

BERNARDS TOWNSHIP SEWERAGE AUTHORITY
Warren Craft Meeting Room
One Collyer Lane
Basking Ridge, New Jersey 07920
Tuesday, November 24, 2020
Commencing at 6:30 p.m.

RE: 2021 Rate Hearing : TRANSCRIPT
: OF THE
: PROCEEDINGS

M E M B E R S P R E S E N T:

KEVIN ORR, Chairperson
JOSEPH ESPOSITO, Vice Chairperson
JANICE FIELDS, Member

ORIGINAL

A L S O P R E S E N T:

THOMAS TIMKO, Authority Director
ROBERT RAYMOND, Plant Superintendent
SUSAN LONG, Administrative Coordinator

REPORTED BY:
HEATHER M. HOLMES
Certified Court Reporter

TAYLOR & FRIEDBERG, LLC
Certified Court Reporters
60 Washington Street
Morristown, New Jersey 07960
(973) 285-0411
E-mail: csr@taylorfriedberg.com

A P P E A R A N C E S:

MCELROY, DEUTSCH, MULVANEY & CARPENTER, LLP
1300 Mount Kemble Avenue
P.O. Box 2075
Morristown, New Jersey 07962-2075
(973) 993-8100
BY: JOHN P. BELARDO, ESQ.
Attorney for the Bernards Township
Sewerage Authority

I N D E X

SPEAKER	PAGE
---------	------

THOMAS TIMKO	5
--------------	---

By Mr. Esposito	10
-----------------	----

TODD EDELSTEIN	12
----------------	----

E X H I B I T S

NUMBER	DESCRIPTION	PAGE
--------	-------------	------

BTSA-1	Public Notice, Bernards Township Sewerage Authority, Notice of Rate Hearing, Dated October 15, 2020,	5
--------	--	---

BTSA-2	Affidavit of Publication from the Courier News, dated October 18, 2020	6
--------	--	---

BTSA-3	Affidavit from the Bernardsville News, Dated October 22, 2020	6
--------	---	---

BTSA-4	Thomas Timko's Memorandum to the Chairman And Members of the Bernards Township Sewerage Authority, the BTSA Attorney And Plant Superintendent, dated November 24, 2020	7
--------	--	---

1 CHAIRMAN ORR: All right. The first
2 item on the agenda is the Pledge of Allegiance.

3 (At this point in the proceedings the
4 Pledge is recited and the flag is saluted.)

5 CHAIRMAN ORR: The next item on the
6 agenda is our roll call.

7 (At this point in the proceedings the
8 roll call is taken with Ms. Fields, Mr. Esposito and
9 Chairman Orr being present.)

10 CHAIRMAN ORR: The next item on the
11 agenda is the Open Public Meeting Statement:

12 "Adequate notice of this meeting was
13 posted on the bulletin board in the Municipal
14 Building, One Collyer Lane, Basking Ridge, New
15 Jersey, was e-mailed to the Bernardsville News,
16 Whippany and the Courier News, Bridgewater, and was
17 filed with the Township Clerk, all on January 3,
18 2020. Any motion to go into closed session will be
19 deemed to include a motion that the matters discussed
20 at such closed session will be disclosed to the
21 public when such matters are finally determined and
22 there is no further reason to prohibit the public
23 disclosure of information relating to such matters.

24 The next item on our agenda is -- and
25 we are on our 2021 Rate Hearing agenda, Bernards

1 Township Sewerage Authority. The next item on the
2 agenda is the Presentation of our Proposed 2021 User
3 Fee and Sewer Connection Fee by our Authority
4 Director, Thomas Timko.

5 MR. BELARDO: Let me administer the
6 oath to Authority Director, Thomas Timko.

7 Mr. Timko, will you raise your right
8 hand?
9

10 T H O M A S T I M K O,
11 AUTHORITY DIRECTOR, having been duly sworn, testified
12 under oath as follows:

13 MR. BELARDO: You are sworn.

14 CHAIRMAN ORR: So Mr. Timko, you may
15 proceed.

16 MR. TIMKO: This meeting was duly
17 advertised.

18 MR. BELARDO: I will mark the
19 advertisement notice, that is dated October 15, 2020,
20 by Mr. Timko, noticing this meeting for Tuesday,
21 November 24, 2020, as Exhibit BTSA-1.
22

23 (Exhibit BTSA-1, Public Notice, Bernards
24 Township Sewerage Authority, Notice of Rate Hearing,
25 Dated October 15, 2020, is received and marked for

1 identification.)

2 MR. BELARDO: I will further mark as
3 Exhibit BTSA-2, an Affidavit of Publication from the
4 Courier News, dated October 18, 2020, indicating that
5 notice of this meeting was advertised on that
6 particular date, which precedes by at least 20 days
7 this particular meeting on November 24.

8
9 (Exhibit BTSA-2, Affidavit of Publication
10 from the Courier News, dated October 18, 2020, is
11 received and marked for identification.)

12 MR. BELARDO: I will further mark now
13 as Exhibit BTSA-3, an Affidavit from the
14 Bernardsville News, dated October 22, 2020,
15 indicating that this meeting was also advertised on
16 such date, and that that precedes the meeting notice
17 by 20 days.

18
19 (Exhibit BTSA-3, Affidavit from the
20 Bernardsville News, dated October 22, 2020, is
21 received and marked for identification.)

22 Having so noted, now I would ask
23 Mr. Timko if he has prepared any written texts or
24 remarks to offer as an exhibit.

25 MR. TIMKO: Yes, I have.

1 MR. BELARDO: And Mr. Timko, would
2 that be your Memorandum to the Chairman and Members
3 of the Bernards Township Sewerage Authority, the BTSA
4 Attorney and Plant Superintendent, dated November 24,
5 2020, with a reference of 2021 User Fees/2021 Sewer
6 Connection Fee/Rate Schedule/Rules and Regulations
7 consisting of one page?

8 MR. TIMKO: Yes.

9 MR. BELARDO: I would then mark that
10 as Exhibit BTSA-4.
11

12 (Exhibit BTSA-4, Thomas Timko's Memorandum
13 to the Chairman and Members of the Bernards Township
14 Sewerage Authority, the BTSA Attorney and Plant
15 Superintendent, dated November 24, 2020, is received
16 and marked for identification.)

17 MR. BELARDO: And at this time,
18 Mr. Timko, I ask you to testify regarding the user
19 fee.

20 MR. TIMKO: So for the 2021 User Fee,
21 as per the discussion of the Authority's reserve
22 funds policy at the September budget introduction
23 meeting, I am recommending the Authority establish
24 the 2021 User Fee at the rate of \$500.00 per
25 equivalent dwelling unit, which is a zero dollar

1 increase to the user fee from the previous year. In
2 addition, the 2021 User Fee will be \$200.00 for
3 equivalent dwelling unit for all "seniors in need"
4 households that are established by the Tax Collector.

5 In the User Fee calculation, the total
6 of all anticipated revenue sources is subtracted from
7 the anticipated operating expense requirements. The
8 difference equals the amount that must be raised by
9 User Fees and Rate Stabilization. The amount raised
10 by User Fees is divided by the number of equivalent
11 dwelling units, or 10,712 EDUs in 2021. The result
12 equals the calculated User Fee per equivalent
13 dwelling unit.

14 MR. BELARDO: Thank you. At this time
15 if any Members of the Authority have any cross
16 examination or questions of Mr. Timko, they may do
17 so.

18 CHAIRMAN ORR: Nobody? None?

19 MR. BELARDO: Seeing none, Mr. Timko,
20 if you would now be so kind as to offer testimony
21 concerning the 2021 Connection Fee?

22 MR. TIMKO: For the 2021 Connection
23 Fee, the Authority's CFO and I are recommending the
24 Authority establish the 2021 Connection Fee at \$7,401
25 for equivalent dwelling unit based on the calculation

1 as outlined below, which is a 2.42 percent increase
2 over the 2020 Connection Fee of \$7,226. NJSA
3 40:14A-8 establishes the method for Connection Fee
4 determination.

5 "All Authority payments toward the
6 cost of the system shall be added together including
7 debt service (including but not limited to sinking
8 funds, reserve amount of any loans and interest
9 thereon paid by the Authority to defray the capital
10 cost of building the system). These expenditures
11 shall be added to all capital expenditures made by
12 the Authority not funded by a bond ordinance or debt
13 for the development of the system.

14 From this amount shall be subtracted
15 any gifts, contributions or subsidies to the
16 Authority received from and not reimbursed or
17 reimbursable to any Federal, State, County or
18 municipal government agency or any private person.
19 Added to this shall be any service agreement or
20 contract paid to the Authority by a public entity.

21 The remainder shall be divided by the
22 total number of service units served by the Authority
23 at the end of the immediately preceding fiscal year
24 of the Authority to produce the connection
25 contribution for the cost of the system during the

1 upcoming fiscal year.

2 The connection fee shall be computed
3 at the end of each fiscal year."

4 Thank you.

5 MR. BELARDO: Similarly, if any
6 Authority Members have any cross examination or
7 questions concerning the Connection Fee of Mr. Timko,
8 they may ask those at this particular point in time.

9 CHAIRMAN ORR: None? We have none.

10 MR. BELARDO: Lastly --

11 CHAIRMAN ORR: Hold on.

12 MR. ESPOSITO: Just -- just for 2020,
13 approximately how much did we raise in connection
14 fees? I mean, how many units connected?

15 MR. TIMKO: I'm sorry. I don't know
16 the answer to that off the top of my head.

17 MR. ESPOSITO: I was just curious
18 whether it represents any -- probably not --

19 MR. TIMKO: The last several years it
20 has not. There have been maybe half a dozen new
21 houses or so that connected. In the upcoming couple
22 of years we have a couple of big affordable housing
23 projects with significant connection fees. It's in
24 the millions of dollars.

25 MR. ESPOSITO: That has not yet --

1 that did not hit the 2020, at this --

2 MR. TIMKO: Not yet. We have not
3 collected that yet. It's well over a million
4 dollars.

5 MR. ESPOSITO: And it should be this
6 coming fiscal year?

7 MR. TIMKO: I think it's probably more
8 likely 2022.

9 MR. ESPOSITO: 2022, okay. Thank you.

10 MS. FIELDS: Was your question how
11 many total people are connected?

12 MR. ESPOSITO: No, just what was the
13 connection -- number of connections in the last year.

14 MS. FIELDS: You don't know a ball
15 park?

16 MR. TIMKO: Less than ten.

17 MS. FIELDS: Oh, okay. I didn't hear
18 that. Sorry.

19 MR. BELARDO: If there are any other
20 general questions and comments by Authority Members,
21 now is the time to offer them.

22 MR. ESPOSITO: I'm good. Thank you.

23 MS. FIELDS: I'm good.

24 MR. BELARDO: Mr. Chairman, you may
25 ask if there are any public comments or questions.

1 CHAIRMAN ORR: I just want to thank
2 the staff for putting this together and everyone that
3 participated in the budgetary process, Members and
4 everyone included in that.

5 If there is any member of the public
6 wishing to come forward to make any comment regarding
7 the Rate Hearing for 2021, now would be the time to
8 step forward. I just ask that you state your full
9 name, because we are on the record, and your address.
10 Please provide --
11

12 QUESTIONING OF MR. TIMKO BY THE PUBLIC:

13 MR. EDELSTEIN: Todd Edelstein,
14 Riverside Drive. I have a question. I think I
15 recall you said the User Fee for this coming year,
16 2021, is going to be \$500?

17 MR. TIMKO: Yes.

18 MR. EDELSTEIN: And I don't know if I
19 missed it. What was it last year? Was it the same?

20 CHAIRMAN ORR: The same.

21 MR. TIMKO: The same.

22 MR. EDELSTEIN: Okay. I might have
23 missed it. Thank you very much.

24 CHAIRMAN ORR: Thank you. If there is
25 any other member of the public wishing to come

1 forward and ask any questions, now would be the time
2 to do so.

3 So seeing no one, I close the public
4 portion.

5 MR. BELARDO: Mr. Chairman, you may
6 now, as you have done, close the public hearing and
7 entertain a motion to adopt the Connection Fee and
8 User Fee.

9 CHAIRMAN ORR: So as the Attorney has
10 indicated, I'll take a formal motion to adopt the
11 2021 User Fee as well as the Connection Fee.

12 MR. ESPOSITO: So moved.

13 CHAIRMAN ORR: Do I have a second?

14 MS. FIELDS: I'll second.

15 CHAIRMAN ORR: Thank you. So
16 motioned, made and seconded. Any further discussion
17 on that? Hearing and seeing none, then roll call.

18
19 (At this point in the proceedings the
20 roll call is taken with Ms. Fields, Mr. Orr and Mr.
21 Esposito voting in favor of the motion.)

22 CHAIRMAN ORR: Okay.

23 MR. BELARDO: I turn the meeting back
24 over to you, Mr. Chair.

25 CHAIRMAN ORR: Thank you. I'll take a

1 motion to adjourn the Rate Hearing Meeting.

2 MS. FIELDS: I'll make a motion. So
3 moved.

4 CHAIRMAN ORR: Thank you. All in
5 favor?

6 (All Members present vote in favor of
7 adjourning the Rate Hearing Meeting.)

8
9 (The Rate Hearing Meeting is
10 adjourned.)

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
0
1
2
3
4
5
6
7
8
9
0
1
2
3
4
5

Tuesday, November 24, 2020

I DO FURTHER CERTIFY that I am neither a relative nor employee nor attorney nor counsel of any of the parties to this action, and that I am neither a relative nor employee of such attorney or counsel, and that I am not financially interested in the action.

HEATHER M. HOLMES
Certified Court Reporter
Of the State of New Jersey
License No. XI01952



Bernards Township Sewerage Authority

277 So. Maple Avenue, Basking Ridge, NJ 07920

908-204-3020

slong@@bernards.org

PUBLIC NOTICE

BERNARDS TOWNSHIP SEWERAGE AUTHORITY

NOTICE OF RATE HEARING

Date: Tuesday, November 24, 2020

Time: 6:30 PM

Location: One Collyer Lane, Basking Ridge, NJ 07920
Warren Craft Meeting Room

Exhibit BTS/A
1
11/24/2020
JTB

PLEASE TAKE NOTICE, that the Bernards Township Sewerage Authority will meet for the purpose of conducting the Rate Hearing to set the rates for sewer usage and connection fee for the year 2021.

The regularly scheduled meeting shall immediately follow. The above constitutes the agenda for the meeting to the extent known at this time. Formal action will be taken at this time.

DATED: October 15, 2020

ATTEST: Thomas Timko, PE
Authority Director

AFFIDAVIT OF PUBLICATION

Publisher's Fee \$12.04 Affidavit \$35.00

STATE OF WISCONSIN

Brown County

Personally appeared Nicholas Peniston at County of Brown, State of Wisconsin.

Of the **Courier News**, newspaper printed in Freehold, New Jersey and published in Somerville, In the state of New Jersey and City of Somerville, and of general circulation in Somerset County, who being duly sworn, depose and saith that the advertisement of which the annexed is a true copy, has been published in the said newspaper 1 times, once in each issue as follows:

11/24/2020

10/18/2020 A.D 2020

Martha Steinhart
Notary Public State of Wisconsin County of Brown

10/13/24
My commission expires

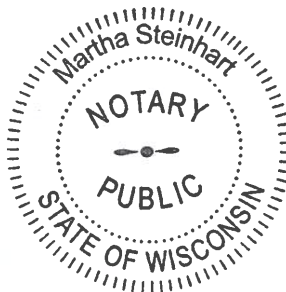


Exhibit BTSA 2
JB

Ad Number: 0004425177

Run Dates: 10/18/2020

**PUBLIC NOTICE
BERNARDS TOWNSHIP
SEWERAGE AUTHORITY
NOTICE OF RATE HEARING**

Date: Tuesday, November 24,
2020

Time: 6:30 PM

Location: One Collyer Lane,
Basking Ridge, NJ 07920
Warren Craft Meeting Room

PLEASE TAKE NOTICE, that the
Bernards Township Sewerage
Authority will meet for the pur-
pose of conducting the Rate
Hearing to set the rates for sewer
usage and connection fee for
the year 2021.

The regularly scheduled meet-
ing shall immediately follow.
The above constitutes the agen-
da for the meeting to the extent
known at this time. Formal ac-
tion will be taken at this time.

DATED: October 15, 2020

ATTEST: Thomas Timko, PE
Authority Director

(\$12.04)

0004425177-01

Affidavit from

Bernardsville News

STATE OF NEW JERSEY }
COUNTY OF MORRIS} ss.:

Priscilla Pulliam, being duly sworn according to law on her oath, deposes and says that she is a clerk employed in the office of the BERNARDSVILLE NEWS, a public newspaper which is published in the County of Morris, and that the notice of which the annexed is a copy, was published in said newspaper on:

10/22/2020

Priscilla Pulliam

Priscilla Pulliam

Sworn to and subscribed before me this

22 day of October 2020

Diane Howard

**Diane Howard
Notary Public
New Jersey
My Commission Expires 4/23/2024**

*Exhibit BISA 3
11/24/2020
JPB*

Bernards Township Sewerage Authority
NOTICE OF RATE HEARING
Date: Tuesday, November 24, 2020
Time: 6:30 PM
Location: One Collyer Lane, Basking Ridge, NJ 07920
Warren Craft Meeting Room

PLEASE TAKE NOTICE, that the Bernards Township Sewerage Authority will meet for the purpose of conducting the Rate Hearing to set the rates for sewer usage and connection fee for the year 2021.

The regularly scheduled meeting shall immediately follow. The above constitutes the agenda for the meeting to the extent known at this time. Formal action will be taken at this time.

DATED: October 15, 2020
ATTEST: Thomas Timko, PE
Authority Director
P.F.\$23.97

10/22/T1

**MEMORANDUM
TOWNSHIP OF BERNARDS SEWERAGE AUTHORITY**

TO: Chairman and Members of the Bernards Township Sewerage Authority
BTSA Attorney
Plant Superintendent
FROM: Thomas Timko, Authority Director
DATE: November 24, 2020
RE: 2021 User Fees/2021 Sewer Connection Fee/Rate Schedule/Rules and Regulations

Exhibit
BTSA 4
11/24/2020
JTB

I. 2021 User Fee:

As per the discussion of the Authority's reserve funds policy at the September budget introduction meeting, I am recommending the Authority establish the **2021 User Fee** at the rate of **\$500.00** per equivalent dwelling unit, which is a **\$0** increase to the user fee from the previous year. In addition, the **2021 User Fee** will be **\$200.00** per equivalent dwelling unit for all "seniors in need" households that are established by the Tax Collector.

In the User Fee calculation, the total of all anticipated revenue sources is subtracted from the anticipated operating expense requirements. The difference equals the amount that must be raised by User Fees and Rate Stabilization. The amount raised by User Fees is divided by the number of equivalent dwelling units, or 10,712 EDUs in 2021. The result equals the calculated User Fee per equivalent dwelling unit.

II. 2021 Connection Fee:

The Authority's CFO and I are recommending the Authority establish the **2021 Connection Fee** at **\$7,401** per equivalent dwelling unit based on the calculation as outlined below, which is a 2.42% increase over the 2020 connection fee of \$7,226.00.

NJSA 40:14A-8 establishes the method for Connection Fee determination.

- All Authority payments toward the cost of the system shall be added together including debt service (including but not limited to sinking funds, reserve amount of any loans and interest thereon paid by the Authority to defray the capital cost of building the system). These expenditures shall be added to all capital expenditures made by the Authority not funded by a bond ordinance or debt for the development of the system.
- From this amount shall be subtracted any gifts, contributions or subsidies to the Authority received from, and not reimbursed or reimbursable to any Federal, State, County or municipal government agency or any private person. Added to this shall be any service agreement or contract paid to the Authority by a public entity.
- The remainder shall be divided by the total number of service units served by the Authority at the end of the immediately preceding fiscal year of the Authority to produce the connection contribution to the cost of the system during the upcoming fiscal year.
- The connection fee shall be computed at the end of each fiscal year.

Thank you.