

**TOWNSHIP OF PLUMSTED**  
**MUNICIPAL UTILITIES AUTHORITY**  
**MEETING MINUTES**  
**December 20, 2022**  
**Start Time: 6:33 PM**  
**End Time: 8:32 PM**

**1. FLAG SALUTE:**

- a. Led by Madame Chairwoman Lawrence

**2. ROLL CALL:**

| PRESENT       | ABSENT       |                                  |
|---------------|--------------|----------------------------------|
| <u>  X  </u>  |              | Steven Grosso                    |
| <u>      </u> | <u>  X  </u> | Beth Kimmick                     |
| <u>  X  </u>  |              | Brian Kubiel                     |
| <u>  X  </u>  |              | Michael Ruppel                   |
| <u>  X  </u>  |              | Madame Chairwoman Nancy Lawrence |

**OTHER MEMBERS PRESENT**

|              |               |                                    |
|--------------|---------------|------------------------------------|
| <u>  X  </u> | <u>      </u> | Dave Leutwyler, Executive Director |
| <u>  X  </u> | <u>      </u> | Mel Davis, Contractor NSU          |
| <u>  X  </u> | <u>      </u> | Greg McGuckin, Attorney            |
| <u>  X  </u> | <u>      </u> | Cynthia MacReynolds, Secretary     |

**3. OPEN PUBLIC MEETING ACT STATEMENT:**

- a. The Open Public Meeting Act was read by Counsel (Mr. McGuckin).

**4. MINUTES TO BE CONSIDERED FOR APPROVAL:**

- a. June 2022 Minutes:  
The board was unable to vote on the June 2022 minutes. Ms. Kimmick was not present at this meeting, and Madame Chairwoman Lawrence was not present at the June meeting. Minutes will be tabled for the next meeting.
- b. November 2022 Minutes:  
A correction needed to be made on the November 2022 minutes. There was an error on page 15. The minutes need to reflect the clarification as to who “Steve” is. The minutes need to specify that it is Steve Schreiber and not Steve Grosso.

A motion to adopt the November 2022 minutes, with corrections was made by Mr. Kubiel and 2<sup>nd</sup> by Mr. Grosso.

Roll Call:

Approved:

Grosso  
Kubiel  
Lawrence

Abstain:

Ruppel

## **5. TREASURER REPORT & BILL LIST:**

- a. Mr. Leutwyler presented the Treasurer's Report.

A correction is to be made on the report. The date ending should read "November 30<sup>th</sup>" and not "October 31<sup>st</sup>".

Mr. Ruppel said that the finance committee met the day before the meeting and that they recommend approving the Treasurers Report.

A motion to accept the Treasurers Report was made by Mr. Grosso and 2<sup>nd</sup> by Mr. Ruppel.

Roll Call:

Approved:

Grosso  
Kubiel  
Ruppel  
Lawrence

- b. The Bill List was discussed by the board.

Mr. Grosso asked Counsel if the reimbursement to replace the trees and the New Egypt Marketplace would come out of the construction fund because the trees were damaged during construction.

Counsel said that it is not a legal question and the board can proceed however they wish. Mr. Leutwyler said that he spoke with the Township Finance Dept. and they advised that it is ultimately the MUA that is responsible for the reimbursement.

A motion to approve the Bill List was made by Mr. Kubiel and 2<sup>nd</sup> by Mr. Grosso

Roll Call:

Approved:

Grosso  
Kubiel  
Ruppel

Lawrence

**6. RESOLUTION 2022-11: AMMENDENT TO RESOLUTION 2022-10 AND AMENDING THE PMUA RULES AND REGULATIONS:**

The amendments are as follows:

- a. Article 2, Section 3 A, deleting “Sewer connection is to be completed within (six) 6 months of notice of availability of sewer by the Plumsted Municipal Utilities Authority” and replaced with, “the sewer connection is completed by December 31<sup>st</sup>, 2022.”
- b. Article 2 Section 3 A (3)(c) deleting “connect to the property to the sewer within six (6) months of notice by the Plumsted Municipal Utilities Authority” and replace same with “apply for construction permits to connect to the property to the sewer by November 1, 2022”
- c. Article 2, Section 3 A (4) shall include an additional provision as follows:  
Application deadline for LAIP loan shall be extended to March 31, 2023 provided all reimbursement paperwork is included with said application and provided further that the property has been connected by December 31, 2022.
- d. Article 2, Section 3 A (6)(d) shall include the following after “family member” (which shall include and be limited to a spouse, domestic partner, child, parent and sibling) continued to reside at the property.
- e. Maximum loan shall be \$4,000 for property owners whose main building is within 100 linear ft. of the township’s sanitary sewer system, and \$6,000 for property owners, whose main building is located in excess of 150 linear ft. to the township’s sanitary sewer system, which in each case, an additional loan in the amount of \$6,000 if the grinder pump is required and installed.

Mr. Leutwyler said that he will not be able to process the loans for the grinder pumps until this resolution is approved.

Madame Chairwoman stated that this resolution encompasses the discussions of the board that have taken place within the months prior.

A motion to pass the resolution by title was made by Mr. Grosso. and 2<sup>nd</sup> by Mr. Ruppel.

Roll Call:

Approve:

Grosso  
Kubiel  
Ruppel  
Lawrence

**7. RESOLUTION 2022-12: RESOLUTION OF THE PLUMSTED MUNICIPAL UTILITIES AUTHORITY AUTHORIZING AN AMENDMENT TO THE AUTHORITY'S CONTRACT WITH T&M ASSOCIATES FOR ADDITIONAL CONSTRUCTION AND ADMINISTRATION SERVICES FOR THE AUTHORITY'S WASTEWATER TREATMENT FACILITY CONSTRUCTION PROJECT:**

The resolution was read by title. Mr. Leutwyler said that he, Mr. Grosso and Mr. Ruppel discussed to approve a change order for T&M. Mr. Leutwyler said that this was supposed to happen in September, but no resolution could be found.

Mr. Ruppel stated that this is the \$30,000 change order requested by T&M because of the overwhelming and time based on the failure to deliver. He further stated that this is not a change order and that it is a blanket change.

A motion to pass the resolution by title was made by Mr. Ruppel and 2<sup>nd</sup> by Mr. Grosso.

Roll Call:

Approve:

Grosso  
Kubiel  
Ruppel  
Lawrence

Mr. Leutwyler said that the ERI projects were approved for payment. He further stated that the bills were found in the former Veolia employee, Tim Shea's old email. ERI contacted the township Finance Office, since they are paid by the township, and they notified Mr. Leutwyler. He said that the last time that ERI was paid was in July.

Madame Chairwoman Lawrence asked if there is a draft of the Asset Management Plan. Mr. Leutwyler said that there is a draft, but it is not finalized, and that is why there is money left in the file.

Mr. Ruppel said that the ERI bills were never forwarded to the governing body for processing and that the Finance Committee recommends paying the bills.

A motion to pay the ERI bill was made by Mr. Grosso and 2<sup>nd</sup> by Mr. Ruppel.

Roll Call:

Approve:

Grosso  
Kubiel  
Ruppel  
Lawrence

## **8. RESOLUTION TO ACCEPT THE AUDIT:**

- a. The resolution was read by title.

The board discussed the Finance Committee's meeting with the auditor. Mr. Ruppel said that the Finance Committee had a chance to review it. He said that the committee had some questions for the auditor, but they were not significant in concern, but they wanted to ensure accuracy.

The auditor made a comment before the board and said that this is a clean audit. (The rest of his comments were inaudible)

Mr. Ruppel stated that it is his recommendation on behalf of the Finance Committee that a resolution be approved accepting the audit to the Authority of Resolution 2022-13.

A motion to approve Resolution 2022-13 was made by Mr. Grosso and 2<sup>nd</sup> by Mr. Ruppel.

Roll Call:

Approve:

Grosso  
Kubiel  
Ruppel  
Lawrence

## **9. NSU PRESENTATION:**

- a. Mel Palis from NSU presented the Engineer's Status Report from his site visit on December 13, 2022.

Mr. Palis said that the carbon vessels need to be repaired, but this is not impacting operations. The manufacturer was contacted and the part was sent to North Carolina for repairs.

Mr. Palis said that the labeling of equipment is underway and that this is not impacting operations.

The overhead heater inside the screen room is not generating enough heat. A plumber will be called to diagnose the issue. He said that it is most likely a defective gas regulator.

Mr. Palis said that there was a high reading in October that had to be reanalyzed. The original analysis was about 6.8mg per liter. The reanalysis was 2.8 mg per liter, which is much slower. The new average is 3.4mg per liter

In November, the average gallons per day was 70,787. Mr. Palis said that all samples were analyzed and are in compliance resulting in an average BOD of 3.966 mg/liter. He said that they will monitor and make operational adjustments if needed.

This concluded Mr. Palis' report.

Mr. Kubiel said that the No. 2 piping valve is in violation of OSHA, and he wanted to know how much longer this will take to be completed and that this should have already been handled.

Mr. Palis responded by saying that it will take about 1 week to label the bigger tanks so that it is visible to the operators and that there are labels on other vessels.

Counsel addressed Mr. Kubiel and said that Veolia is responsible for any violations under their contract.

- b. The board discussed using Zoom for the meetings and suggested that the professionals come to the meeting in person.
- c. Mr. Ruppel said that he would like to know if the conversation between NSU and the DEP regarding the acceptance was verbal or in writing and if it was in writing, he would like a copy of the correspondence or any other documentation of the conversation. Mr. Palis said that he will find that out and will get that information to the board.

No other comments or questions for Mr. Palis.

- d. The board discussed items from the November meeting regarding Meadowbrook Ln. The board did not have an update regarding the pipe sizes for the grinder pumps. Mr. Leutwyler will follow up with Mr. Schreiber.

No other questions or comments from the board.

#### **10. VEOLIA REPORT:**

- a. Mr. Leutwyler presented the Veolia report.

The average flow was updated to 62,053 gpd.

Madame Chairwoman Lawrence asked when the board will receive the numbers for November. Mr. Leutwyler said that he will get those numbers to the board as soon as he can.

Mr. Kubiel asked why there are different numbers reported from Veolia and T&M. Mr. Leutwyler said that he got the report from the plant that it was 69,053 gpd, and that he did not update the Veolia report.

The board concluded that Veolia and T&M should have more coordination and consistency to determine an accurate number of gpd.

No other questions or comments from the board.

#### **11. EXECUTIVE DIRECTOR REPORT:**

- a. Mr. Leutwyler presented the Executive Director Report.

Mr. Leutwyler said that the trash bills were sent today by mail. He also reported that there was a problem at the pump station on Evergreen Rd. He said that he was told that there was a clog and that they had to remove the pump and unclog it. Mr. Leutwyler said that the work was subcontracted as per the agreement with Veolia.

He will follow up with more details for the board regarding the clog.

The board would like for Mr. Leutwyler to have correct numbers in his reports in the future.

No other comments from the board.

## **12. CORRESPONDENCE:**

- a. The board received a correspondence from John Lombardo regarding the quarterly sewer charge for the Lennar homeowners in New Egypt. The correspondence coincides with the same questions that were addressed at the November meeting. Madam Chairwoman Lawrence said that she drafted a response to Mr. Lombardo.

Madame Chairwoman Lawrence read her correspondence to the board and it reads as follows:

*Thank you for sharing your concern with the sewer rate being charged for the residential properties of the sewer system here in Plumsted Township. The current residential sewer rate is based on the construction, maintenance, operation, administration and financing of our newly constructed sewer system. As we explained at the November MUA meeting, the sewer system was engineered to serve the Lennar community as well as New Egypt's downtown area. The majority of the New Egypt, including the downtown is on well water. Therefore, we could not base newly established sewer rate on water consumption, basing it on the number of fixtures may be the way that we handle the sewer rate in the future. In the meantime, the initial sewer rate is the same for all residential customers. It was also pointed out at the November meeting, that once tie into the sewer system is complete. The PMUA will evaluate the numbers both costs and revenue after a full year of operation to determine whether the sewer rate needs to be adjusted. We are anticipating tie into the system to be close to complete at the end of December 2022 (this month). However, we will have a better idea of the percent tie in at the December MUA meeting today. We will keep your comments as well as the comments made and to be made by your fellow township residents in mind when we get to the point of evaluating the sewer rate.*

No other correspondences.

## **13. COMMITTEE REPORTS**

- a. No committee reports.

#### **14. OLD/NEW BUSINESS:**

- a. The board readdressed the audio issue with Zoom. The board discussed eventually eliminating it after the town has tied into the sewer in the event that the public does not want to attend the meeting. The board requests that the professionals attend the meetings in person.

No other Old/New Business.

#### **15. PUBLIC COMMENTS:**

- a. John Lombardo of 6 Gulfstream Rd., New Egypt in the Lennar development addressed the board.

Mr. Lombardo asked the board if they were the ones on the board that came up with the \$210 quarterly rate or if it was their predecessors. Madame Chairwoman Lawrence said that she was on the board at that time, but it is irrelevant because the rate hearing was approximately 1 year ago and cannot be changed.

Mr. Lombardo asked if the board if they included a cost-of-service study. Madame Chairwoman Lawrence answered that the board did what was required to determine the rate. Counsel said that the board has a financial advisor who gives the board financial advice as to what the connection fee should be and the additional user rate.

Mr. Lombardo asked if anyone on this board or the previous board ever set sewer or water rates. He asked the board if they know how to establish that. Madame Chairwoman Lawrence answered by saying that this is the first sewer that they ever had.

Mr. Lombardo asked again if the board has had previous experience with setting rates for the sewer.

Madame Chairwoman Lawrence said that the rates are not changing for at least a year and a few months and it will be reevaluated.

Mr. Lombardo said that in order to set a sewer rate, that they needed to see what the total costs are. He said that he didn't see that the board did that. He also said that they would take the costs, figure out what the fixed costs are, what the variable costs are and divide it by the number of customers to get a rate.

Mr. Lombardo said that the residents of Lennar are paying out of the PILOT program, and he feels that they are subsidizing the sewer system. He said that he researched other towns and that no one else is paying anywhere near what the authority is requesting them to pay.

Madame Chairwoman asked if any of those communities are on well water. Mr. Lombardo said that it is irrelevant. He said that he checked his last 6 water bills and that he consumed an average of 1000 gallons in six months at a rate of \$.77 per 100, plus a service charge, bringing his total to \$27 per month for the last six months. He wanted to know where it justifies that the residents pay \$210 per



quarter. Kubiel said that the PILOT program is payment in lieu of taxes and that there is no guarantee that the money is going into the sewer.

Mr. Lombardo said that the township is benefiting from it by taking the money and receiving a profit. He further said that 275 homes are the breakeven point, so anything after that is going to produce revenue of approximately \$2.7 million per year. He asked why the residents of Lennar are going to be responsible to pay for the cost of the system that they invested into.

Mr. Kubiel said that he is not aware of the agreement that was made with the developer and that it was made with the Township Committee. He said that all of the money is not going to the PMUA.

Mr. Lombardo asked what the total cost to build the system and how much did the township have to borrow for the system. He said that there are conflicting numbers. Counsel said that it is over \$30 million dollars between the pipes and the plank, and that the township borrowed \$24 million.

Mr. Kubiel said that the entire underground is not complete for the entire township.

Mr. Lombardo said that he researched the project and said that the township is not paying interest on the 2/3 of the money that they borrowed. He then went on to say that Lennar donated \$9 million to pay for the system and that it did not cost the township anything. He feels that the residents of Lennar should not have to pay for it and that they township is using the PILOT program to benefit from the residents paying for the system.

Mr. Kubiel said that Lennar was required to put the underground piping plus the lift station and that it is part of the sanitary system that is in the back of Lennar.

Mr. Lombardo asked where the water was going and Mr. Kubiel answered that it eventually goes into the treatment plant. He said that for every developer that does, that they have to do the underground and turn the pipes over to the Lennar community. He also said that if it was not a gated community and if it was a public community, the developer would eventually turn it over to the PMUA and the rest of the town is not finished.

Mr. Lombardo said that the Lennar community feels that they are getting cheated because if it wasn't for them paying the money for the loan to purchase the sewer plant that the township would only get 10% in tax revenue as opposed to 95%, and that the town is benefiting from the residents of Lennar to pay for the sewer system. He also said that in 30 years that the township will make of \$82 million in revenue and that they are going to get the 5-year abatement.

Mr. Kubiel reiterated that when the system is done, and they get 1 year of data, they will reconvene and readjust. Mr. Lombardo said that he will get the water bills from every resident in Lennar that have lived there within 2 years for data.

Madame Chairwoman Lawrence said that the Authority has to be consistent. Mr. Lombardo suggested that they base the rate on consumption. Mr. Kubiel said that there are not enough customers at this point to pay the bills based on consumption.

Counsel said that some of the customers in Phase 1 will not have American Water because they have wells. He further said that under the statute, they have to treat every single customer the same way and that they cannot charge base on usage and charge another customer on a different type of rate.

Counsel also said that the township borrowed \$24 million from the State of New Jersey. There were forms and details that had to be provided by the state as to how it would be repaid. It included estimating sewer rates, estimated connection fees, estimated flow as planned, estimated gallons that would be treated as a reserve for future maintenance of a plant. He said those were the conditions when the state lent the town the money. Counsel said that it took several years to determine the rate and it was provided to the Department of Community Affairs, and that the documents are available to the public.

Counsel said that the rates are higher than other municipalities because no other municipality built a new sewer surface water plant, which is the first to be built in New Jersey in decades. He said that the town worked for 20+ years to get a sewer plant and those factors added to the cost. He said that the Authority understands how high the quarterly charge seems, and that the Authority is looking at just paying the bills and not trying to make a profit. All of this will be public record and once they have a year of data to justify any changes.

Mr. Lombardo asked the board to consider what he stated and to consider the residents who are on a fixed income. He further stated that the residents want to be heard and would like to accomplish this as a team.

Mr. Kubiak said that there were 2975 projected sewer connections and that they are 198 connections behind.

Mr. Ruppel said that there was a conservative estimate made to establish this year's operating budget. That number included the build outs up to 600 units from the existing infrastructure within the town and the then the anticipated number from Lennar. He further said that they are 25% sure of the estimate. Mr. Ruppel said that the town is subsidizing 25% of the budget, which is helping with the Authorities operating costs.

Mr. Ruppel said that the authority's primary objective is to get people connected to the sewer and at the same time, try to get a treatment plant into full scale operation.

Mr. Lombardo asked if the board would consider giving the residents of Lennar a readjustment of excess money that they paid and would they be reimbursed.

Madame Chairwoman Lawrence reminded him that the board needs 1 year to reconvene and that they will consider anything that the public says during that reevaluation.

No other comments from Mr. Lombardo.

- b. Doris Jenkins from Gulfstream Rd. New Egypt addressed the board.

Ms. Jenkins asked who the financial planner was. The board was unable to answer, but said that it would be in the meeting notes from that meeting. She was also advised to ask the Municipal clerk.

Counsel said that the Bond Counsel and Redevelopment Counsel were part of the planning.

Ms. Jenkins asked the board when the year is up and what the date will be for the reevaluation. Mr. Kubieli said that it is 1 year from completion. Madame Chairwoman Lawrence said that they are 25% away from completion of Phase I.

Ms. Jenkins asked if they inherited the rules that the previous board established. She asked again, what is the date of completion. Madame Chairwoman Lawrence said that it is 1 year from completion of tie in.

Ms. Jenkins asked if she could get the names of the former board members so that she could ask them some questions. Madame Chairwoman Lawrence said that she will ask the ones that she knows if they would like to speak with Ms. Jenkins.

No other comments from Ms. Jenkins.

- c. Ms. Judy Liam of 12 Belmont, New Egypt addressed the board.

Ms. Liam asked the board what defines 1 yr. and that she wants a date. Madame Chairwoman Lawrence said that they have a start date for the project, but because the project is not finalized. They are talking about connecting to the sewer. There are 1000 people that need to connect. They cannot start the year until they have a percentage of people connected. They would love to give a date, but not everyone is connected.

Operating costs have still not been established for the plant and the Veolia bill has not been in the budget.

No other comments from Ms. Liam.

- d. Mr. Lombardo of 6 Gulfstream Rd. readdressed the board.

Mr. Lombardo said that the current rate is based on all of the homes to be connected. But they are not connected and they are taking the money. Mr. Kubieli said that there are people at this time who cannot connect because of the cost of the grinder pumps and they are waiting for an answer for the size of the pipe that is needed.

No other comments from Mr. Lombardo.

- e. Mr. Sal Schiano of 30 Chepstow Rd. addressed the board.

Mr. Schiano asked if the township is requiring every resident in Plumsted to tie in. Madame Chairwoman Lawrence said that only those who are in Phase I of the project are required to tie in.

He asked what the time limit is for everyone to connect. He was told that they are required to connect by the end of December.

No other comments from Mr. Schiano.

- f. Ms. Connie Mang of 17 Belmont, New Egypt addressed the board.

Ms. Mang asked the board how many phases are there. She was told that there are 3 phases, but they are only working on Phase I.

Ms. Mang asked if the number includes unbuilt homes are included in the rate. She was told that unbuilt homes are not included.

No other comments from Ms. Mang.

- g. Ms. Neeta Patel, Business owner on Main St.

Ms. Patel asked if the sewer charges for a business and a home are different or the same. Ms. Patel was advised that they are the same.

She asked if it was one connection, one charge or if each unit will have different charges. Mr. Kubiel gave an example of a duplex. He said that if it is a 2-family home, that there will be 2 connections and 2 charges.

Ms. Patel asked why there is one connection for each building (business) on Main St., but they are being charged for each unit. She was told that they cannot determine consumption on some homes, because some homes have wells. Some people have sprinkler systems and they are still working on getting data to make a fair rate.

She was told that the statute does not allow for them to charge each address differently. She was told that they are gathering data to come up with a rate with this in consideration.

Mr. Ruppel suggested that the Finance committee review the numbers going into this year's budget based on estimates of connections. He suggests that the finance committee look at every connection and every property owner's situation.

No further comments from Ms. Patel.

No other comments from the public.

The Public Comment session is closed.

## **16. EXECUTIVE SESSION:**

- a. The board went into Executive Session to discuss personnel issues.
- b. Board reconvened.

Motion to return to regular session was made by Mr. Kubiel and 2<sup>nd</sup> by Mr. Grosso.

Board unanimously voted to continue to Open Session.

**17. COMMENTS FROM THE BOARD:**

- a. Madame Chairwoman Lawrence thanked the authority and wished everyone a Happy Holiday.

**18. ADJOURNMENT:**

- a. Board unanimously voted to adjourn the meeting.

Minutes were prepared by the Plumsted Municipal Utilities Authority Secretary,

Cynthia MacReynolds