

Plumsted Municipal Utilities Authority Minutes
April 19, 2016

Chairman Bronson called the April 19, 2016 Plumsted Municipal Utilities Authority Meeting to order and asked everyone to stand for the Flag Salute. Attorney McGuckin read the Open Public Meetings Act.

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

Bill List: On motion of Mr. Minter, seconded by Mr. Dancer, the Bill List for April 19, 2016 was approved as submitted. Roll Call Vote: All Ayes

Treasurer's Report: The Regular Account had an opening balance as of March 15th was \$34,961.78; there were operating expenses of \$43,830.83, deposits of \$61,394.83 with an ending balance of \$52,525.78 on April 19th. On motion of Mr. Dancer, seconded by Mr. Weirsky, the Treasurer's Report was approved as submitted. Roll Call Vote: All Ayes.

Minutes: On motion of Mr. Weirsky, seconded by Mr. Minter, the Minutes of March 15, 2016 were approved as submitted. Roll Call Vote: All Ayes with Mr. Bronson and Mr. Dancer abstaining.

T & M Associates Monthly Update on the Sewer System Design: Mr. John McKelvey, Deputy Project Manager for the sewer project was in attendance. He noted that the majority of the design phase tasks of the project were complete. They submitted the Draft Preliminary Design Report on March 18th and met with the PMUA representatives on March 29th to review the report. They also reviewed the construction cost estimates. Regarding the one month look ahead, there were two tasks under the Preliminary Design Report that they were not able to complete. These are the surveys of the treatment plant property and pump station property as well as the completion of the Preliminary and Final Subdivision Plan for these properties which are subject to the Authority's concurrence on the exact size of the properties. Once there is final concurrence on these items, T and M can complete those two tasks.

Mr. McKelvey said that there were some questions and concerns regarding their cost estimates compared to Van Cleef's cost estimates. The main difference for the cost estimate difference was related to the collection system portion of the project, particularly on Evergreen Road where there is a significant difference between Van Cleef and T and M on the length of the gravity line. Looking through Van Cleef's files their estimate for the collection system was \$6 million or \$7 million and based on T and M's current estimate it was \$12.1 million, which he explained in detail. In preparing their estimate, they looked at several recent bids on major projects regarding total unit cost per foot for sewer projects which were around \$300 per foot. This compares to Van Cleef's total unit cost per foot of around \$150. T and M is looking into a couple of areas where they can save some money by reducing some sewer on Evergreen where the densities are low. T and M is also working with Adam Stern from NSU (Natural Systems Utilities) to see if their estimate of around \$7.3 million for the treatment plant might also be lowered. He said as they were in the conceptual design phase and did not want to be low bidder on the project, they wanted to be safe. He felt at this point in the design process that their numbers are where they are supposed to be.

Mr. Bronson asked Mr. McKelvey to review recent meetings/discussions with the NJDEP. He stated the first meeting with the NJDEP was to discuss the established permit limits, particularly for CBOD and metals. Mr. Stern from NSU expressed concern the permit limits for CBOD and metals are very low. Some of them he said are below detectible limits in today's technology. DEP was asked if the plant could operate without the Ion Exchange component and see how it does under initial start ups. NSU felt the membrane filtration system would be sufficient to meet the permit requirements. If it was found that the permit limits were not being met then the Ion Exchange component would be added. There was also discussion as to whether these standards could be modified and whether this could be done administratively or whether the socio economic analysis would need to be amended. The DEP indicated they could raise the CBOD limit but were still looking at the metals. If we have to raise the limits some, this would require another public hearing. The NJDEP indicated it would review these issues and will follow up on this in a week or so.

The second meeting with NJDEP was with the Treatment Works Approval section. Mr. McKelvey said at this meeting it was discussed with the NJDEP about possibly doing a design and a permit for 230,000 gpd treatment plant instead of a 340,000 gpd plant which is where it is now. The 340,000 gpd plant is based on NJDEP's criteria and not actual flows. They indicated that it may be feasible but there were some concerns with that approach which was explained. It was noted by NSU that this approach could save \$1 to \$2 million off the construction cost of the plant. An alternative suggested by the NJDEP was to submit the application for the higher design flows and then the actual construction of the plant could be phased. This approach will be further reviewed by T and M. Mr. Bronson said it was the goal of the PMUA not to build a plant if it did not have to do so that was 30% larger than what was actually needed.

Mr. Dancer said he was concerned regarding the overall increase in the budget from \$18 million to \$24 million. He felt there needed to be a lot of study with that kind of a cost increase. He did not understand how there could have been that much of a cost increase. Mr. Bronson said the only way to lower the cost would be to reduce the number of residents coming into the system and then the operating costs become astronomical for those using the system. Mr. Bronson said he understood it was disappointing to everyone that somewhere along the line five or six thousand feet of pipe got missed in the original estimate. If the unit cost was double of what it was initially, he hoped there was a safety factor where we will not end up having to pay, but have to plan for it. Mr. Bronson said they were at a point now where we could get a couple of contractors to give a detailed estimate to verify T & M's price.

Mr. Bronson noted that when T & M came up with their number, they double checked everything as they knew this was a serious issue. They went through the report street by street to see where there were disparities. The biggest one they found was for Evergreen Road which was the hardest to explain. Mr. Bronson noted that when the financial analysis for the project was done when Kokes was the redeveloper there were far less units in the PRRC than what Lennar is now anticipating. Mr. Bronson said they were going to meet with the Financial Advisor and Engineer and determine what the safety factor (coverage) is at the \$23 to \$24 million that the project will cost today. Mr. Dancer said with the coverage they had that they could use some of the available pilot money after debt service to help with connection fees, etc. with residents. He wanted to know what we would be looking at as far as using some of that as a balance, which this was something that would have to be discussed with Mr. Grossman, Financial Advisor. Mr. Bronson said all of the numbers would need to be reworked and updated to see where we were. The first couple of years will be tough until Lennar starts building and selling some homes. NJEIT will also need to be notified that more funds will be needed. A meeting has been scheduled with T & M and the Financial Team to discuss this.

Executive Director's Report: Mr. Ylvisaker said the New Jersey Foundation for Open Government published a report that was released in March regarding an analysis of on online transparency. He said there was requirement that an MUA provide certain information on our website. There are eleven required items and according to their report we were compliant with eight. The information was based on available information as of July of 2015. The three things we were not compliant with were the most recent budget, the most recent financial statement and the most recent audit. At this point, he felt all of the information required was on the website.

Mr. Ylvisaker said he included information on a program that one Township Environmental Commission in New Jersey has established that provides homeowners with discounts for well water testing and septic pumping. If the Committee was interested and thought it would be a worthwhile program, he would look into it further. Mr. Dancer noted that with every initial occupancy and with every sale or resale, all the wells are tested by the Ocean County Health Department. Also, every two years water tests are required for rental properties. Unless people who have lived in their homes for years, there is no requirement for a water test unless they choose to do so. Attorney McGuckin said he did not know how this was legal that an Environmental Commission or this MUA could arrange with a private contractor to give a rate to test their water without going out to bid. He noted that this should be checked in to thoroughly before anything is done. The Committee decided not to go forward with this idea.

Redevelopment Project: Mr. Ylvisaker said Mr. McKelvey went over the critical components of the project and that Lennar has submitted its general development plan application to the Land Use Board. They are scheduled to go before the Board at the May meeting to begin that process.

He also noted that he included the proposal from T & M for the finishing off of the draft sewer ordinance. This is for informational purposes at this time as there is no money for that in the current budget. He hoped that this work and other work that is necessary, including a property appraisal for the Heller property and easements for the Pumping Station property would be funded from a BAN the Township would be selling in the near future. Without some revenue coming in from the Township we are running out of money he noted.

Budget Introduction: Mr. Ylvisaker said there were two changes he had made to the budget for 2016/17 that he reviewed at the March meeting. The first was to include an increase to the quarterly charge for Solid Waste and Recycling Collection from \$74 to \$80 per quarter. He said the budget also now reflects the PMUA receiving \$100,000 from the Township. The \$100,000 is part of the \$1.5 million of financing the Local Finance Board approved, of which \$1.25 million was issued by NJEIT. Everything else in the budget stayed the same and the budget resolution reflects that.

Solid Waste Subcommittee Report: Mr. Minter said the subcommittee met to discuss the Solid Waste quarterly charge. There has not been a rate increase in six years and we cannot continue to operate at the present rate and felt that a \$6 increase from \$74 to \$80 a quarter was in line. He felt that this was still less than the other vendors that go through town. One vendor does not pick up on weekends anymore and charges extra for bulk pickup. Mr. Weirsky said they broke down the costs that are brought in and the cost to manage the operations. All of the surplus will be exhausted by the end of the year. The MUA absorbed the increase from the old contract and also the increase with the new contract without passing anything on to the customers. The \$6 increase is to offset the increase within the contract with Waste Management for two years. This

increase will be explained and discussed at the rate hearing scheduled for the May 17th MUA Meeting.

Resolutions:

Mr. Ylvisaker said once the Budget resolution is adopted, he will have the auditors put in a proper form to submit it to DCA.

On motion of Mr. Weirsky, seconded by Mr. Minter, Resolution No. 2016-24, introducing the 2016/2017 Plumsted Municipality's Budget was adopted. Roll Call Vote: All Ayes

On motion of Mr. Minter, seconded by Mr. Weirsky, Resolution No. 2016-25 regarding an application for a Minor Subdivision and Variance for Block 73, Lot 11, which is located within the New Egypt Town Center and where a sewer connection may be required was adopted. Roll Call Vote: All Ayes

On motion of Mr. Minter, seconded by Mr. Esposito, Resolution No. 2016-26, authorizing a public hearing for Proposed Rate Adjustment for the Plumsted Municipal Utilities Authority scheduled services charges for Solid Waste and Recycling Collection pursuant to N.J.S.A.40:14b-23 was adopted. Roll Call Vote: All Ayes

Mr. Bronson opened the meeting for public comment. Committeeman Marinari was concerned about the solid waste rate increase but he understood the reason for it.

There was a discussion regarding the possibility of eliminating bulk to reduce the price increase. Since the Township dropped the bulky waste drop off for Township residents, doing this curbside was a way to keep bulk from being dumped illegally, which the town is a lot cleaner with this service.

Mr. Dancer asked Mr. McKelvey about the estimates for road paving. Mr. McKelvey said at this time they did not know where the sewer line would be going so their estimate was based on the depth of the sewer, they estimated an approximate width of trench and to repair the trench width only. There was no estimate for full width paving at this time. Mr. Dancer explained that the Township had adopted an ordinance revision regarding road openings which he explained. Mr. Dancer also questioned the bridge and stream crossings, which was explained. There was also discussion regarding dewatering for the trenches and the estimates for it.

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 May 17, 2016 at 6:30PM.

Respectively submitted by:

Nancy Hendrickson, Secretary