

BORDENTOWN SEWERAGE AUTHORITY
MEETING MINUTES
August 20, 2018

The meeting was called to order by Chairman, James E. Lynch, Jr., at 6:00 p.m. and led a salute to the flag 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 26, 2018,
- b. Mailing written notice to THE TIMES and BURLINGTON COUNTY TIMES on February 26, 2018; 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 26, 2018.

The following persons were in attendance: Board Members, James E. Lynch, Jr., M. Ellen Gulbinsky, Joseph R. Malone III, Leonard J. de Groot, 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, the Authority's Engineer Richard B. Czekanski, and the Authority's Auditor Brian Waldron.

RATE HEARING

On motion by Lynch, seconded by Malone, it was moved to adopt Resolution 2018-57 approving the proposed amendments to the rate schedule effective January 1, 2019.

Testimony was presented and the transcript is attached to these minutes and made a part thereof.

Recorded vote:

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

On motion by de Groot, seconded by Gulbinsky, it was moved to approve the minutes of the July 16, 2018 meeting as submitted.

Recorded vote:

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

On motion by Targonski, seconded by de Groot, it was moved to adopt Resolution 2018-58, approving the August payment of bills from the Operating Fund in the amount of \$355,407.43 of which \$109,755.68 is a payroll transfer and \$164,458.12 is a capital expense.

No discussion on this Resolution.

Recorded vote:

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

On motion by Gulbinsky, seconded by Malone, it was moved to adopt Resolution 2018-59, approving the payment of August bills from the Escrow Fund in the amount of \$9,277.50.

No discussion on this Resolution.

Recorded vote:

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

On motion by Targonski, seconded by Gulbinsky, it was moved to adopt Resolution 2018-60, approving the credits and/or refunds of customer accounts in the amount of \$775.60.

No discussion on this Resolution.

Recorded vote:

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

I. AGENDA ITEMS FOR DISCUSSION AND/OR ACTION:

A. JIF MEMBERSHIP RENEWAL:

On motion by Gulbinsky, seconded by de Groot, it was moved to adopt Resolution 2018-61, authorizing the Authority's membership renewal in the New Jersey Utility Authorities Joint Insurance Fund for a three-year period commencing January 1, 2019.

No Discussion on this Resolution.

Recorded vote:

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

II. PROFESSIONAL REPORTS:

A. EXECUTIVE DIRECTOR:

OPEN SEWER CONNECTION ACCOUNTS:

- 1.) Meeting with Volunteers of America Phase I to discuss sewage disposal prior to connection into the system took place. VOA will submit a plan of action for wastewater removal to the Authority.
- 2.) Treatment Works Approval (TWA) received for Team Campus Phase II, July 27, 2018.
- 3.) ABRA – Auto Body Repair of America, approval of S-1 and S-2 applications. 60 Route 130, next to Enterprise Rent-A-Car.
- 4.) Notice of Appeal of Zoning Determination, Bordentown Township, Old York Business Park, lessee of GS Realty property appeals decision regarding billboards.
- 5.) Escrow Refund in the amount of \$14.10 for K Hovanian Homes for the Clifton Mill Development.
- 6.) Escrow Refund in the amount of \$607.75 for Dublin Square restaurant located 167 Route 130.

Mr. Eustace reported the total cost of the sinkhole repair was \$158,900, the City of Bordentown reimbursed the Authority \$35,000 making the total cost to the Authority \$123,900. The executive director spent 50 hours and the administrative staff spent 30 hours on developer projects. The New Jersey Department of Environmental Protection inspected the facility on July 17, 2018. The inspector determined the facility complies with applicable regulations and permit conditions. The Authority has filed a complaint with the Federal

Communications Commission about spoofing of the Authority's phone numbers and caller ID.

B. GENERAL COUNSEL:

Mr. Coleman spent time on 348 Farnsworth Avenue, preparing for the rate hearing, and there are still some issues to work out with Mr. Johnson for Team Campus Phase II.

C. ENGINEER:

Mr. Czekanski's full report is attached to these minutes and made a part thereof. Mr. Czekanski discussed the Mile Hollow Pump Station replacement project. The project has been completed, the Authority will purchase a third pump in the near future to complete the station. The Authority has spent time gathering information on the Sylvan Glen pump station in relation to the Nissim Property development project. The developer's site plans showed the flow going gravity to one Authority owned pump station, to a second Authority owned pump station and lastly, to a third Authority owned pump station. Pumping pump station to pump station causes a problem with hydrogen sulfides. The Authority proposed the developer pump to the Mile Hollow pump station. The developer disagreed and requested another option be provided. The Authority's response will be for the developer to pump to the front of the property to a gravity line that flows to the Sylvan Glen pump station. The wastewater will be pumped twice instead of three times and the developer will have to make improvements to the Sylvan Glen pump station, as there is not capacity for more flow at this time. The Sylvan Glen improvements are less costly than connecting into Mile Hollow pump station drainage area alternative further south on Route 206.

III. PUBLIC PARTICIPATION:

In attendance was James H. Kostopolis the Township of Bordentown liaison to the Authority.

Mr. Malone referenced Mr. Eustace's statement about the NJDEP onsite inspection and asked if there were ever any violations. Mr. Eustace confirmed that there have not been any violations since he took over as Executive Director eight years ago, and does not remember any mention of any issues prior to his employment. Mr. Malone requested Mr. Lynch mention how well the facility has functioned over the years at the next City Commissioner meeting.

Mr. de Groot commented that the Authority is acting on a fiscally sound basis, bringing closer to the day when rent revenue meets expenditures. The board concurred, that the operations side and financial side of the Authority are working well.

On motion by Malone, seconded by Targonski, it was moved to adjourn the meeting at approximately 6:30 p.m.

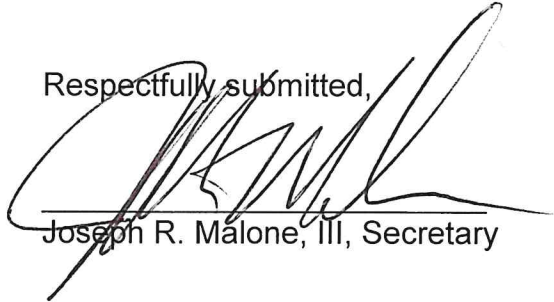
Recorded vote:

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

APPROVED ON:

September 25, 2018

Respectfully submitted,

A large, stylized handwritten signature in black ink, appearing to read 'JRM', is written over the printed name of the Secretary.

Joseph R. Malone, III, Secretary

Page 1

BORDENTOWN SEWERAGE AUTHORITY
954 FARNSWORTH AVENUE
BORDENTOWN, NJ 08505

IN RE:

RATE HEARING,

MEETING OF SEWERAGE AUTHORITY

AUGUST 20, 2018

Rate hearing portion of the Bordentown Sewerage Authority, before KATHLEEN INTROCASO, License No. XI01728, a Certified Court Reporter and Notary Public of the State of New Jersey, on the above date, commencing at 6:00 p.m., there being present:

JAMES E. LYNCH, JR. - CHAIRMAN
M. ELLEN GULBINSKY - VICE CHAIRMAN
JOSEPH R. MALONE, III - SECRETARY
LEONARD J. de GROOT - TREASURER
RICHARD D. EUSTACE - EXECUTIVE DIRECTOR
ELIZABETH J. KWELTY - ADMINISTRATIVE MANAGER
THOMAS J. COLEMAN, III, ESQ. - SOLICITOR
RICHARD B. CZEKANSKI, P.E. - ENGINEER
BRIAN WALDRON, Holman Frenia
Allison, P.C. - AUDITOR

GERROW COURT REPORTING, LLC
PO BOX 43
ATCO, NJ 08004

LOCAL (856) 784-7909 * TOLL FREE (844) 436-4193
gerrowreporting@aol.com
GERROWREPORTING.COM

Page 2

CHAIRMAN LYNCH: Item 5, here tonight

we're having a rate hearing, Resolution 2018-57. Do we have to pass this first?

MR. EUSTACE: You have to turn it over to the --

CHAIRMAN LYNCH: Turn it over to Tom?

MR. EUSTACE: Yes.

MR. COLEMAN: Thank you, Mr. Chairman.

Members of the board, this is a public hearing that's being conducted on a proposed adjustment to our connection fee rate schedule. Under the law the sewerage authority is required to recalculate its connection fees at the end of each fiscal year. Notice of this meeting this evening was given in accordance with law. It was published in the Times of Trenton on July 30th and the Burlington County Times on July 31st and Liz also made sure that the municipal clerks of the city and the township received their respective notices on July 26th for the city, for both which is more than 20 days prior to the hearing.

The hearing this evening will be conducted in the following manner: The Authority will present its witnesses to testify concerning the proposed connection fees. After in this case Mr. Eustace testifies any member of the public in attendance will have an

Page 3

opportunity to ask questions of Mr. Eustace. After the witnesses for the authority testify and are potentially cross-examined anyone wishing to make a statement concerning the proposed connection fees may make a statement. That statement is also subject to cross-examination. After everyone has had an opportunity to make his or her statement, the public hearing will be closed and the authority will consider the proposed adjustment to the connection fee rate schedule.

So, Mr. Eustace, do you swear that the testimony you're about to provide this evening is the whole truth and nothing but the truth so help you God?

MR. EUSTACE: I do.

MR. COLEMAN: Rick, if you could just state who are you employed by?

MR. EUSTACE: The Bordentown Sewerage Authority.

MR. COLEMAN: In what capacity are you employed by them?

MR. EUSTACE: Executive director.

MR. COLEMAN: Are you familiar, Rick, with the procedure for calculating connection fees under the statutes of the State of New Jersey?

MR. EUSTACE: Yes, I am. And if a legal

Page 4

opinion or interpretation were necessary, I will consult with the attorney for the authority.

MR. COLEMAN: Did you have an opportunity to compute, recompute, excuse me, the connection fee for the Bordentown Sewerage Authority as of the end of the previous fiscal year?

MR. EUSTACE: Yes, I did. First, I determined the average daily water usage for a single-family residence in the service area of the authority. I used the study period 2017.

My study area was comprised exclusively of single-family residences and included all single-family residences in our service area. There were 4,791 single-family residences in the study area. There was 241,790,000 gallons of water used in the study area during the study period. Dividing that number by the number of single-family residences in the study area, and by 365 days, I calculated that the average water usage for a single-family residence served by the authority during this study period was 138 gallons per day. Once I had the number of gallons per day of usage by a single-family residence, I was able to determine the number of service units in the authority's system. I calculated that the total gallons of water billed to all customers in the system during the same period was

Page 5

Page 7

1 373,891,000 gallons. This equals an average usage of
 2 1,024,359 gallons per day. Dividing that number by the
 3 average single-family usage of 138 gallons per day, I
 4 calculated that there was 7,423 service units in the
 5 system based on statutory formula as of the end of the
 6 immediately preceding year.

7 Our auditor calculated the capital base of the
 8 authority in the sewerage system in accordance with the
 9 statutory formula contained in N.J.S.A. 40:14A-22. The
 10 capital base of the authority in its sewerage system as
 11 of the end of the immediately preceding fiscal year
 12 amounted to \$72,495,488.

13 I calculated the connection fee for a residential
 14 dwelling unit by dividing the capital base by the
 15 number of service units. The connection fee per
 16 residential dwelling unit came to \$9,766. I then
 17 divided the connection fee per residential dwelling
 18 unit by the average number of gallons per day for a
 19 single-family residence to determine the connection fee
 20 per gallon per day for non-residential customers. The
 21 connection fee per gallon per day for non-residential
 22 customers came to \$71.00 per gallon per day, with a
 23 minimum connection fee equal to the connection fee that
 24 is charged to residential users. Mathematically, the
 25 rate per gallon is the same for both residential and

1 since the connection fees were calculated in accordance
 2 with the statutory formula and are designed to have the
 3 customer pay its proportional share of the sewerage
 4 system in the manner required by law.

5 MR. COLEMAN: Rick, are there any other
 6 connection fee changes for the board to provide an
 7 opinion on?

8 MR. EUSTACE: Yes. During the public
 9 meeting held on May 21st, 2018, the board was made
 10 aware of the Township of Bordentown's agreement between
 11 the township and the Fair Share Housing Center
 12 regarding the township's obligation to satisfy
 13 affordable housing requirements. The agreement to
 14 resolve issues between the Township of Bordentown and
 15 the Fair Share Housing Center concerned the township's
 16 Mount Laurel fair share obligations and the means by
 17 which the township shall satisfy same details specific
 18 numbers of low income units by the project name. The
 19 Township of Bordentown has requested that the
 20 Bordentown Sewerage Authority extend to only the deed
 21 restricted affordable housing units, reduced connection
 22 fees equal to 50 percent reduction in the full
 23 connection fee.

24 I request the board to approve a 50 percent
 25 reduction to all deed restricted units. The reduction

Page 6

Page 8

1 non-residential users. Not all residential users will
 2 reach the average residential usage, but they pay a
 3 connection fee as though they had. To be fair and
 4 consistent, we charge a non-residential customer a
 5 minimum connection fee as though they have reached the
 6 average residential usage.

7 There is a special sewer connection fee for hotels
 8 and motels. The connection fee for hotels and motels
 9 is a function of the number of rooms, plus the
 10 amenities offered in the hotel or motel. The
 11 connection fee is calculated by multiplying the number
 12 of guest rooms by the rate per guest room, which is
 13 one-half of the residential rate. However, any office
 14 space, convention or meeting rooms, restaurants,
 15 laundries, et cetera, that are on the premises are
 16 calculated separately at the non-residential rate per
 17 gallon of estimated usage.

18 MR. COLEMAN: Thank you. Rick, in your
 19 opinion are the proposed revisions to the connection
 20 fee rate schedule both necessary and reasonable in
 21 amount?

22 MR. EUSTACE: Yes. The revisions are
 23 necessary since the statute requires the Authority to
 24 recalculate its connection fees at the end of each
 25 fiscal year. The revisions are reasonable in amount

1 would apply to all affordable housing deed restricted
 2 units with the Bordentown Sewerage Authority -- within
 3 the Bordentown Sewerage Authority service area as
 4 approved by the Bordentown Township and Bordentown
 5 City. The 50 percent reduction will then be approved
 6 by resolution during a future authority meeting for
 7 each individual development project and the number of
 8 units can be specified and voted on individually.

9 It is important to note that on August 10th, 2018,
 10 Governor Murphy signed into law Senate Bill 1247 and
 11 Assembly Bill 2779 which effective immediately requires
 12 sewerage authorities in New Jersey to reduce connection
 13 fees by 50 percent for all qualified affordable housing
 14 developers regardless of their for profit status as
 15 long as the affordable housing unit is in an
 16 inclusionary development.

17 MR. COLEMAN: Thank you, Rick. Is there
 18 anything further you have to offer?

19 MR. EUSTACE: No, sir, not at this time.

20 MR. COLEMAN: Mr. Chairman, this
 21 concludes the testimony of Mr. Eustace. Are there any
 22 members of the public who would like to ask a question
 23 of Mr. Eustace? Seeing no member of the public are
 24 there any -- no members of the public who would like to
 25 question Mr. Eustace, are there any members of the

Page 9

Page 11

1 public that would like to make a statement? Mr.
2 Chairman, seeing no one wishing to make a statement I'd
3 ask that you move forward with the second part of our
4 hearing this evening.

5 Mr. Waldron, do you swear the testimony you're
6 about to provide this evening is the whole truth and
7 nothing but the truth so help you God?

8 MR. WALDRON: I do.

9 MR. COLEMAN: Mr. Waldron, what is your
10 relationship to the Bordentown Sewerage Authority?

11 MR. WALDRON: I am the audit manager of
12 the authority's appointed auditor Mr. Michael Holt of
13 Holman Frenia Allison.

14 MR. COLEMAN: Could you briefly state
15 your professional qualifications, sir?

16 MR. WALDRON: I am a certified public
17 accountant for Holman Frenia Allison, CPA's. Our
18 clients include several sewerage authorities, utilities
19 authorities, municipalities, and school districts.

20 MR. COLEMAN: And how long have you been
21 a certified public accountant?

22 MR. WALDRON: Since 2012.

23 MR. COLEMAN: How long has the firm
24 represented the Bordentown Sewerage Authority in that
25 capacity?

1 and capital budget.

2 For fiscal year 2017, the authority realized
3 \$508,060 in connection fee revenue, and depleted
4 \$350,000 of the reserve fund to balance the operating
5 budget. Connection fees are driven by development in
6 the area and cannot be anticipated or depended on at a
7 consistent level. The fiscal year of 2018 budget
8 anticipates \$652,878 in connection fees, and to deplete
9 \$250,000 from the reserve fund to balance the operating
10 budget.

11 Black's Creek Wastewater treatment plant is now 30
12 years old. I believe the authority staff has done a
13 good job in maintaining and highlighting areas in the
14 system that could be problematic. Much of the
15 equipment in the treatment plant is reaching its usable
16 life. In addition to aging equipment at the plant,
17 portions of the collection system are over 100 years
18 old, and equipment needs to be replaced and refurbished
19 at the pump stations. It has become necessary to spend
20 upwards of 300,000 to \$400,000 a year to refurbish
21 equipment.

22 Proper asset management requires staff to maintain
23 and upgrade the facilities in order to satisfy current
24 NJDEP rules and regulations. If we continue on the
25 path of using the reserves and connection fee revenue

Page 10

Page 12

1 MR. WALDRON: Holman Frenia Allison has
2 merged with Mr. John Maley's firm in 2015. The
3 authority has been Mr. Maley's client for over 21
4 years.

5 MR. COLEMAN: And, Mr. Waldron, are you
6 familiar with the authority's financial records?

7 MR. WALDRON: Yes, I am.

8 MR. COLEMAN: Mr. Eustace, let me remind
9 you again that you are still under oath. Did you have
10 an opportunity, Rick, to perform a computation or study
11 to determine whether the current service charges of the
12 Bordentown Sewerage Authority are sufficient to pay the
13 operating expenses, the debt service, and to provide a
14 sufficient reserve for other expenses in the
15 forthcoming years?

16 MR. EUSTACE: I did. A financial goal of
17 this authority is to fully fund the operating costs
18 including debt service with the user service charges.
19 In recent years the authority has been using connection
20 fee revenues and/or the reserve to fully fund the
21 operating expenses. For capital projects, utilizing
22 the bonding process is not always an option, as it can
23 be a lengthy process. Because of that, the authority
24 must use the money on hand held in the reserve to fund
25 capital repairs and purchases from the operating budget

1 to balance and stabilize our operating budget, the
2 authority will not be able to fund capital projects.

3 MR. COLEMAN: Rick, is there anything
4 further that you'd like to add with respect to the
5 results of your study?

6 MR. EUSTACE: Yes, I would. I would like
7 to review prior years' operating budgets. The overall
8 budgets have not increased significantly. We were able
9 to fund those budgets with the use of service fee
10 revenue, connection fee revenues, and reserves. The
11 operating budget is the blue thing if everybody wants
12 to look at it.

13 MR. COLEMAN: So we'll mark this as
14 Exhibit A.

15 (Exhibit A, Operating Budget History and Debt
16 Service Requirements handout, is marked for
17 identification.)

18 MR. EUSTACE: Yes. What this handout
19 depicts is our operating budget from the year 2008
20 through the year 2017. As you can see, on an annual
21 basis, the authority has not spent the entire operating
22 budget. In fact, in the years between 2008 and 2017
23 the operating budget has only increased by \$109,817.
24 This is an average increase of \$10,982 a year or .44
25 percent actual expenditure increase in the authority's

Page 13

Page 15

1 operating budget.

2 It's important to note that a big part of the
3 overall budget is debt service which is on the bottom
4 of Exhibit A there. When the opportunities arose, the
5 board quickly refinanced the debt and saved millions of
6 dollars or more over the years of budgetary costs.
7 Over the next two years, the annual debt service as
8 seen on the handout before you will be the highest over
9 the life of the amortization schedule.

10 At the time Ocean Spray left in December of 2014
11 there was a loss of \$500,000 plus or minus a year in
12 user service charges. The authority raised rates 10
13 percent effective January 2016, 12 percent effective
14 January 1st, 2017, and 5 percent effective January 1st,
15 2018. With these increases, the revenue deficit from
16 Ocean Spray has been recovered. To try to mitigate the
17 consequence of multi-year increases, the finances and
18 rates are reviewed and discussed annually.

19 MR. COLEMAN: Rick, specifically what
20 rates are you proposing to be adjusted?

21 MR. EUSTACE: A sewer rate increase of 2
22 percent to be effective January 1st, 2019. For
23 residential customers the consumption rate would
24 increase to \$3.17 per 1,000 gallons and the base rate
25 unit would increase to \$92.22 per quarter. The current

1 testified, I take it that what you did was a projected
2 budget for the next five years and then determined the
3 revenues necessary to meet those budgetary expenses, is
4 that correct?

5 MR. EUSTACE: That is correct. The
6 authority uses a multi-year projection to anticipate
7 what is necessary to fund the budget next year and
8 arrived at these rates for the increases. With this 2
9 percent user rate increase, it is important to note, we
10 still operate in a deficit position next year. I
11 believe more than likely we'll need another rate
12 increase next year as well.

13 MR. COLEMAN: And the budgeted amount for
14 the connection fees would be in line with recent past
15 authority history and projects of what may be coming
16 into the system?

17 MR. EUSTACE: That is true.

18 MR. COLEMAN: Mr. Waldron, in your
19 opinion are the rates as specified by Mr. Eustace and
20 the adjustments to the sewer service charges necessary
21 for the authority to remain in good financial health?

22 MR. WALDRON: I believe these rate
23 increases are necessary to fund the operating and
24 capital budget of the authority.

25 MR. COLEMAN: Mr. Waldron, in your

Page 14

Page 16

1 consumption rate is \$3.10 per 1,000 gallons and the
2 current base unit is \$90.42. The average residential
3 customer used 12,240 gallons per quarter in 2017. A 2
4 percent rate increase equals an additional \$2.61 per
5 quarter for the average user.

6 For nonresidential hotels and motels, the
7 consumption rate would increase to \$3.17 per 1,000
8 gallons and the base rate per unit will increase to
9 \$46.12 per quarter. For non-residential general, the
10 consumption rate would increase to \$3.17 per gallon --
11 per 1,000 gallons and the base rate per unit will
12 increase to \$92.22 per quarter. For non-residential
13 schools, the consumption rate will increase \$3.17 per
14 1,000 gallons and the base rate per unit will increase
15 to \$92.22 per quarter. The schedule of proposed rates
16 has no increase for senior citizens. Those rates will
17 remain unchanged.

18 MR. COLEMAN: Mr. Waldron, have you had
19 an opportunity to review and confirm Mr. Eustace's
20 calculations?

21 MR. WALDRON: Yes, I have. The analysis
22 by Mr. Eustace and his staff is sound and reasonable.

23 MR. COLEMAN: Rick, to come to the
24 recommendations and conclusions that the increased
25 rates are necessary for the amounts that you've

1 opinion are they reasonable in amount given the
2 budgeted expenses and the connection fees that are
3 expected?

4 MR. WALDRON: In my opinion they are
5 reasonable in amount.

6 MR. COLEMAN: I have nothing further from
7 Mr. Waldron or Mr. Eustace. Is there any member of the
8 public that would like to question either Mr. Waldron
9 or any statements to be made? Mr. Chairman, I have no
10 further testimony to offer.

11 CHAIRMAN LYNCH: Okay. Thank you. Any
12 board members have any comments? Hearing none I'll
13 move Resolution 2018-57 approving the proposed
14 amendment to the rate schedule.

15 MR. MALONE: Second.

16 CHAIRMAN LYNCH: Roll call.

17 MRS. KWELTY: Mr. Lynch?

18 MR. LYNCH: Yes.

19 MRS. KWELTY: Mrs. Gulbinsky?

20 MRS. GULBINSKY: Yes.

21 MRS. KWELTY: Mr. Malone?

22 MR. MALONE: Yes.

23 MRS. KWELTY: Mr. de Groot?

24 MR. de GROOT: Yes.

25 MRS. KWELTY: Mr. Targonski?

Page 17

MR. TARGONSKI: Yes.
(The rate hearing portion of the Bordentown
Sewerage Authority meeting is concluded at 6:20 p.m.)

Page 18

CERTIFICATE

I, KATHLEEN INTROCASO, a Certified Court Reporter
of the State of New Jersey, do hereby certify that this
transcription is a true and accurate transcript of the
hearing as taken stenographically by me at the place,
time and date hereinbefore set forth.

I do further certify that I am neither a
relative nor employee, nor attorney or counsel to
any parties involved; that I am neither related
to nor employed by any such attorney or counsel;
and that I am not financially interested in this
action.

KATHLEEN INTROCASO
CCR LICENSE # XI 01728
EXPIRATION DATE: 6/30/20
A CERTIFIED COURT REPORTER
OF THE STATE OF NEW JERSEY

Operating Budget History

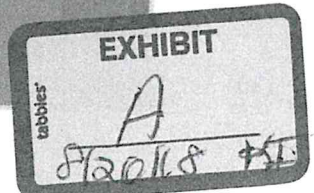
Year	Budgeted Operating Expense	Actual Operating Expense	Percentage of Budget Expended
2008	\$2,602,437.00	\$2,427,994.00	93%
2009	\$2,688,157.00	\$2,409,804.00	89%
2010	\$2,769,731.00	\$2,494,657.00	90%
2011	\$2,711,950.00	\$2,517,606.00	92%
2012	\$2,804,575.00	\$2,479,655.00	88%
2013	\$2,896,419.00	\$2,509,103.00	86%
2014	\$2,963,573.00	\$2,546,638.00	86%
2015	\$3,003,326.00	\$2,536,900.00	84%
2016	\$3,045,461.00	\$2,495,584.00	82%
2017	\$3,107,750.00	\$2,537,811.00	82%

The difference between 2008 and 2017 is \$109,817.00 increase. This is an average of \$10,982 (0.44%) per year actual expenditure increase.

DEBT SERVICE REQUIREMENTS

2011	\$2,199,448
2012	\$1,878,698
2013	\$1,961,000
2014	\$1,974,280
2015	\$2,233,367
2016	\$2,227,629
2017	\$2,234,348
2018	\$2,238,501
2019	\$2,240,117
2020	\$2,245,567
2021	\$1,889,802
2022	\$1,893,183
2023	\$1,898,615
2024	\$1,895,977
2025	\$1,900,490
2026	\$ 251,840

Section 612 of the 1986 Bond Resolution requires coverage of 110% of Net Revenues to Debt Service



**BORDENTOWN SEWERAGE AUTHORITY
ENGINEER'S STATUS REPORT FOR AUGUST 20, 2018 MEETING
PREPARED BY REMINGTON & VERNICK (RVE) ENGINEERS**

AUTHORITY CONVEYANCE SYSTEM TOPICS:

- **Mile Hollow Pump Station Pump Replacement:** Project is substantially completed with both new pumps satisfactorily operating for the last 14 – 20 days.
- **Nissan Property:** The Authority has been accumulating operational information that will be provided to the applicant's engineer next week. The preliminary approach would be for the applicant to construct an on-site pump station and force main that discharges to an Authority sewer main along Route 206 that leads to the Sylvan Glen pump station. The applicant would be responsible for pump and electrical upgrades at the Authority's Sylvan Glen pump station to accommodate the additional flow.
- **Rising Sun Road Force Main:** The applicant's engineer just completed a design for adding two concrete barriers in the existing pipe trench to stop the flow of groundwater present in the stone surrounding the pipe. At a low point the groundwater is bubbling out of the ground into the Petro parking lot.

DEVELOPMENT TOPICS:

- **Auto Body Repair of America:** Route 130 auto body/glass replacement shop. In review stage but applicant has paid the preliminary S4 connection fee.
- **Bordentown Waterfront Phase II: River Side of River Line Tracks: Apartments/Townhouses/Club Houses:** Review phase is nearing a close but the applicant still has several items to address.
- **Central Crossing Building 2W:** We provided review comments for the applicant to address prior to construction. The S4 connection fee was paid years ago.
- **Rising Sun Meadows:** The Authority provided a will serve letter. No recent interaction.
- **Old York Business Park:** This project has been updated since initial submissions in 2005. We provided a review comment letter. The major comments relate to defining ownership of the two private pump systems as they cross onto adjacent lots.
- **Route 130 WaWa:** Recent submission under review.

**BORDENTOWN SEWERAGE AUTHORITY
ENGINEER'S STATUS REPORT FOR AUGUST 20, 2018 MEETING
(CONTINUED)**

AUTHORITY PLANT TOPICS

- **Administration Building Roof Replacement:** The project construction cost was estimated over \$125,000 which is more than is currently budgeted so it will be a 2019 project.
- **PCB Minimization Plan Annual Update:** We are assisting with the first annual report update.

MAINTENANCE BOND SUMMARY

Expiration Dates are Subject to Maintenance Bond Submittal Date and Resolution of all Conditions:

- **Bordentown Holiday Inn Express: Expires March 20, 2019: Per Resolution 2017-035**
- **Quik Check: Expires July 16, 2019: Per Resolution 2017-062**
- **Route 206 Sanitary Sewer: Expires August 21, 2019; Per 8/2017 Res.**
- **East Haven Woods: Expires September 17, 2019: Per Res. 2017-078**
- **JDF B3 Roof: Expires February 2020; Per 2/2018 Res.**

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