

Plumsted Municipal Utilities Authority Minutes  
July 21, 2015

Chairman Walter Bronson called the July 21, 2015 Plumsted Municipal Utilities Authority Meeting to order and asked everyone to stand for the Flag Salute. Attorney Bob Ulacky read the Open Public Meetings Act.

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

Bill List: On motion of Mr. Minter, seconded by Mr. Weirsky, the Bill List for July 21, 2015 was approved as submitted. Roll Call Vote: All Ayes

Treasurer's Report: The Regular Account had an opening balance as of July 21<sup>st</sup> of \$38,253.87, deposits and interest of \$61,941.46, operating expenses of \$38,235.90 with an ending balance of \$61,959.43. On motion of Mr. Weirsky, seconded by Mr. Miller, the Treasurer's Report was approved as submitted. Roll Call Vote: All Ayes

Minutes: On Motion of Mr. Weirsky, seconded by Mr. Dancer, the June 16, 2015 Regular and Executive Minutes were approved as submitted. Roll Call Vote: All Ayes with Mr. Dancer, Mr. Minter and Mr. Miller abstaining.

Executive Director Report: Mr. Ylvisaker presented a revised agenda to reflect the addition of three resolutions related to the 2014 Budget. He stated at the last meeting the 2013/2014 Audit was presented for the members' information and further indicated that an exit interview with the auditor following the MUA meeting had been held which Mr. Minter and Mr. Dancer attended. The two comments the auditor had included in the draft audit which related to keeping a journal entry for each check so they could be traced to the deposit, and the over expenditures were discussed and were subsequently eliminated from the report based on information Mr. Ylvisaker provided. The journal entry was eliminated because as Mr. Ylvisaker explained every check and cash deposit is recorded and can be traced to the bank deposit slips. With regard to the over expenditures, the auditor had not included \$40,000 in the Capital Planning side of the budget and the pension payment was included as an obligation of the MUA in the 2014/2015 budget. Once these issues were explained, the auditor agreed to dismiss these two comments from the report.

Mr. Ylvisaker stated he hoped the approval of the 2013/2014 audit would be on the July agenda, but once the auditor understood that there was \$40,000 in the Capital Planning Budget, the auditor began to ask questions about how the MUA was accounting for this money going back to 2010. The auditor wants to restate how we record capital planning costs in our budget so that they are a separate line item and recorded as an asset to the MUA. It is hoped to have the 2013/2014 Audit on the agenda for approval at the August meeting.

The 2014/2015 audit has been scheduled to begin on August 17<sup>th</sup>.

Mr. Weirsky questioned if the accounting software issue has been addressed. Mr. Ylvisaker said the Auditor has stated the Quick Books Program is fine for our purposes and they also stated and confirmed that someone from the Firm will come and set Quick Books up so it is easier to

record and find information that is posted. Mr. Ylvisaker also noted we would not need a fee accountant again this year.

Mr. Ylvisaker reviewed the 2015/2016 Budget and indicated he planned to introduce it at the August meeting. Mr. Ylvisaker noted he increased one category in Administration from \$1,200 to \$1,500 which was as a result of the budget being over extended by \$50 in the Board Secretary/ Administrative Assistance category. Two other issues he noted related to Solid Waste and what happens as we go forward with the bid process; and secondly the Redevelopment Project, receiving \$100,000 from the Township to reimburse the MUA for expenditures it had made related to the Redevelopment Project and to support the MUA's operation going forward. If the MUA receives money from the Township as projected by the budget there will be a decent surplus at the end of the year even with the Pension liability which he projected would be around \$20,000 for the last couple of years. If the \$100,000 does not come through from the Township, we would not be doing the engineering or any of the work identified in the budget that is related to the Wastewater Planning Project. In this instance, instead of having a projected surplus of \$138,000, the projected surplus would be \$38,000 and after accounting for the Pension Liability at the end of the year, the projected surplus would be approximately \$18,000.

The Pension liability was questioned and Mr. Ylvisaker stated his understanding of the employer's obligation which he understood a bill comes every two years. He said a bill will come this fall and then some time in the spring of 2016 it will be due. His understanding was that we owe from July 1, 2013 to present. There was discussion on the possibility of being in arrears again. Mr. Ylvisaker said he had received an email from Pensions explaining this and would forward it to everyone.

Energy Aggregation: Mr. Ylvisaker said Gabel would be advertising the bid on July 30<sup>th</sup> and if there would be an award, the Township Committee would meet with the MUA at the August 18<sup>th</sup> meeting and proceed accordingly.

Redevelopment Project: Mr. Ylvisaker said he, Mr. Bronson and Attorney McGuckin had put comments together on the General Engineering contract and Special Project Engineer contract and forwarded them to T & M Associates. He expected some issues and, if so, will meet with T&M Associates to work these out.

County Wastewater Management Plan & Plumsted's Surface Water Discharge Permit: Mr. Ylvisaker said he and Mr. Dancer had been talking to Dave McKeon regarding the County's WMP and it has become clear that the schedule DEP had given us of June and now September they would not be able to keep. He indicated there was a conference call last week with Dan Kennedy, Mr. McKeon, Mr. Dancer and Mr. Ylvisaker and it was discussed if DEP could issue a surface water discharge permit to Plumsted subject to their approval of the County's WMP. From the State's side, Mr. Ylvisaker felt their thinking was somewhat positive and it was something that they could do but not until the DEP had issued a notice for a public hearing on the County's Wastewater Management Plan which was likely to be at the end of August or the early part of September. Mr. Kennedy said he would get back to Mr. Dancer regarding this possibility sometime this week. Mr. Ylvisaker and Mr. Bronson said if that was not an option, there were only two things they could do, one is to remove Plumsted's Chapter from the WMP and review it independently and the other to get a firm schedule for the review and approval of the County's WMP. Once Mr. Dancer hears from Mr. Kennedy, he will let the Committee know what the DEP plans to do. Mr. Bronson asked if the Surface Water Discharge review was

moving along and if DEP would be ready to issue a permit when the DEP addressed the WMP. Mr. Bronson asked Mr. Dancer when he talked to Mr. Kennedy to check on this because the last time he talked to them they were at least one month away.

Mr. Ylvisaker said the Local Finance Board had asked Plumsted to withdraw its application from their July agenda as they had some questions and wanted to meet with us which we had agreed to do. He said the meeting with LFB was held last week and to sum up the meeting, LFB was surprised by our application for just planning and design money as they had not received an application like this in a long time. He said it was discussed that if we had applied for the waiver on the down payment on the \$18 million project they would not have blinked an eye and it would have gone on their consent agenda. Mr. Dancer's response to LFB was that we were trying to do what was the right thing and not to obligate our taxpayers to add any more risk than was necessary. LFB also asked about the NJEIT as a potential funding source. Our response was the NJEIT would likely be used for the funding source once we go for construction and permanent financing. It was noted NJEIT has some limitations on what it could potentially fund and may ask for a rating agency to rate us and that timing would be longer. It was noted LFB had asked for a legal opinion that the funds that we were going to be selling the notes for were legitimate items under the Redevelopment Act and constituted planning and design costs. Mr. Ylvisaker noted Bond Counsel had been requested to provide a legal opinion that will be sent to the Local Finance Board and LFB will review it with their Attorney General. Mr. Ylvisaker's expectation is that we have addressed the LFB's concerns and that we will be on the agenda for their August 13<sup>th</sup> meeting. One of the four LFB staff people present questioned whether the \$100,000 budgeted for the MUA was a legitimate cost and this item in particular will be addressed in Bond Counsel's opinion. It was explained though that these funds were necessary to get to the point where you have a project and it was important to have someone coordinating the process. It was also pointed out not all of the \$100,000 is for salary or administrative costs as some of the funds would be reimbursement for some of the planning and design costs the MUA had made in the last couple of years. He did not know how strong the argument was but he thought that if they cut all or some of that out, Jim Fearon had some other ideas how the MUA could get funding until the point where Lennar was making progress payments and we have firmer legs to stand on.

Mr. Dancer said it was very evident that while there may be a staff person that was raising some of the questions, the Director himself, Tim Cunningham, did not seem to share this sentiment and at the end of the day Mr. Dancer felt that we had made a strong case for what we were planning to do and how we planned to do it.

Mr. Ylvisaker noted that Lennar and Mayor Trotta have signed off on the revised project schedule. Mr. Ylvisaker said there was still a lingering issue with respect to the General Development Plan that Lennar has raised. We have Attorney McGuckin's opinion and Lennar's opinion and as he read both opinions, Attorney McGuckin was basically saying that before the Planning Board can exercise that provision of the Municipal Land Use Law, it has to be part of the Township's ordinance and Land Use Regulations.

Mr. Bronson noted that we have slipped on the schedule as it was hoped the Wastewater Management Plan public hearing would be held by June 30<sup>th</sup>. Mr. Ylvisaker said if we get to the point by the end of August or early September, where they go ahead and advertise for the public hearing on the County's WMP, he felt there was still a possibility that the water quality people can issue the conditional permit at end of September. Mr. Bronson also noted on the schedule it talked about conceptual plan approval from the Land Use Board and he didn't think the Land Use Board has an option to approve a conceptual plan. Mr. Bronson noted that if the Township

Committee wanted to do a GDP, something should be drafted and referred to the Land Use Board to consider. Mr. Ylvisaker said if Mr. Calabro had brought the GDP issue up earlier or during negotiations the Township Committee could have acted on this when the Redevelopment Plan amendment had been done. Mr. Ylvisaker noted the Redevelopment Agreement does talk about a Concept Plan and that was what we were geared up to do.

Solid Waste and Recycling: Mr. Ylvisaker reviewed the proposed Solid Waste and Recycling bid that he, Mr. Weirsky and Mr. Minter had put together. He said if the Board approves the advertisement for the bid, the schedule will be confirmed as there needs to be sixty days for advertisement before the bid is due. He noted Section 1.1 of the bid regarding sending a letter with each extension year had been revised. Now, the contract would automatically renew unless a letter was sent that the contract would be terminated or if the contractor was in default. He noted he had updated information on tonnage for solid waste and recycling so that it is current. There are four options for solid waste and two for recycling. The difference between Option 1 and Option 3 is that Option 1 is a three year contract and Option 3 is for a five year contract. There is also a difference of how the per unit cost would be calculated which is based on the number of customers and the most effective and efficient collection system that the contractor can develop. The difference between Option 1 & 2 and Option 3 & 4 is that Option 1 & 2 the PMUA pays the tipping fee and in Option 3 & 4 the tipping fee is paid by the contractor. Everything else in the bid document remains the way it was bid issued the first and second time. Mr. Ylvisaker said he spoke to Mr. Kuhlwein at the County and he seemed intrigued with the options and wanted to know how it all works out. He stated he had also talked to the State regulator regarding the landfill tipping fees and it was suggested it be bid both ways which is what we have done.

#### Resolutions:

On a Motion of Mr. Miller, seconded by Mr. Minter, Resolution No. 2016-01, reappointing Peter Ylvisaker as the Executive Director of the Plumsted Municipal Utilities Authority for the period of July 1, 2015 through June 30, 2016 was adopted. Roll Call Vote: All Ayes

On motion of Mr. Minter, seconded by Mr. Weirsky, Resolution No. 2016-02, authorizing the Executive Director to advertise for the receipt of proposals for the collection and disposal of Residential Solid Waste and Recyclable Materials was adopted as amended. Roll Call Vote: All Ayes

On motion of Mr. Minter, seconded by Mr. Miller, Resolution No. 2016-03, approving the 2014-2015 Plumsted Municipal Utilities Authority Budget Amendment was adopted. Roll Call Vote: All Ayes with Mr. Dancer abstaining. This resolution is an administrative correction. The budget was correct but the resolution was not.

On motion of Mr. Minter, seconded by Mr. Miller, Resolution No. 2016-04, approving the submittal of the 2014-2015 Plumsted Municipal Utilities Authority Budget was adopted as amended. Roll Call Vote: All Ayes with Mr. Dancer abstaining. This resolution was required because the budget was not submitted on time.

On motion of Mr. Minter, second by Mr. Miller, Resolution No. 2016-05, regarding the adoption of the Plumsted Municipal Utilities Authority Budget for 2014/15 was adopted. Roll Call Vote: All Ayes with Mr. Dancer abstaining. This budget was introduced last July and the MUA is now adopting it as the final budget.

Mr. Bronson asked for any comments or questions on Resolutions 2016-03, 2016-04 and 2016-05. Mr. Dancer questioned Resolution 2016-04 referencing a public hearing at the Authority's July 21<sup>st</sup> meeting which Mr. Ylvisaker explained. Mr. Ylvisaker will double check with the Auditor regarding if a public hearing is required or that the requirement is the budget is presented at a public meeting. If a public hearing is required, it will be redone.

Mr. Bronson asked for any old or new business.

Mr. Ylvisaker said that in response to Waste Management's letter he said that he intended to only advise Mr. Rob Allen at Waste Management that the Board adopted a resolution to go out to bid unless the Board thought it necessary to take some more formal action.

Mr. Minter noted that he would not be in attendance at the next meeting.

Mr. Bronson opened the meeting to public comment. There was no public comment.

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 August 18, 2015 at 6:30PM.

Respectively submitted by:

Nancy Hendrickson, Secretary