL ROY and ROBERT MORRISON, who were first sworn.

I further certify that I am neither attorney nor counsel for, not related to or employed by, any of the parties to the action in which this deposition was taken; further, that I am not a relative or employee of any attorney or counsel employed in this case, nor am I financially interested in this action.

Kami L. Lauer

Shorthand Reporter