

November 9, 2020

Michael Kammer
New Jersey Board of Public Utilities
44 S. Clinton Avenue
Trenton, New Jersey 08625

**RE: City of Salem, Salem County, New Jersey
Water Infrastructure Protection Act Process
Submission of Reports & Analysis
R&V File No. 1713T041
Fed Ex Priority Overnight Delivery**

Dear Mr. Kammer:

The City of Salem is interested in selling their public potable water and sanitary sewer systems to a public or private entity through the Water Infrastructure Protection Act (WIPA). The City would like to evaluate the possibility of a sale of the systems in order to provide some relief to their consumers from the significant financial burden that will be required to address the current debt service and implement the necessary capital improvements that both systems require to remain safe and operational.

Our office has completed extensive review of both systems, determined the value of the systems, compiled a capital improvements plan to quantify required maintenance and the associated costs, and completed an operations analysis and rate study to determine the impact that the said improvements will have on the City and the consumer. After completing this analysis, we have identified the presence of two Emergent Conditions and crafted an Emergent Conditions Report, in compliance with the WIPA process, that documents the presence of such conditions. On November 2, 2020, the City passed resolution #2020-191 (copy enclosed) indicating their desire to investigate the sale of the City's water and sewer systems through the WIPA Process. This included acceptance of the required reports and authorization for Remington & Vernick to transmit the reports to the applicable agencies.

In accordance with the WIPA process, we are distributing copies of the following reports to the Board of Public Utilities (BPU), Department of Community Affairs (DCA) Director of Local Government Services (DLGS), the Department of Environmental Protection (DEP), and are being made available for public review.

- Description of Existing Water & Sanitary Municipal Utility Facilities dated October 2020
- Water & Sanitary Utility Rate Study dated October 2020
- Water & Sanitary Valuation dated October 2020
- Emergent Condition Evaluation

Please note that the enclosed reports are being provided within 10 days of approval of the reports by the owner and in advance of the public hearing to present the emergent conditions and findings of the reports to the public. Please note that the public hearing is scheduled for December 7, 2020 to provide the public 30 days notification in accordance with WIPA requirements.

Page 2
November 9, 2020
City of Salem
Water and Sewer Emergent Condition Evaluation Report

We look forward to working with you on this submission. Should you have any questions, comments, or require additional information, please feel free to contact me in our Haddonfield office by phone via (856) 795-9595 ext. 1067 or by email via stephanie.cuthbert@rve.com.

Very truly yours,

REMIGTON & VERNICK ENGINEERS, INC

A handwritten signature in blue ink that reads "Stephanie Cuthbert". The signature is fluid and cursive, with the first name and last name clearly distinguishable.

Stephanie Cuthbert, PE, CME
Senior Associate / Water & Wastewater Department Manager

Cc: Mayor and Council
Ben Angeli, City Administrator
Andrea Rhea, Esq