

BOROUGH OF HIGH BRIDGE

SPECIAL COUNCIL MEETING MINUTES

Date: July 13, 2017 – 7:30 p.m. – Location: 7 Maryland Ave., High Bridge, NJ 08829

CALL TO ORDER: THE MEETING WAS CALLED TO ORDER

FLAG SALUTE: LED BY MAYOR OR PRESIDING OFFICER

ROLL CALL:

Councilman LoIacono, present; Councilwoman Shipps, present; Councilman Strange, present; Councilwoman Hughes, present; Councilman Stemple, present; Council President Zappa, present; Mayor Desire, absent. Also present were Attorney Steve Firkser, Administrator Michael Pappas, Acting Clerk Adam Young, and thirty-nine public and press.

PUBLIC COMMENTS: 5 MINUTES PER PERSON:

Mara Farmer – Asked if there is there any long term plan in place to replace the aging water mains? What is the average age of our water mains? What are the water cost increases? Why do other townships pay less than \$4.00 per unit? Council noted there is not a plan right now to replace the aging water system. The system is as old as the town. Fire hydrants that can be dated to the 1930s or 1940s. \$15.00 and \$50.00 are the base fee cost and an explanation of the tiered pricing system was given.

Mary Murdock – Asked about the cost of the aging water system. How will this be reflected for cost of repair, what is the response time, what rates are being considered for water, how comfortable is Council with this sale, will the company chosen replace all of the water system, if sold, it becomes the burden to repair the system, and stated the rate of \$6.65 per thousand gallons. Council indicated that it is the decision of the residents to choose to sell or not.

Tom Wescoe – Stated he was told that the system we have is simple, that he believes rates reliably go up under private ownership.

Dr. Brenden Coughlin - Stated fees were 64% higher in a study about private vs. public billing. Asked if Council has explored other options of shared services with other towns, is it a utility or an authority, have we considered it moving it to the town budget. Council responded that this is an operating utility, it has been considered to move the budget but found that the garbage may be done this way, the system has been in need of upkeep, opportunities are being investigated.

Brent Dugan - Stated the difference between entities making a profit on water and those not making a profit and does not support the sale of the system.

Sally Ward - Suggested the possible use of using custom alloy for piping and the dam for power generation.

Pablo Delgado – Made the observation that rates will need to go up, no matter who it is maintaining the system, believes a company, for profit, will fix the issues and charge back on the rates, asks that efficiencies be looked for, and that a tax rate is not fair to well owners.

John Musnuff - Noted that there is a huge capital investment that needs to be made to fix the system, noted that the companies have the equipment to fix the issues, asked about how increases are handled, and how often increases are successful. Council noted that they must go before a board when asking for an increase.

Michele Schwartz – Asked if there is there a capital fund within the line item for maintenance, if the sale proceeds then will the line item come off the budget, and if DPW employees will be contacted about main breaks.

Council responded that it goes into one fund and there is a line for maintenance but the main breaks have depleted the surplus, the increases in bills have not offset the increases, the utility would be closed down once sold, the administrative cost is high for bill prep, new meters, repairs, etc.

Claire Knapp - Agreed that well owners should not pay on the tax rate, combining the utility into the main budget will have road repairs competing, suggested talking to Mine Hill about replacing meters, that the Town of Clinton is facing the same circumstances but is repairing, combining the utility into the tax rate makes the tax rate higher, and notes that inferior pipes were used at one time to make the water system.

DISCUSSION ITEMS:

A. Water utility billing adjustment

Administrator Pappas gave the explanation of the previous estimated water utility reading issue along with rate increase and read the options to the public as proposed in the Resolution. Discussion ensued about examining meters that may be faulty, the tier rate increase, the possibility of calculating manually; calculating based on 1 q 2016, and opted for option 3 in the Resolution.

Motion to adopt with option 3: **Resolution 162-2017** – Water adjustment: Lolacono; Second: Strange;
Roll call vote: Lolacono, yes; Shipps, yes; Stemple, yes; Strange, yes; Hughes, yes; Zappa, yes;
Motion passes: 6 yes

B. Water utility sale

American Water gave a presentation, noted figures of what their company covers, employees of American Water live in High Bridge, and their plan for the High Bridge water system, the agreement to a two year rate freeze, the regulation of every utility by the BPU, calculations of billing, and answered questions by Council.

Council asked American water how successful with rate changes they are, if they will do public education campaigns, and if they will use DPW workers to fix systems, if they will use High Bridge wells, if water pressure would remain the same, which contractors may be used in High Bridge, do other New Jersey towns consider selling based on aging infrastructure, where would High Bridge get water if the system went down. American Water described their rate and charge system, that they will do meetings when needed, that all American Water workers are used for their fixes, that water will be used from High Bridge, more than likely water systems will not be interconnected but that it may be a possibility in the future, that there may be higher pressure as infrastructure is changed out and improved, that the infrastructure will be monitored 24/7, American Water sees some towns with bad infrastructure and wells having meetings with them, there are no connections in the system and no stripper in the system currently, a warranty program as well as a discount program and a grant program,

PUBLIC COMMENTS: 3 MINUTES PER PERSON

Sally Ward - Asked if American's wish to restore infrastructure affects roads and pressure. Council discussed the specifics of a road opening permit and explained pressure increase and decrease.

John Collis - Does the bid specify a term of contract or outright, can American sell High Bridge water to another town, and stated that water is a commodity that is getting more scarce. Council stated that the State owns the water but American owns the infrastructure, American would need to check capacity, and that the Borough may not be able to recover from a well collapse scenario, and asked American that it is not standard practice to sell water to other towns.

Fred Loozen - Commented on the road quality of Hillcrest Ln and asked how that project will be affected by the sale of a water system. Council President Zappa stated that Hillcrest will remain a priority.

Mary Murdock – Asked how many public water employees that are qualified to work on the water, can we have a referendum budget, is American Water a publically traded company. Council stated one, tax money cannot be used to pay for a utility, and yes American is a publically traded company,

Mara Farmer - Asked about fire hydrant charges in the bid and another quarterly charge, and stated a plan for replacing piping that has been done in other townships, asked how many miles of piping High Bridge has. Council stated that it is not decided if it is immediate, 25 miles.

Claire Knapp - Clinton Town is looking to get a fair amount of grant money based on their plan, asked about timing for acceptance of bid and referendum. Council discussed the items.

Pablo Delgado - Asked about the rate increase as compared to the entire state of New Jersey, rather than the cost of High Bridge's direct costs of repair, what kinds of incentives by the BPU to hold water companies to efficiencies, and is there a rate cap, and how are other system benchmarked compared to other states, and is there an audit service for the water results, and does the Council have a voice to the BPU?

Pat Bielchek - Can residents have notes posted somewhere for questions and can comparisons be done for a before/after scenario, and what priority is High Bridge in comparison to the budget? Yes, an FAQ can be generated and made available and the request for before/after will be looked into. American Water stated that their components of each system are prioritized.

Michele Schwartz - Asked who would be responsible for the cost of repair between the curb and the house, Haddonfield did their systems but who else sold their system, and what Council plans to do with the money for the sale of the system. American responded that is the same as it is now with High Bridge and Mr. Firkser stated the legal requirements to what the money can be used for and Council stated the hope to pay down debt. Council discussed further details.

Doreen Longell - Asked if there are any state programs or grants to help for this, and what would we do tonight if there were an issue, and would like to see a cost analysis. Council discussed that the main would be fixed and the costs would have to be considered for budgeting.

Mike Cassey - Will there be an insurance policy is the system has an issue from the curb to the house. American answered that there is a policy that offers the service of repair from the curb to the home.

ADJOURNMENT: PRESIDING OFFICER ASKS IF THERE IS ANY FURTHER BUSINESS.

Motion to adjourn: LoIacono; Second: Strange;

Roll call vote: LoIacono, yes; Shipps, yes; Stemple, yes; Strange, yes; Hughes, yes; Zappa, yes;

Motion passes: 6 yes

Next Council Meeting: July 20, 2017 - 7:30 pm – 7 Maryland Ave., High Bridge NJ, 08829