

DEL HAVEN WATER EXPANSION PROJECT

FREQUENTLY ASKED QUESTIONS

1. What is the Del Haven water extension project?

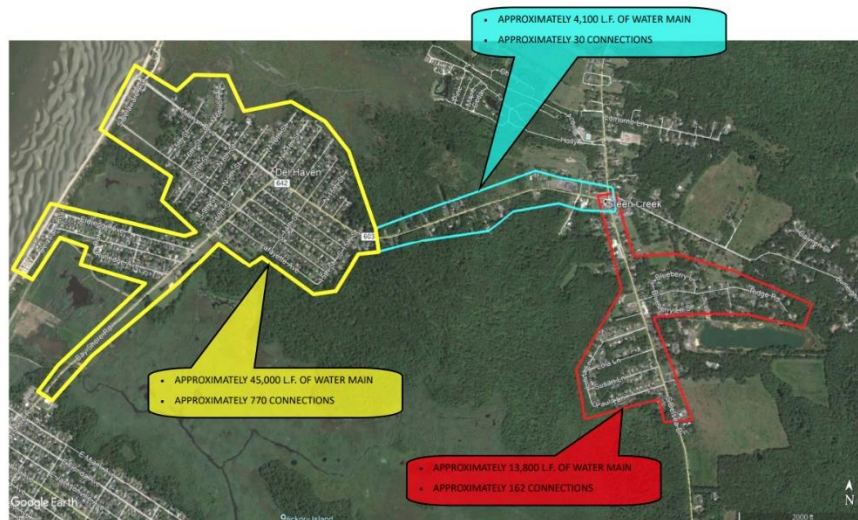
Saltwater has been intruding in Del Haven wells for years, leaving residents without a reliable drinking water source. This project will provide safe drinking water to residents and businesses in the Del Haven Water Main Extension area located in Middle Township. The area is serviced by individual shallow wells that are an average of 40 years old.

Middle Township began working on this project in 2015 when residents of the Township came to Township Officials seeking assistance in finding a solution for clean drinking water. The Township reviewed the complaints and determined that the private wells in Del Haven and areas immediately adjacent in fact were failing. To protect the health, safety, and general welfare of all residential properties and immediately adjacent sections of Middle Township in the future, officials explored options to connect those properties into the public water system.

After reviewing options and costs with other water providers, in 2018 Middle Township and the LTMUA agreed to enter into a proposed Water Supply and Distribution Agreement to provide for the construction of a water system to serve Del Haven and its areas immediately adjacent thereto, and to furnish retail water service.

2. How many residents are able to connect to the project?

The proposed project consists of the installation of approximately 62,000 linear feet of water main and approximately 962 water service connections.



3. When can I expect to be able to hook up to the upcoming LTMUA / Del Haven Water Extension Project?

Residents can expect to see phase 1 of the project (Water Hydrant installation) in March of this year. LTMUA estimates that the construction of residential pipelines will commence sometime around June of 2022 (weather and supplies permitting). LTMUA will notify residents, by certified mail, as each section/area of the project moves along, allowing those residents that need to hook up immediately the opportunity. More information on timelines will be available in each certified letter provided by LTMUA.

4. What is the timeframe expected for construction?

Construction of water mains is scheduled to begin at the end of March 2022. The construction of residential connection lines should begin in June 2022, weather permitting. The project is expected to take a year to complete.

5. How can I hook up to the water system?

Approximately 2 weeks before the installation of the water meter pits, LTMUA will distribute a wooden stake with instructions on how to mark the requested location of your water service. The water meter pit will be installed along the street within the utility right of way. Pound the wooden stake firmly in the ground. LTMUA will monitor the area and in addition to the wooden stake we will mark the location with paint. If a property owner does not mark the location, the water meter pit will be installed in a location deemed appropriate. Once installed water meter pits cannot be moved.

When the water mains and services have been installed and tested you will receive a certified letter from LTMUA. This notice will contain a water connection application, an installment agreement should you elect to pay your connection fee using the installment plan as well as other instructions.

6. Do I need to connect right away?

You will have one year from the substantial completion of the project to make arrangements to pay your connection fee and connect to the project.

7. Is it mandatory to connect?

Yes, with public water and sewer projects, mandatory hookup is required. Mandatory hookup was outlined by local ordinance.

8. What will the cost be to me as a user of the new water system?

The Annual Rate per Middle Township User will be \$699.00 (\$175.00 quarterly.) The quarterly minimum charge includes an allowance for 10,000 gallons. Usage over 10,000 gallons per quarter is charged at a rate of \$3.61 per thousand gallons.

9. Will there be any additional costs associated with connecting?

There will be a one-time connection fee of \$1600.00 payable to LTMUA. An interest-free installment plan will be available for residents to assist with the connection cost.

Residents will also need to contract with a local plumber to assist with hook-up from your property to the roadway system.

10. Why does my friend who lives in Lower Township pay a different cost than I do for public water through LTMUA?

Lower Township residents pay the cost associated with all prior Lower Township water projects only. Middle Township users that utilize the expansion project will pay the cost of the Middle Township project only. Middle Township user rate calculation includes the following formula:

Lower Township Municipal Utilities Authority Middle Township Water Service Expansion Project Estimated Rates Required to Support Construction and Debt Service Costs		
Project Cost Analysis		
Construction Costs:		
Construction Cost - Per 8/3/2021 Bid Opening	\$ 9,973,266	
Construction Contingency - 10% of Bid	997,327	
Total Construction Costs		\$ 10,970,593
Design, Inspection & Other Project Costs:		
Engineering Design and Permitting and Procurement	\$ 474,000	
Construction Inspection and Administration	284,000	
Total Design, Inspection & Other Project Costs:		\$ 758,000
Total Project Costs		\$ 11,728,593
New Jersey Infrastructure Bank Financing Cost Analysis		
Estimated Principal Amount of Borrowing:		
Project Costs	\$ 11,728,593	
Financing of 1/2 of DEP Fee	110,961	
Underwriters Discount	30,075	
Cost of Issuance	6,015	
Other Fees	3,656	
Total Estimated Principal Amount of Borrowing:		\$ 11,879,300
Interest on Loan		\$ 1,559,765
Other Up Front and Yearly Fees		
1/2 of DEP Fee Due at First Debt Payment	\$ 110,961	
NJEIT Admin Fee (\$18,045 per year for Life of Loan)	532,328	
Total Other Up Front and Yearly Fees		\$ 643,289
Total Financing Costs		\$ 14,082,354
Annual Debt Service and Financing Payments		\$ 474,300
Middle Township User Rate Calculation		
Annual Cost of Expansion Project	\$ 474,300	
Service Connections from Expansion Project	963	
Annual Cost of Expansion Project per Middle Township User		\$ 483
Existing Annual Service Charge of the Authority	\$ 250	
Annual Cost of Townbank Expansion Project per User	(6)	
Annual Cost of East Villas Expansion Project per User	(26)	
Adjusted Annual Service Charge of the Authority		\$ 216
Annual Rate Per Middle Township User		\$ 699
Quarterly Rate Per Middle Township User		\$ 175

11. Is there assistance available to residents to offset the cost to connect?

Middle Township will be applying to the New Jersey Department of Community Affairs, Small Cities Community Development Block Grant Program to assist residents in fees associated with connecting to the Del Haven Water Expansion Project. Once the grant is received there will be a 1-page application for residents to complete in order to be eligible for funding. More information will be posted on the Township website once the grant award takes place: www.middletownship.com

Homeowners can also apply to the HMFA (New Jersey Housing and Mortgage Finance Agency (www.nj-hmfa.com)) for a zero-interest loan up to \$10,000.00. Eligible

properties include single-family residences whose drinking water comes from a well and violates the state primary Drinking Water Standards set by the New Jersey Department of Environmental Protection including, but not limited to lead and mercury. Also, sodium, chloride, iron, lead, mercury, and manganese at levels that exceed DEP's standards . Loans are available to homeowners only.

12. Who can I call with questions on how to connect?

LTMUA can be reached at 609-886-7146