
Sewer Cost Alternatives

Per Council vote, in June 2020 a bi-partisan and expert team began a detailed analysis of sewer cost drivers and evaluation of potential best practices

Problem Statement

- Sanitary sewer processing fees continue to increase for Bound Brook at an effective rate of 3% a year since 2012.
- These fees have not covered all costs related to sewer operations and maintenance.
- Borough residents are not fully aware of full annual costs for maintaining a sewer system, and what that system comprises.

Project Description

Evaluate and present alternatives that positively impact annual sewer costs for Bound Brook residents

Benefits targeted for Bound Brook

- Reduced Cost per residence (Sewer + Local Tax)
- Reduced I&I (Environmental Compliance)
- Infrastructure Reliability
- Service Responsiveness
- Greater transparency to real costs of operation and maintenance

NOTE: Bound Brook only operates a sewer collection facility, and does not:

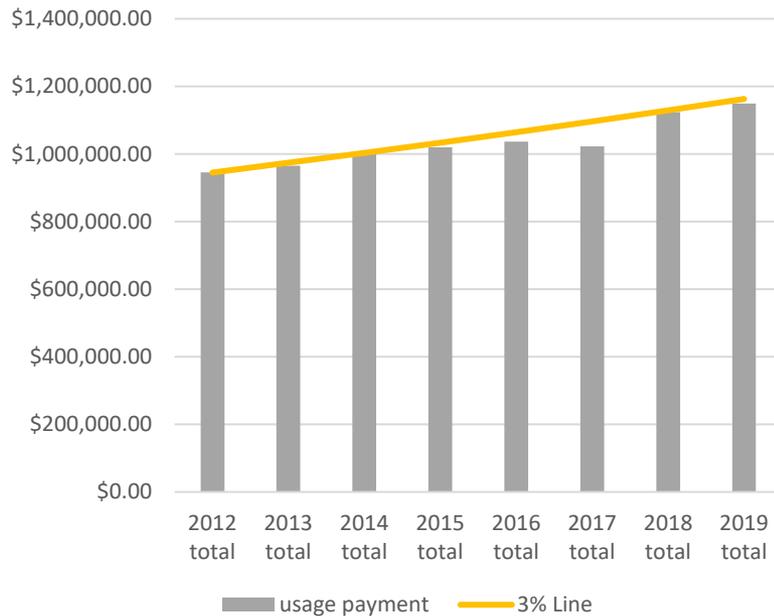
- Operate a Sewage Treatment facility (MCUA)
- Operate a water utility (NJ American Water)

Resident Sewer fees are largely only pass-through charges to the MCUA for sewage treatment and do not include system maintenance

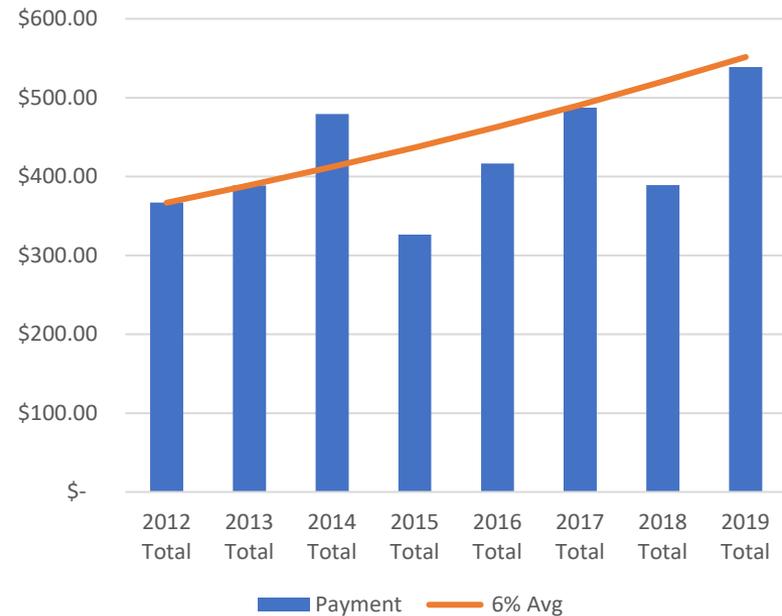
MCUA Annual Charges have increased on average 3% per year with the largest single increase ($\approx 10\%$) occurring in 2018

While the single resident example shows a steeper increase, it is reflective of the Borough effectively working to match the MCUA fees

Borough MCUA Annual Treatment Charges



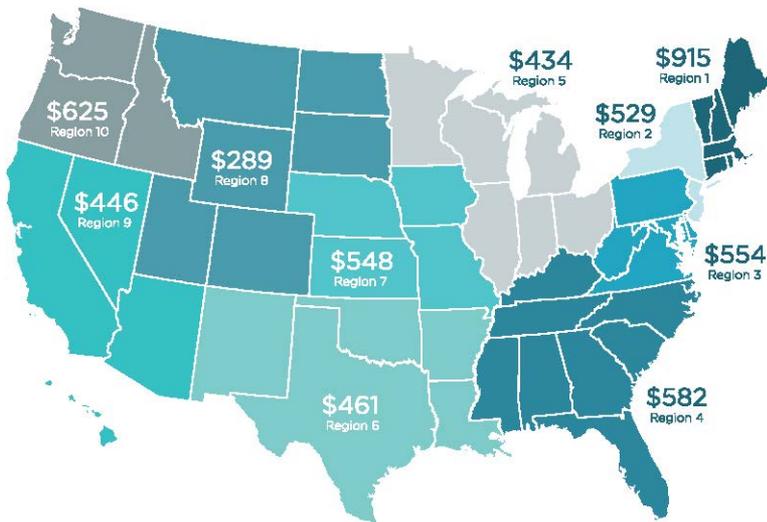
Single Resident Example: Annual Sewer Fees 2012-2020



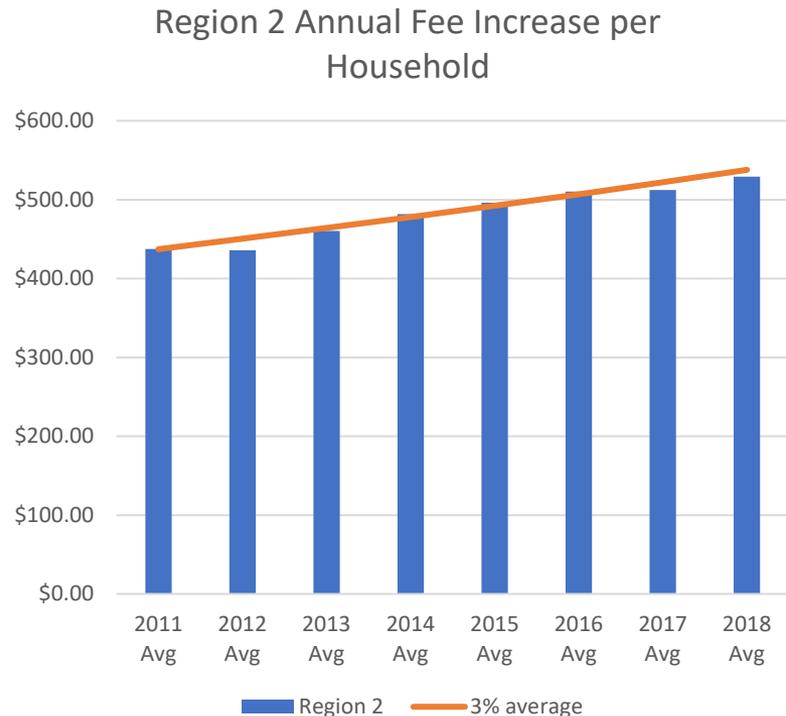
Based on annual survey from the NACWA, Bound Brook residential rates are in line with both the MCUA average annual cost and the rate of increase

EPA US Region 2 (NJ and NY state) have an average cost of \$529 per annum per household

The rate of fee increase in the Region are in line with the rate increases from MCUA

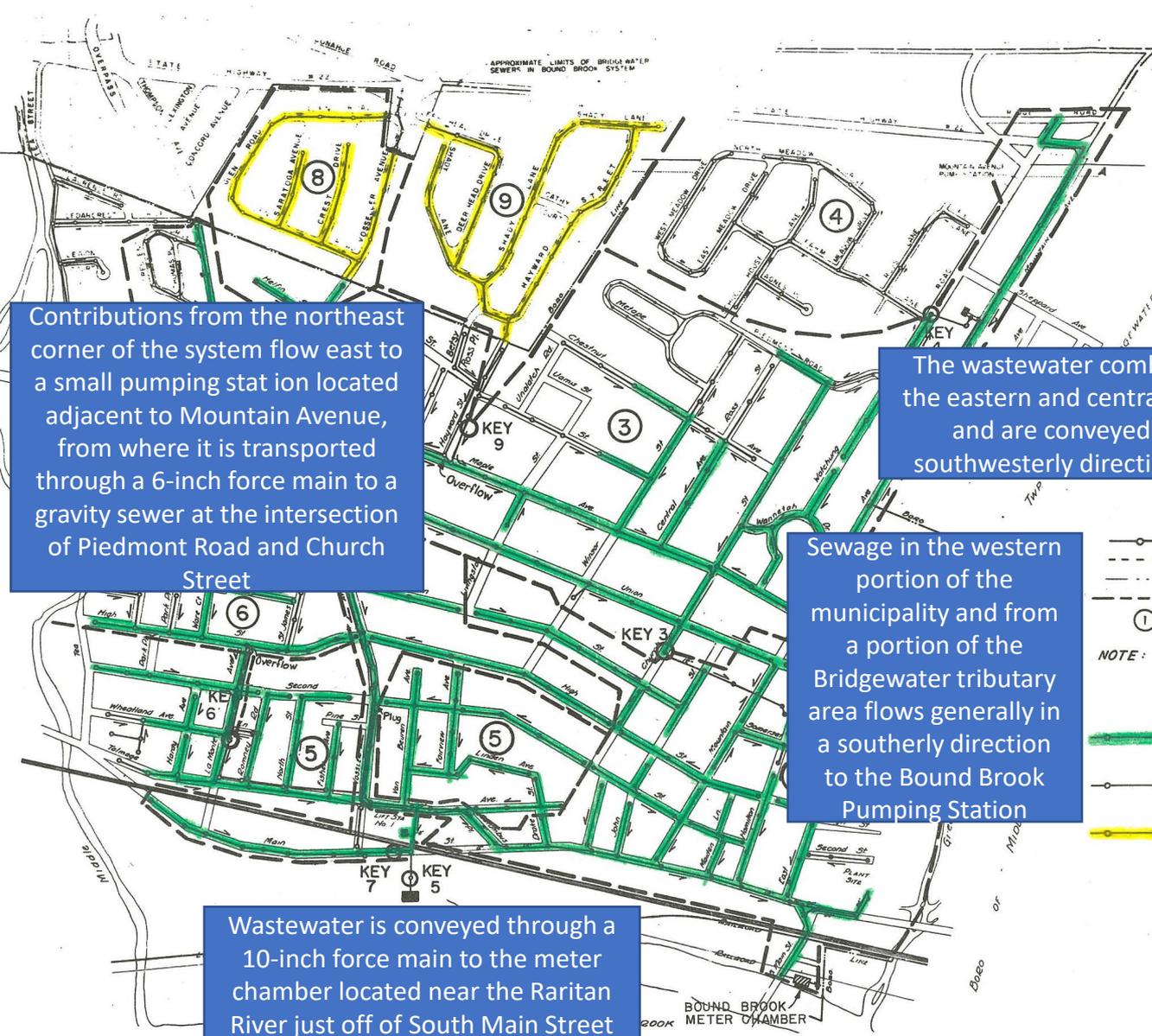


Regional Average Annual Charges (2018)



A complete mapping and assessment of the Bound Brook Sewer was first done in 1983 via an MCUA expansion analysis.

- A majority of the Bound Brook sewer system was constructed prior to 1931, and almost all of the system was installed before 1955.
- Only the Bridgewater portion of the facilities, serving approximately 230 homes (in 1983), was constructed since 1955.
- The Bound Brook sewer system is comprised of approximately 24.9 miles of gravity-sewers ranging in diameter from 8 to 20 inches, two pumping stations, and approximately 1.0 mile of force mains.
- The wastewater is monitored at the MCUA Bound Brook metering station and discharged to the Authority's Upper Main Trunk Sewer.



Contributions from the northeast corner of the system flow east to a small pumping station located adjacent to Mountain Avenue, from where it is transported through a 6-inch force main to a gravity sewer at the intersection of Piedmont Road and Church Street

The wastewater combines with the flows from the eastern and central portions of the system, and are conveyed by gravity sewers in a southwesterly direction to the meter chamber

Sewage in the western portion of the municipality and from a portion of the Bridgewater tributary area flows generally in a southerly direction to the Bound Brook Pumping Station

Wastewater is conveyed through a 10-inch force main to the meter chamber located near the Raritan River just off of South Main Street

LEGEND

- SEWER AND SEWER MANHOLE
- FORCE MAIN
- MUNICIPAL BOUNDARY
- MINI SYSTEM BOUNDARY
- MINI SYSTEM NUMBER

NOTE: ALL PIPES ARE 8" IN DIAMETER UNLESS OTHERWISE DESIGNATED.

- SEWERS CONSTRUCTED BEFORE 1931
- SEWERS CONSTRUCTED BETWEEN 1931 AND 1955
- SEWERS CONSTRUCTED AFTER 1955

- >70% of system is greater than 90 years in age
- Majority of the pipe is vitrified clay pipe with brick manholes

Seven Alternatives were analyzed with the potential to address current and future cost concerns

1. Create Sewer Utility
2. Reduce Inflow and Infiltration
3. Address MCUA Costs
4. Reassign Costs amongst residents/businesses
5. Connect to different utility
6. Sell/Lease Sewer infrastructure
7. No change to exiting processes and structure

Alternative 1: Creation of Sewer Utility

- Effectively an accounting exercise where all sewer costs and fees are processed in a designated Chart of Accounts
- Used in other municipalities (e.g. Somerville) to capture sewer-related expenses and fees
- Requires virtually zero investment:
 - Create utility and financial record structure (chart of accounts)
 - Create processes/procedures for transactions
- Will require modification of current practices (chart of accounts) for sewer-related costs/collections verses being processed through the General Fund

Creation of a Sewer Utility has virtually and many benefits

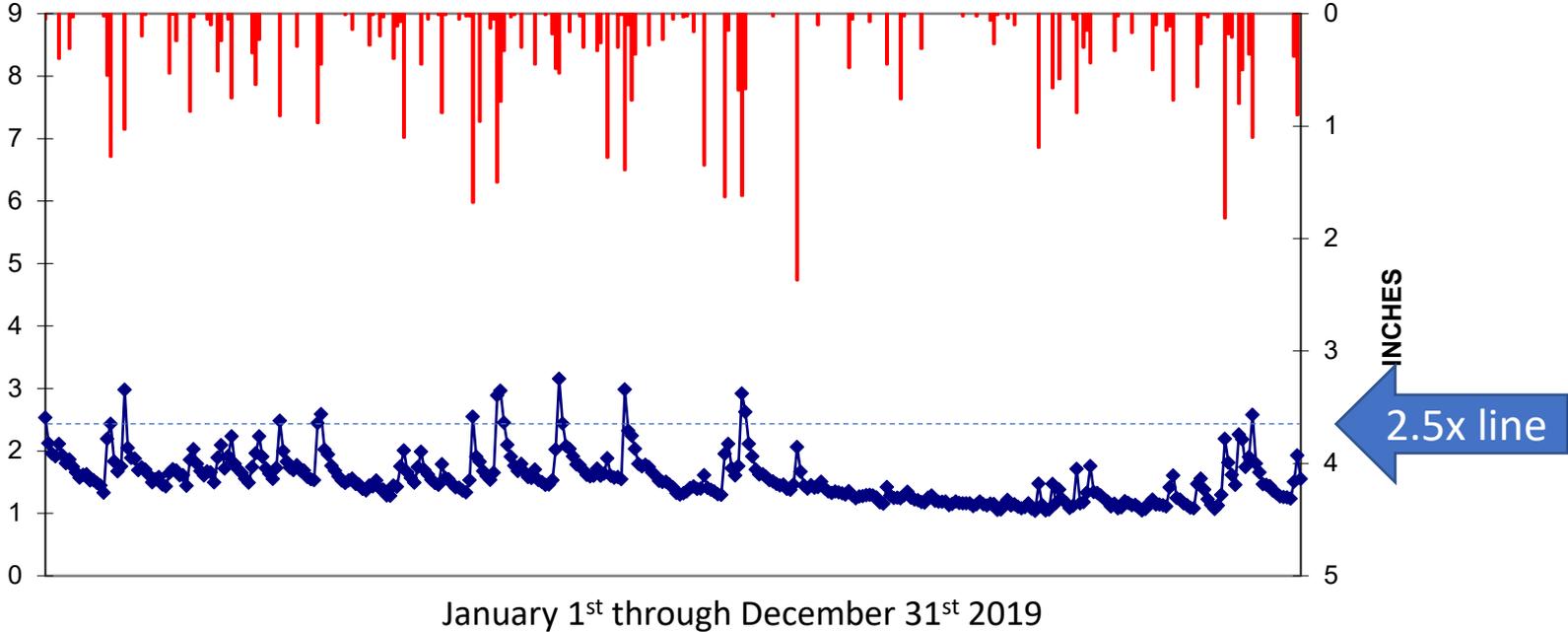
- Benefits of having Sewer as a Utility vs. keeping it in the Current operating fund:
 - Clear matching of Sewer Revenue to Sewer Expenses allows to maintain sewer as self-sustainable
 - Not subject to appropriation CAP
 - No down payments for Debt Projects
 - Cost allocation would allow us to reduce Current Budget
 - Significantly increases transparency of sewer-related fees & revenues
 - Funds would be more readily available for sewer projects (planned maintenance and emergencies)

Alternative 2: Reduce Inflow & Infiltration

- Water Pollution Control Act of 1972 **requires** that all applicants for treatment works grants show that each sewer collection system discharging into said treatment works is not subject to excessive I/I.
- Should the possibility of excessive I/I exist, then a systematic isolation of the extraneous water sources **shall** be undertaken with the purpose of eliminating those sources proven to be cost effective to rehabilitate.
- Definitions:
 - Inflow: water that is dumped into the sewer system through improper connections, such as downspouts and groundwater sump pumps.
 - Infiltration: Water other than sanitary wastewater that enters a sewer system from the ground through defective pipes, pipe joints, connections, or manholes
- Tracked by MCUA based on flow rate comparison during significant rain verses dry days
- Rain Rates greater than 2.5x expected dry rates require remediation plans.
- Laterals have often been significant contributing factors

Most recent data still demonstrates excessive I&I related-flow still occurs, especially where rainfall occurs on multiple days >1 inch. The Borough is required to continue addressing I&I root causes until no flows occur > 2.5x of expected per annum.

MIDDLESEX COUNTY UTILITIES AUTHORITY



■ Rainfall ◆ Bound Brook Flow

Cost estimates to reduce Inflow & Infiltration were included in a detailed 1983 study and studies from 2009 and 2013. Investigation and remediation costs are significant to address I&I.

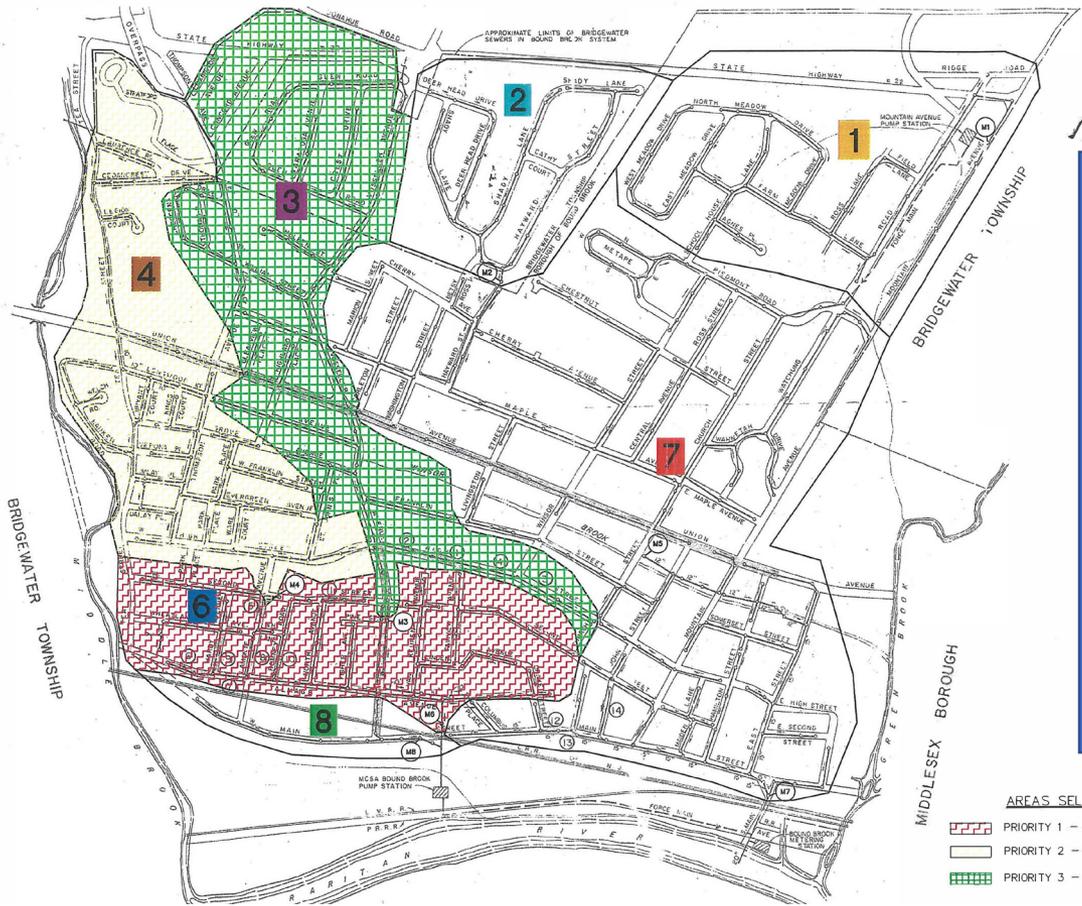
Based on the steps outlined in the 1983 study, the costs to address 33% of infiltration and 60% of inflow include:

- Investigation (\$297K in 1983 dollars)
 - Smoke testing
 - Flow Isolation
 - Manhole Inspection
 - Preparatory Cleaning
 - Video Inspection
 - Report Prep
- Remediation (\$1.793MM in 1983 dollars)
 - Test and Seal
 - Repair House Laterals
 - Repair Cracked Pipe
 - Replace M.H. frame and cover
 - Manhole repair
 - Pipe lining or replacement
- It is not clear how much remediation had occurred to the sewer system after the 1983 study due to the aging

In 2009 the Borough commissioned another detailed study based on continued excessive I&I

- This study relabeled the basins based on a detailed study of the water flow, finding some parallel lines not present in the 1983 map
- The study recommended a detailed remediation of the most problematic basins (4,6,3). Estimated costs for the studies:
 - Basin 6: \$58,000.00
 - Basin 4: \$75,000.00
 - Basin 3: \$45,000.00
- In 2009 a study was completed for basin 6 with a detailed remediations recommended:
 - Pipe Defects: 16 items @\$216,600.00
 - Manhole Defects: 9 items @\$51,000.00
- In 2013 a study was completed for basin 4 with detailed remediations recommended:
 - Pipe Defects: 12 items @\$178,300.00
 - Manhole Defects: 10 items \$100,000.00
- Estimated savings for the remediations assumed a 33% I&I reduction equivalent to an annual savings in MUA fees related to I&I at a rate of 10% of the remediation costs.

The 2009 and 2013 detailed studies covered Basins 4 & 6, leaving Basin 3 still requiring a detailed study and remediation, Basin 7, the largest are, potentially will require the same



Basin 6: repairs were carried out beginning in 2012.
Basin 4: repairs were carried out beginning in 2015
Basin 3: not yet studied in detail

AREAS SELECTED FOR PHYSICAL INVESTIGATION

-  PRIORITY 1 – BASIN 6 – SELECTED DUE TO EXCESS INFLOW & INFILTRATION
-  PRIORITY 2 – BASIN 4 – SELECTED DUE TO EXCESS INFLOW & INFILTRATION
-  PRIORITY 3 – BASIN 3 – SELECTED DUE TO EXCESS INFILTRATION

Alternative 3: Address MCUA Costs/Fees to improve equity between large/small municipalities

MIDDLESEX COUNTY UTILITIES AUTHORITY
2020
SCHEDULE OF DEBT SERVICE RATES

MILLION GALLONS PER QUARTER	FLOW	CHARGE PER MILLION GALLONS
First 5 at	Bound Brook 2020: 115M Gallons/Qtr estimate	\$1,713.75
Next 5 at		\$1,127.28
Next 30 at		\$829.36
Next 60 at		\$396.38
Next 100 at		\$207.13
Next 200 at		\$171.40
OVER 400 at		\$151.23

TONS PER QUARTER	BOD	CHARGE PER TON
First 30 at	Bound Brook 2020: 117 Ton/Qtr estimate	\$135.46
Next 70 at		\$126.96
Next 100 at		\$114.42
Next 200 at		\$101.05
Next 400 at		\$81.09
Over 800 at		\$67.35

TONS PER QUARTER	S.S.	CHARGE PER TON
First 10 at	Bound Brook 2020: 115 Ton/Qtr estimate	\$195.57
Next 70 at		\$188.98
Next 170 at		\$159.69
Next 450 at		\$90.46
Over 700 at		\$85.95

HUNDREDWEIGHTS PER QUARTER	C.D.	CHARGE PER SHORT HUNDREDWEIGHT
First 30 at	Bound Brook 2020: 25 HW/Qtr	\$152.55
Next 60 at		\$139.54
Next 180 at		\$134.16
Next 540 at		\$127.43
Over 810 at		\$119.80

- MCUA processing fees have increased in line with the Region average over the last 10 years
- MCUA fees do unequally treat smaller municipalities like Bound Brook, as lower debt service rates are applied to flows at higher volumes.
 - In 1962 this case against rates was challenged and joined by small municipalities, then lost.
 - Middlesex County Sewerage Authority vs. Borough of Middlesex, 74 N.J. Super. 591 (1962)
- Changing the MCUA fee structure would be an unlikely scenario due to the contract permanence
- Operating & Maintenance rates are based on flat rate for all municipalities

Bound Brook residents would save an estimated \$179K per year if MCUA used a flat rate for debt service verses a graduated rate.

MCUA 2020 Estimated Quarterly Loadings

	Flow	BOD	Sus SOL	Chm DMD
Bound Brook	115	117	115	25
S. Bound Brook	44	35	45	8
New Brunswick	1087	777	967	211
Edison	1341	938	1568	221
Munic Total	9595	10187	12519	2,240

MCUA 2020 Estimated Yearly Debt Service Payments

	Flow	BOD	Sus SOL	Chm DMD
Bound Brook	\$263,902.80	\$59,584.56	\$83,093.80	\$15,255.00
S. Bound Brook	\$162,685.88	\$18,794.40	\$34,280.00	\$4,881.60
New Brunswick	\$887,027.04	\$300,695.72	\$423,949.00	\$116,729.04
Edison	\$1,040,676.72	\$345,333.20	\$630,572.80	\$122,095.44
Munic Total	\$10,561,315.84	\$4,096,482.76	\$5,968,303.04	\$1,262,134.68

Bound Brook Percentage of Estimated Loadings (Usage)

	Flow	BOD	Sus SOL	Chm DMD
Bound Brook	1.20%	1.15%	0.92%	1.12%
S. Bound Brook	0.46%	0.34%	0.36%	0.36%
New Brunswick	11.33%	7.63%	7.72%	9.42%
Edison	13.98%	9.21%	12.52%	9.87%

Bound Brook Percentage of Estimated Debt Payments

	Flow	BOD	Sus SOL	Chm DMD
Bound Brook	2.50%	1.45%	1.39%	1.21%
S. Bound Brook	1.54%	0.46%	0.57%	0.39%
New Brunswick	8.40%	7.34%	7.10%	9.25%
Edison	9.85%	8.43%	10.57%	9.67%

Bound Brook Savings if Flat Rate Applied:

Flow	BOD	Sus SOL	Chm DMD
52.03%	21.04%	34.02%	7.66%
\$137,321.11	\$12,535.53	\$28,268.75	\$1,168.68

Total Savings = \$179,294.06

The cost (high) and probability of success (low) for getting the debt service rate to mirror the (fair and equitable) O&M rate would not warrant further pursuit of this Alternative.

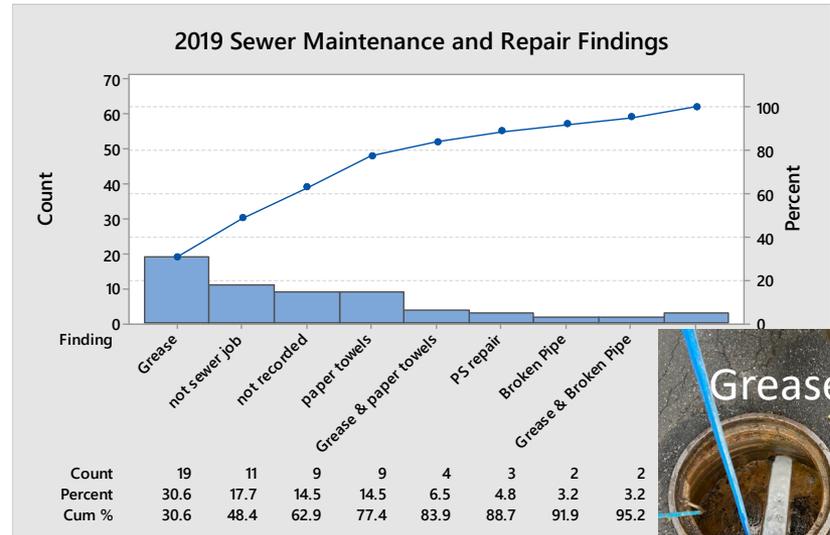
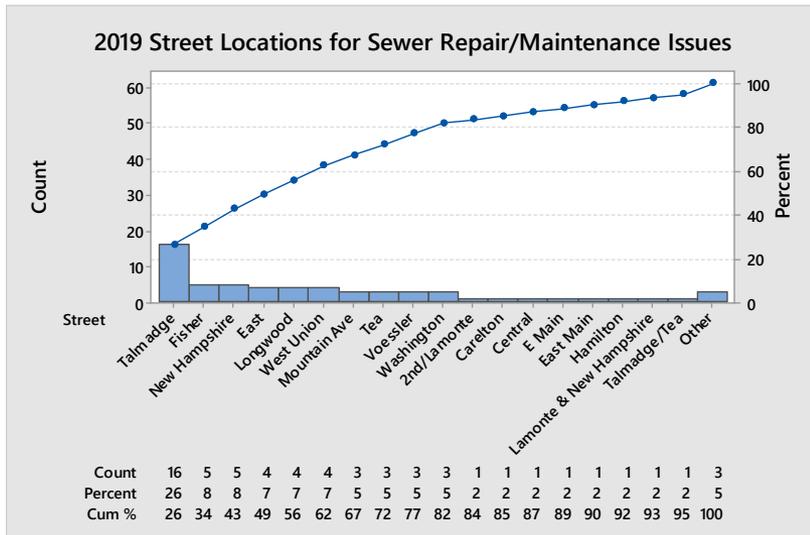
Alternative 4: Reassign Costs amongst Residents and Business

- Current fees are assigned based on water usage. First quarter usage per household/residence.
 - Example:
 - Residence A uses 15000 gal of water Jan-Mar
 - Total Water usage in borough is 1000000gal in same period
 - $15000/1000000 = .015 \times$ Sewer Estimated Fee
- Based on the NACWA study, fees are typically assigned based on gallons of usage, property values, a flat rate, or a combination of these
 - Typically fees based on gallons of water usage is an annual usage calculation
- Expired contract with Bridgewater residents on the Bound Brook Sewer facility is significantly lower in cost per unit than Bound Brook residents
 - Bridgewater pays Bound Brook a flat \$399 per meter while the average Bound Brook resident pays \$496 per household
- There may be additional units from Bridgewater on the Bound Brook sewer than the existing list used for annual invoicing.
 - 304 meters in Bridgewater section.
 - Example: Stratford place has 144 2BR units, but only has 28 units listed for invoicing

Costs for sewer maintenance, repair and emergency services is significantly driven by multi-unit dwellings and restaurants.

Over 50% of the calls were in the vicinity of Talmadge, Fisher, and New Hampshire

Over 50% of the calls had Grease or Paper Towels blockages listed as primary cause.



It is estimated that each emergency call costs \$500 to Bound Brook residents. This includes when resident laterals are determined to be the root cause issue.

Steps are already underway to more equitably reassign costs within the Borough and with Bridgewater residents using the Bound Brook Sewer Collection Facility.

- Address inequity in charges between Bridgewater and Bound Brook
 - Bridgewater has been notified that the same formula that applies to Bound Brook residents will apply to Bridgewater residents
 - Expected fairness is worth an average cost increase of \$100 per annum per Bridgewater residence
 - An audit of the equivalent units from Bridgewater on the Bound Brook sewer is nearly completed
- Borough Ordinances are being introduced to:
 - Use Annual water usage in the liquidation (typical best practice) of sewer rates verses 3 months of usage
 - Consider increasing fees related to repair and maintenance based on property type
 - Ensure property owners who have been found to pour Grease (and Paper Towels) into the Sanitary sewer appropriately reimburse Bound Brook for the service call.
 - Strengthen the Borough Fats, Oils, Grease (FOG) ordinance as part of the Sanitary Sewer approach

Alternative 5: Connect to a different utility

- Would require Bound Brook to exit current contract with MCUA, which would be challenged.
 - Withdrawing requires 2 years advanced notice to the MCUA
 - Bound Brook would likely remain responsible for its share of the financings undertaken while it was a member of MCUA
 - Legal fees to Borough would be extensive (estimated greater than \$500K)
- Would require physical modification and improvement of Bound Brook's collection system to reverse the direction of flow from MCUA to SRVSA. Addition of pump stations would be costly.
 - Estimated cost to change connection would be in excess of \$1MM
- SRVSA would need to confirm it has adequate capacity to service Bound Brook. Likely to charge connection fees.
- Uncertain how it would impact Bound Brook rates to residents, as previous analysis demonstrate MCUA increases are in line with Region 2 increase, and the SRVSA might be more inefficient to MCUA

Alternative 6: Sell/Lease Sewer Infrastructure

- Requires voter referendum
- Bound Brook residents may benefit ratewise from a large purchaser being able to spread costs over a larger customer base.
- Current total debt (sewer plus other) to Borough is approximately \$22MM with on average \$1MM debt service per year (\$1.9MM in 2019)
- Monies from Sewer Collection Facility sale would first be used to pay debt for sewer then other debt, which would positively impact Borough Debt ratio
- If sold, rates would be regulated through the NJ Board of Public Utilities.
 - Typically, in first 5 years of contract, rates are controlled via contract terms
 - BPU would need to approve overall agreement

Analysis of BPU approved rate increases over last 5 years demonstrate an effective process for not allowing unfair, extreme and unsubstantiated increases.

BPU Docket Number	Business Entity	Customer Count	Request Date	Rate % Requested	BPU Decision Date	Rate % Approved	Rate Reduction
WR18080882	Aqua Maxim Sewer	2586	8/10/18	5.92%	12/18/18	2.83%	52.20%
WR17080871	Aqua Maxim Sewer	2586	8/10/17	0.00%	11/21/16	-27.36%	N/A
WR16080737	Aqua Maxim Sewer	2586	8/2/16	0.00%	11/30/16	0.00%	N/A
WR15080864	Aqua Maxim Sewer	2587	8/3/15	3.89%	12/19/15	3.20%	17.67%
WR18091077	Atlantic City Sewer	7450	9/28/18	-2.40%	12/18/18	-2.40%	0.00%
WR16010086	Atlantic City Sewer	7450	1/27/16	2.75%	6/29/16	2.75%	0.00%
WR16100957	Atlantic City Sewer	7450	10/13/16	15.00%	3/24/17	9.78%	34.80%
WR15010118	Atlantic City Sewer	7450	1/29/15	3.51%	5/19/15	3.51%	0.00%
WR17090985	NJ American Sewer	50231	9/14/17	17.54%	10/29/18	6.23%	64.48%
WR15010035	NJ American Sewer	50231	1/9/15	9.96%	9/11/15	3.59%	63.96%
WR19030418	Pinelands Wastewater	2427	4/1/19	39.22%	still pending		N/A
WR15101202	Pinelands Wastewater	2427	10/21/15	16.73%	4/27/16	13.10%	21.70%
WR18050593	Suez Water Toms River Wastewater	49110	5/31/18	12.05%	11/19/18	-19.02%	N/A
WR18050593	SUEZ Princeton Meadows	3515	5/31/18	12.05%	11/19/18	19.11%	-58.59%
WR18050593	SUEZ Sewer West Milford	500	5/31/18	12.05%	11/19/18	8.93%	25.89%
WR18050593	SUEZ Arlington Hills Sewer	632	5/31/18	12.05%	11/19/18	0.00%	100.00%
WR16060510*	SUEZ Arlington Hills Sewer	632	6/15/16	118.00%	11/13/17	115.19%	2.38%

*Rate for SUEZ Arlington Hills applied over a 4 year period.

- All rate requests include a required public comment period
- BPU uses industry experts to dissect all rate increase requests
- Some of the rate requests required litigation that extended the duration for the decision date

Using four different valuation approaches, a financial analysis was conducted which estimates that a Bound Brook sewer sale price could range between \$4MM to \$14MM.

	Gross Income Multiplier	Discounted Revenues	Customers	Miles of Pipe
Bound Brook	\$1,507,000	\$25,698,687	2,555	25
Indicative Value	Per Dollar	Per Dollar	Per Customer	Per Mile
High	\$14,304,857	\$14,751,309	\$17,531,649	\$17,622,951
Low	\$4,000,885	\$4,201,216	\$5,988,281	\$4,889,179
Average	\$8,995,947	\$9,095,715	\$11,911,203	\$10,478,824
The most trusted models				

Potential benefit to Bound Brook taxpayer is a 7%-17% net cost reduction of the combined sewer and local tax, depending on sale price.

2022 Bound Brook Net Benefit Analysis	No Sale	\$4 Million	\$8 Million	\$11 Million	Comments
Net Borough Debt	\$21,000,000	\$ 17,000,000	\$ 13,000,000	\$ 10,000,000	
Operating Budget Savings (2% escalation)	\$0.00	\$ 150,000	\$ 153,000	\$ 156,060	
Sewer Maintenance Investment/I&I reduction Capital	\$500,000.00	\$0.00	\$0.00	\$0.00	Assume \$500K in additional sewer related investment
Net Interest Savings	\$0.00	\$ 520,000	\$ 1,040,000	\$ 1,430,000	Using 13% average rate for cost of debt
Debt Refinance Interest Savings	\$0.00	\$ 85,000	\$ 130,000	\$ 150,000	Lower debt finance rates based on % debt carried (.5%, 1%, and 1.5% for \$4MM, \$8MM, and \$11MM)
2020 Local Tax Levy	\$ 8,171,282	\$ 8,171,282	\$ 8,171,282	\$ 8,171,282	
Assessed Tax Base	\$ 783,642,544	\$ 783,642,544	\$ 783,642,544	\$ 783,642,544	
2020 Tax Rate	1.04%	1.04%	1.04%	1.04%	
Tax Levy	\$ 8,671,282	\$ 7,416,282	\$ 6,848,282	\$ 6,435,222	
Tax Rate after Sale Proceeds Applied	1.06%	0.95%	0.87%	0.82%	
Average Residential Assessed Value	\$ 252,783	\$ 252,783	\$ 252,783	\$ 252,783	
Average Local Tax	\$2,679.50	\$2,392.30	\$2,209.08	\$2,075.84	
Average Residential Savings (Local Tax Component)	-\$50.56	\$287.20	\$470.42	\$603.66	
Average Residential Sewer Bill 5% Increase	-\$24.80	-\$24.80	-\$24.80	-\$24.80	
Average Residential Sewer Bill 10% Increase	-\$49.60	-\$49.60	-\$49.60	-\$49.60	
Average Annual Net Savings (5% Sewer Rate Increase)	-\$75.36	\$262.40	\$445.62	\$578.86	
Average Annual Net Savings (10% Sewer Rate Increase)	-\$100.16	\$237.60	\$420.82	\$554.06	

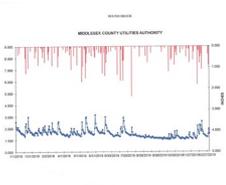
Other benefits in a Sell/Lease Sewer Infrastructure option for Bound Brook residents include:

- Significant sale-related administrative costs for Bound Brook would be absorbed into purchase price
- Potential for greater transparency and easier billing by having Sewer facility managed by third party
- Greater Customer service capacity within the Borough finance department, as sewer billing issues would not be processed through Borough
- Future manpower requirements in DPW would be offset by reduction in sewer maintenance/repair responsibilities
 - Potential for improved road maintenance management by enabling DPW a reduced scope

A public referendum is required in order to sell or lease the Sewer facility, preceded with a number of steps, as defined by NJ statute

BOUND BROOK SEWER SYSTEM SALE PURSUANT TO <u>N.J.S.A. 40:62-1 et. seq.</u> ("Municipal Sale or Lease Law") PROCESS SCHEDULE			
Order	TASK	DATE	NOTES
1.	Valuation of Sewer System	9/7/2020	\$4MM-\$14MM
2.	Team Report outlining all options	9/22/2020	
3.	Resolution of Governing Body accepting Team Report and authorizing advertisement of bids for sale of the Sewer System	10/13/2020	
4.	Prepare Bid Documents	11/13/2020	For best price
5.	Submit Bid Documents to Comptroller for review	11/13/2020	30-day review complete 12/15/2020
6.	Advertise for Bids	12/18/2020	Once per week for six weeks in one or more newspapers of general circulation and at least once thirty days before bids are due in a newspaper or magazine devoted to municipal matters.
7.	Site Tours /Provide information	1/15/2021	
8.	Receive Bids	2/5/2021	6 weeks of advertising
9.	Complete Bid Review	2/19/2021	
10.	(If acceptable bid) Prepare draft contract	3/2/2021	
11.	Municipal Ordinance approving bid award subject to approval of Referendum (first reading)	3/9/2021	
12.	Municipal Ordinance approving bid award subject to approval of Referendum (second reading)	3/23/2021	
13.	Prepare Referendum question and transmit same to County Clerk	4/7/2021	Pursuant to N.J.S.A. 19:37-2, the question must be presented to the County Clerk at least 65 days before a general election
14.	Hold (3) Public Meetings to Discuss Referendum	May-Oct	
15.	Vote on Referendum	11/3/2021	
16.	(If Yes) Completion of Purchase and Sale	11/21/2021	
17.	Submit complete package to Comptroller's Office	12/1/2021	

Alternative 7: Continuing “as-is” with existing process and structure will likely require nearly \$2MM in additional sewer related investment through 2025

Item	Cost	Exhibit	Comments
Sewer Truck	\$300K		Truck purchased in 1997
Pumping Station	\$500K		Will require complete refurb by 2025
I&I remediation	\$1MM		Basin 3 and 7 investigation and remediation required to mitigate I&I
Road Repairs*	\$50K (annual)		Based on sewer maintenance/repair

All the alternatives were analyzed to compare against the established criteria. Some alternatives have clear benefits for Bound Brook residents, and should be furthered.

	Reduced Cost per Residence (Sewer + Local Tax)	Reduced I&I (Increased Environmental Compliance)	Infrastructure Reliability	Service Responsiveness	Greater transparency to real costs of operation and maintenance	Comment
Create Sewer Utility				+	+	
Reduce Inflow and Infiltration		+	+			Costs offset with expected reduction in flow
Address MCUA Costs	-					Significant cost with little benefit
Reassign Costs amongst residents/businesses	+		+	+		
Connect to different utility	-					Significant cost with little benefit
Sell/Lease Sewer infrastructure	+	+	+	+	+	
Operate per Current Structure	-	+	+			

“+” – indicates advantage in specific criteria verses current practice

“-” – indicates a disadvantage in specific criteria verses current practice

blank – indicates no expected measurable change in performance verses current practice



Recommendations

- Create sewer utility via Borough Ordinance and ensure all associated costs are liquidated within this utility
- Change sewer billings to reflect annual water usage
- Invoice Bridgewater beginning in 2021:
 - Rate paid by Bound Brook residents, based on annual water usage
 - Ensure all BW properties using BB sewer facility are invoiced
- Update Borough Ordinance to address Grease/Paper Towel repairs
 - Strengthen fats, oil, grease (FOG) portion of ordinance
 - Review rates based on type of property (residential vs commercial)
- Pursue a competitive bid to sell the sewer collection facility with public meetings, and a ballot initiative in November 2021.
- If no competitive offer, budget (2021-2022) to complete a Basin 3 study, and begin planning for truck, pump station, and I&I related capital.