

**VERNON TOWNSHIP COUNCIL
SPECIAL MEETING**

February 21, 2008

The Special Meeting of the Township Council of the Township of Vernon was convened at 7:09 p.m. in the Vernon Municipal Center, Church Street, Vernon, New Jersey, with Mayor Austin Carew presiding. There were 9 interested persons in attendance.

STATEMENT OF COMPLIANCE

Adequate notice of this meeting has been provided to the public and the press January 29, 2008 by delivering to the press and posting at the Municipal Building pursuant to the provisions of the Open Public Meetings Act. The purpose of this meeting is for the Sewer System.

SALUTE TO THE FLAG

The Mayor led the assemblage in the salute to the flag.

ROLL CALL OF MEMBERS

The roll call of members was called and Richard Carson, Neil Desmond, James Oroho, Glenn McLaughlin, and Austin Carew answered the call. Also present were Melinda Carlton, Township Manager, and Michael Witt, Township Attorney.

OPEN THE MEETING TO THE PUBLIC

There being no comments and/or questions, the Mayor closed the meeting to the public.

PRESENTATION

Sewer System – United Water, Lou Kneip and Fred Suljic – Lou Kneip, Township Engineer; Fred Suljic, Township Planner; Gary Harstead, United Water Director of Operations; Ron Wund, Manager of Operations; and Mary Campbell, Corporate Attorney. Mary Campbell said it is United Water's position to know with respect to the Vernon Town Center if the township will use their water and sewer system. United Water sent a letter dated December 13, 2007 to Joseph Ragno, Township Attorney, asking if Vernon made a decision on how they wish to proceed in providing sewer service to the Town Center. Should Vernon decide to use the United Water system, whether through purchase or by becoming a customer, there are regulations that have to be followed and complied with in order for that to happen. The township has three scenarios: Under the first option, they could purchase the system. In order to initiate the purchase a sale contract would have to be signed with United Water; then United Water would sign the TWA permit; and finally, a notice stating the transfer of services would have to be sent to the Board of Public Utilities. Ms. Campbell stated the township adopted a resolution that they operate a sewer entity; have a sewer contract with Mountain Creek to serve that development, part of which is in the United Water franchise area; contracted with SCMUA for additional allocations and bonding improvements; and that an engineering and financial assessment was prepared. From the town's perspective, they have taken affirmative actions to proceed in either purchasing United Water's system or to look into other alternatives. The second option is that Vernon becomes a customer to United Water, even though there are obstacles to this. The township would sign an application for sewer service and a developer's agreement would have to be executed. An ordinance would have to be adopted to expand the United Water franchise area. In turn, that ordinance would be submitted to the Board of Public Utilities and the approval process could take six months. TWA permitting takes at least three to six months, prior to construction of the pump station # 1 facility. United Water would have to obtain a certified construction cost from the township, and the township would be entitled to certain refunds based on the construction cost of the facilities that are turned over to United Water. Easements not located within private right-of-way and bill of sale for the facilities would have to be turned over to United Water. The cost to the township would be \$270,000.00 annually based on the tariff and amount of sewerage used. The third option is that the township constructs its own sewer system independent of the United Water system. Questions were asked by the council. A lengthy discussion

ensured involving capital improvements, force main, pump stations, and benefits to the township. Glenn McLaughlin asked how many employees within the franchise it takes for maintenance, and Ron Wund said two collection operators and two employees. United Water agreed to assist the township in setting up with the UBS system for the billing/collection for one year; and provide 3-6 month operation/maintenance training at a pre-determined rate. Lou Kneip distributed a sewer map to the town council for their review. Mary Campbell urged that the township make a decision so their project will be a success. James Oroho stated further financial analysis needs to be completed before a decision can be made. Lou Kneip will ask Pete Cerenzio if he can provide additional financial information to the council. Glenn McLaughlin asked Lou Kneip if he could do a power point presentation on the sewer system. Mary Campbell suggested that a legal analysis be done on all the sewer contracts and agreements the township has with Mountain Creek and SCMUA. Lou Kneip said that he would get more specific costs on the sewer project. Neil Desmond asked what revenues would set off the costs and grants. James Oroho suggested to Lou Kneip that he would be willing to assist Mr. Kneip with the financial analysis.

OPEN THE MEETING TO THE PUBLIC

Thomas McClachrie. He asked for clarification to the sewer systems located within the franchise area, and how the \$270,000 cost was determined. Mary Campbell said that provided the sewer system is located in the franchise area, and there is no material impact, then United Water can connect the property owner to the system. However, with Intrawest's large development project, pump station #1 could not serve Intrawest or the Town Center on its own. In the event Vernon decides not to follow through with the Town Center then United Water would have to do a complete analysis of the sewer system once negotiations take place with Intrawest. United Water does not pay the Board of Public Utilities, while is a state-regulated entity. Mayor Carew said the \$270,000 transmission charge is based on the actual cost to transmit affluent per gallon, maintenance, etc. Thomas McClachrie expressed concern that taxes will go up, and he stated that any money over \$1 million spent by the township should go out for a referendum.

There being no further questions and/or comments, the Mayor closed the meeting to the public.

EXECUTIVE SESSION

Mayor Carew stated there are no items to report.

ADJOURNMENT

There being no further items of business on the agenda, a motion was made by Neil Desmond to adjourn the meeting and the motion was seconded by Rich Carson. All in favor.

The Special Meeting of the Township Council of the Township of Vernon was adjourned at 8:29 p.m.

Respectfully submitted,

Patricia A. Lycosky, R.M.C.
Township Clerk

Presiding Officer