

BERNARDS TOWNSHIP SEWERAGE AUTHORITY
Warren Craft Meeting Room
One Collyer Lane
Basking Ridge, New Jersey 07920
Tuesday, November 22, 2022
Commencing at 6:30 p.m.

RE: 2023 Rate Hearing : TRANSCRIPT
: OF THE
: PROCEEDINGS

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

KEVIN ORR, Chairperson
JOHN CRANE, Vice Chairperson
JENNIFER ASAY, Member
ANDREW McNALLY, Member

P R E S E N T T E L E P H O N I C A L L Y:

JANICE FIELDS, Member

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

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

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7 (973) 993-8100

8 BY: JOHN P. BELARDO, ESQ.

9 Attorney for the Bernards Township

10 Sewerage Authority

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I N D E X

SPEAKER PAGE

THOMAS TIMKO 5
 By Mr. McNally 10
 By Mr. Crane 12

PUBLIC COMMENT

Todd Edelstein 13

E X H I B I T S

NUMBER DESCRIPTION PAGE

A-1 Affidavit of Publication from the 5
 Courier News, Dated October 18, 2022,
 With Attached Public Notice

A-2 Affidavit of Publication from 6
 The Bernardsville News, dated
 October 20, 2022, With Attached
 Public Notice

A-3 Public Notice for the Bernards 7
 Township Sewerage Authority, Notice of
 Rate Hearing, Dated October 14, 2022

A-4 Thomas Timko's Memorandum to the Chairman 7
 and Members of the Bernards Township
 Sewerage Authority, the BTSA Attorney
 and Plant Superintendent, dated
 November 22, 2022

1 CHAIRMAN ORR: I would like to call
2 this meeting to order, the Bernards Township Sewerage
3 Authority. We will start with the 2023 rate hearing
4 and go to our Pledge of Allegiance.

5 (At this point in the proceedings the
6 Pledge is recited and the flag is saluted.)

7 CHAIRMAN ORR: The first item on our
8 rate hearing agenda is our roll call.

9 (At this point in the proceedings the
10 roll call is taken with Ms. Asay, Mr. McNally, Mr.
11 Crane and Chairperson Orr being present, with Ms.
12 Fields appearing telephonically.)

13 CHAIRMAN ORR: The next item on the
14 agenda is the Open Public Meeting Statement:

15 "Adequate notice of this meeting was
16 posted on the bulletin board in the Municipal
17 Building, One Collyer Lane, Basking Ridge, New
18 Jersey, was e-mailed to the Bernardsville News,
19 Whippany and the Courier News, Bridgewater, and was
20 filed with the Township Clerk, all on January 4,
21 2022. Any motion to go into closed session will be
22 deemed to include a motion that the matters discussed
23 at such closed session will be disclosed to the
24 public when such matters are finally determined and
25 there is no further reason to prohibit the public

1 disclosure of information relating to such matters."

2 The next item on our agenda is the
3 Presentation of our Proposed 2023 User Fee and
4 Sewerage Connection Fee by our Authority Director,
5 Mr. Timko.

6 MR. BELARDO: Mr. Timko is the
7 Authority Director. Would you raise your right hand?

8

9 T H O M A S T I M K O,
10 Having been duly sworn, testified under oath as
11 follows:

12 MR. BELARDO: Okay. You were sworn.
13 Have you advertised the meeting in accordance with
14 the law, Mr. Timko?

15 MR. TIMKO: Yes.

16 MR. BELARDO: Okay. Let me do this;
17 I'm going to mark proofs of publication as exhibits.
18 So Exhibit A-1, which I have dated November 22, 2022,
19 and I have initialed, indicates that notice of this
20 hearing was published in the Courier News on October
21 18, 2022. And there is a copy of the public notice
22 attached thereto, and that is at least 20 days or
23 more before this meeting on November 22.

24

25 (Exhibit A-1, Affidavit of Publication from

1 the Courier News, Dated October 18, 2022, With
2 Attached Public Notice, is marked and received for
3 identification.)

4 MR. BELARDO: Exhibit A-2, which I
5 again have dated November 22, 2022, and I've
6 initialed. It is a singular page, an affidavit of
7 publication, together with the public notice of rate
8 hearing that was published in the Bernardsville News
9 on October 14. And the affidavit of publication is
10 October 20, 2022, and again, that is at least 20 days
11 preceding the hearing.

12
13 (Exhibit A-2, Affidavit of Publication from
14 the Bernardsville News, dated October 20, 2022, With
15 Attached Public Notice, is marked and received for
16 identification.)

17 MR. BELARDO: And lastly, I'm going to
18 mark as Exhibit A-3, again dated November 22, 2022,
19 and I'll initial that, that is the public notice that
20 was drafted by Mr. Timko, indicating that this
21 meeting is going to be held on Tuesday, November 22,
22 2022 at 6:30 p.m. in the Warren Craft meeting room
23 here. And the date of that notice, as penned by
24 Mr. Timko, is October 14, 2022. And I'm going to
25 hand the originals of those to our Reporter.

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2 (Exhibit A-3, Public Notice for the Bernards
3 Township Sewerage Authority, Notice of Rate Hearing,
4 Dated October 14, 2022, is marked and received for
5 identification.)

6 MR. BELARDO: And at this point in
7 time, Mr. Timko, have you prepared any written text
8 of remarks that you are going to offer as an exhibit?

9 MR. TIMKO: Yes.

10 MR. BELARDO: I'll show you what I've
11 marked as Exhibit A-4. I've dated it November 22,
12 2022, and it is a memo from you, dated November 22,
13 2022. The topic line is: 2023 User Fees, 2023 Sewer
14 Connection Fee, Rate Schedules and Regulations. Is
15 Exhibit A-4 a copy of your memo?

16 MR. TIMKO: Yes.

17 MR. BELARDO: Okay. I'm going to give
18 that to the Reporter.

19

20 (Exhibit A-4, Thomas Timko's Memorandum to
21 the Chairman and Members of the Bernards Township
22 Sewerage Authority, the BTSA Attorney and Plant
23 Superintendent, dated November 22, 2022, is marked
24 and received for identification.)

25 MR. BELARDO: And at this particular

1 time, Mr. Timko, you may testify as to the User Fee.

2 MR. TIMKO: Okay. For the 2023 User
3 Fee, as per the discussion of the Authority's
4 reserved funds policy of the September budget
5 introduction meeting, I'm recommending the Authority
6 establish the 2023 User Fee at the rate of \$500.00
7 per equivalent dwelling unit, which is a \$0 increase
8 for User Fee from the previous year. In addition,
9 the 2023 User Fee will be \$200.00 per equivalent
10 dwelling unit for all "seniors in need" households
11 that are established by the Tax Collector.

12 In the User Fee calculation, the total
13 of all anticipated revenue sources are subtracted
14 from the anticipated operating expense requirements.
15 The difference equals the amount that must be raised
16 by User Fees and Rate Stabilization. The amount
17 raised by User Fees is divided by the number of
18 equivalent dwelling units, or 10,689 EDUs in 2022.
19 The result equals the calculated User Fee per
20 equivalent dwelling unit.

21 MR. BELARDO: Are there any members of
22 Authority at this particular point in time that wish
23 to cross examine or ask Mr. Timko questions
24 concerning the User Fee?

25 Seeing none, Mr. Timko, would you

1 offer testimony concerning the Authority Connection
2 Fee for 2023?

3 MR. TIMKO: For the 2023 Connection
4 Fee, the Authority's CFO and I are recommending the
5 Authority establish the 2023 Connection Fee at
6 \$7,688.00 per equivalent dwelling unit based on the
7 calculation as outlined below, which is a 1.88
8 percent increase over the 2022 Connection Fee of
9 \$7,546.00. NJSA 40:14A-8 establishes the method for
10 Connection Fee determination.

11 All Authority payments towards the
12 cost of the system shall be added together including
13 debt service, including but not limited to sinking
14 funds, reserve amount of any loans and interest
15 thereon paid by the Authority to defray the capital
16 cost of building the system. These expenditures
17 shall be added to all capital expenditures made by
18 the Authority not funded by a bond ordinance or debt
19 for the development of the system.

20 From this amount shall be subtracted
21 any gifts, contributions or subsidies to the
22 Authority received from and not reimbursed or
23 reimbursable to any Federal, State, County or
24 municipal government agency or any private person.
25 Added to this shall be any service agreement or

1 contract paid to the Authority by a public entity.

2 The remainder shall be divided by the
3 total number of service units served by the Authority
4 at the end of the immediately preceding fiscal year
5 of the Authority to produce the connection
6 contribution to the cost of the system during the
7 upcoming fiscal year.

8 The connection fee shall be computed
9 at the end of each fiscal year.

10 MR. BELARDO: That's it?

11 MR. TIMKO: That's it.

12 MR. BELARDO: Except for the, "thank
13 you".

14 MR. TIMKO: I did say, "thank you".
15 It says, "thank you".

16 MR. BELARDO: That's what I was
17 waiting for. That threw me off there. Now I can ask
18 whether Authority members have any cross examination
19 of Mr. Timko concerning the connection fee.

20

21 QUESTIONING OF MR. TIMKO BY THE AUTHORITY MEMBERS:

22 MR. McNALLY: Mr. Timko, I have one
23 question. Can you explain when the Connection Fee is
24 paid?

25 MR. TIMKO: It's paid before the CO or

1 any time after the allocation agreement. So if the
2 developer is savvy, they pay it immediately, and they
3 never do. So we have a very large development in
4 town right now. They have not paid. They have done
5 the allocation agreement. They have not paid the
6 Connection Fees, and by the time they get to it, I
7 suspect they will wind up paying us an extra
8 \$100,000.

9 MR. McNALLY: So in other words, the
10 Connection Fee is paid at the time where a new
11 dwelling unit is hooked up to the sewerage --

12 MR. TIMKO: When it's about to be
13 occupied.

14 MR. McNALLY: Right, right. If there
15 is a transfer from one owner to another, there is no
16 additional Connection Fee.

17 MR. TIMKO: In order to sell the
18 property, if it was a new house and the person
19 selling it had not paid the fee, we would not issue
20 the CO until we got paid.

21 MR. McNALLY: Right. But I'm on the
22 sewer, for example, if I sell my house to anybody
23 else --

24 MR. TIMKO: Right, there is no change
25 in the use. There is no change in the status of the

1 connection, so no fee.

2 MR. BELARDO: For the benefit of the
3 Reporter, CO is Certificate of Occupancy.

4 THE REPORTER: Thank you.

5 MR. BELARDO: Are there any general
6 questions or comments by the Authority members
7 concerning Mr. Timko's testimony tonight?

8 MR. CRANE: I have one. The last rate
9 increase was at least four or five years ago?

10 MR. TIMKO: Yes.

11 MR. CRANE: So we've been keeping,
12 with all of this inflation, we have been keeping the
13 rate even. In my mind that's a big accomplishment.
14 That's all I have.

15 MR. BELARDO: Mr. Chairman, you may
16 ask if any members of the public at this time have
17 comments or questions.

18 CHAIRMAN ORR: Are there any members
19 of the public wishing to come forward to make any
20 comment or ask questions regarding the Rate Hearing
21 for 2023? If so, now would be the time to do so. I
22 just ask that you state your full name, because we
23 are on the record, and your address. Please state
24 your name, come to the dais and use the microphone.
25 Say your name and address.

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2 PUBLIC COMMENTS:

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MR. EDELSTEIN: Todd Edelstein, 172

4

Riverside Drive. I must have missed it. Is there

5

going to be a rate increase for the Connection Fee?

6

I came in late because of the side door is locked and

7

I had a problem. So for the residents --

8

CHAIRMAN ORR: No.

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MR. CRANE: No.

10

MR. EDELSTEIN: So the only thing

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going up is the Connection Fee?

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CHAIRMAN ORR: Yes, correct, which is

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only 1.88 percent.

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MR. EDELSTEIN: Thanks.

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Any other member of the public wishing

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to come forward for any questions regarding the rate

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hearing now would be the time to do so.

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Seeing no one else, I'm going to close

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the public session of this meeting.

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MR. BELARDO: You may then,

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Mr. Chairman, entertain a motion to adopt the

22

Connection Fee and User Fee.

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CHAIRMAN ORR: Does anyone want to

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make that motion?

25

MS. ASAY: I move.

1 CHAIRMAN ORR: Second?

2 MR. McNALLY: Second.

3 CHAIRMAN ORR: Motion made by Ms. Asay
4 and seconded by Mr. McNally. Any further discussion?
5 Hearing none, then roll call.

6

7 (At this point in the proceedings the
8 roll call is taken with Ms. Asay, Mr. McNally, Mr.
9 Crane, Chairperson Orr and Ms. Fields voting in favor
10 of the motion.)

11 CHAIRMAN ORR: All right. This now
12 concludes the rate hearing and we are going to move
13 onto our regular hearing. So thank you, Madame
14 Reporter. Have a good evening and a great holiday.

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16 (The hearing is concluded.)

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