



Transcript of the Manasquan River Regional Sewerage Authority

FOR THE PUBLIC HEARING RE: 2023/2024 CONNECTION FEE
WEDNESDAY, JULY 19, 2023 AT 5:31PM

Commissioners and Staff Present

Mr. A. Richard Gatto, Chair (Freehold Township)	Mr. Jesse Tantillo (Howell Township)
Mrs. Olga McKenna (Wall Township)	Mr. Peter E. Kocsik, PE, Engineer (Mott MacDonald)
Mrs. Mary DeSarno (Wall Township)	Mr. Roger J. McLaughlin, Esq., Attorney (MSSPC Law)
Mrs. Patricia Linszky (Farmingdale Borough)	Mr. Brian J. Brach, PE, QPA, Executive Director (MRRSA)
Mr. James Daly, Vice Chair (Farmingdale Borough)	Mr. Donald Hill, CPA, Finance Officer (MRRSA)
Mr. Robert C. Fischer (Howell Township)	

Commissioners Absent

Mr. Richard Gartz (Freehold Borough)	Mr. Michael Wilson (Freehold Borough)
Mrs. Julisa Garica (Freehold Township)	

Exhibits

- Exhibit No. 1: Affidavit Certifying to Publication of the Hearing Notice in the Asbury Park Press (Published June 12, 2023)
- Exhibit No. 2: Affidavit Certifying to Publication of the Hearing Notice in the Star Ledger (Published June 12, 2023)
- Exhibit No. 3: Certified Letters Notifying Member Municipality Clerks of the Public Hearing (dated June 12, 2023)
- Exhibit No. 4: Mott MacDonald 2022 Certified Wastewater Flow Letter (dated February 15, 2023)
- Exhibit No. 5: MRRSA Memorandum to Holman Frenia Allison, P.C. Detailing Calculation of the 2023/2024 Connection Fee (dated June 7, 2023)
- Exhibit No. 6: Letter from Holman Frenia Allison, P.C. Confirming Calculation of the 2023/2024 Connection Fee (dated July 5, 2023)
- Exhibit No. 7: MRRSA Memorandum to Commissioners Detailing the 2023/2024 Connection Fee (dated July 14, 2023)

The following transcript was transcribed from an audio file provided by MRRSA to www.rev.com, 222 Kearny Street, 8th Floor, San Francisco, CA 94108. Accuracy of the transcription was verified by MRRSA staff.



Motion to Enter into Public Hearing

- Mr. Gatto:** Next up is the motion to adjourn the public hearing. Motion?
- Mr. Daly:** Motion.
- Mr. Gatto:** There's a motion to enter the public hearing for the adjustment of the 2023/2024 connection fee. Does someone want to move on it? Mrs. DeSarno moved it.
- Mrs. Linszky:** I'll move it.
- Mr. Gatto:** Seconded by Ms. Linskey. All in favor?
- All Commissioners:** Aye.

(The Authority entered into the public hearing at approximately 5:31pm)

- Mr. Gatto:** Roger.

Presentation of Evidence

- Mr. McLaughlin:** All right. Thank you Mr. Chairman. This is our annual public hearing to determine the connection fee for the 2022/2023 (2023/2024) year which we conduct pursuant to statute. So the first thing is we'll mark into evidence seven exhibits. Exhibit number one (1) is an affidavit certified to the publication of the Asbury Park Press that was published June 12th of this year. Exhibit two (2) is an affidavit certifying to the publication of the hearing notice within the Star Ledger, also published on the same date. Exhibit number three (3) is copies of the letters notifying member municipality clerks of today's public hearing, dated June 12th as well. Exhibit number four (4) is the Mott McDonald 2022 certified wastewater flow letter that was dated February 15, 2023. Exhibit number five (5) is the MRRSA memorandum to our accounting firm detailing calculation of the 2023/2024 connection fee that was dated June 7th. Exhibit number six (6) is the letter from our auditing firm confirming the calculation of the 2023/2024 connection fee that was dated July 5th. And then exhibit number seven (7) is the MRRSA memorandum to the commissioners detailing the 2023/2024 connection fee that was submitted to (by) Brach dated July 14, 2023.
- Mr. McLaughlin:** So, as usual, we'll have the testimony of both our Executive Director and Engineer, so if you gentlemen would raise your right hand. Do you swear the testimony you're about to give in this hearing will be the truth, the whole truth, and nothing but the truth?
- Mr. Kocsik:** I do.
- Mr. Brach:** I do.
- Mr. McLaughlin:** All right. State your name for the record. Spell your last name.
- Mr. Kocsik:** My name is Peter Kocsik, K-O-C-S-I-K, I'm a Senior Vice President with Mott MacDonald and I serve as the Authority's Consulting Engineer.
- Mr. Brach:** I'm Brian Brach, B-R-A-C-H, Executive Director at the Authority.

Mr. McLaughlin: All right. We'll start with Mr. Kocsik. Mr. Kocsik you prepared exhibit number four (4), which is the certified wastewater flow (*letter*) from February 15th. Is that correct?

Mr. Kocsik: Yes.

Mr. McLaughlin: Can you briefly explain to the commissioners how that letter was prepared and describe any change in flow from the prior year?

Mr. Kocsik: Sure. So at the end of each calendar year, we are asked to review the sewage flows that are recorded by the Ocean County Utility Authority and by the meters of the Manasquan River Regional Sewerage Authority. OCUA maintains five (5) meters that border our service territory. Those five (5) meters result in a total flow from (*the*) Manasquan River service area into the Ocean County service area, and that's how OCUA bills (*the*) MRRSA. Ten (10) internal meters that the MRRSA maintains are used to calculate the flows of the five (5) participant towns within our Authority. We review the data, both daily and monthly flows, of January through December, for all fifteen (15) flow meters. The total flow, that was MRRSA's flow that was recorded by OCUA in 2022, was 10,248,450,000 gallons of sewage. That's about a 106,000,000 gallons decrease than the prior year in 2022. As you may know, there is an impact of weather on the wastewater flows. When it rains, rain water can enter the sewer system but we [*inaudible*], so wastewater and rain is tied together. In the past year, 2022, rainfall was 4.3% less than 2021. Total sewage flow was 4.7% less than 2021. So there is a relationship between rainfall and sewage flows. I will conclude that the total flow recorded in 2022 was the lowest flow since 2016.

Mr. McLaughlin: Mr. Kocsik, the calculations that you and your firm did was in accordance with the rules and regulations of the Authority?

Mr. Kocsik: Yes. They were.

Mr. McLaughlin: All right. I have no further questions for Mr. Kocsik, unless the commissioners have any questions.

Mr. Gatto: No. Next witness.

Mr. McLaughlin: All right. We'll move on to Mr. Brach then. Mr. Brach, you prepared exhibit number five (5), which is the memorandum to our auditing firm detailing the calculation of the connection fee. Did you not?

Mr. Brach: I did.

Mr. McLaughlin: Would you please detail how those, how that calculation was made?

Mr. Brach: Yes, it's a five (5) point calculation in accordance with N.J.S.A. 40:14A-8(b). It is a statutory calculation. Step one (1) is taking the average daily wastewater flow for 2022 and calculating that. If we take the 2,248,490,000 gallons flow divided by 365 days, that equates to 6,160,147 gallons per day. The Authority has an equivalent dwelling unit (*EDU*) of 300 gallons a day, so if we take the average daily flow and divide that by 300 gallons a day, that equates to 20,534 equivalent dwelling units. The third (3) step of the calculation is identifying the balance of debt service and capital expenditures prior January 1st, 2022. As detailed in the memo, that figure is \$50,707,549.06. We have in the debt service that was incurred in the capital outlay, that was incurred during 2022, and that was \$1,616,156.00 for a new total debt of \$52,323,705.06.

We take that figure, divide it by the 20,533 units, and it comes out to an equivalent of \$2,548.13 per EDU. It's the Authority's practice to round that to the nearest dollar, so the statutory calculation is \$2,548.00 per EDU.

Mr. McLaughlin: Thank you, Mr. Brach. And then you provided that information, of course, to the auditors. They responded to you in the letter that we have marked as exhibit number six (6), and they, in fact, concluded that the connection fee of \$2,548.00 would be the correct calculation of the connection fee pursuant to statute, correct?

Mr. Brach: That's correct.

Mr. McLaughlin: I have no further questions for Mr. Brach, at this time, unless the commissioners have any questions.

Questions and Comments

(There were no questions or comments from the Board and/or public prior to adjournment of the hearing. Let the record reflect that no members of the public were present.)

Mr. Gatto: Any questions from the board?

Mr. Brach: Mr. Chair, I just want to note for the record that the connection fee is proposed to increase \$190.00 from the current rate, to the \$2,548.00 (*per EDU*).

Motion to Adjourn Public Hearing

Mr. Gatto: Thank you. Anything else from the board? The record should reflect that there's nobody here from the public. As such, I'll entertain a motion to adjourn the public hearing and resume the public meeting.

Mr. Tantillo: So moved.

Mrs. Linszky: Second.

Mr. Gatto: (*Moved by*) Mr. Tantillo, seconded by Mrs. Linszky. All in favor?

All Commissioners: Aye.

(The Authority adjourned the public hearing at approximately 5:39pm.)

Respectfully submitted,


Olga R. McKenna, Secretary