

Lakeshore References Interviews

Person doing the Interview: John Krizko

Date of Interview: 01/14/13

Person being phone Interviewed: Mark Peck (No longer Mayor) Interviewed CFO Kim Francisco
Company: Bloomsbury Borough Phone #:908-479-4200

Your water system has been given as a reference by Aqua. I am with the Lakeshore Company which is located in Harding, just to the south of Morristown, NJ. We have 95 homes and 3 additional community facilities. We have two pump houses and sodium hypochloride disinfectant systems. I was wondering if I could ask you some brief questions.

Q1: How many homes does your system service?

A: Approx 870 residents; 350 customers

Q2: How many businesses does your system service?

A: [Forgot to ask this question]

Q3: When was your system started?

A: About 100 year ago and was nearing end of useful life

Q4: Is your source of water wells (or rivers)?

A: Reservoir

Q5: How many pump houses do you have?

A: One with two pumps

Q6: When were you acquired by Aqua?

A: March 2010

Q7: Who owned the system when it was sold?

A: Bloomsbury Borough

Q8: What was the condition of your system when it was acquired?

A: Required high level of investment into infrastructure (i.e., reservoir, meters, treatment house equipment and pipes). There were multiple leaks that required patching.

Q9: What were your reasons for the sale?

A: Concerns from DEP and need for high level of investment in capital upgrades that could not be supported by local community alone. Under investment was due to reluctance to raise water rates by political officials. Meters at homes were read manually and reporting was necessary.

Q10: Has Aqua maintained the system satisfactorily?

A: Yes the upgrades have been an improvement and ongoing service has been good.

Q11: How would you rate their responsiveness to any service issues?

A: I am not a local resident, however feedback has been that they have been very prompt with no complaints from local residents. When the need to repair pipes in the road occurred, they did a good job of repairing the roads.

Q12: What has been their normal response time to any problems, such as leaks or pump problems? A: Not involved in day to day interaction with Aqua.

Q13: What upgrades have they done to your system?

Installed new meters at homes, updated older piping and repairs to reservoir.

Q14: Did Aqua place any restrictions on your system or institute any major changes?

A: No

Q15: What concerns did your community have at the time of sale?

A: There were initial concerns on the rate increase based on 3rd party management of the water system, however during the public discussion the impact of implementing the needed capital investment as a standalone water system would have resulted in higher rates.

Q16: Have there been any problems with billing or customer service?

Not a resident but have not heard of any complaints.

Q17: What kind of shape are the other Aqua systems that are included in your rate base? Do you anticipate that major capital investments in the systems in the rate base will cause rates to go up higher than historical averages?

A: Not aware of anything unusual

Q18: Did Aqua raise the chlorine levels in your system when they took over?

A: Unaware, but no complaints from residents

Q19: Have there been any complaints about tasting chlorine?

A: No

Q20: If you had it to do over, would you still go with them? What is your reason?

A: Absolutely, the decision to sell should have been made years ago. We did not have the appropriate level of resources and funding to support the water system.

Q21: Once the decision was made to sell your water assets to Aqua can you describe how the transition went and how long the process took?

A: I was not involved directly with the transition of the system, but the process to move from the community vote to sell to closing the deal did not appear to take long.

Q22: If you were to sell your water assets again what would you have done differently?

A: Sold the system sooner.

Q23: Would you be willing to email me a copy of your contract of sale so we would know what to expect in this type of transaction?

A: As this was a municipality sale, I cannot confirm if this is a public contract.

Q24: Do you have any additional advice or is there anyone else you think we should talk to?

A: Not at this point but if you have any further question feel free to contact me if needed.