

**TOWN OF PHILLIPSBURG  
COUNTY OF WARREN, NEW JERSEY**

**NOTICE OF PUBLIC HEARING  
WEDNESDAY, JULY 23, 2025, 6 P.M.**

PLEASE TAKE NOTICE THAT the Mayor and Council of the Town of Phillipsburg, Warren County, New Jersey, shall hold a public hearing at the Senior Center located at 310 Firth Street, Phillipsburg, New Jersey 08865, on Wednesday, July 23, 2025 at 6:00 p.m. prevailing time on the following:

**PROPOSED EMERGENT CONDITIONS CERTIFICATION  
UNDER THE WATER INFRASTRUCTURE PROTECTION  
ACT N.J.S.A 58:30-1 et seq. ("WIPA")**

PLEASE TAKE FURTHER NOTICE as follows:

1. By resolution adopted on June 11, 2025, the Town Council formally accepted and approved the April 30, 2025 report entitled "Sewer System Evaluation Report (Revised Version)" ("Financial Report") by independent financial advisor Phoenix Advisors ("Phoenix") which reviewed, analyzed and reported on the value of the Town's wastewater system and short and long term impacts to rate-payers of the cash-flow structure of a sale of the system and provided an estimate as to the financial requirements necessary to address the Town's identified emergent conditions and to operate and maintain the system. This report is available for public review on the Town's website.

2. Based on the Financial Report, the Town's research and analysis and the Town's engineering consultant Remington and Vernick's analysis and reporting, the Town believes that four of the five emergent conditions as identified in WIPA exist, as follows:

- A. Emergent Condition #2: The owner of the system is a significant non-complier, as defined in P.L. 1977, c.7 and has been the subject of formal enforcement action initiated by the Department or is substantially out of compliance with an Administrative Consent Order, settlement agreement, or judicial consent order entered into with the department;

Regarding Emergent Condition No. 2, the Town is in receipt of EPA Administrative Compliance Order (ACO) CWA-02-2022-3002. This ACO was issued for violations of CWA Sections 301 and 402, 33 U.S.C. 1311 and 1342 and for failing to comply with the conditions and limitations of its New Jersey Pollutant Discharge Elimination System Permit, No. NJ0024716 as described in their Compliance Evaluation Inspection Report dated August 31, 2021. While the Town is currently working to satisfy all outstanding items identified in the ACO, many of the required actions remain outstanding. As such, the ACO remains outstanding and qualifies the system under Emergent Condition #2.

- B. Emergent Condition #3: There is a present deficiency or violation of maximum contaminant levels established pursuant to the “Safe Drinking Water Act” concerning the availability of potable water or concerning the provisions of water at adequate volume or pressure or distribution or treatment of wastewater;

Regarding Emergent Condition No. 3, the Town is currently operating with outstanding deficiencies/violations discussed in the ACO referenced under Emergent Condition #2. These deficiencies include the following:

1. The Riverside Way Pump Station is susceptible to flooding with minimal access during a storm event. Relocation of the pump station is currently being designed and permitted.
2. A preventative maintenance program for collection systems is not currently being conducted. A comprehensive preventative maintenance program is in place but not fully implemented due to lack of resources (labor and equipment).

While the Town has dedicated resources and funding to address the above items, the Town is currently under invested. As such, the system meets the requirements of Emergent Condition #3.

- C. Emergent Condition #4: There is a demonstrated lack of historical investment, repair or sustainable maintenance as determined by the department or material damage to the infrastructure of the system;

Regarding Emergent Condition No. 4, little to no sewer main infrastructure repairs were completed within the past 50+ years. As a result, the sewer system has significant inflow and infiltration issues, and significant repairs are necessary to address the defects. This situation represents a lack of historical repair and sustainable maintenance of the system and as such, qualifies the system under Emergent Condition #4.

- D. Emergent Condition #5: The system owner lacks the financial, technical or managerial capacity to adequately address any of the foregoing on a sustainable basis or own and operate the system in a way that supports economic activity in the municipality on a sustainable basis.

Regarding Emergent Condition No. 5, the Town is currently operating with deficiencies/violations related to its collection system. The collection system is very old with portions dating to the 1800s. The Town has experienced sanitary sewer overflows (SSOs) from the SSS which have discharged to various waterbodies. These

SSOs can be directly attributed to the age of the system and inadequate resources for maintenance. The SSOs are the result of pipe breaks, collapse and other age-related failures. This situation indicates a lack of technical capacity of the system.

There are approximately \$2 million in necessary repairs to the SSS in Region 3 with a projected \$10-12 million additional for the remainder of the system. This represents 10 times and 60 times respectively the infrastructure improvements currently budgeted in the 6-year capital program. Additionally, there are approximately \$28 million of additional required capital projects that will have to be undertaken within the next ten years. The Town has one of the ten lowest income levels in the State. It is therefore not clear if the Town has the ability to take on this level of additional debt. As such, the system is potentially lacking in Financial Capacity.

3. Phoenix's findings, as set forth in its Financial Report, can be summarized as follows:

- A. The Town Engineer has identified approximately \$14 million of necessary repairs to sewer lines throughout the System that will need to be addressed in the near term. In addition, the Town Engineer identified approximately \$28 million of additional capital projects that will need to be undertaken within the next ten years. The Town typically budgets \$100,000 a year for routine maintenance and repairs to the System.
- B. If the Town were to retain the system and debt-finance the \$42M of required capital improvements, sewer rates would be required to be increased significantly over the next several years, even though a four-year rate increase plan was already implemented in 2022.
- C. If the Town were to sell the system, the estimated sales price could be between \$17 million and \$21 million and the proceeds would be used to pay off all existing Sewer System Debt as well as pay down a portion of the Outstanding General Debt.

4. The Town's Certification of Emergent Conditions will be publicly considered and evaluated at the July 23, 2025 public hearing, and is in anticipation of the proposed sale of the Town's wastewater system to a capable private or public entity in accordance with WIPA.

Susan Turner  
Acting Municipal Clerk