

SOUTH MONMOUTH REGIONAL SEWERAGE AUTHORITY
1235 18th AVENUE
BELMAR, NEW JERSEY 07719
THURSDAY, JANUARY 11, 2018
Commencing 6:45 p.m.

RE: PUBLIC HEARING ON 2018 CONNECTION FEE

RESOLUTION #01-18, ADOPTION OF 2018 CONNECTION
FEE CHARGE

TRANSCRIPT OF PROCEEDINGS

B E F O R E:

MICHAEL MATTIA, Chairman
MARY L. BURNE, Vice Chairwoman
E. GENE CORY, Secretary
GARY McLEAN, Treasurer
EDWARD DONOVAN, Commissioner
KEN FARRELL, Commissioner
KEVIN LYNCH, Commissioner
THOMAS B. NICOL, Commissioner
BERNARD J. BUJAK, CFO & Director of Human Resources
RYAN R. KRAUSE, Executive Director
MICHAEL J. RUPPEL, Executive Director
JOHN BONELLO, ESQ., Authority Attorney
PAUL CUVA, CPA, Authority Auditor
TIMOTHY L. TIMBROOK, Superintendent

BETSY CONDIOTTI ZVULUN, CCR, RPR

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ORIGINAL

INDEX OF EXAMINATION

WITNESS	VOIR DIRE	DIRECT
PAUL CUVA, CPA		
By: Mr. Bonello	5	6

INDEX OF EXHIBITS

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P-2	Affidavit of Publication in The Coast Star	4
P-3	Letter dated December 15, 2017 sent to Clerks of served municipalities	4
P-4	Authority's prepared calculations for new rate	5
P-5	Letter from Auditor dated January 11, 2018 with Connection Fee Computations	5

1 CHAIRMAN MATTIA: Okay, the 2018
2 connection fee hearing of the South Monmouth Regional
3 Sewerage Authority is called to order at 6:45 p.m. on
4 Thursday, January 11, 2018. Please stand for a
5 moment of silence.

6 (Whereupon a moment of silence is
7 observed.)

8 CHAIRMAN MATTIA: This hearing has been
9 called in accordance with the provisions of the Open
10 Public Meeting Act in that an announcement of the
11 same has been mailed to the Asbury Park Press, the
12 Coast Star on December 12, 2017 and to the Clerks of
13 our member municipalities on December 15, 2017.

14 The minutes of this hearing will be
15 available after Board approval at a subsequent
16 meeting. Roll call, please?

17 MR. KRAUSE: Commissioner Burne?

18 COMMISSIONER BURNE: Present.

19 MR. KRAUSE: Commissioner Cory?

20 COMMISSIONER CORY: Here.

21 MR. KRAUSE: Commissioner Donovan?

22 Absent. Commissioner Farrell?

23 COMMISSIONER FARRELL: Here.

24 MR. KRAUSE: Commissioner Lynch?

25 COMMISSIONER LYNCH: Here.

1 MR. KRAUSE: Commissioner Mattia?

2 CHAIRMAN MATTIA: Here.

3 MR. KRAUSE: Commissioner McLean?

4 COMMISSIONER McLEAN: Here.

5 MR. KRAUSE: And Commissioner Nicol?

6 COMMISSIONER NICOL: Here.

7 MR. KRAUSE: Mr. Bonello?

8 MR. BONELLO: Here.

9 MR. KRAUSE: Mr. Cuva?

10 MR. CUVA: Here.

11 MR. KRAUSE: Mr. Bujak?

12 MR. BUJAK: Here.

13 MR. KRAUSE: Mr. Krause? I'm here. Mr.

14 Ruppel?

15 MR. RUPPEL: Here.

16 MR. KRAUSE: And Mr. Timbrook?

17 MR. TIMBROOK: Here.

18 CHAIRMAN MATTIA: John, would you handle
19 the legal part of the proceeding?

20 MR. BONELLO: Sure. In the first
21 instance, I'd like to mark into Evidence certain
22 documents. The Exhibit P-1 is the Affidavit of
23 Publication of the notice in the Asbury Park Press.
24 Exhibit P-2 is the Affidavit of Publication in The
25 Coast Star of the notice. P-3 are copies of the

1 letters that went to the Clerks of the member towns.
2 P-4 is the Authority's calculations for the new
3 connection fee. And P-5 is Mr. Cuva's letter to us
4 indicating what the new connection fee is and
5 certifying that this is what he recommends.

6 Based on these documents, Mr. Chairman, I
7 find that you have jurisdiction and I would like to
8 go forward and swear in Mr. Cuva.

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

11 VOIR DIRE EXAMINATION BY MR. BONELLO:

12 Q. Mr. Cuva, could you basically give us
13 your qualifications and experience and licensing,
14 please?

15 A. I'm a licensed Certified Public Accountant,
16 Registered Municipal Accountant, Public School
17 Accountant in the State of New Jersey. I perform
18 audits for many municipal authorities and school
19 boards in the State of New Jersey. I've had
20 occasion to calculate connection fees for various
21 authorities throughout the State and in accordance
22 with the statute, New Jersey State statutes.

23 Q. How many times have you calculated
24 connection fees; 10, 20, 30, 40, 50, more?

25 A. In 40 years, probably a few hundred.

1 MR. BONELLO: So based on that, Mr.
2 Chairman, I think Mr. Cuva is qualified as an expert.

3

4 DIRECT EXAMINATION BY MR. BONELLO:

5 Q. Mr. Cuva, are you familiar with N.J.S.A.
6 40:14A-8 concerning connection fees and their
7 calculations?

8 A. Yes, I am.

9 Q. And did you review the books and records
10 of the Authority together with the staff's
11 presentation of the numbers to be included in the
12 calculations?

13 A. Yes, I did.

14 Q. And did you find that a new connection
15 fee is recommended?

16 A. Yes, I did.

17 Q. And I refer you to P-5, which is your
18 letter to the Authority.

19 (Whereupon Commissioner Donovan enters
20 the proceedings.)

21 CHAIRMAN MATTIA: Can I interrupt one
22 second? I just want the record to reflect that Mr.
23 Donovan came in. Sorry about that.

24 Q. Can you look at the letter dated
25 January 11th to the Commissioners and tell us what

Direct - P. Cuva, CPA - Bonello

1 your conclusions were concerning the new connection
2 fee?

3 A. Yes, we developed what we call the past capital
4 costs of the Authority through December 31, 2017,
5 which is both funded from debt service and funded
6 through budget appropriations. We came up with a
7 total net cost to be distributed to our customers of
8 \$54,748,438.56. We utilized that number and we
9 divided that by the equivalent units of the
10 Authority as of December 31st of 27,771 equivalent
11 units, and came up with a per equivalent unit
12 connection fee of \$1,971.

13 Q. And it's your opinion that this
14 calculation and new connection fee is consistent with
15 the requirements of the aforesaid statute that we've
16 discussed?

17 A. Yes, it is.

18 Q. And do you make a recommendation to the
19 Board here that they pass a Resolution amending the
20 connection fee to that number of \$1985 (sic)?

21 A. Yes, I do.

22 MR. KRAUSE: It's 1971.

23 Q. 71.

24 A. 1971.

25 Q. And the previous number was \$1899?

Direct - P. Cuva, CPA - Bonello

1 A. That is correct.

2 Q. So it's a slight increase?

3 A. Yes, it is.

4 Q. And do you feel it's reasonable and
5 necessary in order to fund and operate the Authority
6 and comply with the statute?

7 A. Yes, I do.

8 MR. BONELLO: I don't have any further
9 questions. Do any members of the Board have any
10 questions?

11 If not, I don't see anyone in the public
12 and I think at this point a Resolution amending the
13 connection fee is appropriate.

14 CHAIRMAN MATTIA: Commissioner Cory, do
15 you want to take Resolution 01-18?

16 COMMISSIONER CORY: Sure. I make a
17 motion to establish the 2018 connection fee of \$1,971
18 per Equivalent Domestic Service Unit effective
19 January 12, 2018.

20 COMMISSIONER BURNE: Second.

21 CHAIRMAN MATTIA: Roll call, please?

22 MR. KRAUSE: Commissioner Burne?

23 COMMISSIONER BURNE: Yes.

24 MR. KRAUSE: Commissioner Cory?

25 COMMISSIONER CORY: Yes.

1 MR. KRAUSE: Commissioner Donovan?

2 COMMISSIONER DONOVAN: Yes.

3 MR. KRAUSE: Commissioner Farrell?

4 COMMISSIONER FARRELL: Yes.

5 MR. KRAUSE: Commissioner Lynch?

6 COMMISSIONER LYNCH: Yes.

7 MR. KRAUSE: Commissioner Mattia?

8 CHAIRMAN MATTIA: Yes.

9 MR. KRAUSE: Commissioner McLean?

10 COMMISSIONER McLEAN: Yes.

11 MR. KRAUSE: And Commissioner Nicol?

12 COMMISSIONER NICOL: Yes.

13 CHAIRMAN MATTIA: Is there a motion to
14 adjourn?

15 COMMISSIONER BURNE: I make a motion to
16 adjourn the connection fee hearing.

17 COMMISSIONER FARRELL: Second.

18 CHAIRMAN MATTIA: All in favor?

19 MULTIPLE COMMISSIONERS: Aye.

20 CHAIRMAN MATTIA: Thank you.

21 MR. BONELLO: Thank you.

22 (Whereupon the proceedings were concluded
23 at 6:51 p.m.)

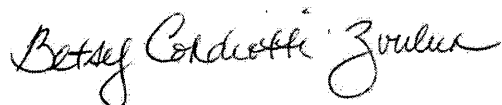
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CERTIFICATE OF OFFICER

I, BETSY CONDIOTTI ZVULUN, a Certified Court Reporter of the State of New Jersey and Registered Professional Reporter, do hereby certify that the foregoing is a true and correct transcript of the proceedings as taken stenographically by and before me at the time, place and on the date herein before set forth.

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.



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