

BORDENTOWN SEWERAGE AUTHORITY  
MEETING MINUTES  
April 17, 2017

The meeting was called to order by Chairwoman, M. Ellen Gulbinsky at 6:00 p.m. in the Conference Room of the Authority located at 954 Farnsworth Avenue, Bordentown, New Jersey.

In compliance with the Open Public Meetings Act, adequate notice of this meeting was provided in the following manner:

- a. Posting written notice on the Official Bulletin Board of the Bordentown Sewerage Authority on February 24, 2017,
- b. Mailing written notice to THE TIMES and BURLINGTON COUNTY TIMES on February 24, 2017; and
- c. Filing written notice with the Clerks of the City of Bordentown and Township of Bordentown and mailing written notice to all persons who requested and paid for same on February 24, 2017.

The following persons were in attendance: Board Members M. Ellen Gulbinsky, James E. Lynch, Jr., Joseph R. Malone III, Leonard J. de Groot, Stephen Monson, and Zigmont F. Targonski. Also in attendance were: Executive Director Richard D. Eustace, Administrative Manager Elizabeth J. Kwelty, the Authority's Solicitor Thomas J. Coleman, III, and the Authority's Engineer Richard B. Czekanski.

On motion by Lynch, seconded by Targonski, it was moved to approve the regular meeting minutes of the March 20, 2017 meeting.

Discussion of the March minutes started with the arbitrage issue. Mr. de Groot stated the question of arbitrage that was answered at the meeting was not the question that was posed. The question answered was whether arbitrage is needed under the law for collecting interest. The question that was posed was that if the Authority doesn't collect interest, would filing be required. Under Generally Accepted Accounting Principles (GAAP), the answer is no. The second item Mr. de Groot addressed, were his credentials being challenged at the last meeting. Mr. de Groot listed his credentials as follows: MBA in finance from Southern Illinois University, January 1974, where he graduated summa cum laude; Post Masters credentials from writing a dissertation and completed studies on international finance; Mr. de Groot was called upon in 1982 to act as an investigator for an embezzlement case in Travis Air Force Base. During pre-trial hearings, the civilian attorney for the defendant argued Mr. de Groot's status as an expert. His expert status was upheld by the general counsel by the staff judge advocate.

Mrs. Gulbinsky asked for amendments to the March minutes as written. Mr. de Groot replied that he wants the entire discussion of arbitrage removed with the exception of the challenge to his credentials, and wants to put in the March minutes the credentials he just provided. Mr. Coleman stated that comments from this meeting cannot be added to the minutes from last meeting, they will be included in the April minutes. Mr. de Groot agreed with his credentials being included in the April minutes. There are no changes to the March minutes.

Recorded vote:

Ayes:	Gulbinsky, Lynch, Malone, de Groot, Monson, Targonski
Nays:	None
Abstained:	None
Absent:	None

On motion by Targonski, seconded by Monson, it was moved to adopt Resolution 2017-037, approving the April payment of bills from the Operating Fund in the amount of \$346,772.16 of which \$217,772.16 is a payroll transfer, and \$28,240.80 is a capital expense.

No discussion on this Resolution.

Recorded vote:

Ayes:	Gulbinsky, Lynch, Malone, de Groot, Monson, Targonski
Nays:	None
Abstained:	None
Absent:	None

On motion by Lynch, seconded by Targonski, it was moved to adopt Resolution 2017-038, approving the payment of April bills from the Escrow Fund in the amount of \$13,291.17.

No discussion on this Resolution.

Recorded vote:

Ayes:	Gulbinsky, Lynch, Malone, de Groot, Monson, Targonski
Nays:	None
Abstained:	None
Absent:	None

On motion by Targonski, seconded by Lynch, it was moved to adopt Resolution 2017-039, approving the credits and/or refunds of customer accounts in the amount of \$3.95.

No discussion on this Resolution.

Recorded vote:

Ayes: Gulbinsky, Lynch, Malone, de Groot, Monson, Targonski  
Nays: None  
Abstained: None  
Absent: None

I. AGENDA ITEMS FOR DISCUSSION AND/OR ACTION:

A. SERVER PURCHASE:

On motion by Lynch, seconded by Malone, it was moved to adopt Resolution 2017-040, authorizing the award of a proprietary contract to Lookfirst Technology, LLC for hardware and installation of new file server in the amount of \$10,288.63.

In answer to Mr. Monson's question, Mr. Eustace explained the current server is now over five years old, and all warranties have expired. The file server is the heart and soul of the organization and therefore as part of the annual equipment audit it was decided to replace the server this year. In answer to Mr. Monson's question about what will happen to the server that is replaced, Mr. Eustace confirmed the hard drives will be destroyed by Authority staff.

Recorded vote:

Ayes: Gulbinsky, Lynch, Malone, de Groot, Monson, Targonski  
Nays: None  
Abstained: None  
Absent: None

B. OFFICE EQUIPMENT DESTRUCTION:

On motion by Lynch, seconded by Targonski, it was moved to adopt Resolution 2017-041, authorizing Lookfirst Technology, LLC to properly recycle the Authority's unusable computer equipment.

No discussion on this Resolution.

Recorded vote:

Ayes: Gulbinsky, Lynch, Malone, de Groot, Monson, Targonski  
Nays: None  
Abstained: None  
Absent: None

C. OPERATIONS EQUIPMENT DESTRUCTION:

On motion by Lynch, seconded by Targonski, it was moved to adopt Resolution 2017-042, authorizing proper destruction of the Authority's unusable operations equipment.

No discussion on this Resolution.

Recorded vote:

Ayes:	Gulbinsky, Lynch, Malone, de Groot, Monson, Targonski
Nays:	None
Abstained:	None
Absent:	None

II. PROFESSIONAL REPORTS:

A. EXECUTIVE DIRECTOR:

OPEN SEWER CONNECTION ACCOUNTS:

East Haven Woods, LLC (Thorntown Lane Development) was issued a Use Permit for 7 Anna Rose Court. \$7,684.00 connection fee was realized as revenue.

The Authority received a Freshwater, Wetlands, and Flood Hazard Area Permit Application for Bordentown Township property located 201 Old York Road, otherwise known as the Matrix warehouse, owned by Matrix Realty, Inc. Mr. Monson asked for the location on the provided map of affected area. Mr. Eustace and Mr. Czekanski explained the storm water collected from the pavement of the project will drain into Zucker Run, a creek that runs under Georgetown Road. The New Jersey Department of Environmental Protection (NJDEP) requires a permit when a property is in close proximity to waterways and requires an elevation of one foot above the one-hundred year flood level.

BUILDING B3 ROOF SPECIFICATION PROPOSAL

Remington & Vernick provided a proposal for the cost of preparing Building B3 roof replacement specifications. Building B3 has old air heating units attached to the roof that are rusted, no longer used, and will not be replaced. Those old units will need to be removed, the holes repaired, and a new roof installed. The Remington & Vernick quoted value is not to exceed \$13,400.00 and will include services related to bid specification preparation, advertisement of bid, bid opening, and award of contract.

On motion by Lynch, seconded by Targonski, it was moved to approve Remington & Vernick Engineers proposal to prepare the bid specifications for the replacement of Building B3 roof.

Recorded vote:

Ayes: Gulbinsky, Lynch, Malone, de Groot, Monson, Targonski

Nays: None

Abstained: None

Absent: None

#### OPERATIONS ITEMS:

The executive director spent 12.00 hours and the administrative staff spent 12.00 hours on developer projects. The Authority's staff participated in CPR and First Aid training at the Hope Hose fire house. The Authority will be purchasing an AED (automated external defibrillator). Brian Maugeri of Hope Hose will train the staff how to use the AED once it is on site. Mr. Eustace gave two tours to Cub Scouts in the STEM (Science Technology Engineering Math) program over the past two weeks.

#### FINANCE COMMITTEE MEETING REPORT:

Mr. Eustace provided information to the full board from the recent finance committee meeting. The Authority's auditor, Mr. Maley was involved in the preparation of the data and was in attendance of the finance committee meeting.

The approved ten percent sewer rent increase effective January 1, 2016 generated a 10.98% rent revenue increase in the amount of \$351,140.00. Of the \$351,140.00, \$272,613.00 was applied to the debt service payment increase from the prior year. There was a net rent revenue increase of \$79,000.00 for 2016, leaving a \$1,300,000 deficit in sewer rent revenue to expenditures including debt service.

The approved twelve percent sewer rent increase effective January 1, 2017, is anticipated to reduce the overall deficit in sewer rent revenue to expenditures to \$1,000,000 prior to any capital expenditures. Mr. Eustace explained how the Authority was able to finance small capital expenditures through the operating budget over the past few years, and explained the necessity to finance larger capital projects such as roofs in the plant over the next few years using the capital budget. In prior years' discussions on sewer rents needed to cover expenditures, connection fees were not included as part of the process because they can be unpredictable. The current review does include \$1,000,000 in connection fees anticipated for the Bordentown Waterfront Phase 2 apartments to be collected by 2020.

Mr. Monson asked why the Matrix warehouse would not be included in the connection fee plan. Mr. Eustace said that they do not yet have final planning board approval.

Mr. Eustace stated after reviewing all cash balances, including \$1,400,000 in connection fees received by 2020, a five percent increase in 2018 and a five percent increase in 2019, will allow the Authority to complete \$800,000 in capital projects in the next two years and still have a positive cash balance by 2021, and continue the process of the sewer rents equaling total expenditures.

Mrs. Gulbinsky opened the floor for discussion. Mr. de Groot stated he reviewed all of the documents and he concurs with the judgement of the members. Mrs. Gulbinsky asked for a motion to hold a rate hearing at the June 2017 board meeting.

On motion by de Groot, seconded by Monson, it was moved to approve Authority staff to make preparations for a rate hearing to take place during the June 19, 2017 board meeting.

Recorded vote:

Ayes: Gulbinsky, Lynch, Malone, de Groot, Monson, Targonski  
Nays: None  
Abstained: None  
Absent: None

B. GENERAL COUNSEL:

VOLUNTEERS OF AMERICA:

Mr. Coleman updated the board on the Volunteers of America (VOA) project located on Burlington Road in Bordentown Township, Block 140, Lot 3.02 currently vacant land on Burlington Road next to Church Brick. A New Jersey Transit license was issued in the name of the Bordentown Sewerage Authority at the request of VOA and Mr. Albert's group without the consent of Mr. Eustace or Mr. Czekanski. The license is for the private sanitary sewer line to be constructed under the New Jersey Transit tracks. The Authority has a problem with this license being issued in the Authority's name because the line to be constructed is a private line to service VOA structure. The Authority would be responsible should anything go wrong with the line in the future.

Mr. Coleman has been working with the developer to find a way to make the New Jersey Transit license work as it is written, or find another way to

connect the sanitary sewer. Mr. Albert's group suggested financial compensation of \$12,500 to be put into escrow to be invested and will cover the license fees for the next 100 years. Mr. Coleman explained that there is still an issue of liability. The developers provided some sample indemnity language which Mr. Coleman agrees with. VOA claims to have a thirty year lease on the property, and proposed an insurance policy be paid for to address this issue. Mr. Coleman asked VOA for the details about the policy, including the dollar amounts covered and who will be responsible for the payment of the policy. Mr. Coleman is not sure about what would happen if VOA does not remain the owners of the property for the next thirty years as planned. Mr. Coleman asked the board how much insurance should be requested.

Mr. Monson suggested that because a license was issued in the Authority's name without the consent of the Authority, the applicant should be asked to start over from the beginning.

Mr. Coleman explained that when Mr. Eustace received the license with the Authority's name on it, he immediately questioned how a license could be issued without any signatures from Authority representatives, and we still have not received an explanation as to how this happened.

Mr. Coleman, Mr. Eustace, Mr. Czekanski, and the developers have been working to find a way to resolve this. There has been some discontent from the applicant that the Township is concerned that the Authority is prolonging the process, and preventing an important low income project from being approved. Mr. Coleman made sure to explain to Mr. Albert's group that the Bordentown Sewerage Authority is in no way dragging out the process. This is a problem the Authority did not create and we are working with the developers to come up with a resolution. Mr. Coleman again asked the board for some instruction on how to resolve this issue. How much should be requested, and is the board comfortable with requesting the dollar value either in escrow or as an insurance policy.

Mr. Eustace then explained that the Authority's risk management consultant, Mr. Walsh was contacted and asked to reach out to his contacts at Joint Insurance Fund (JIF). He is waiting for Mr. Walsh's response.

Mr. Monson suggested a bond be posted. Mr. Coleman said that it can be constructed any way the board requests. The question is, how much money to ask for, and are the six members of the Authority's board comfortable with a bond or insurance policy.

Mrs. Gulbinsky asked what the cost would be to not put the sanitary sewer line under the train tracks, but to construct the line in the streets. Mr.

Eustace and Mr. Czekanski said that they would have to go under a stream, and along Burlington Street. The water line is being constructed down Burlington Street, and not crossing the tracks. Mrs. Gulbinsky suggested we encourage the same construction for sewer.

Mr. Coleman said the Authority is able to return the license to NJ Transit stating that we didn't request it and to please void the license. That would put the applicant back to the starting point.

Mr. de Groot inquired for the cost to indemnify the Authority. Mr. Eustace said that we do not know at this time. Mrs. Gulbinsky said we can't rely on the indemnifications and suggests the applicant go through the streets. Mr. Eustace explained the applicant would then need to construct and operate a force main and pump station. Mrs. Gulbinsky asked about the Authority operating the pump station for a fee on the applicant's behalf. Mr. Coleman said that the insurance agent may not agree with that and the Authority would then be setting a precedent.

Mr. Malone asked if the Township could take liability. The general consensus at the table is yes, they probably could be the license owner. Mr. Targonski said that the Authority may still be brought in to resolve any issues in the future because the Authority is better equipped to handle sewer issues.

Mr. Eustace explained the proposed sanitary sewer is 120' of pipeline in a sleeve under the tracks. The liability question is not about the pipe specifically, but if something goes wrong with the railroad tracks. Mr. Czekanski agreed the railroad tracks are the liability concern and suggested that Mr. Coleman look into the language in the license that states New Jersey Transit may instruct the line be relocated within 30 days.

Mr. Malone stated his opinion which is the Authority should not take responsibility for a private line. Mr. Lynch suggested that we wait for input from Mr. Walsh. Mr. de Groot suggested calculating net present value. Sum of values of each year gross amount, suggested Mr. Maley calculate the net present value. Mr. Coleman suggested that we hear back from our insurance agent before getting Mr. Maley involved.

Mr. Coleman requested the board withhold judgement until next meeting when we have the information from Mr. Walsh.



### 101 BURLINGTON ROAD:

Mr. Coleman provided an update from the last meeting where a discussion took place about 101 Burlington Road asking to connect to Fieldsboro's sewer system. The State of New Jersey and Burlington County have recently changed their rules. In terms of amending the wastewater management plan, it used to be the Authority would have to provide consent, which conceptually the board did at the last meeting subject to certain conditions. The new rules require the property owner to fill out paperwork and send directly to NJDEP. NJDEP will then send the Authority a notice of the property owner's request to connect into another system, and allows the Authority to comment. The Authority has 45 days to object or comment.

If Mr. Coleman sends a letter to the owners of 101 Burlington Road laying out the process from NJDEP, he suspects in the near future Mr. Eustace will receive a letter from NJDEP asking if Bordentown Sewerage Authority has any objections to 101 Burlington Road connecting to Fieldsboro.

Mr. Malone says we should object. Mr. Malone is worried about losing properties within the service area whether it be from the water utility or sewer authority. He is also worried that neighboring towns would try to get into this Authority's system and then Bordentown would lose plant capacity for the future. Mr. Malone said he would rather the State of New Jersey not directly approve applications. If the Authority allows properties in or out of the sewer service area, it should be under the Authority's conditions. Mr. Malone continued to explain that he believes in a hardship case such as 101 Burlington Road, the property should be granted ability to connect into Fieldsboro, but it opens up that currently vacant area surrounding the property to leave the sewer service area.

Mrs. Gulbinsky suggested using our rules and sticking to them and maybe using hardship as a reason for allowing properties to connect elsewhere.

Mr. Lynch asked how we know their septic system is failing. Mr. Eustace said Authority personnel have not inspected anything at that property.

Mr. Monson agreed by stating that the Bordentown Sewerage Authority has a service area. We have created capital infrastructure to accommodate the service area and we do not wish to make any decisions to undermine the plant's ability to serve properties within the service area.

Mr. Coleman confirmed that the Authority would have an opportunity to comment or object to NJDEP. Mr. Coleman will reply to the homeowner of 101 Burlington Road that they are welcome to apply with NJDEP for a Fieldsboro connection, but the Bordentown Sewerage Authority will more than likely object and we suggest working with an engineer to work on

connection to BSA system. Mr. Coleman also suggested asking the homeowner to prove they cannot fix the existing septic system.

C. ENGINEER:

Mr. Czekanski reported briefly on the month's activities and his report is attached to these minutes and made a part thereof.

PUBLIC PARTICPATION:

There was no public participation.

On motion by Malone, seconded by Lynch, it was moved to approve Resolution 2017-043 and meet in executive session to discuss personnel issues.

Recorded vote:

Ayes:	Gulbinsky, Lynch, Malone, de Groot, Monson, Targonski
Nays:	None
Abstained:	None
Absent:	None

On motion by Lynch, seconded by Targonski, it was moved leave executive session.

Recorded vote:

Ayes:	Lynch, Gulbinsky, Monson, de Groot, Targonski, Malone
Nays:	None
Abstained:	None
Absent:	None

Mr. Malone stated the Authority meetings do not have a flag salute and feels there should be a flag salute.

On motion by Malone, seconded by Targonski, it was moved to salute the flag at Bordentown Sewerage Authority board meetings.

Recorded vote:

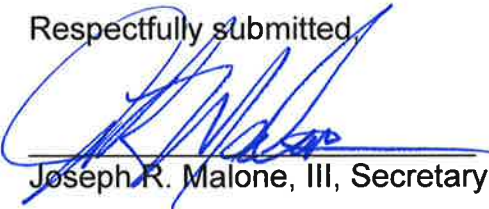
Ayes:	Gulbinsky, Lynch, Malone, de Groot, Targonski
Nays:	Monson
Abstained:	None
Absent:	None

On motion by Lynch, seconded by Malone, it was moved to adjourn the meeting at approximately 7:15 p.m.

Recorded vote:

Ayes:	Gulbinsky, Lynch, Malone, de Groot, Monson, Targonski
Nays:	None
Abstained:	None
Absent:	None

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'J. Malone', is written over a horizontal line. The signature is stylized and cursive.

APPROVED ON:

May 15, 2017

Joseph R. Malone, III, Secretary

**BORDENTOWN SEWERAGE AUTHORITY  
ENGINEER'S STATUS REPORT FOR APRIL 17, 2017 MEETING PREPARED  
BY REMINGTON VERNICK & ARANGO (RV&A) ENGINEERS**

**DEVELOPMENT TOPICS:**

- **Bordentown Waterfront Phase II: River Side of River Line Tracks:**
  - ▶ **Apartments/Townhouses:** There are three NJDEP treatment works permit applications associated with this development namely, the Authority's portion of the sanitary sewer collection system located within the Township's right of way along with the pump station force main piping; the Authority's pump station; and the privately owned portion of the sanitary sewer system. All three permits have been received. There are still miscellaneous design issues to resolve. **In the past month the only activity is the installation of piping in the vicinity of the New Jersey Transit Crossing.**
  - ▶ **Volunteers of America on Burlington Road:** This proposed private conveyance system has its wastewater discharge flowing into the Phase II complex. **Since the project started we have been requesting floor plans for the 3 story building. These architectural plans were just received last week so we are moving forward with the flow finally established.** This development will be paying the 2017 connection fee rate.
  
- **Rising Sun Road Pump Station Improvements:**
  - ▶ **Force Main System:** The Authority has received the NJDEP treatment works permit. The Applicant's engineer is progressing with the design modifications to the pump station. In order to replace the force main, easements must be obtained by the Applicant for access to the construction area. **We had a site meeting to review the proposed pump station control panel replacement.**
  - ▶ **Rising Sun Road Petro Restaurant:** We recommended a conditional S3 approval for the "Arby's" restaurant. This addition on the I-295 side of the facility will not be able to receive a certificate of occupancy until the Rising Sun Road force main/pump station improvements are constructed and operational. **Final pre-construction issues are being resolved.**

- ▶ **Central Crossing Building No. 3 Warehouse:** The Applicant was put on notice that wastewater could not be conveyed into the Authority's downstream sewer system until the Rising Sun Road Pump Station/Force Main improvements were completed. However the Applicant proceeded with both paying the connection fee and completing the building construction. At the present time the Applicant is hauling the generated wastewater to the plant.
- **Route 206 Marriott/Car Wash Site:** This project has been approved for construction.
- **Matrix Warehouse on Georgetown Road (569,000 SF):** The project is in the preliminary planning board stage. The Authority has provided an ability to serve letter to the planning board.
- Maintenance Bond List:
  - Bordentown Holiday Inn Express: Expires March 20, 2019: Per Resolution 2017-035

#### **PLANT TOPICS**

- **PCB Minimization Plan:** The required samples have been obtained and we are awaiting the results. Simultaneously, we are developing the required report. **The NJDEP has provided an one month extension on the report submission until May 1, 2017 since the samples were taken so close to the original April 1, 2017 deadline.**

**End of Report - Prepared by Richard B. Czekanski, PE, BCEE, CME  
Remington Vernick & Arango Engineers**