

BOROUGH OF WESTVILLE

Special Council Meeting

165 Broadway

October 24, 2016 - 7:00 p.m.

Meeting Minutes

Mayor Welsh called the meeting to order at 7:00 p.m., followed by the Pledge of Allegiance.

The Clerk read the public notice and roll call was taken, with the following persons in attendance:

Present: Mayor Russell W. Welsh, Jr., Council Members: Paul C. Mailley, Donna Moan, Charles D. Murtaugh, Bruce Nordaby and Fritz H. Sims, Jr.
Municipal Clerk/Tax Collector Christine Helder, Administrator William Bittner, Jr., Public Works Manager Donna Domico

Absent: Council President Michael O. Ledrich

Mayor Welsh announced the only item on the agenda was the Public Hearing for the Proposed Sale of the Water Utility System and opened the meeting to the Public. He asked attendees wanting to speak to come up to the microphone, state their name and address for the record, and advised that this meeting was for Westville residents only, to be heard.

Janet Wolfe, 212 West Olive Street, confirmed the issue will be on the ballot so that the residents can vote on the issue. Ms. Wolfe asked about the five year rate freeze and was advised by Mayor Welsh that if the water sale is approved, there will definitely be a five year rate freeze for residents. A representative from Aqua also advised that after the five years, Aqua can petition for a rate adjustment with the Board of Public Utilities (BPU) and this review and approval process can take as long as 9 to 18 months. Aqua representatives confirmed that when they submit a request for a rate adjustment the amount will reflect their investment and that the State will ask Aqua to provide documentation to support the rate increase. The representative advised, in the past, they have received approval for an increase between 2 and 3%.

Ms. Wolfe asked Council, "If the sale goes through, how will the proceeds be used". Mayor Welsh advised that Council is committed to stabilizing the local purpose tax for the taxpayers and if the sale goes through, the local purpose tax could be frozen for the next nine years. Additionally, Mayor Welsh confirmed some of the funds will be used to pay off the existing debt.

Ms. Wolfe asked what repairs to the Water System will be accomplished if the sale goes through. Public Works Manager Domico advised there is a priority list for repairs so the mains needing the most work would be addressed first. A brief discussion about the age of the Borough's water mains took place with Public Works Manager Domico confirming the average age of the water mains was 85 years old.

Lois Wilhelm, 708 Almonesson Road, asked who would repair the roads after a water main is repaired and commented on customer complaints she read on Aqua's web site. Mayor Welsh confirmed part of the RFP is that Aqua will repair the road from curb to curb. An Aqua representative confirmed they contract out the jobs and the response time is two hours from identifying a water main break. Aqua addressed Ms. Wilhelm's concerns about the consumer complaints in their web site. Discussion took place regarding Aqua's billing process and excess water usage and that Aqua can help residents identify a water leak more quickly. Aqua confirmed they will be responsible from the curb to the main, the same as the Borough.

Kate Burgo, 15 Delaware View, asked if Aqua offered insurance from the curb to the house. Ms. Burgo was directed to call Aqua's parent company for information about this type of insurance. Ms. Burgo also asked if residents can pay online and if there was a fee associated with that service. Aqua responded residents can pay online and there is no added fee. Administrator Bittner provided an explanation as to why there is an added charge when paying the Borough's water, sewer charges and taxes online. Administrator Bittner discussed the possibility of freezing the local purpose tax for more than nine years and provided information on how the sale may affect employees and the possible budget surplus that could exist.

Donna Cook, 609 Almonesson Road confirmed that for the first five years the minimum charge of \$80 for 10,000 gallons, would still apply and was told yes by an Aqua representative. Ms. Cook then asked, after five years, would the minimum allowance go away. Administrator Bittner explained that with Aqua there is no minimum, residents are charged the same, regardless of what they use, whereas the Borough charges more per gallon for individuals going over the minimum allowance of 10,000 gallons per quarter. Ms. Cook asked if Aqua had a timeframe to make upgrades to the system. Mayor Welsh advised Aqua committed 3.5 million dollars over the first five years to address items on the priority list. Ms. Cook asked if other companies were asked to submit a bid. Administrator Bittner advised the Borough requested bids from Aqua, United and New Jersey American and that United never submitted a bid and New Jersey American submitted a bid lower than Aqua.

Al Achilles, 19 Delsea Drive, asked how commercial properties rates would be affected. An Aqua representative stated the rates would depend on the size of the property and the type of service and confirmed that if the business was using much more than a residential property they would be charged accordingly. The Aqua representative again reiterated the five year freeze would probably extend to seven years to include the long approval process required for the BPU.

Public Works Manager Domico provided specifics on water usage overage charges (e.g. for 10,001 to 20,000 the charge is \$4.29 per 1,000 gallons, for 20,001 to 30,000 the charge is \$5.30)

Mike Cerato, 111 Broadway, asked if anyone had a figure on how much the infrastructure they were giving up was worth. Stephanie Cuthbert of Remington & Vernick Engineers, advised that the system is worth \$8.4 million. Mr. Cerato then asked for clarification on the schedule to repair and upgrade the Water Utility. Ms. Cuthbert reminded meeting attendees to view the Water System reports on the Westville web site.

Discussion took place regarding replacement of the system. Mayor Welsh confirmed it's not if the system will be replaced but rather when it will be replaced. An Aqua representative advised their rate increases are governed by the BPU and every rate increase they submitted has been reduced by the BPU and that the BPU looks out for the best interests of residents.

Martha Repetti, 144 Maple asked for instructions on where to find the reports completed by Remington & Vernick Engineers, and was directed to the Westville web site. Ms. Repetti asked about the accuracy of the figures. Administrator Bittner advised the price is pretty much set but nothing can be done at this time until the voters decide whether or not to sell. Ms. Repetti asked the Aqua representative if the rate increase is for each municipality or the entire State of New Jersey and the representative replied they have done both. Ms. Repetti asked about the status of the Sewer System and if money needs to be set aside for that utility. Administrator Bittner advised it will cost about one million dollars to refurbish the remainder of the Sewer System and that some of the money from the sale of the Water Utility would be used for the relining project. Ms. Repetti was also directed to the Westville Facebook page to review the Water Utility documents.

Fred Coleman, 120 West Avenue, asked if the sale of the water does go through, what would the Borough negotiate with Aqua. Mayor Welsh advised potential real estate could be discussed but the price would not change. Mr. Coleman confirmed that there would not be a water rate increase for five years and that all water meters would be replaced. Aqua confirmed the normal hours to switch out meters would be 8 a.m. to 4 p.m. with possible Saturday dates and that the meters would belong to Aqua. Homeowners will not pay for the new meters.

Joyce Lovell, 328 Summit Avenue, asked if the discount for seniors and Disabled persons was for the life of the contract. Administrator Bittner advised the intent was definitely for the first five years; however, the BPU must approve this exception for the initial five years and all the years thereafter. Ms. Lovell questioned why there was a need for Aqua to change all the water meters in Westville. Public Works Manager Domico advised the meters can be read remotely by computer and would actually benefit the homeowner in the event of a water leak. Public Works Manager Domico also advised the meters currently being used are unfortunately antiquated; the ones that would be installed by Aqua are state of art. Discussion took place regarding use of the funds from the sale of the Water Utility, including repairs or relining of the Sewer system.

Sharon Goodrow, 616 Summit Avenue, asked how much debt the Borough had and what was the rate of interest the Borough is paying on their debt. Administrator Bittner advised, if the sale goes through, the Borough is only required to pay off the Water debts which totals 2.2 million dollars and includes a Bond note for the refurbishing of the Water Tower, Filtration systems and upgrade of the Water meters. Administrator Bittner stated the Borough is not permitted to pay the debt off all at one time because the way the debt is structured, the loan holder is entitled to their interest for the duration of the loan; however, the Borough would put money in escrow to pay off the loan in accordance to the terms of the loan. Administrator Bittner advised on the current debt the Borough is paying approximately one and one-half percent and that may increase to two and one-half to three percent over the course of ten years.

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Lois Wilhelm, 708 Almonesson Road, asked what guarantee could be given to the residents that in two years they won't be back in a meeting discussing problems with the Sewer System. Administrator Bittner stated the Borough has plans to reline the Sewer System to avoid future problems. Discussion took place regarding the Borough replacing water mains if the sale does not go through. Administrator Bittner advised starting with 2018, water rates could increase three and one-half percent every year for every household to cover the debt.

Fred Coleman, 120 West Avenue, stated that if the Borough had Aqua today, residents would pay more for usage over the minimum 10,000 gallons.

Ken Houts, 144 Maple Avenue, asked how long it would take Aqua to replace the 23 miles of water main. Administrator Bittner advised Aqua has committed three and one-half million dollars in improvements in the first five years and they have identified areas to be replaced but he is not privy to that information. Public Works Manager Domico advised areas in most need of replacing include, Almonesson Road, Walnut Street, Broadway from East Olive to Harvard, Delsea Drive, Hunter Street and Dewey Avenue. She advised that her Department maintains a log of water main breaks and would share that information with Aqua. Administrator Bittner advised if the Borough has to pay for replacement of Mains, they would investigate Grants and low interest loans.

Donna Cook, 609 Almonesson Road asked if the sale goes through, would Mayor and Council consider having another meeting with residents and Mayor Welsh agreed that was a good idea.

Hearing no other comments, Mayor Welsh closed this portion of the meeting to the public.

Councilman Sims thanked residents for coming out to discuss the issue.

Councilman Murtaugh also thanked residents for attending the meeting.

Councilman Mailley stated it was nice seeing a full room.

Administrator Bittner thanked residents for attending the meeting and stated he would be available to answer any questions they have and that the sale is a good deal for the Borough.

Mayor Welsh thanked everyone for attending the meeting and expressed his apologies for not attending the meeting held at the Community Center by Aqua Water Company for residents due to an out of town work commitments. Mayor Welsh stated Council has always been challenged to do something about the taxes and the current Council is trying to do something that will positively impact taxes. He stated that he understands that not all residents will agree with the current plan, however support of the sale will stabilize the local purpose tax for a period of time. He encouraged residents to call the Borough Offices or him with any questions they may have about the proposed sale of the Water Utility. He then stated that if the sale does not go through the Borough is committed to fixing the water mains.

A motion to adjourn the meeting was made by Councilwoman Moan and seconded by Councilman Murtaugh. *Motion unanimously approved by voice vote.*

The meeting was adjourned at 8:19 p.m.

Respectively Submitted,

*Christine A. Helder
CMC/Municipal Clerk*

Next Council meeting scheduled is November 14, 2016 @ 7:00 p.m.