

Plumsted Municipal Utilities Authority Minutes
March 15, 2016

Chairman Bronson called the March 15, 2016 Plumsted Municipal Utilities Authority Meeting to order and asked everyone to stand for the Flag Salute. Attorney Chris Dasti read the Open Public Meetings Act.

Those in attendance were Walter Bronson, Edward Weirsky Robert Minter, Ronald Dancer and Richard Brown. Committeeman Marinari was also in attendance.

Bill List: On motion of Mr. Minter, seconded by Mr. Weirsky, the Bill List for March 15, 2016 was approved as amended. Roll Call Vote: All Ayes. Mr. Ylvisaker noted that the Waste Management invoice was for January, the first month of the new contract with Waste Management, so the collection and disposal costs are now included in one bill. It was also noted that the bill list was amended to add Pitney Bowes for postage in the amount of \$2,500.

Treasurer's Report: The Regular Account had an opening balance as of February 16th of \$63,382.75 with operating expenses of \$35,498.40, deposits of \$7,842.15 with an ending balance on March 15, 2016 of \$35,726.50. On motion of Mr. Weirsky, seconded by Mr. Dancer, the Treasurer's Report was approved as submitted. Roll Call Vote: All Ayes.

Minutes: On motion of Mr. Minter, seconded by Mr. Dancer, the Minutes of February 16, 2016 were approved as submitted. Roll Call Vote: All Ayes with Mr. Weirsky and Mr. Brown abstaining.

T & M Associates Monthly Update on the Sewer System Design: Mr. Crane said they were approaching the completion of the preliminary design phase of the project. They plan to submit their report by March 18th which is on schedule. The report will summarize the pump station design, treatment plant design and the process selected for the wastewater treatment plant. Also presented will be the capital and operating costs. He also noted there was a meeting scheduled for March 22nd with DEP to discuss the design of the waste water treatment plant in terms of the selected process and to make sure everyone was on board and comfortable in what was being done.

He noted that the one month look ahead was submitting and reviewing the preliminary design report and answering any questions or concerns of the Authority to enable them to finalize the report. It is anticipated the report will be presented to the Authority at their April 19th meeting.

Mr. Dancer asked about the reduction in parking spaces behind the Welcome Center. It is depicted that five spaces will be lost which was down from seven as T and M was able to reconfigure the layout of the pumping station saving space. He also asked about noise due to the close proximity of residential homes in that particular area. Mr. Crane stated the pumps themselves are not noisy but the pump station has an emergency generator in the event power goes out. The generator has a muffler and will be enclosed in a building.

Mr. Weirsky questioned odor control. Mr. Crane said there was a liquid chemical for this and explained how and why the need for it. The Committee thanked Mr. Crane for his report.

Executive Director's Report: Mr. Ylvisaker discussed the 2015 Audit and said there was a resolution on the agenda acknowledging receipt of the Audit.

Mr. Ylvisaker reviewed a draft copy of the budget for 2016/2017. He noted there is an increase in operation for solid waste which is the result of the new contract with Waste Management. He also pointed out in the budget category for audit the amount of \$19,500 included the prior year audits for 2013 and 2014 and the amount of \$1,010 for the website included \$652 from the prior year as an invoice for the prior year was late. He felt even with these amounts the budget will be on target or slightly under budget for 2015/2016 and he projected a surplus from the 2015/16 budget of \$31,000. Next year, however, as has been discussed, he anticipated there will be a deficit of \$46,000. He felt it was important that the Township proceed as soon as possible with approval for a bond anticipation note. He did note that there was a reimbursement of \$36,000 from NJEIT funds for planning and design work the MUA had completed related to the wastewater project. He noted there were other costs that NJEIT did not allow which are necessary for the wastewater project to proceed. These include a property appraisal for the treatment plant site, assistance from T&M to finalize a sewer ordinance and costs for Bond Counsel and Financial Planner related to the Finance Plan. The Township did receive approval for up to \$1.5 million of bonding which \$1.25 million is from the NJEIT. There is a balance set aside for up to \$250,000 for a bond anticipation note. He felt the MUA's budget could hold up for up to six months before funds were needed. To help the situation, we could increase the quarterly annual charge for solid waste. An additional \$2 increase per quarter would generate \$9,200. This would help but not solve the budget problem. In any event, it is likely to be necessary to increase the rate charged for solid waste and recycling to cover the cost of its operation. It was noted that a public rate increase hearing would be required to increase the solid waste price. There was discussion regarding the timing for a rate hearing. It was decided to have the rate hearing in May with the increase, to be determined, to start with the 3rd quarter billing cycle.

Mr. Ylvisaker explained the process for the expenditures for the wastewater planning effort. He noted that as none of the funds at this point for the wastewater project are transferred to the MUA and the Township is the recipient of and is the disperser of the funds, there is, in his opinion, no need for the MUA's budget to reflect these items. He said he was inclined to remove the wastewater planning projects line items from the budget and would consult our auditor and the state before doing so.

Mr. Dancer explained that once the Township Committee adopts its budget, they can then introduce a Capital Bond Ordinance for the purpose of the estimated costs which was up to \$1.5 million. He said because the Township did not put anything in for additional debt service, they can do a bond anticipation note to borrow the money in 2016 but not have to pay the first interest payment until a year later on the anniversary date. He said informal discussions with the redeveloper to work out an arrangement where the redeveloper would provide the Township with the interest payment because the first two years are interest only payments. He said this would not cost taxpayer dollars and when the serial bond goes out all of the bond anticipation notes are then incorporated into this bond. Mr. Dancer said this would be the first time the Township has ever sold a bond. He felt this would be a reasonable course of action with the least amount of impact to the taxpayers.

Mr. Dancer excused himself from the meeting as he had another meeting to attend.

Mr. Ylvisaker said he would like to introduce the 2016/2017 budget at the April meeting for final adoption in June.

Energy Aggregation: Mr. Ylvisaker was waiting for a response from Bob Chilton as to how many residents were enrolled in Tri Eagle. He will forward this information when he hears from Mr. Chilton.

With respect to modifying JCP&L's letter to customers, Mr. Ylvisaker said he had not gotten any response regarding this. He stated calls were coming in from residents wanting to verify Tri Eagle was the new company for energy aggregation.

Solid Waste and Recycling: The subcommittee will meet to discuss the rate increase and make their recommendation at the April 19th meeting. There was discussion regarding the rate increase (as noted above).

Redevelopment Project: Mr. Ylvisaker hoped to be able to have a full board discussion in April of the preliminary report with the consultants included.

Association of Environmental Authorities: The AEA has offered free membership to the PMUA for the first year and if we were having financial trouble over the next few years they would work with us beyond year 1. Mr. Ylvisaker felt that they were a good organization and thought the Authority should accept the offer. Mr. Bronson also noted that it was a great place to get information and a good advocate as well. Everyone was in agreement to accept AEA's offer.

New Jersey American Water: Mr. Ylvisaker said there was a meeting with American Water and he and Mr. Dancer were told the BPU's old method for reimbursement to a developer in growth areas was no longer on a ten times revenue basis. Mr. Dancer has introduced Legislation that would give BPU the statutory authority to do what they were doing before the Centex court case forced a change in BPU's policy. Under the old method, utility companies were providing more help to developers in growth areas and smaller help to projects in non smart growth areas. He said if this legislation were to pass, Lennar would be eligible for a ten times reimbursement rather than a 2 ½ times reimbursement. This was a good thing and Mr. Dancer, as Assemblyman, was trying to get bipartisanship support for this legislation. He said Lennar and American Water are advocates for this.

Natural System Utilities: T&M has contracted with Natural System Utilities to design the waste water treatment plant. A meeting has been scheduled and more information will be forthcoming as time goes forward. Mr. Dancer was interested to find out if we were within the budget that was prepared for this project.

Finance Plan: Mr. Ylvisaker said an overview of the finance plan was discussed at the meeting with Bond Counsel. There are things to work out regarding excess capacity and what NJEIT will or will not fund at the lowest interest rates. There is also an update of financial plan based on a 30-year term rather than a 20-year term which is a much better situation for the Township.

Public Comment: After Mr. Ylvisaker's report, Mr. Bronson asked for any public comment. Mr. Marinari stated he was interested in how many residents were participating in the Township's energy program and how this compared to the two prior contracts.

Resolutions:

On motion of Mr. Minter, seconded by Mr. Weirsky, Resolution No. 2016-19 acknowledging receipt of the Annual Audit ending June 30, 2015 was adopted. Roll Call Vote: All Ayes

Since there was no further business, a motion was made by Mr. Minter and seconded by Mr. Weirsky, to adjourn the meeting. Roll Call Vote: All Ayes. The next meeting is scheduled for April 19, 2016 at 6:30PM.

Respectively submitted by:

Nancy Hendrickson, Secretary