

SOUTH MONMOUTH REGIONAL SEWERAGE AUTHORITY
1235 18th AVENUE
BELMAR, NEW JERSEY 07719
THURSDAY, JANUARY 14, 2021
Commencing 2:48 p.m.

RE: PUBLIC HEARING ON 2021 CONNECTION FEE

RESOLUTION #01-21, ADOPTION OF CONNECTION FEE

TRANSCRIPT OF PROCEEDINGS HELD VIA VIDEOCONFERENCE

B E F O R E:

JOSEPH MAY, Chairman
E. GENE CORY, Commissioner
MARY L. BURNE, Commissioner
MICHAEL MATTIA, Commissioner
KEN FARRELL, Commissioner
EDWARD DONOVAN, Commissioner
THOMAS B. NICOL, Commissioner
KEVIN LYNCH, Commissioner
BERNARD J. BUJAK, CFO & Director of Human Resources
RYAN R. KRAUSE, P.E., Executive Director
TIMOTHY TIMBROOK, Superintendent
PAUL CUVA, CPA, Authority Auditor
JOHN BONELLO, ESQ., Authority Attorney (partial)

BETSY CONDIOTTI, CCR

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WITNESS	DIRECT
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1 (Notice of a Public Hearing to Amend its
2 Connection Fee Charge was premarked as Exhibit P-1.)

3 (Affidavit of Publication in the Asbury
4 Park Press was premarked as Exhibit P-2.)

5 (Affidavit of Publication in The Coast
6 Star was premarked as Exhibit P-3.)

7 (December 17, 2020 letters to Clerks of
8 eight member municipalities served were premarked as
9 Exhibit P-4.)

10 (January 14, 2021 letter, two pages, and
11 attached 2021 Connection Fee Worksheet, two pages,
12 were premarked as Exhibit P-5.)

13 CHAIRMAN MAY: The 2021 connection fee
14 hearing of the South Monmouth Regional Sewerage
15 Authority is called to order at 2:48 p.m. on
16 Thursday, January 14, 2021.

17 This hearing is called in accordance with
18 the Open Public Meetings Act as well as guidance from
19 New Jersey Department of Community Affairs, Division
20 of Local Government Services in that an announcement
21 of the same has appeared on the Authority's website,
22 the Asbury Park Press, The Coast Star, and e-mailed
23 to the Clerks of our member municipalities on
24 December 24, 2020.

25 The minutes of this hearing will be

1 available after board approval at a subsequent
2 meeting. Roll call.

3 MR. KRAUSE: Commissioner Burne?

4 COMMISSIONER BURNE: Here.

5 MR. KRAUSE: Commissioner Cory?

6 COMMISSIONER CORY: Here.

7 MR. KRAUSE: Commissioner Donovan?

8 COMMISSIONER DONOVAN: Here.

9 MR. KRAUSE: Commissioner Farrell?

10 COMMISSIONER FARRELL: Here.

11 MR. KRAUSE: Commissioner Lynch?

12 COMMISSIONER LYNCH: Here.

13 MR. KRAUSE: Commissioner Mattia?

14 COMMISSIONER MATTIA: Here.

15 MR. KRAUSE: Commissioner May?

16 CHAIRMAN MAY: Here.

17 MR. KRAUSE: And Commissioner Nicol?

18 COMMISSIONER NICOL: Here.

19 MR. KRAUSE: Mr. Bonello?

20 MR. BONELLO: Here.

21 MR. KRAUSE: Mr. Cuva?

22 MR. CUVA: Here.

23 MR. KRAUSE: Mr. Bujak?

24 MR. BUJAK: Here.

25 MR. KRAUSE: Mr. Krause, I'm here. And

1 Mr. Timbrook?

2 MR. TIMBROOK: Here.

3 CHAIRMAN MAY: Okay. I want to ask legal
4 counsel to proceed with conducting the connection fee
5 hearing. Mr. Bonello?

6 MR. BONELLO: Thank you, Mr. Chairman.
7 In the first instance, I would like to mark into
8 Evidence the following documents: As P-1 is the
9 Notice of the Public Hearing that we're having now.
10 P-2 is the Affidavit of Publication for that Notice
11 in the Asbury Park Press. P-3 is the Affidavit of
12 Publication of that Notice of the rate hearing in The
13 Coast Star. P-4 is copies of the letters that went
14 to each of the Clerks of the eight served
15 municipalities, including the signed Certified Mail
16 receipts. P-5 is the letter from the Authority's
17 Auditor, Mr. Cuva, confirming the sewer connection
18 fee is accurate and necessary, including the
19 Authority's prepared calculations used to arrive at
20 the new rate.

21 Mr. Chairman, based on these -- I'm
22 sorry. Mr. Chairman, based on these documents, I
23 find that you have jurisdiction to -- I'm going to
24 find a room where there's no noise. Mr. Chairman, I
25 would like to call (technical difficulties)

1 MR. KRAUSE: John, are you still there?

2 CHAIRMAN MAY: Hello?

3 MR. KRAUSE: I think he dropped off the
4 call. I guess we'll wait to see if he calls back.

5 (Whereupon there was a pause in the
6 proceedings.)

7 MR. BONELLO: I'll continue with Mr.
8 Cuva. Did anything happen after I got disconnected?

9 CHAIRMAN MAY: No.

10 MR. BONELLO: All right, Mr. Cuva, could
11 you give us the benefit of your experience and
12 licensing, please?

13 MR. CUVA: Do I need to be sworn in
14 first, or?

15 MR. BONELLO: Yes. I thought you were.
16 Swear him in, Mr. Chairman.

17 CHAIRMAN MAY: Paul, can you give us your
18 experience, please?

19 P A U L C U V A, C P A, was duly sworn and
20 testified under his oath as follows:

21 DIRECT EXAMINATION BY MR. BONELLO:

22 Q. Mr. Cuva, could you give us the benefit
23 of your qualifications including your experience and
24 licensing, please?

25 A. I'm a licensed Certified Public Accountant,

Direct - P. Cuva, CPA - Bonello

1 Registered Municipal Accountant, licensed Public
2 School Accountant in the State of New Jersey.
3 (Technical interference) municipalities, authorities
4 and school boards for over 40 years.

5 Q. And what is your position with the South
6 Monmouth Regional Sewerage Authority?

7 A. Auditor.

8 MR. CUVA: Can you hear me?

9 MR. KRAUSE: John Bonello, are you still
10 on the line? We can't hear you if you are. You may
11 have to hang up and call back.

12 All right, it looks like he jumped off
13 and he's going to call back in. We'll give him
14 another minute. And if he doesn't call back, we'll
15 just wing it.

16 COMMISSIONER CORY: Ryan, I may have to
17 drop off out of here about five to four.

18 MR. KRAUSE: Okay, no problem.

19 (Whereupon there was a pause in the
20 proceedings.)

21 MR. KRAUSE: Okay, just for the record,
22 Mr. Cuva has been sworn in. And he's given us his
23 resume and indicated that he's the appointed Auditor
24 of the South Monmouth Regional Sewerage Authority.
25 What page is that on, Paul?

1 MR. CUVA: Page 6. It says "And during
2 that 40 years have you had occasion to compute the
3 connection fees?"

4 MR. KRAUSE: That's okay, I got it, yeah.
5 DIRECT EXAMINATION BY MR. KRAUSE:

6 Q. And during those 40 years have you had
7 occasion to compute the connection fees pursuant to
8 statute N.J.S.A. 14A-8?

9 A. Yes, I have.

10 Q. And you're familiar with the requirements
11 of that?

12 A. Yes, I am.

13 Q. Did you, in fact, go through the books
14 and records of the South Monmouth Regional Sewerage
15 Authority to determine what the new connection fee
16 would be?

17 A. Yes, I did.

18 Q. Could you tell the board what you did and
19 what you found?

20 A. Yes. What I did was I tried to determine the
21 share of costs incurred by the past users of the
22 system. We started with the base net costs for the
23 prior year, in my letter dated January 9, 2020,
24 which was \$59,451,151.14. To that we added the
25 costs of the 2020 debt service and capital

Direct - P. Cuva, CPA - Krause

1 improvements funded through operations. The net
2 cost added in 2020 was \$2,315,394.11, giving us a
3 total net cost of \$61,766,545.25.

4 After arriving at that number, we took the
5 number of Equivalent Dwelling Units of 28,076 and
6 divided that into the \$61,766,545.25 to come up with
7 a connection fee for 2021 of \$2,220 per equivalent
8 unit.

9 Q. Thank you. And in comparison, what was
10 the connection fee for last year?

11 A. \$2,125.

12 Q. Thank you. And after those calculations,
13 you determined that this figure is consistent with
14 the statute?

15 A. Yes, I do.

16 Q. And is it fair and reasonable and
17 necessary for the board to amend its connection fee
18 to reflect your calculations?

19 A. Yes, it is.

20 Q. Do you recommend to the board that they
21 pass a Resolution setting the new connection fee of
22 \$2,220 per unit?

23 A. Yes, I do.

24 MR. KRAUSE: Okay, I don't have any more
25 questions. Do any board members have any questions?

1 COMMISSIONER LYNCH: No questions.

2 COMMISSIONER DONOVAN: No questions.

3 CHAIRMAN MAY: Okay, thank you, Mr. Cuva.
4 Thank you, Mr. Krause. Any other Commissioner
5 comments?

6 COMMISSIONER MATTIA: No.

7 CHAIRMAN MAY: Seeing none, I'll open the
8 public hearing for the rate hearing. Can I get a
9 second, please?

10 COMMISSIONER MATTIA: Second, Mike
11 Mattia.

12 CHAIRMAN MAY: Is there any member of the
13 public listening?

14 MR. KRAUSE: All in favor?

15 MULTIPLE COMMISSIONERS: Aye.

16 CHAIRMAN MAY: If there's any member of
17 the public listening, please state your name and
18 address and verify any electronic communication.

19 MR. KRAUSE: Okay, Mr. Chairman, the
20 staff has confirmed we have not received any
21 electronic public communication.

22 CHAIRMAN MAY: That being said, I make a
23 motion to close the public portion. Can I get a
24 second, please?

25 COMMISSIONER MATTIA: Second, Mike

1 Mattia.

2 COMMISSIONER LYNCH: Second.

3 CHAIRMAN MAY: All in favor?

4 MULTIPLE COMMISSIONERS: Aye.

5 CHAIRMAN MAY: Commissioner Donovan,
6 please take Resolution 01-21, please.

7 COMMISSIONER DONOVAN: All right, sorry,
8 I'm not sure where that is. Is that in the regular
9 meeting packet?

10 COMMISSIONER CORY: That's connection
11 fee.

12 MR. KRAUSE: Connection fee, the second
13 page, it's just the Resolution establishing
14 (technical glitch - inaudible)

15 COMMISSIONER MATTIA: I can take it if
16 you want; I'm right there. Mike.

17 CHAIRMAN MAY: Yes, please take it.
18 Thank you.

19 COMMISSIONER MATTIA: I move Resolution
20 01-21, a motion to establish the 2021 connection fee
21 of \$2,220 per Equivalent Dwelling Unit --

22 MR. BONELLO: Hi, this is John Bonello
23 again.

24 COMMISSIONER MATTIA: -- and amended sewer
25 use rules and regulations effective January 15, 2021.

1 COMMISSIONER LYNCH: Second, Kevin Lynch.
2 CHAIRMAN MAY: Roll call, please?
3 MR. KRAUSE: Commissioner Burne?
4 COMMISSIONER BURNE: Yes.
5 MR. KRAUSE: Commissioner Cory?
6 COMMISSIONER CORY: Yes.
7 MR. KRAUSE: Commissioner Donovan?
8 COMMISSIONER DONOVAN: Yes.
9 MR. KRAUSE: Commissioner Farrell?
10 COMMISSIONER FARRELL: Yes.
11 MR. KRAUSE: Commissioner Lynch?
12 COMMISSIONER LYNCH: Yes.
13 MR. KRAUSE: Commissioner Mattia?
14 COMMISSIONER MATTIA: Yes.
15 MR. KRAUSE: Commissioner May?
16 CHAIRMAN MAY: Yes.
17 MR. KRAUSE: And Commissioner Nicol?
18 COMMISSIONER NICOL: Yes.
19 CHAIRMAN MAY: I'd like to make a motion
20 to close the connection fee hearing.
21 COMMISSIONER MATTIA: Second.
22 COMMISSIONER LYNCH: Second.
23 CHAIRMAN MAY: All in favor?
24 MULTIPLE COMMISSIONERS: Aye.
25 MR. KRAUSE: The time is 3:09.

C E R T I F I C A T E

I, BETSY CONDIOTTI, a Certified Court Reporter of the State of New Jersey, certify that the foregoing is a true and accurate verbatim transcript of the proceedings as taken by and before me on the date and place hereinbefore set forth.

I FURTHER CERTIFY that I am neither attorney, nor counsel for, nor related to or employed by, any of the parties to the action in which this hearing was taken, and further that I am not a relative or employee of any attorney or counsel employed in this action, nor am I financially interested in this matter.

BETSY CONDIOTTI, CCR, RPR
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