

**SPECIAL MEETING MINUTES
OF THE MAYOR AND COUNCIL
JULY 24, 2023**

THE REGULAR MEETING OF THE MAYOR AND COUNCIL OF THE BOROUGH OF MANVILLE, COUNTY OF SOMERSET, STATE OF NEW JERSEY, WAS HELD ON JULY 24, 2023, AT 325 N. MAIN ST. IN MANVILLE, NJ 08835 AT 4:30 P.M.

MAYOR RICHARD ONDERKO PRESIDED

The Acting Borough Clerk announced that proper notice had been given by the posting of the Special Meeting Notice and by providing adequate notice of the Special Meeting to the Courier News and the Star Ledger.

ROLL CALL:

MAYOR RICHARD ONDERKO	PRESENT
COUNCILMAN BRANDEN AGANS	PRESENT
COUNCILMAN JOSEPH DEVITO III	PRESENT
COUNCILMAN JOSEPH LUKAC III	PRESENT
COUNCILWOMAN BARBARA MADAK	PRESENT
COUNCILMAN RONALD SKIRKANISH	PRESENT
COUNCILMAN STEPHEN SZABO	PRESENT

ALSO PRESENT: ALL

THADDEUS R. MACIAG, BOROUGH ATTORNEY	PRESENT
GP CAMINITI, BOROUGH ADMIN.-ACTING BOROUGH CLERK	PRESENT
TRACI DILLINGHAM, DEPUTY ADMINISTRATOR/CLERK	ABSENT

SALUTE TO THE FLAG AND A MOMENT OF SILENCE

Mayor Onderko led the Salute to the Flag and requested a moment of silence in honor of five NJ victims washed away in the recent flood.

ORDINANCES: Introduction and First Reading

#2023-1299: Sale of the Borough’s Wastewater Treatment Facility

Individual motion to introduce Ordinance #2023 followed by a Roll Call.

Introduced	Seconded	Council	Yes	No	Abstain	Absent
		Agans	x			
		DeVito	x			
	X	Lukac	x			
		Madak	x			
		Skirkanish	x			
x		Szabo	x			

		Onderko				
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Ordinance #2023-1299 was introduced.



Borough of Manville

Ordinance # 2023-1299

AN ORDINANCE OF THE BOROUGH OF MANVILLE, IN THE COUNTY OF SOMERSET, NEW JERSEY, APPROVING AN AGREEMENT OF SALE BETWEEN THE BOROUGH AND NEW JERSEY AMERICAN WATER COMPANY, INC. FOR THE SALE OF THE BOROUGH'S WASTEWATER COLLECTION SYSTEM AND AUTHORIZING A PROPOSAL TO BE PRINTED ON THE BALLOT FOR CONSIDERATION BY THE VOTERS WITHIN THE BOROUGH AT THE GENERAL ELECTION ON NOVEMBER 7, 2023 PROVIDING FOR THE SALE OF THE BOROUGH'S WASTEWATER COLLECTION SYSTEM TO AMERICAN WATER COMPANY, INC.

STATEMENT OF PURPOSE

The purpose of this Ordinance is to provide the Voters of the Borough of Manville the opportunity to decide whether or not to approve the sale of the Borough's Sewer System to NJ American Water Company, and to establish terms and conditions for such a sale, subject to approval by the Voters, and Authorizing a Ballot Proposal for Consideration by the Voters of the Borough of Manville at the November 2023 General Election

WHEREAS, the Borough of Manville, in the County of Somerset, New Jersey (the "Borough") currently owns and operates a wastewater collection system servicing the residents and property owners (the "Customers") within the geographic boundaries of the Borough and a portion of Hillsborough Township (the "Manville Sewer System" or "the System"); and

WHEREAS, the Borough has determined that it is in the best interest of such Customers to sell the Manville Sewer System to an entity with experience and expertise in owning and operating such systems in order to meet all necessary demands associated with such System including all present and future requirements of various state and federal regulatory agencies and to make necessary capital improvements to the System; and

WHEREAS, the Borough prepared and distributed a Request for Bids for the Sale of the Wastewater Collection System (the "RFB") dated May 15, 2023 requesting bids for the purchase of the System pursuant to N.J.S.A. §40:62-1 et seq. (the "Public Utilities Law"); and

WHEREAS, on June 26, 2023 the Borough received one bid from a regulated utility, New Jersey American Water Company, Inc., to purchase the System; and

WHEREAS, based on the review of the above referenced bid, the Borough has determined that the bid submitted by New Jersey American Water Company Inc. in the amount of \$6,500,000 was the highest responsible bid; and

WHEREAS, under the terms of the Request for Bids, the Borough would sell all of the Borough's rights and interests in the land and improvements comprising the System, provided that any purchaser of the System would continue to provide wastewater collection services to the Customers in accordance with all applicable state and local standards, make all capital improvements as required by the RFB, and meet other requirements set forth in the RFB; and

WHEREAS, the Borough and New Jersey American Water Company Inc. have agreed to the terms of the sale of the System; and

WHEREAS, the Public Utilities Law requires that in addition to the approval of the Borough, the legal voters of the Borough must also approve the sale of the System; and

WHEREAS, the Public Utilities Law, specifically N.J.S.A. §40:62-5, authorizes the Borough to request that the clerk of the County of Somerset place the question of the sale of the System on the ballot used at the next general election in the Borough, which is scheduled for November 7, 2023; and

WHEREAS, N.J.S.A. §40:62-5 provides *that "If a majority of the legal voters voting at such election shall vote "Yes," the governing body may accept the bid of the highest responsible bidder and carry out such lease or sale as authorized by the election"*; and

WHEREAS, the Borough desires to enter into the Agreement of Sale, subject to the approval of the voters of the Borough as set forth in N.J.S.A. §40:62-5 and any other regulatory approvals set forth in the Public Utilities Law.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Borough of Manville, County of Somerset, State of New Jersey, as follows:

SECTION 1:

The recitals are hereby incorporated as if set forth in full herein.

SECTION 2:

The Borough hereby approves the sale of the System to New Jersey American Water Company Inc. for \$6,500,000 in accordance with its bid and in accordance with the terms and conditions of the RFB and the Agreement of Sale, subject to the approval of the voters of the Borough as set forth in N.J.S.A. §40:62-5.

SECTION 3:

The Agreement of Sale between the Borough and New Jersey American Water Company Inc. entitled "Agreement of Sale between the Borough of Manville, New Jersey and New Jersey American Water Company Inc." substantially in the form on file in the office of the Borough Clerk, is hereby approved with such further changes, insertions and amendments as deemed necessary by the governing body of the Borough, in consultation with the Borough staff and professionals. The approval of this Agreement of Sale is subject to compliance with the provisions of N.J.S.A. §40:62-5 of the Public Utilities Law.

SECTION 4:

The Mayor and Council and all other appropriate officials of the Borough are hereby authorized and directed to execute the Agreement of Sale and any other documents deemed necessary to effectuate the terms of this Ordinance and to proceed with the regulatory process and approvals required under the provisions of the Agreement of Sale and the Public Utilities Law subject to approval of the sale by the voters of the Borough pursuant to N.J.S.A. §40:62-5.

SECTION 5:

The Mayor and Council hereby requests and directs the Clerk of the County of Somerset to place the following question and explanation on the ballot of the next general election, such to be substantially in the form provided in N.J.S.A. §40:62-5, as follows:

PROPOSAL

"Shall the Borough of Manville, in the County of Somerset, New Jersey, be authorized to sell its wastewater collection system (commonly known as the "Manville Sewer System") to New Jersey American Water Company Inc. for the sum of \$6,500,000?"

Yes

No

Explanation

If a majority of the legal votes cast in the Borough are "Yes", the Borough of Manville will sign an agreement with New Jersey American Water Company Inc. ("NJ American Water") for the sale of the sewer system servicing the residents and property owners within the geographic boundaries of the Borough of Manville and a portion of Hillsborough Township ("the Manville Sewer System") at a sale price of **\$6.5 Million dollars**. In addition, the agreement provides that NJ American Water will make **\$10.0 Million** in capital improvements to the Manville Sewer System over a ten-year period.

The agreement provides that New Jersey American Water Company Inc. will provide and maintain all wastewater collection services to the existing customers of the Borough's system, to the system in accordance with the terms of the Agreement of Sale approved by the Borough.

The \$6.5 Million in sale proceeds will be used to retire all outstanding Borough of Manville municipal debt, thereby eliminating future annual debt service payments on that debt, and aiding in stabilizing municipal property taxes each year. Subject to the final review and approval of the New Jersey Board of Public Utilities, the service

rates to the customers of the Borough's System are proposed to be changed as follows for up to a maximum of 7 years following the sale:

Year	2024	2025	2026	2027	2028	2029	2030
Rate Increase	0%	2%	3%	3%	3%	4%	4%

Upon the completion of the rate schedule approved by the Board of Public Utilities future rate changes shall be subject to approval by the New Jersey Board of Public Utilities.

If a majority of the legal votes cast in the Borough are “Yes”, then the Mayor & Council may accept the bid of the highest responsible bidder and carry out the sale as authorized by the election; and

If a majority of the legal votes cast in the Borough are “No”, then the Borough will retain the System and will immediately begin a process to increase rates to the extent required to address the need for additional capital improvements and maintenance activities.

SECTION 6:

Authorization. The Mayor, Council, Borough Administrator, Borough Attorney, and such Borough employees and staff as the Borough Administrator may designate, are hereby authorized and directed to take such steps as are necessary to effectuate the purposes of this Ordinance.

SECTION 7:

Repealer. Any prior Ordinance of the Borough of Manville, or any article, section, paragraph, subsection, clause, or other provision of any such prior Ordinance, which is inconsistent with the provisions of this Ordinance, is hereby repealed, or temporarily repealed as applicable, to the extent of such inconsistency.

SECTION 8:

Severability. In the event that any provision of this ordinance, or the application thereof to any person or circumstance is declared invalid by any Court

of competent jurisdiction, such adjudication shall apply only to the section, paragraph, subsection, clause, or provision so adjudged, and the remainder of this ordinance shall be deemed valid and effective; such holding shall not affect any other provision or application of this ordinance which may be given effect, and, to realize this intent, the provisions and applications of this ordinance are declared to be severable.

SECTION 9:

Inconsistency with other Ordinances. Should any provision of this ordinance be inconsistent with the provisions of any other prior ordinances, or shall be inconsistent with any article, section, paragraph, subsection, clause, or other provision of any prior ordinances, the inconsistent provisions of such other prior ordinances are hereby repealed, but only to the extent of such inconsistencies.

SECTION 10:

Effective Date. This ordinance shall be effective immediately after final adoption and publication in accordance with law.

Borough of Manville,
Richard M. Onderko, Mayor

PUBLIC PORTION ON RESOLUTIONS

Individual motion to open public discussion, followed by a Roll Call.

Introduced	Seconded	Council	Yes	No	Abstain	Absent
		Agans	x			
		DeVito	x			
	X	Lukac	x			
		Madak	x			
		Skirkanish	x			
x		Szabo	x			
		Onderko				

No members of the public offered comments.

RESOLUTIONS TAKEN INDIVIDUALLY

Individual motion to approve Resolution #2023-158 Closed Session: Litigation Matters, followed by a Roll Call.

Introduced	Seconded	Council	Yes	No	Abstain	Absent
		Agans	x			
		DeVito	x			
	X	Lukac	x			
		Madak	x			
		Skirkanish	x			

x		Szabo	x			
		Onderko				

Resolution #2023-158 was approved.

Open: 4:37

Close: 4:44



Borough of Manville
Resolution #2023-158
Closed Session

BE IT RESOLVED by the Mayor and Council of The Borough of Manville, that an Executive Session of the Mayor and Council, from which the public will be excluded will be held upon adoption of this resolution for the purpose of discussing:

- Litigation Matters

Exclusion of the public for this purpose (s) stated is expressly permitted by the provisions of the “OPEN PUBLIC MEETINGS ACT”, N.J.S.A. 10:4-6, et. seq. It is not anticipated that the contents of the discussion will be made known until it has been determined that disclosure of the subject matter will not adversely affect the public interest and until the Mayor and Council have adopted a Resolution so concluding.

Borough of Manville,
Richard M. Onderko, Mayor

PUBLIC PORTION

Individual motion to open public discussion, followed by a Roll Call.

Introduced	Seconded	Council	Yes	No	Abstain	Absent
		Agans	x			
		DeVito	x			
	X	Lukac	x			
		Madak	x			
		Skirkanish	x			
x		Szabo	x			
		Onderko				

Commentors:

1. Maria Janicek, 720 E. Frech St.: commented on the scheduled start time for the Special Meeting, sewer connections for proposed warehouses in Hillsborough, and the valuation of the sewer utility. No Council action was required or taken.

ADJOURNMENT

When no one else wished to comment, Mayor Onderko requested a motion to adjourn the meeting. Councilman Szabo, seconded by Council President Lukac, made a motion to adjourn the meeting.

All Present Were in Favor.

The meeting was adjourned at approximately 4:50 p.m.

ATTEST:

GP Caminiti
Acting Borough Clerk