

Plumsted Municipal Utilities Authority Minutes  
June 19, 2018

Chairman Bronson called the June 19, 2018 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, Richard Brown and Anthony Esposito. Committeeman Marinari was also present.

Nancy Lawrence was absent.

Treasurer's Report: Peter Ylvisaker said the balance in the Investors government escrow account is \$10,716.93. If the invoice payment for \$965.95 is approved for T&M, the money will be transferred from the escrow account to the government checking account. The balance in the escrow account would then be \$9,750.98.

Mr. Ylvisaker reported the government checking account had an opening balance of \$75,166.78, expenses of \$33,317.27 and deposits of \$9,231.00, with a cleared balance of \$51,080.51 as of May 31, 2018. There is an uncleared balance of \$50,672.61. The check register balance as of June 15, 2018, is \$17,512.80, including the items on the Bill List. There are funds available to pay the bills.

There were no questions or comments about the Treasurer's Report. On motion of Mr. Weirsky, seconded by Mr. Minter, the Treasurer's Report was approved. Roll Call Vote: All Ayes

Bill List:

Mr. Bronson asked if the invoice for T&M should be on the lower ledger line. Mr. Ylvisaker said it is listed as an invoice in terms of maintaining a running balance. Mr. Weirsky said it is listed in both places. It is second from the bottom on the escrow account. That money will be transferred in the government account.

There were no other questions or comments on the Bill List. On motion of Mr. Minter, seconded by Mr. Dancer, the Bill List for June 19, 2018 was approved as submitted. Roll Call Vote: All Ayes

Minutes:

Mr. Bronson asked if there were any comments, questions or additions to the Meeting Minutes for May 15, 2018. There were none.

On motion of Mr. Minter, seconded by Mr. Brown, the Meeting Minutes for May 15, 2018, were approved. Roll Call Vote: All Ayes, except Mr. Dancer abstained.

T&M Associates Monthly Update

James McGoldrick provided the monthly report for T&M Associates.

### Downtown New Egypt Sanitary Sewer Collection and Disposal System

Bids were received for the Downtown New Egypt Sanitary Sewer Collection and Disposal System on May 23, 2018. The original Engineer's Cost Opinion was approximately \$20,000,000 and the low bidder was \$25,000,000. Bids escalated from \$25,000,000 to \$28,000,000, to \$31,000,000, to \$33,000,000, and the highest bidder was over \$44,000,000. The amounts are more than the Township has the ability to bond for.

He said that T&M recommends that the project be re-bid in two separate bid documents. One bid for the Wastewater Treatment plant and one bid for the collection system. Separating the bids in to two separate contracts will reduce the project scope and the price of the project.

Mr. Bronson said that the MUA has been working with T&M to see if there is anything that can be pulled out of the current bid. For instance, if they could pull out part of the gravity sewer system. He said that some of it would be more difficult in that the treatment plant is a lump sum, which includes the building, the equipment, the site work, etc. T&M's subcontractor has identified about a half million dollar in savings. Since it is not by unit price, he does not know if it could be negotiated with the low bidder.

Mr. McGuckin said he has done a little more research and when he saw the idea of dividing the project into two different sections, it got him to thinking as to what could be done just for the plant. Although he does not have a final answer tonight, he believes there may be a way to negotiate through an RFP process only for the plant. It may require DCA approval. It may require NJEIT approval, which normally only funds projects that are done through the public bidding process.

That would leave the collection system to bid, which would make some sense. What he saw in the numbers for the collection system was in the cost estimates. He thinks it is the plant that is the problem. He believes there is a chance it could be done that way, but it would require the MUA to contact NJEIT and DCA to confirm that. It would involve rejecting all bids.

Mr. McGoldrick was asked about reducing the scope of the project and keeping the low bidder. Mr. McGoldrick said he thinks that could not be done.

Mr. Bronson said the MUA has one more meeting before bids have to be rejected.

Mr. McGoldrick said they have had some conversations with New Jersey Infrastructure Bank and they said they would fund the project, even if it was separated into two different projects. Mr. Bronson asked if they would do it without public bidding. Mr. McGoldrick said yes they would. They would fund it even if it was done through an RFP.

Mr. Weirsky said the MUA would be selecting the least expensive proposal from the RFP's. It is almost like a bid. It has already been "spec'd out." Mr. Weirsky said there are also bids to compare it to. Dividing up the project makes sense, if it can be done.

There was a discussion about the MUA going out to bid again before the next meeting. It was decided that since bids would have to be rejected first and new bids authorized, a special meeting would have to be called.

Mr. Bronson asked Councilman Marinari if the Township Committee sees any viable way of awarding the bids as they came in.

Mr. Bronson said it would be a long shot in his mind. That is the only reason he was keeping it open. He thinks something better can be done. The conversation this evening was that if some areas are pulled out of the sewer collection system, the first few years of paying the debt back is the struggle. As long as Lennar sells homes in those first few years and we get past that hump, the MUA should be able to go out a few years from now and bid the rest of the collection system.

Mr. Weirsky asked what the negative side is of rejecting the bids, splitting the project up and looking at what is received. To make sure it is bid at a unit price so that if adjustments need to be made, the MUA could select the low bidder and reduce the scope on certain streets. Mr. Bronson said that alternate bids could be taken on some streets. Mr. Weirsky said that would be a way to keep the project moving.

Mr. Bronson asked if anyone has objections to rejecting all bids tonight. Mr. Dancer said he is prepared to reject all bids. He said as far as alternates, it is routinely done. The collection system is bid and, using alternates, the scope of the project can be reduced. It can be looked at to see if it is worth the savings or not. It is unknown until all of the bids come in. It keeps the options open.

Mr. Bronson said that the price will come down if the MUA can negotiate with the construction company for the treatment plant. Mr. Dancer said that can be done with an RFP. Mr. Weirsky said that it provides more options. That the MUA's time could be better spent in crafting the new scope of work and the bidding, rather than waiting until next month. He does not see a way that the current bids can be utilized with the bond issue. Mr. Bronson said he agrees.

A question was asked if the MUA does reject all bids, does it move down the list for funding. Will the MUA is still be in the process and not lose the funding? Mr. Bronson said that NJEIT have changed the way they do it. They did away with deadlines about six months ago.

Mr. Dancer said that the Assembly will be voting on the Infrastructure Bank funding bill this Thursday that specifically lists Plumsted Township, with the amount of \$27,000,000 total cost.

**ON MOTION OF MR. WEIRSKY, SECONDED BY MR. MINTER RESOLUTION 2018-19 – REJECTING ALL BIDS FOR THE PROPOSED NEW EGYPT DOWNTOWN SANITARY SEWER COLLECTION AND DISPOSAL SYSTEM WAS ADOPTED. ROLL CALL VOTE. ALL AYES.**

Mr. Bronson said he would like to authorize a re-bid and request RFP's for the collection system and the Wastewater Treatment Plant. Mr. McGuckin said that the decision to re-bid and request RFP's could be delegated to the Sewer Committee. That a motion could be made authorizing a re-bid or Request for Proposals to be approved by the Sewer Committee. Mr. Bronson asked about a public/private partnership.

Mr. McGuckin said he does not think it is a good idea to authorize a bid to go out without the Authority approving the bid specifications. Mr. Weirsky said that new bid specifications and the RFP will have to be written first. Mr. McGuckin said that the Authority would have to see those before it goes out to bid. Mr. Bronson agreed and said he thinks it will take more than a month anyway.

Mr. Dancer asked Mr. McGoldrick about the additional expense of a re-bid. He said he was not pleased with the way the bids came in. Respectfully, he thinks T&M bears some of the responsibility and he would appreciate, just as one person, if he would make an inquiry on behalf of the MUA to see if there is some type of consideration that would be given to us with the

expense of the re-bid process. Mr. McGoldrick said he will take that back to his business partners and discuss it with them.

Mr. Bronson said the MUA's appointed engineer has not been present and he is very unhappy about that. He will reach out to the President of T&M and let him know his displeasure with that situation. He thinks it is unfair to Mr. McGoldrick to be here to take the blame, when he is not even the appointed engineer.

Mr. Dancer said he feels the same as Mr. Bronson does. It is not just one individual, but other members of the MUA feel the same way.

Mr. Bronson said that the MUA has also expressed its displeasure with NSU and their inability to find additional cost savings on a \$12,000,000 treatment plant that was supposed to be a \$5,000,000 treatment plant. They need to do better or the Authority will find someone else to do it.

Mr. Weirsky said unfortunately NSU is T&M's sub-contractor, so T&M bears some responsibility and somewhere along this process, as it got closer, someone should have been verifying the numbers NSU was giving you, which you in turn gave to the Authority which the Authority relied. So, T&M bears that responsibility and your reputation as an engineering firm in this town and in this State is hanging in the balance. What Mr. Dancer said is correct. Your principals need to evaluate your reputation in this county and in this State. Because a failed project like this is never good for anyone's reputation. He has been witness to it in the past, and you do not want to go down that path.

Mr. Bronson asked if there were any other questions for Mr. McGoldrick. Mr. Ylvisaker asked if a bid package could be ready by the next meeting that can be voted on by the MUA. Mr. McGoldrick said the collection system would take a couple of months. He would have to go back to his sub-contractor NSU regarding the treatment plant.

Mr. Dancer asked if the MUA is going back out to bid on a collection system that may have some alternates, why it would take that amount of time. Mr. McGoldrick said there are certain specifications, you have a scope of work, you have bid items, you have measurement payment items, you have police and once different sections of the project are taken out, you have make sure you take them out of every single project in the specifications. It is important to maintain quality assurance and quality control. So he would say it will probably be a month to re-do the drawings and then a month for quality assurance and quality control.

Mr. Dancer asked if it is really worth the time and potential delay to separate the collection system. Mr. Bronson said that Mr. McGoldrick is talking about the treatment plant. Mr. Dancer said that he thought by separating the bids and keeping everything basically the same, it would not be a major process. It would be less expensive and timelier. He said does not know how the Township feels about eliminating certain portions of the project, so it may be they would want that delay.

Mr. Bronson said they have started to identify portions of the collection system in the outlying areas; areas with larger lots; areas where there are fewer lots; areas where we "gain the most bang for the buck." If a street is taken out that costs \$100,000 and has two users on it, and we save \$50,000 per user, that is great. We do not want to take out a street that is 100 feet long and has twenty users on it and saves \$5,000 per user. That is the type of analysis that is being done. We want to retain the sections in the downtown area; the immediate downtown, around the creek, and around the lake. The school has to stay in. We want to put together a list of the

potential alternates to put into the bid and discuss those with the Township Committee. Then direct T&M on what to re-bid. He does not know if all of that will get done in a month. He would like to try to get it done in a month.

Mr. Bronson said that someone may have to work a little overtime at T&M. He understands that there are quantities that have to be calculated. He does not think the plans are going to change. T&M is just going to put squares around Alternate A, Alternate B, Alternate C, etc. and then put together the bid tabs accordingly.

Mr. Weirsky said he sees the main change as pulling the treatment plant out. Then we are asking that it be re-bid as-is. Maybe we will get lucky and the numbers will come back a little better and we can do the whole project. That is the first bid tab. The second one is alleviating certain streets. All that will be done there is to use the same bid tabs and change the reduction. He would go with reductions versus additions. This is the main project and if these three streets are taken out, how much less is the overall project going to be.

Mr. Bronson said it could be done as reductions or additions. Mr. Weirsky said that this way, it is already done. If it is done by reduction, then there is a lot less rework.

Mr. Dancer said that realistically, until the MUA knows what it is doing with the plan, he does not see how it can be re-bid. Mr. Bronson said that depending on how the MUA goes with this, it can be done in a month or two. We started talking with the finance people about doing a P-3 option. That sounds like it will take too long to do. They are going to put together a timeline for us. We talked briefly about doing a franchise. It is not something he is really in favor of doing, but if it gets the project done, he would think about it. He has not considered that we could request proposals from sewer treatment people who could probably do some value engineering for us and come in and say we can do this and this, instead of that and that and save you another half a million dollars. If that is something that is viable, he does not know what it would take to put that RFP together.

Mr. Bronson said there are a lot of decisions to be made and that he thinks it is optimistic that this will be ready in a month, but it would be great if it is. He asked Mr. McGoldrick to find out if T&M has any experience with Requests for Proposals. Mr. McGoldrick said he will speak with his partners. Mr. Bronson said it is something he has never heard of on public contracts.

Mr. Weirsky asked if they were going to move forward with the motion for re-bid. Mr. Bronson said no, not at this time. No additional funds will be authorized. If it comes to that, it will be dealt with next month.

#### Executive Director's Report:

##### 2018/2019 Budget

Mr. Ylvisaker said there is a resolution in the packet for the 2018/2019 Budget to be approved. The MUA did get approval from the NJDCA and the final version has been approved.

There is also a resolution addressing an overspent category which he had mentioned a few meetings ago regarding the amount of funds allocated to the auditor. The amount of funds allocated to the auditor will be adjusted upwards and the funds to do that will be taken from the funds allocated to the engineer in the 2017/18 approved budget.

### Energy Aggregation

Mr. Ylvisaker said energy aggregation has been quiet. All the issues with the start up of Constellation New Energy seem to have been settled.

### Solid Waste

Mr. Ylvisaker reported that there were some issues last week related to bulk that have been straightened out. Mr. Bronson asked if they are not sending enough guys on the truck that day. Mr. Ylvisaker said that one of the problems is when they have a day where there is a lot of bulk it fills the truck up. On occasion, they will stop picking up bulk on the pickup day to ensure that they can get all of the residential trash. What they usually do is come back the next day. But sometimes, that gets mixed up. In one of the cases, someone put out a large amount of bulk. The driver took some of it. There were electronics mixed in with it. The customer contacted Mr. Ylvisaker who spoke to Rob Allen to help settle the matter. It was settled. He said he talked to the customer who was not 100% happy, but Waste Management is going to pick away at the pile and get rid of it as fast as they can.

### Redevelopment Project

Mr. Ylvisaker said the Township and Lennar signed the Financial Agreement which is one of the requirements of the Redevelopment Agreement. There is an agreement with Lennar for an amendment to the Redevelopment Agreement for Block 40, Lot 1, which is a 20 acre lot on this side of the Crosswicks Creek where they are talking about building 80 townhome structures. These two things have been going on for some time and it will be good to get them wrapped up.

Lennar is waiting for their wetlands permit. They do not have it in hand. They told him that they have it; then they told him that they did not have it. They were a little optimistic. They are going to get the wetlands permit. They are continuing their cultural resource inventory on two portions of the site where they have to do additional testing for archeological resources.

Mr. Bronson asked if the cultural resource staff can write a letter to wetlands. Mr. Ylvisaker said it is his understanding that they did. They cleared it verbally and they cleared it with something in writing. His understanding is that everybody is good on what happened.

Now, we are waiting for New Jersey American Water to tell us about the water sample and whether it passed and when they can get their operation permit. Mr. Ylvisaker said they took the water sample two weeks ago. He will give that another couple of days and then he will contact NJAW about the status.

### Historical Society and the County Library

Mr. Ylvisaker said that with regard to the Historical Society agreement, it is what Mr. Dancer indicated at the last meeting. Any expenses related to converting the existing septic to sewer would be at the expense of the Historical Society.

Mr. Ylvisaker said there is an agreement between the library and the school for the library to be able to utilize the school system. They pay \$2,000 a year for that. Mr. Bronson asked if that agreement can be assigned to the MUA. They spoke with Jerry North about assigning the agreement. Mr. Bronson asked if there should be a new agreement.

Mr. Weirsky said that the school owns all that piping now. Mr. Bronson said he does not know if they own the lateral from the library to the sewer system. Mr. Weirsky said we might want to think about the ownership of those laterals and lines and who is going to be responsible for them. Mr. Bronson agreed that the MUA needs to move forward with that.

Mr. Weirsky said that ownership could be terminated at the manhole. The library gravity feeds into the manhole for the school.

Mr. Bronson said another meeting will need to be scheduled with the school to discuss easements and an agreement with them.

#### Public Comments:

Mr. Bronson asked if there were any public comments. There were none.

#### Resolutions

Mr. Bronson spoke about Resolution 2018-13, which supports the Water Quality Management Amendment for the Township. Mr. Ylvisaker said the NJDEP had asked the Township and MUA for its support.

Mr. Bronson asked if anyone had any comments or questions on the resolution.

Mr. Weirsky asked if this takes into consideration the service downtown. Mr. Bronson said that this is the original change to provide sewer service area in the downtown. Mr. Ylvisaker said it has more to do with the outfall. Instead of a direct discharge, the Township is going through the County pipe.

ON MOTION OF MR. WEIRSKY, SECONDED BY MR. MINTER, RESOLUTION 2018-13 – CONSENTING TO THE PROPOSED OCEAN COUNTY WATER QUALITY MANAGEMENT (WQM) PLAN AMENDMENT WAS ADOPTED. ROLL CALL VOTE. ALL AYES.

Mr. Bronson said that Resolution 2018-14 approves a utilities plan for the Venue at Crosswicks Creek by Lennar Corporation. The Resolution is after review and recommendation by the MUA Engineer.

Mr. Bronson asked if there were any comments and questions on Resolution 2018-14. There were none.

ON MOTION OF MR. WEIRSKY, SECONDED BY MR. MINTER, RESOLUTION 2018-14 – APPROVING A UTILITIES PLAN FOR VENUE AT CROSSWICKS CREEK, LENNAR CORPORATION WAS ADOPTED. ROLL CALL VOTE. ALL AYES.

Mr. Bronson said that Resolution 2018-15 concerns the 2017-2018 Budget, which has already been discussed by Mr. Ylvisaker.

Mr. Bronson asked if there were any comments and questions on Resolution 2018-15. Mr. Dancer asked if there were no changes from the budget that was presented previously. Mr. Ylvisaker said that is correct.

ON MOTION OF MR. DANCER, SECONDED BY MR. MINTER RESOLUTION 2018-15 – ADOPTING THE 2017-2018 BUDGET WAS ADOPTED. ROLL CALL VOTE. ALL AYES.

Mr. Bronson said that Resolution 2018-16 reappoints Peter Ylvisaker as Executive Director of the Plumsted Township Municipal Utilities Authority from July 1, 2018 through June 30, 2019.

ON MOTION OF MR. WEIRSKY SECONDED BY MR. DANCER RESOLUTION 2018-16 – REAPPOINTING PETER YLVISAKER AS THE EXECUTIVE DIRECTOR OF THE PLUMSTED MUNICIPAL UTILITIES AUTHORITY FOR THE PERIOD OF JULY 1, 2018 THROUGH JUNE 30, 2019 WAS ADOPTED. ROLL CALL VOTE. ALL AYES.

Mr. Bronson said that Resolution 2018-17 is the transfer of the line item that Mr. Ylvisaker spoke about earlier to cover the overage in the accountant's fees. It is just a transfer within the budget. It does not increase the budget or change it in any other way.

Mr. Bronson asked if there were any comments and questions on Resolution 2018-17. There were none.

ON MOTION OF MR. MINTER, SECONDED BY MR. WEIRSKY RESOLUTION 2018-17 – APPROVING THE 2017-2018 ADJUSTED BUDGET WAS ADOPTED. ROLL CALL VOTE. ALL AYES.

Mr. Bronson said Resolution 2018-18 appointing three part-time as-needed assistants for the Executive Director at the rate of \$15.00 per hour. It is basically to cover the MUA when he is on vacation. Mr. Ylvisaker said that Jennifer Witham and Nadene Cicero have been on the list. He said this year he added Rebecca Nowalski who is employed by the Township on a part-time basis and has worked with him on Main Street New Egypt for a number of years. This gives him a little added flexibility.

Mr. Bronson asked if there were any comments and questions on Resolution 2018-18. There were none.

ON MOTION OF MR. DANCER, SECONDED BY MR. BROWN RESOLUTION 2018-18 – APROVING THE PART TIME HOURLY EMPLOYMENT OF JENNIFER WITHAM, REBECCA NOWALSKI AND NADENE CICERO, TO THE PLUMSTED MUNICIPAL UTILITIES AUTHORITY FOR THE PERIOD JULY 1, 2018 THRU JUNE 30 201 WAS ADOPTED. ROLL CALL VOTE. ALL AYES.

Mr. Bronson asked if there were any other questions. There were none.

Since there was no further business, a motion was made to adjourn the meeting. Roll Call Vote: All Ayes.

The next meeting is scheduled for July 17, 2018, at 6:30PM.

Respectfully submitted by:

Nadene Cicero, Secretary