

BORDENTOWN SEWERAGE AUTHORITY  
MEETING MINUTES  
September 16, 2019

The meeting was called to order by Chairwoman, M. Ellen Gulbinsky, 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, 2019,
- b. Mailing written notice to THE TIMES and BURLINGTON COUNTY TIMES on February 26, 2019; 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, 2019.

The following persons were in attendance: Board Members, M. Ellen Gulbinsky, James E. Lynch, Jr, Joseph R. Malone III, Leonard J. de Groot, Zigmont F. Targoski, and Aneka Miller, who arrived at 6:22pm. 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 Michael Holt.

RATE HEARING

On motion by Targoski, seconded by de Groot, it was moved to establish rates charged for flow received from outside the Authority's host community. The term 'host community' applies to all properties within the municipal boundaries of the Township of Bordentown and the City of Bordentown. Flow received from properties outside the host community will be charged 1 ½ times the rate charged to customers within the host community.

The rate hearing transcript is attached to these minutes and made a part thereof.

Recorded vote:

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

On motion by Lynch, seconded by de Groot, it was moved to adopt Resolution 2019-71 approving the proposed amendments to the rate schedule effective January 1, 2020.

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

Recorded vote:

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

On motion by Lynch, seconded by Miller, it was moved to approve the regular session minutes of the August 19, 2019 meeting as submitted.

There was no discussion on the minutes.

Recorded vote:

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

On motion by Malone, seconded by Targonski, it was moved to adopt Resolution 2019-72, approving the September payment of bills from the Operating Fund in the amount of \$241,179.44 of which \$107,971.19 is a payroll transfer and \$9,436.10 is a capital expense.

No discussion on this Resolution.

Recorded vote:

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

On motion by de Groot, seconded by Miller, it was moved to adopt Resolution 2019-73, approving the payment of September bills from the Escrow Fund in the amount of \$6,365.10.

No discussion on this Resolution.

Recorded vote:

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

On motion by Miller, seconded by de Groot, it was moved to adopt Resolution 2019-74, approving the credits and/or refunds of customer accounts in the amount of \$5.38.

No discussion on this Resolution.

Recorded vote:

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

I. AGENDA ITEMS FOR DISCUSSION AND/OR ACTION:

A. PERFORMANCE GUARANTEE RELEASE:

- 1.) On motion by Lynch, seconded by de Groot, it was moved to adopt Resolution 2019-75, authorizing the release of performance guarantee for Phase 2 of the Rising Sun Road Force Main and Pump Station Improvements to G.S. Realty Corp.

No Discussion on this Resolution

Recorded vote:

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

- 2.) On motion by Lynch, seconded by Miller, it was moved to adopt Resolution 2019-76, authorizing the release of performance bond for the administrative roof replacement to Robert Ganter Contractors, Inc.

No Discussion on this Resolution

Recorded vote:

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

B. LARKEN ASSOCIATES – NISSIM PROPERTY:

On motion by de Groot, seconded by Miller, it was moved to adopt Resolution 2019-77, authorizing the Executive Director of the Bordentown Sewerage Authority to sign the endorsement portion of the Treatment Works Approval for Larken Associates.

No Discussion on this Resolution

Recorded vote:

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

C. VOLUNTEERS OF AMERICA:

On motion by Lynch, seconded by Targonski, it was moved to adopt Resolution 2019-78, authorizing the Executive Director of the Bordentown Sewerage Authority to sign the endorsement portion of the Treatment Works Approval for Volunteers of America of Delaware Valley.

No Discussion on this Resolution

Recorded vote:

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

D. BUDGET INTRODUCTION:

On motion by de Groot, seconded by Miller, it was moved to adopt Resolution 2019-79, introducing the Authority's 2019 Budget (December 1, 2019 – November 30, 2020)

No Discussion on this Resolution

Recorded vote:

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

E. SALARY RESOLUTION:

On motion by Lynch, seconded by Malone, it was moved to adopt Resolution 2019-80, authorizing an hourly pay increase to Elizabeth Kwelty for obtaining the Division of Local Government Services certificate, Certified Municipal Finance Officer.

No Discussion on this Resolution

Recorded vote:

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

II. PROFESSIONAL REPORTS:

A. EXECUTIVE DIRECTOR:

OPEN SEWER CONNECTION ACCOUNTS:

- 1.) Monthly Development Meeting with Township Construction and Planning Officers took place September 13, 2019.
- 2.) 348 Farnsworth Avenue has not yet completed the stormwater relocation, the fines have accumulated to \$28,500.00 as of 9/16/2019.
- 3.) Public Notice; LBA RVI-Company XXXI, LLC application for an authorization under Freshwater Wetlands General Permit was submitted to NJ DEP for stormwater basin maintenance. Block 137.02, Lot 6 located at the intersection of Advantage Court and Rising Sun Road.
- 4.) Notice of Public Hearing; Township of Bordentown Planning Board; DCT Midline LLC application for amending preliminary and final site plan approval for additional façade or wall signs to the existing warehouse building. Known as 425 Rising Sun Road, Block 137.02, Lot 5.01.
- 5.) NJDEP received an application for letter of interpretation from Sharatan Properties, LLC regarding Block 17, Lot 10.02; 12 Route 130.
- 6.) BLB Trading; 40 and 42 Park Street townhomes; Sewer Use permits issued and \$11,818.00 connection fee realized as revenue.
- 7.) Bordentown Waterfront Phase II received all three treatment works approval extensions.



- 8.) Escrow refund in the amount of \$4,000 to BLB Trading for four townhomes known as #36, #38, #40, and #42 Park Street.
- 9.) Escrow refund in the amount of \$2,215.00 to Amboy Bank for Phase IV of Estates at Borden's Crossing
- 10.) Escrow refund in the amount of \$4,420.00 to Amboy Bank for Rising Sun Road pump station and force main improvements.

The executive director spent 20 hours and the administrative staff spent 15 hours on developer projects.

Mr. Eustace reported on the following items. New Jersey Department of Environmental Protection (NJDEP) incident investigation report regarding force main break July 24, 2019 the Authority received a notice of violation for spilling 71,000 gallons, but there is not a fine; NJDEP compliance evaluation and assistance inspection conducted July 17, 2019; three staff members have signed up for Introduction to Water and Wastewater with the intention to obtain sewer licenses. There were no questions on the monthly financial report.

B. GENERAL COUNSEL:

Mr. Coleman spent time preparing for the rate hearing as well as the Tower Gate issue which he would like to go into closed session briefly to discuss.

C. ENGINEER:

Mr. Czekanski's full report is attached to these minutes and made a part thereof. Remington & Vernick submitted comments back to VOA regarding the design for installation of a submersible pump station and 2" force main from their building towards the Quick Chek along Burlington Road, but not in the paved area. Nissim Development has submitted onsite drawings and upgrades to Sylvan Glen pump station that Remington & Vernick is reviewing. The Tractor Supply Store on Route 130 was provided a review letter today. Mr. Czekanski also helped to review the Tower Gate Mansfield agreement and provided comments

III. PUBLIC PARTICIPATION:

There was no public participation. Mr. Holt was in attendance to participate in the rate hearing.

IV. OTHER MATTERS FOR DISCUSSION:

Mr. Malone would like his box of historical items to be scanned in. Once the scanned items are available, Mr. Malone would then like to make a motion to allow all documents to be provided to anyone who may be interested in how this authority was formed.

V. EXECUTIVE SESSION:

On motion by Lynch, seconded by Targonski, it was moved to adopt Resolution 2019-81 to meet in executive session for the purpose of discussing possible litigation matters without any formal action to take place.

Recorded vote:

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

On motion by Miller, seconded by de Groot, it was moved to reconvene in public session.

Recorded vote:

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

There was no formal action taken as a result of the Executive Session.

VI. ADJOURNMENT OF MEETING:

On motion by de Groot, seconded by Miller, it was moved to adjourn the meeting at approximately 6:45 p.m.

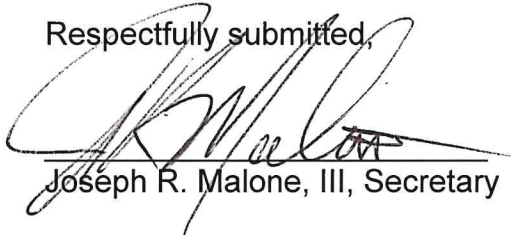
Recorded vote:

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

APPROVED ON:

October 21, 2019

Respectfully submitted,



Joseph R. Malone, III, Secretary

<p style="text-align: right;">Page 1</p> <p>1 BORDENTOWN SEWERAGE AUTHORITY 2 954 FARNSWORTH AVENUE 3 BORDENTOWN, NJ 08505</p> <p>4 IN RE: 5 CONNECTION FEE RATE HEARING - 2019</p> <p>6 -----</p> <p>7 MEETING OF SEWERAGE AUTHORITY 8 SEPTEMBER 16, 2019</p> <p>9 Rate hearing portion of the Bordentown Sewerage 10 Authority Meeting, before KATHLEEN INTROCASO, License 11 No. XIO1728, a Certified Court Reporter of the State of 12 New Jersey, on the above date, commencing promptly at 13 6:00 p.m., there being present:</p> <p>14 M. ELLEN GULBINSKY - CHAIRWOMAN 15 JAMES E. LYNCH, JR. - VICE-CHAIRMAN 16 JOSEPH R. MALONE, III - SECRETARY 17 LEONARD J. de GROOT - TREASURER 18 ZIGMONT TARGONSKI - ASSISTANT SECRETARY 19 ANEKA MILLER - ASSISTANT SECRETARY</p> <p>20 RICHARD D. EUSTACE - EXECUTIVE DIRECTOR 21 ELIZABETH KWELTY - ADMINISTRATIVE MANAGER 22 THOMAS J. COLEMAN, III, ESQ. - SOLICITOR 23 RICHARD B. CZEKANSKI, P.E. - ENGINEER 24 MICHAEL HOLT, HFA, PC - AUDITOR</p> <p>25 GERROW COURT REPORTING, LLC PO BOX 43 ATCO, NJ 08004 TEL (856) 784-7909 TOLL FREE (844) 436-4193 gerrow@gerrowreporting.com GERROWREPORTING.COM</p>	<p style="text-align: right;">Page 3</p> <p>1 statement. That statement is also subject to 2 cross-examination. After everyone has had a chance to 3 make his or her remarks or statements the public 4 hearing will be closed and the Authority will consider 5 the proposed adjustment to its connection fee rate 6 schedule.</p> <p>7 Madam chair, with no further ado, I'd like to offer 8 our first witness this evening and that's Mr. Richard 9 Eustace. Can you swear in the witness?</p> <p>10 RICHARD D. EUSTACE, 11 having been duly sworn by the court reporter, was 12 examined and testified as follows: 13 BY MR. COLEMAN EXAMINATION OF MR. EUSTACE: 14 Q. Good evening, Mr. Eustace. Mr. Eustace, who 15 are you employed by? 16 A. Bordentown Sewerage Authority. 17 Q. And in what capacity, Mr. Eustace, are you 18 employed with them? 19 A. Executive director. 20 Q. Are you familiar with the procedures for 21 calculating connection fees under the statutes of the 22 State of New Jersey? 23 A. Yes, I am. And if a legal opinion or 24 interpretation was necessary, I would consult with the 25 attorney for the Authority.</p>
<p style="text-align: right;">Page 2</p> <p>1 MR. COLEMAN: Madam chair, members of the 2 board, good evening. For the record my name is Tom 3 Coleman. I'm the solicitor for the Bordentown Sewerage 4 Authority, excuse me. Tonight we're going to have a 5 public hearing that's being conducted on a proposed 6 adjustment to our connection fee rate schedule of our 7 Authority. Under the law any sewerage authority is 8 required to recalculate its connection fees at the end 9 of each fiscal year. Notice of this hearing has been 10 given in accordance with the law. Notice specifically 11 was published in the Times of Trenton on August 6th, 12 2019 and in the Burlington County Times on August 4th, 13 2019 and was separately served on the municipal clerks 14 of the City of Bordentown and the Township of 15 Bordentown on August 1st, 2019, all more than 20 days 16 prior to this meeting this evening, excuse me.</p> <p>17 The hearing tonight will be conducted in the 18 following manner: The Authority is intending to 19 present its witnesses to testify concerning the 20 proposed connection fees. After the witness testifies 21 any member of the public in attendance will have an 22 opportunity to ask questions of the witness. After the 23 witness for the Authority testifies and is 24 cross-examined anyone wishing to make a statement 25 concerning the proposed connection fees may make a</p>	<p style="text-align: right;">Page 4</p> <p>1 Q. In your capacity as the executive director 2 did you recompute the connection fees for the 3 Bordentown Sewerage Authority as of the end of the 4 previous fiscal year? 5 A. Yes, I did. First I determined the average 6 daily water usage for a single-family residence in the 7 service area of the Authority. I used the study period 8 2018.</p> <p>9 My study area was comprised exclusively of 10 single-family residences and included all single-family 11 residences in our service area. There were 4,791 12 single-family residences in this study area.</p> <p>13 There was 260,868,000 gallons of residential water 14 use in the study area during the study period. 15 Dividing that number by the number of single-family 16 residences in the study area, and by 365 days, I 17 calculated that the average water usage for a 18 single-family residence served by the Authority during 19 the study period was 149 gallons per day.</p> <p>20 Once I have the number of gallons per day of usage 21 by a single-family residence I was able to determine 22 the number of service units in the Authority's system. 23 I calculated that the total gallons of water billed to 24 all customers in the system during this same study 25 period was 409,930,000 gallons. This equals an average</p>



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1 usage of 1,123,096 gallons per day.

2 Dividing that number by the average single-family  
3 usage of 149 gallons per day, I calculated that there  
4 were 7,538 service units in the system based on the  
5 statutory formula as of the end of the immediately  
6 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 \$74,764,255.

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 \$9,918.

17 I then divided the connection fee per residential  
18 dwelling unit by the average number of gallons per day  
19 for a single-family residence to determine the  
20 connection fee per gallon per day for nonresidential  
21 customers. The connection fee per gallon per day for  
22 nonresidential customers came to \$66.50 per gallon per  
23 day, with a minimum connection fee equal to the  
24 connection fee that is charged to residential users.  
25 Mathematically, the rate per gallon is the same for

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

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

18 Q. Mr. Eustace, in your opinion are the  
19 proposed revisions to the connection fee rate schedule  
20 both reasonable and necessary?

21 A. Yes. The revisions are necessary since the  
22 statute requires the Authority to recalculate its  
23 connection fee at the end of each fiscal year. The  
24 revisions are reasonable in the amount since the  
25 connection fees were calculated in accordance with the

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1 statutory formula and are designed to have the customer  
2 pay its proportionate share of the sewerage system in  
3 the manner required by law.

4 Q. Thank you for that testimony, Mr. Eustace.  
5 Is there any other connection fee changes or revisions  
6 for the board to provide an opinion?

7 A. Yes. The Authority currently allows  
8 developers to sign a Deferred Connection Fee Agreement  
9 if requested by the developer. A Deferred Connection  
10 Fee Agreement allows a developer to pay the full  
11 connection over time either in total, or where  
12 applicable, building by building. Section II of the  
13 agreement states the following: The applicant shall  
14 pay 40 percent of the preliminary connection fee at the  
15 time the S-4 sewer approval is requested from the  
16 Authority either for the entire project, or if  
17 applicable, for each individual building.

18 Upon receipt of the 40 percent payment, the S-4  
19 sewer connection approval is issued, and the full  
20 connection fee is set to the rate schedule in effect on  
21 the date the payment was received. The remaining  
22 balance of 60 percent of the preliminary connection fee  
23 for the project, or if applicable, each building shall  
24 be paid by the applicant to the Authority in 12 equal  
25 and consecutive monthly payments, plus an

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1 administration fee at the rate of 1 percent per month  
2 on the unpaid balance of the connection fee, commencing  
3 30 days following the issuance of the revocable S-4  
4 sewer connection approval. The applicant may elect to  
5 forego the payment plan for the entire project, or if  
6 applicable, for any individual building associated with  
7 the project and pay the entire balance or remaining  
8 balance for the project, or if applicable, one building  
9 or all buildings associated with the project at any  
10 time between the applicant's request for an S-4 sewer  
11 connection approval and the applicant's request for the  
12 certificate of occupancy. There will be no penalty or  
13 fees on balances for any one building or all buildings  
14 that are paid early. In the event that a certificate  
15 of occupancy is requested by the applicant prior to the  
16 date that the final payment of the connection fees plus  
17 administrative fees is made, the entire unpaid balance  
18 of the connection fee for the specific project, or if  
19 applicable, building shall be immediately due and  
20 payable to the authority. I would like the rate  
21 schedule to reflect the 1 percent administrative fee  
22 for deferred connection agreements.

23 Q. Thank you, Mr. Eustace.

24 MR. COLEMAN: Madam chair, this would  
25 conclude Mr. Eustace's testimony with respect to the

<p style="text-align: right;">Page 9</p> <p>1 schedule of connection fees. Are there any particular  2 members of the public here this evening that would like  3 to ask some questions? Seeing none, madam chair, we'll  4 move on to the sewer service charges rate schedule.  5 CHAIRWOMAN GULBINSKY: Okay.  6 MR. COLEMAN: Since there's no one here  7 this evening that's prepared to ask any questions, Mr.  8 Holt. If we could have Mr. Holt sworn in.  9 MICHAEL HOLT,  10 having been duly sworn by the court reporter, was  11 examined and testified as follows:  12 BY MR. COLEMAN EXAMINATION OF MR. HOLT:  13 Q. Mr. Holt, good evening.  14 A. Good evening.  15 Q. Mr. Holt, what is your relationship with the  16 Bordentown Sewerage Authority?  17 A. I'm the Authority's appointed auditor.  18 Q. And could you provide the board with your  19 professional qualifications?  20 A. Sure. I'm a certified public accountant for  21 HFA. We changed our branding name from Holman Frenia &amp;  22 Alison so you don't have to print that anymore, HFA.  23 And we are the auditors for numerous sewerage  24 authorities, utilities of all nature, municipalities,  25 and school districts.</p>	<p style="text-align: right;">Page 11</p> <p>1 and/or the reserve to fully fund operating expenses.  2 The bonding process for capital projects is not always  3 an option, as it can be a lengthy process. The  4 Authority uses the monies held in reserve to fund  5 capital repairs and purchases from the operating budget  6 or capital budget.  7 For fiscal year 2018 the Authority realized  8 \$674,128 in connection fee revenue, and depleted  9 \$375,000 of the reserve fund to balance the operating  10 budget. Connection fee revenues are driven by  11 development in the area and cannot be anticipated or  12 depended on at a consistent level. The fiscal year end  13 2019 budget anticipates \$802,132 in connection fees and  14 to deplete \$350,000 from the reserve fund to balance  15 the operating budget.  16 Black's Creek Wastewater Treatment Plant is now  17 over 30 years old. While the Authority staff has done  18 a good job in maintaining and highlighting areas in the  19 system that could be problematic, much of the equipment  20 in the treatment plant is reaching its useful life. In  21 addition to aging equipment at the plant, portions of  22 the collection system are over 100 years old, and  23 equipment needs to be replaced and refurbished at the  24 pump stations. It has been necessary to spend upwards  25 of 300,000 to \$400,000 a year to refurbish equipment.</p>
<p style="text-align: right;">Page 10</p> <p>1 Q. And how long have you, Mr. Holt, been a  2 certified public accountant?  3 A. Over 30 years.  4 Q. And how long have you represented the  5 Bordentown Sewerage Authority in that capacity?  6 A. We had a merger acquisition with Jack Maley  7 who was the predecessor auditor. And in total it's  8 been about 22 years with both HFA and Jack Maley's  9 firm.  10 Q. So in your capacity with the firm are you  11 familiar with the financial records of the Authority?  12 A. Yes, I am.  13 BY MR. COLEMAN EXAMINATION OF MR. EUSTACE:  14 Q. Mr. Eustace, let me again remind you that  15 you're still under oath. Did you perform or did you  16 have an opportunity to perform a computation or study  17 to determine whether the current service charges of the  18 Bordentown Sewerage Authority are sufficient to pay the  19 operating expenses, the debt service, and to provide a  20 sufficient reserve for other expenses in the  21 forthcoming years?  22 A. I did. A financial goal of this Authority  23 is to fully fund the operations cost including debt  24 service with the user service charges. In recent years  25 the Authority has been using connection fee revenues</p>	<p style="text-align: right;">Page 12</p> <p>1 Proper asset management requires staff to maintain  2 and upgrade the treatment facilities in order to  3 satisfy current N.J.D.E.P. rules and regulations. If  4 we continue along the path of using the reserves and  5 connection fee revenue to balance and stabilize our  6 operating budget, the Authority will not be able to  7 fund future capital projects.  8 Q. Specifically, what rates are you proposing  9 to be adjusted?  10 A. A sewer rate increase of 2 percent to be  11 effective January 1st, 2020. For residential  12 customers, the consumption rate would increase to \$3.23  13 per 1,000 gallons and the base rate per unit would  14 increase to \$94.06 per quarter. The current  15 consumption rate is \$3.17 per 1,000 gallons and the  16 current base rate per unit is \$92.22.  17 The average residential customer used 13,612  18 gallons per quarter in 2018. A 2 percent rate increase  19 equals an additional \$2.71 per quarter for the average  20 user. For nonresidential hotels/motels, the  21 consumption rate would increase to \$3.23 per 1,000  22 gallons and the base rate per unit will increase to  23 \$47.03 per quarter. For nonresidential general, the  24 consumption rate would increase to \$3.23 per 1,000  25 gallons and the base rate per unit will increase to</p>

<p style="text-align: right;">Page 13</p> <p>1 <b>\$94.06 per quarter. For nonresidential schools, the</b>  2 <b>consumption rate would increase to \$3.23 per 1,000</b>  3 <b>gallons and the base rate per unit would increase to</b>  4 <b>\$94.06 per quarter. The schedule of proposed rates has</b>  5 <b>no increase for rate payers receiving the</b>  6 <b>senior/disabled discount. Those rates remain</b>  7 <b>unchanged.</b>  8 MR. COLEMAN: Thank you, Mr. Eustace.  9 BY MR. COLEMAN EXAMINATION OF MR. HOLT:  10 Q. Mr. Holt, have you had an opportunity to  11 review and confirm Mr. Eustace's calculations?  12 A. <b>Yes, I have. The analysis by Mr. Eustace</b>  13 <b>and his staff is sound and reasonable.</b>  14 BY MR. COLEMAN EXAMINATION OF MR. EUSTACE:  15 Q. Mr. Eustace, to come to the recommendations  16 and conclusions that the increased rates are necessary  17 in the amounts that you testified I'll take it that  18 you -- that what you did was a projected budget for the  19 next five years and then determined the revenues  20 necessary to meet those budgeted expenses, would that  21 be correct?  22 A. <b>This is correct. The Authority uses a</b>  23 <b>multi-year projection to anticipate what is necessary</b>  24 <b>to fund the budget next year and arrived at these rates</b>  25 <b>for the increases. With this 2 percent user rate</b></p>	<p style="text-align: right;">Page 15</p> <p>1 proposes adjusts the temporary discharge rate per 1,000  2 gallons. I'd like to go over the methodology which the  3 Authority uses in making that calculation. I  4 understand that there are two components to the charge.  5 The first is the service charge component, and the  6 second is the connection fee component, is that  7 correct?  8 A. <b>That is, yes.</b>  9 Q. Did you calculate what the effective rate  10 per 1,000 gallons for service charges for a current  11 customer of the Authority?  12 A. <b>Yes.</b>  13 Q. And how did you calculate that?  14 A. <b>Using the current rate of \$92.22 per E.D.U.</b>  15 <b>per quarter and basic consumption of \$3.17 per 1,000</b>  16 <b>gallons.</b>  17 Q. What daily usage did you use?  18 A. <b>200 gallons per day which computes to 18,000</b>  19 <b>gallons per quarter and 72,000 gallons per year. The</b>  20 <b>annual service fee for one E.D.U. is \$368.88 and the</b>  21 <b>annual usage of 72,000 gallons is \$228.24. Dividing</b>  22 <b>the total annual fee of \$597.12 by 72,000 gallons</b>  23 <b>equals \$8.30 per 1,000 gallons.</b>  24 <b>The second component is the current connection fee</b>  25 <b>per unit \$9,766 divided by the annual usage of 72,000</b></p>
<p style="text-align: right;">Page 14</p> <p>1 <b>increase, it is important to note we shall still</b>  2 <b>operate in a deficit position next year.</b>  3 Q. And the budgeted amount for connection fees  4 would be in line with recent past Authority history and  5 projects of what may be coming into the system?  6 A. <b>True.</b>  7 BY MR. COLEMAN EXAMINATION OF MR. HOLT:  8 Q. Mr. Holt, in your opinion are the rates as  9 testified to by Mr. Eustace and the adjustments to the  10 sewer service charges necessary for this Authority to  11 remain in good financial health?  12 A. <b>I believe these rate increases are necessary</b>  13 <b>to fund the operating and capital budget of the</b>  14 <b>Authority.</b>  15 Q. Mr. Holt, in your opinion are they  16 reasonable in amount given the budgeted expenses and  17 the connection fees that are expected?  18 A. <b>In my opinion they are reasonable in amount.</b>  19 MR. COLEMAN: I have nothing further from  20 Mr. Holt or Mr. Eustace. Are there any members of the  21 public that would care to ask Mr. Holt or Mr. Eustace  22 any questions? Seeing none, I'll move to Rick.  23 BY MR. COLEMAN EXAMINATION OF MR. EUSTACE:  24 Q. Rick, again, let me remind you that you're  25 still under oath. The changes that the Authority</p>	<p style="text-align: right;">Page 16</p> <p>1 gallons equals \$135.64 per 1,000 gallons. Dividing  2 \$135.64 by 20 years for debt service equals \$6.80 per  3 1,000 gallons. An additional fee is added for  4 administrative and man-hour costs in the amount of  5 90 cents per 1,000 gallons. The temporary discharge  6 rate calculation is \$16 per 1,000 gallons.  7 Q. Thank you, Mr. Eustace. Is there anything  8 further you'd like to add this evening?  9 A. <b>No, sir.</b>  10 MR. COLEMAN: Madam chair, I have no  11 further testimony to be elicited from Mr. Eustace. At  12 this point I'd like to ask that the board provide some  13 additional testimony. For that purpose I'd like to  14 have Mr. Malone testify.  15 J O S E P H M A L O N E,  16 having been duly sworn by the court reporter, was  17 examined and testified as follows:  18 BY MR. COLEMAN EXAMINATION OF MR. MALONE:  19 Q. Mr. Malone, for the record can you please  20 state your name and your position here with the  21 Authority?  22 A. <b>Yes, Joseph R. Malone, III and I am</b>  23 <b>currently a member and the secretary to the Authority.</b>  24 Q. And how long, Mr. Malone, have you been here  25 at the Bordentown Sewerage Authority?</p>



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1 A. I have been since its inception in 1986.

2 Q. Since 1986 I trust that you've had an  
3 opportunity to see and be part of many different issues  
4 since the inception of the Authority that have centered  
5 on potential users from outside of the City of  
6 Bordentown and the Township of Bordentown attempting to  
7 gain sewer treatment access to the Authority, is that  
8 correct?

9 A. Yes, I have. And if you would like me to  
10 explain a little bit, I'd be more than glad to.

11 Q. Thank you, Mr. Malone.

12 A. Since the inception and during the creation  
13 of the Authority there were a large number of members  
14 outside of the jurisdiction of the city and township  
15 which had all the same opportunities that we did to be  
16 part of the sewerage authority. Given the fact that  
17 they do not have collection systems within their  
18 jurisdictions they chose to basically relinquish any  
19 rights they had to the sewer authority which was later  
20 formed by the City of Bordentown and Bordentown  
21 Township with a proviso that the city and the township  
22 under the new authority would assume all debts incurred  
23 by the previous municipalities as part of the  
24 constituent group called the Northern Burlington  
25 Regional Sewer Authority. That was a large sum of

1 the long history, the fair opportunity that all of the  
2 surrounding municipalities had to join and their  
3 absolute reluctance and rejection of the sewer  
4 authority when it was formed. Now, I don't know if I  
5 can enhance that any?

6 Q. You're on a role. Continue on, Mr. Malone.

7 A. I just think that at this particular point  
8 in time if we are to consider any individuals to be  
9 brought into this sewerage authority it should be with  
10 the full understanding of those municipalities or  
11 anyone connecting that they have to pay a premium to  
12 connect to our system.

13 Q. And that premium, Mr. Malone, would you  
14 recommend to your fellow board members that, for  
15 example, as I understand or perhaps is it your  
16 understanding that Delran Township bills --

17 A. Yes. I have some factual information I  
18 could read into the record if you'd like, Mr. Coleman.

19 Q. Thank you, Mr. Malone, yes.

20 A. I would like to offer to my fellow board  
21 members that our schedule of rates as it relates to the  
22 base rate and consumption rate be adjusted to reflect  
23 that any possible user of our system that is situated  
24 and connects from any sewerage sources outside of the  
25 limits of the City of Bordentown and the township be

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1 money. I do not know exactly how much money that was.  
2 That could be probably researched to find out but since  
3 that time there have been overtures by several of the  
4 municipalities about looking to get access to our  
5 sewerage authority. Some with no commitment for  
6 funding to us, others with minimal commitments to  
7 funding. There was a lawsuit several years ago in  
8 which one developer was denied access to the Bordentown  
9 Sewerage Authority and that was in Mansfield. And  
10 basically the concern that many residents in the city  
11 and the township had was that we were putting basically  
12 our full faith and credit of our municipalities on the  
13 line for the development of this sewerage authority.  
14 And at that particular time no other municipality would  
15 step forward and in any way, shape, or form commit  
16 their municipalities to any kind of infrastructure  
17 improvements that would enhance in any way any part of  
18 the Bordentown Regional Sewerage Authority.

19 From that standpoint it did generate a lot of  
20 concern from city and township residents. It subjected  
21 the city commissioners at that time to severe criticism  
22 and recall elections and a lot of indigestion to say  
23 the least. So from that point on it's been really the  
24 absolute thought of the Authority that no one should  
25 enter this Authority for any purpose due to the fact of

1 charged a consumption rate a base rate regardless of  
2 whether it's a residential customer or a nonresidential  
3 customer 1 1/2 times that of Bordentown Township or  
4 Bordentown City rate payers. And that basically is  
5 what we would consider to do at the current time.

6 It is my understanding that the Township of Delran  
7 bills Moorestown rate payers for a section of their  
8 town 1 1/2 times and that Edgewater Park residents pay  
9 Willingboro 1 1/2 times what a Willingboro rate payer  
10 pays. It is also understood that Mount Holly Municipal  
11 Utilities Authority also separately bills Lumberton,  
12 Eastampton, Hainesport, Moorestown, and Westampton rate  
13 payers 1 1/2 times what a Mount Holly rate payer for  
14 their consumption and base rates.

15 For many years the City of Bordentown and township  
16 have hosted and maintained a plant situated within the  
17 limits of Bordentown Township which was previously the  
18 site of the Bordentown City Plant and there should be a  
19 host community benefit bestowed upon both the township  
20 and the city rate payers. Thus, I believe that it is  
21 more fair and reasonable that any potential rate payers  
22 that connect to the system outside of municipal limits  
23 of either the Township of Bordentown or the City of  
24 Bordentown pay 1 1/2 times that of the city or township  
25 rate payers would pay. For years on end, both the



<p style="text-align: right;">Page 21</p> <p>1 <b>Bordentown Township and Bordentown City rate payers</b>  2 <b>have carried the debt service burden on their backs and</b>  3 <b>they have hosted our plant and related conveyances and</b>  4 <b>improvements in their communities. And if any time in</b>  5 <b>the future of our Authority elects to accept waste from</b>  6 <b>outside the municipalities, these municipalities' users</b>  7 <b>should not gain the host community rates that</b>  8 <b>Bordentown City and Bordentown Township rate payers</b>  9 <b>will pay.</b>  10 <b>(Whereupon, Ms. Miller arrived at 6:22 p.m.)</b>  11 Q. Thank you, Mr. Malone. So in summary do you  12 feel that requiring a user outside of the City of  13 Bordentown or the Township of Bordentown to pay 1 1/2  14 half times the consumption rate and the base rate what  15 our current users would pay is fair and reasonable?  16 A. <b>It is not only fair and reasonable, but it</b>  17 <b>really is consistent with the thought process of the</b>  18 <b>residents I think of the city and township would have</b>  19 <b>and basically as I've stated before their full faith</b>  20 <b>and consideration of our municipality is on the line</b>  21 <b>here. And any extensions or any waivers that may be</b>  22 <b>granted by court or other processes should take into</b>  23 <b>effect that our full faith and credit is involved with</b>  24 <b>this utility or authority and that no one should</b>  25 <b>basically be able to jeopardize the sanctity of our</b></p>	<p style="text-align: right;">Page 23</p> <p>1 MS. KWELTY: Mrs. Miller?  2 MS. MILLER: Yes.  3 MS. KWELTY: Mr. Targonski?  4 MR. TARGONSKI: Yes.  5 CHAIRWOMAN GULBINSKY: Motion carries.  6 So let us now have a resolution. Let us have a motion  7 to approve the rate schedule effective January 1st,  8 2020.  9 MR. LYNCH: So moved.  10 MR. de GROOT: Second.  11 CHAIRWOMAN GULBINSKY: All in favor?  12 (Whereupon, everyone stated "aye.")  13 CHAIRWOMAN GULBINSKY: Roll call, again.  14 MS. KWELTY: Mrs. Gulbinsky?  15 CHAIRWOMAN GULBINSKY: Yes.  16 MS. KWELTY: Mr. Lynch?  17 MR. LYNCH: Yes.  18 MS. KWELTY: Mr. Malone?  19 MR. MALONE: Yes.  20 MS. KWELTY: Mr. de Groot?  21 MR. de GROOT: Yes.  22 MS. KWELTY: Mrs. Miller?  23 MS. MILLER: Yes.  24 MS. KWELTY: Mr. Targonski?  25 MR. TARGONSKI: Yes.</p>
<p style="text-align: right;">Page 22</p> <p>1 <b>residents.</b>  2 MR. COLEMAN: Thank you, Mr. Malone.  3 Madam chair, I will reflect that again it's open to the  4 public and seeing no public, I'll turn it back to the  5 chair.  6 CHAIRWOMAN GULBINSKY: Thank you. All  7 right. So do I hear a motion to move Mr. Malone's  8 suggestion that any hosting of community activity that  9 comes into our Authority at 1 1/2 times the consumption  10 rate and the base rate be added into our rates?  11 MR. TARGONSKI: So moved.  12 MR. de GROOT: Second.  13 CHAIRWOMAN GULBINSKY: All in favor?  14 (Whereupon, everyone stated "aye.")  15 CHAIRWOMAN GULBINSKY: Should we do a  16 roll call?  17 MR. COLEMAN: Yes.  18 MS. KWELTY: Mrs. Gulbinsky?  19 CHAIRWOMAN GULBINSKY: Yes.  20 MS. KWELTY: Mr. Lynch?  21 MR. LYNCH: Yes.  22 MS. KWELTY: Mr. Malone?  23 MR. MALONE: Yes.  24 MS. KWELTY: Mr. de Groot?  25 MR. de GROOT: Yes.</p>	<p style="text-align: right;">Page 24</p> <p>1 MR. COLEMAN: Thank you members of the  2 board.  3 (Whereupon, the Connection Fee Rate  4 Hearing portion of the Bordentown Sewerage Authority  5 meeting was concluded at 6:28 p.m.)  6  7  8  9  10  11  12  13  14  15  16  17  18  19  20  21  22  23  24  25</p>

CERTIFICATE

I, KATHLEEN INTROCASO, a Certified Court Reporter of the State of New Jersey, do hereby certify that the following (or the preceding) 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.

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



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BORDENTOWN SEWERAGE AUTHORITY  
ENGINEER'S STATUS REPORT FOR SEPTEMBER 16, 2019 MEETING PREPARED BY  
REMINGTON & VERNICK (RVE) ENGINEERS

AUTHORITY CONVEYANCE SYSTEM TOPICS

- **Rising Sun Meadows:** On Wednesday, June 12th Authority representatives conducted a meeting with the Applicant with the main focus being as a condition of being allowed to flow to the Crystal Lake pump station that the developer design and install conveyance infrastructure improvements as provided on a list prepared by our office. The Applicant's engineer is developing concepts for some of the improvements work and has surveyed the Crystal Lake pump station site. The main delay in reaching an agreement with the developer is a response from PSE&G on a possible pump station voltage upgrade which is unresolved since PSE&G is unresponsive since their August site visit. Once resolved the Applicant's engineer can finalize projected costs and the Applicant can come to an agreement with the Authority on the list of required improvements.
- **Matrix Warehouse (Georgetown Road Across from Clifton Mills Development):** Sanitary sewer construction is completed but all testing has not been concluded.
- **Volunteers of America (Burlington Road near Fieldsboro border):** The Authority has provided comments to the NJDEP on the VOA's application for a second holding tank. At this time we are providing review comments on the proposed design of a permanent pump station/force main system that will be aligned along Burlington Road.
- **Nissim Development:** Drawings/specs have been submitted and are under review for the on-site sanitary sewer/pump station/force main system along with upgrades to the Sylvan Glen pump station.
- **Tractor Sales Center (Corner of Rising Sun Road and Route 130):** Corner lot utilized for this proposed commercial development with a lateral connection on Rising Sun Road. On Wednesday, August 14<sup>th</sup> Authority representatives met with the developer who was requesting a reduction in the connection fee amount. Review letter being provided.

**BORDENTOWN SEWERAGE AUTHORITY  
ENGINEER'S STATUS REPORT FOR SEPTEMBER 16, 2019 MEETING PREPARED BY  
REMINGTON & VERNICK (RVE) ENGINEERS  
(CONTINUED)**

**DEVELOPMENT TOPICS**

- **Mansfield Tower Gate:** On Thursday, August 1, 2019 Authority representatives met the Developer and the Developer's engineer to discuss previously established connection locations along Route 130 and the location's implications to the operation of the Authority's and the proposed Developer's pump station. A draft agreement has been provided by the Applicant.
- **Bordentown City Lafayette Street Connection:** Application received and under review.

**MAINTENANCE BOND SUMMARY**

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

- East Haven Woods: Expires September 17, 2019; Per Res. 2017-078
- JDS B3 Roof: Expires February 2020; Per 2/2018 Res.
- Mile Hollow Pump Station; Expires August 20, 2020
- DCT I-295 Warehouse: Per Resolution 2019-9 for manhole lining main. bond; Expires Jan. 2021
- Rising Sun Road PS and FM Improvements: 5/29/2020
- Administration Building Roof: 6/21/2021

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