

TOWNSHIP OF PLUMSTED
MUNICIPAL UTILITIES AUTHORITY
MEETING MINUTES
June 20, 2023

Start Time: 6:35 PM
End Time: 8:46 PM

1. FLAG SALUTE:

- a. Led by Chairman Kubiel.

2. ROLL CALL:

PRESENT	ABSENT	
<u> X </u>	<u> </u>	Steven Grosso
<u> X </u>	<u> </u>	Beth Kimmick
<u> X </u>	<u> </u>	Nancy Lawrence
<u> X </u>	<u> </u>	Michael Ruppel
<u> X </u>	<u> </u>	Chairman Brian Kubiel

OTHER MEMBERS PRESENT

<u> X </u>	<u> </u>	Chris Earle, Veolia Regional VP of Operations
<u> </u>	<u> X </u>	Alexandria Noriega, Veolia Project Manager
<u> </u>	<u> X </u>	Mel Davis, Contractor NSU
<u> X </u>	<u> </u>	Ben Wyler, ERI
<u> X </u>	<u> </u>	Kelsey McGuckin-Anthony, Attorney
<u> X </u>	<u> </u>	Cynthia MacReynolds, Secretary
<u> X </u>	<u> </u>	Deputy Mayor Herb Marinari
<u> X </u>	<u> </u>	Committeeman Dominick Cuozzo

3. OPEN PUBLIC MEETING ACT STATEMENT:

- a. The Open Public Meeting Act was read by Counsel.

4. TREASURER'S REPORT:

- a. Mr. Earle read the Treasurer's Report.

Mr. Ruppel said that the Board is going to disclose a few things about the Fiscal Review and the status of the Authority

He said that the new report information will give them a better understanding of their fiscal position.

No other comments regarding the Treasurer's Report.

5. BILL LIST:

- a. Mr. Ruppel said that the Finance Committee met with the staff to discuss the list and they believe that the attached bills are appropriate for regular payments.

A motion to accept the Bill List was made by Mr. Ruppel and 2nd by Ms. Kimmick.

Roll Call:

Approved:

Grosso
Kimmick
Ruppel
Kubiel

Abstain:

Lawrence

- b. Mr. Ruppel said that the Board has a better understanding of cash flows and where they are. He said that there were factors such as the newly appointed commission, a treatment plant that was 2 years behind construction, a sewer system that was ready to be connected to for about 1 ½ years and a lack of responsiveness from people to connect that prevented them from knowing what the financials were.

Mr. Ruppel said that the Finance Committee is prepared to issue a preliminary draft disclosure of their fiscal review and where they are to date to the general public. It is a general disclosure of what the proposed budget for next month will look like. He said that the budget is due this month and that we have been confronted with the lack of financial data and information to have the budget ready for tonight.

Mr. Ruppel said that the Authority received funds from the municipality as the terms of start monies, which in aggregate is approximately \$750,000. That was a \$250,000 per year for 3 years remittance from the town to the authority. He said that they are currently in the 3rd year of the program and that the funds will dry out after this upcoming fiscal year, thereby creating an appropriations shortfall in FY25. Additionally, there are approximately \$600,000 in prior year liabilities that was obligated, spent and should have been paid from prior year budgets. Because they were not paid, they remain a liability and must be budgeted ASAP. Mr. Ruppel noted that those liabilities are not appropriated in this year's budget nor are they appropriated next year.

Mr. Ruppel said that this funding shortfall goes into fees associated with the pumping of sewage, waiting for the completion of the treatment plan and into the structuring of the contract for operations and that they were not discharging.

Mr. Ruppel said that there was no structure in the Authority and that nobody knew what was going on. In that time, the Authority was incurring expenses. He

said that it is the Finance Committee's recommendation that they begin dialogue with the Plumsted Mayor and Council to help resolve the prior liability issue as well as the issue of the \$750,000 start up fees, which was well intended, but insufficient. Mr. Ruppel said that they will also discuss if they can work out a method of continuation of those supplemental forms of revenue.

Mr. Ruppel said that on the first night as a full board, that they were expected to adopt a budget, in fact that concept was rejected. The Finance Committee met and that the next 30 days was spent getting numbers from professionals and other entities that can supply them with data and they formed a budget for this year.

At the end of the day, much of the projected data used to establish budget line items would prove to be grossly under-estimated. By way of example, Mr. Ruppel said that they anticipated in the current fiscal year that sludge removal would cost approximately \$63,000, but the actual cost was \$125,000. They anticipated \$60,000 a year in chemical costs for 2023, but the actual expenses are going to be appx. \$160,000. There are more items like this, and in his opinion, are the direct result of not having a strong organizational structure.

He said that he and Mr. Grosso recommended that they establish a rate stabilization fund, and the Board budgeted a revenue stream of \$250,000 to go into the rate stabilization fee. All of those funds, along with other miscellaneous forms of revenue will be directed to offsetting budget shortfalls in this year's budget

Mr. Ruppel said that they are in a position to close out this year's budget and balance it with the user fees that they are currently receiving. He said that they will be proposing a budget for next year, but reminded the Board that the next year's budget will include the last remaining \$250,000 payment and that it will not have nearly the amount of connection fee monies that they received this year.

Mr. Ruppel said that without immediate corrective action, there is the potential for huge rate increases and strongly recommended that plans be developed rapidly to grow the utility by getting more people on board to help share the expense.

He recommended that they begin to focus on how to grow the utility so that can offset where they will be in fiscal year 2025. He went on to stress that dialogue with the Mayor and Council begin as quickly as possible to discuss the liabilities and other forms of supplemental revenues.

6. MINUTES FOR APPROVAL: 3/21/23 & 5/20/23

- a. A motion to approve the March 21, 2023 minutes was made by Mr. Ruppel and 2nd by Mr. Grosso.

Roll Call:

Approved:

Grosso
Kimmick
Ruppel
Lawrence

Abstained:
Kubiel

- b. A motion to approve the May 20,2023 minutes was made by Ms. Kimmick and 2nd by Mr. Ruppel.

Roll Call:

Approve:

Grosso
Ruppel
Lawrence
Kubiel

Abstain:

Kimmick

7. APPROVAL FOR TOWNSHIP TO PAY T&M VOUCHER:

- a. A motion to approve the voucher for payment was made by Mr. Grosso and 2nd by Mr. Ruppel.

Roll Call:

Approved:

Grosso
Kimmick
Ruppel
Kubiel

Abstain:

Lawrence

8. APPROVAL FOR THE TOWNSHIP TO PAY THE TOMAR VOUCHER:

A motion to approve the voucher for payment was made by Mr. Grosso and 2nd by Ms. Kimmick.

Roll Call:

Approve:

Grosso
Kimmick
Kubiel

No:

Ruppel. Mr. Ruppel said that he is voting no in principle.

Abstain:

Lawrence

9. T&M ASSOCIATES PROJECT UPDATE:

- a. Mr. Earle said that Veolia, T&M and NSU have been working together for the substantial completion to be submitted to the DEP. He said that they met 2 weeks ago with the completion and that T&M has been asking NSU to submit their paperwork.

Mr. Earle said that he is going to contact Mel from NSU to have the letter submitted to the Board for approval before it is submitted to the DEP.

A representative from NSU was not present to address the Board.

No other questions from the Board.

10. ERI UPDATE:

- a. Mr. Ben Waller addressed the board.

Mr. Waller followed up with an answer as to if there any maintenance costs built into their analysis and he said that his report was based off of the 2014 study as the basis, which included maintenance costs and brought them forward to 2022. He said that it should be researched further to interpret the plan. Mr. Waller said that going forward, this will be updated as necessary to reflect the plan.

Mr. Earle said that he and Mr. Waller will work on the Asset Management piece. He said that he needed clarity as to if the bills from ERI go to the Township or the PMUA. He also asked if there are reports on sewer evaluations that are completed by ERI and that the MUA needs to receive a copy so that they can evaluate it, specifically the flow rates.

Mr. Earle was asked if he received a monthly report from MSU. He said that he might have and if he did, he will distribute it to the Board members.

No other questions from the Board.

11. EXECUTIVE DIRECTOR'S REPORT:

- a. Mr. Earle read the Executive Director's Report.

He added that the 258 connections complete in Lennar is slightly above what was expected.

Mr. Earle said that there are issues with trash pickup and that they are being investigated by the PMUA. He encourages everyone to report missed trash pickups to the PMUA office and to not call Waste Management.

As for the NJ One Call Application, he said that the PMUA is going to start the process to get the underground assets uploaded into their system.

Mr. Earle said that the objective of the HFA is to complete an audit of their financials. He said that EDMUNDS is working, but there may be some GL classification errors and that training the staff will correct it, but overall, it is intact.

Mr. Earle said that the HFA is doing a reconciliation of the bank statements vs. EDMUNDS bills and liabilities

Chairman Kubiak changed the topic back to Waste Management. He said that he knows that there's a penalty provision to eliminate the problem, however, the drivers are saying that the cans were not out and that they are not turning back to pick them up and the resident is saying that they put the can out the night before. He asked how to enforce the Penalty Clause.

Mr. Earle said that the first step is to collect the data. That includes a list of the residents that have reported missed pick-ups. He said that Waste Management knows when they have relief drivers on routes, which accounts for the majority of the issues caused by this.

No other comments from the Board.

End of the Executive Director's Report.

12. VEOLIA REPORT:

- a. Chris Earle from Veolia presented the report.

Mr. Earle said that the facility operated within compliance. He said that Tomar installed the Odor Control Vessel and it has been operating since the 1st week of May.

He reported that the weather in May was favorable to the facility. Mr. Earle said that the average flows have been increasing month to month. He said that they have 91,000 gallons on average per day. Sludge removal is within line and has come down at 3.21% total sludge compliance.

Mr. Earle said that the DLR is available for review at the Waste Water Treatment Facility for the month of May and that all parameters are within compliance. He said that there were no odor complaints. Environmental Health and Safety training was completed with the employees at the Wastewater Treatment Facility and that they are continuing their repairs and maintenance program.

Mr. Earle said that the Wastewater Treatment Plant had its annual inspection from the DEP and they were there twice in the same week. The DEP were happy with what they saw and the plant had no issues and they passed the inspection with "flying colors".

No other questions from the Board.

End of Veolia Report.

13. CORRESPONDENCES:

- a. There were no correspondences for the Board.

14. RESOLUTION:

- a. **Amendment to the Interim Shared Services Agreement Between the Plumsted Municipal Utilities Authority and Plumsted Township.**

Motion to approve the resolution was made by Mr. Grosso and 2nd by Mr. Ruppel.

Roll Call:

Approved:

Grosso
Kimmick
Ruppel
Lawrence
Kubiel

15. RESIGNATION OF MS. NANCY LAWRENCE.

- a. Ms. Lawrence submitted her resignation from the MUA and tonight is her last meeting. Chairman Kubiel thanked her for her guidance and wished her the best.

Mr. Ruppel thanked Ms. Lawrence for navigating them through the first year.

16. PUBLIC COMMENT:

- a. John Lombardo of 6 Gulfstream Rd. addressed the board.

Mr. Lombardo said that they are all being charged \$210 per quarter (\$840 for the year). Chairman Kubiel said that it is a current charge, and Mr. Lombardo retorted by saying that it is a pro forma charge. He said that it is based on is if the whole system was fully connected. Mr. Ruppel said that Mr. Lombardo is wrong.

Mr. Ruppel said that the \$210 per quarter is for the current cost of administrating the operation, maintenance and repairs.

Mr. Lombardo asked if the cost was previously based on how many customers are hooked up to the system. Mr. Ruppel said, "No".

Mr. Lombardo asked how was it developed. Mr. Ruppel said that the numbers that were discussed about the 2023 budget, came up with a total divided by the number of users who are involved and engaged in the system.

Mr. Lombardo said that the number of users change every month and that there are more users that what was originally started.

Mr. Ruppel said that month after month that they reported that they projected a number of users and they did not get those users and that is part of the reason why they have a deficit. He said that they took the total appropriations that is necessary to run the Utility and divide that by the number of EDUs.

Mr. Ruppel said that in the first year's operation, they had to anticipated that the EDUs were going to fold in month over month because of the brand-new Utility.

Mr. Ruppel said that next year is simple and that Mr. Earle is reporting the total number of users and once they have that number, they will project a build out from Lennar and add it to the calculation and whatever the cost is to provide the services gets divided by that number and that is the rate.

Mr. Lombardo said that in the early stages of the program, there were not many customers on board. He asked how could the cost be so high in the beginning stages, when there weren't as many Lennar customers on board or township residents who were still getting connected. He said that as they go forward, that when they are going to have the growth in Lennar residents and people in the township.

Mr. Lombardo added the 258 customers with the 510 customers and calculated 91,000 gallons of water that went through the sewer system. He said to divide that by the number of customers. He said that customers are using less than 2,000 gallons a month. He asked the board how they can justify the high charge that they are getting when they are putting very little into the sanitary system.

He also said that he can prove that the residents of Lennar do not put much water in the sanitary system because they have a sprinkler system and that they have the ponds where the water goes into a separate location and gets reused and back in.

Mr. Lombardo said that he has been tracking this for months and that the Authority is saying that there is a loss, but they cannot substantiate the rate and that they are being charged a rate that is not fair.

Mr. Lombardo said that if the Authority is saying that they have to raise the rate and if there's very little water going into the sanitary system, why are they paying so much. He said that the problem is that the system was bought with money that the Township did not have and that they borrowed. He said that new classes of people are coming in and that the payments are being pushed onto "us" and that they were never told about this. Meanwhile, they are paying and the rates continue to rise.

Mr. Lombardo said that going forward, he believes that since they are putting very little water that they are charged appropriately by volume. He said that it will prove how much they are overpaying each month.

Chairman Kubiel said that under the State Statute, they are required to operate on a balanced budget. He asked where are they going to get the money if they adjust it down.

Mr. Lombardo retorted and said for them to go to the township that's going to get all of the excess money from the PILOT program. He said that they are being penalized or losing the benefits of this and paying for it. He asked again, when are they going to have a volumetric and fixed rate.

Mr. Ruppel said that Mr. Lombardo was told repeatedly that they have to have a uniform system with billing, and as a result of that, they are billing by EDUs and they explained to him how those EDUs are calculated and that is why he is not getting a volumetric bill.

Mr. Lombardo said that it is inexcusable because they are all metered and that there's a lot of township people that are now metered, so why can't the authority develop a rate the metered people and then keep the rate. He then said that the Authority does not want to do it.

Mr. Kubiel said that the law prohibits them from charging everyone differently. Mr. Lombardo said that he disagrees with that. He said that if the law says that every customer has to pay by their customer class, such as residential, industrial and commercial classes that they are paying the same rate that they are and using a lot more water going to the sanitary system that they are. He said that they are all paying the same rate and that they are being discriminated against.

Mr. Lombardo said that he contacted a company that deals with municipalities, townships and authorities. He said that they set rates in New Jersey counties and that they use a computerized system and that is not costly, and that the Authority would not have to pay for or rent it. Mr. Lombardo said that they have the exact bills from the water companies and that they said that they could put all of the customers in specific classes and bill them appropriately based on the fixed charge and on their volumetric charge. He said that this is the fair way to do it.

Chairman Kubiel said that it is not fair because they would be asking for the people that have well water to do an EDU charge.

Mr. Lombardo said that they came to the community with their sewer lines installed when they bought their homes and that it was billed to their price, so when they bought their homes, the sewer lines were in and that they paid for it, but now they are being charged and they are not putting water into the sanitary system. He again said that it is unjust and unfair.

Mr. Lombardo was told that his development is no different than anywhere else in the state when the build and the developer pays the cost.

Mr. Lombard said that the system was put up and that they are not using much that goes into it and that they are being charged for a quarterly basis for it. He then asked what do they need the system for if they do not use much that goes into it. He then said that they are being billed and the he is willing to disagree with him.

Mr. Lombardo asked how many customers will be connected in total. He was told that they cannot speculate.

Mr. Lombardo suggested a special meeting with the Township Committee and the Authority to openly discuss this and figure out a mechanism on how we can make this correct and right going forward. He said that it would be for all of the residents connected to the sewer.

Mr. Lombardo said that he pays \$27 per month for his water and that he is paying 3x the amount for the sewer and that he always met the minimum below the 1,000 usages.

Mr. Lombardo said that he has been before the Board for 11 months and that they have not done anything. He was told that just because it is not done to his satisfaction doesn't mean that the Board has not looked into ways to save money.

Mr. Lombardo said that he asked about setting up a special tariff rate and that there is a company that will do this at a low and reasonable cost and that it will eliminate the work for the PMUA, and then again, accused the Board of not doing anything.

Mr. Ruppel said that the Board has had legal opinion from Counsel regarding this issue and he does not see any reason to entertain this now.

Mr. Lombardo ended by saying that he disagrees with the Board.

b. Paul Denko from 57 Brindletown Rd. addressed the Board.

Mr. Denko said that he has a problem with Waste Management. He said that after his original sanitation company closed their business, that he decided to hire Waste Management for his garbage pick-up.

Mr. Denko said that it did not take them long for the missed pick ups to start. He said that he and 7 other residents share a common easement and that it is a township road. He said that he had to get a variance because he is not on a dedicated road.

Mr. Denko said that the other residents were not there at the time.

He said that he was initially happy that the township contracted Waste Management because it saved him money, but the service has not gotten better.

Mr. Denko said that he went to Mr. Leutwyler about missed pickups and that this affected all 7 other residents. He said that he has sent a letter to the Mayor and that Committeeman Cuzzo was also included. He said that both the Mayor and Committeeman Cuzzo came to his residence and that neither of them was aware of the easement.

Mr. Denko said that in the last 30 years that Waste Management has missed between 80 to 100 pickups. He said that nothing was done, so that is why he sent the letter to the mayor.

Mr. Denko said that Committeeman Cuzzo has been helpful in trying to get the problem resolved. He said that they missed one pick up in March, and that they missed 2 pick ups in April. This has caused him to store the garbage in his house so that the animals will not have access to it.

He said that if they miss a recycling pickup, he is behind a month and that he prorates his bill because he will pay a full bill for services that he does not get.

Chairman Kubiak advised Mr. Denko to contact Mr. Earle because he is involved with Waste Management and that he is trying to get this resolved.

Mr. Denko said that he contacted Freehold Cartage said that they will not pick up his garbage because they do not want to ruin their trucks, which leaves Waste Management as his only option.

Mr. Denko said that they pull in and the back down because they have the 1 arm limiter and get their cans to put them on the side of the road. He said that Committeeman Cuzzo made a big Waste Management sign and that they still went by it in March and April. He said that he has not had a 6-month period that they haven't missed a few times.

Mr. Denko said that they have no road frontage, and that he cannot roll his trash can all the way down and that two other people on Brindletown Rd. do not have a place to put a trash can because the land slopes.

Mr. Denko said that Waste Managements service is horrible. He said that when he called them, they forwarded him to someone else. He said that he has spoken to route managers and the managers and he was also forwarded to the office in Texas.

Mr. Denko said that while he was outside today that he heard the Waste Management truck. He approached them and asked why they were there on a Tuesday, because regular garbage pick up is on Friday. The driver told him that he's only picking up one can.

Mr. Denko said that another problem that the mayor was going to resolve, is that the township put up a sign at the end of their road for "Allen Terrace" and they are not, in fact, "Allen Terrace Rd." He said that the GPS is set up that way and that everyone keeps getting missed on this.

Mr. Denko said that he spoke with the driver, who he assumes is a substitute and told him that they should have route notes that outline all of the inconveniences that are not normal for a substitute driver.

Mr. Ruppel said that it is inexcusable that the waste does not get picked up. He said that if Waste Management fails to pick up a customer's waste, then it puts the Authority in a position to begin to take some measures. He said that if there is a habitual or continued failure or non-response that there's probably going to be a penalty provision that they can deploy, but he needs to report it to the Authority,

Mr. Denko said that Committeeman Cuzzo witnessed that they left his bulk pick up, which is supposed to be picked up on the 3rd Friday, and that he took it for him.

Ms. Lawrence suggested that he contact Tri-State for trash pickup.

Mr. Grosso asked if Waste Management just skips him, or all 7 of the residents. Mr. Denko said all of them. Mr. Grosso then said that they need all 7 of the residents to complain.

Mr. Ruppel said that once Alex gets the complaint, that she will funnel it down to them.

Mr. Denko said that he wants to include the issue with the GPS that has been going on for years, and the mayor has told him that he will get it fixed, but it still has not been resolved. Ms. Lawrence suggested that he contact Google to inform them of the problem.

Ms. Lawrence said that if Waste Management does not pick up the trash within 24 hours, then they can be fined. Mr. Earle then said to contact the office and leave the address and what happened.

No other comments from Mr. Denko.

c. Barbara Serbes from Oakford Ave. addressed the Board.

Ms. Serbes asked if there are any updates about the broken sewer line. Chairman Kubiak said that he spoke to Christian and left him a message and a letter. He also spoke to Mr. Ruppel because there are differences. Chairman Kubiak said that Mr. Ruppel is getting an estimate to fix it so that they can have further discussion.

Chairman Kubiak said that because they are an Authority, under state law, no matter what they do, it is going to be the prevailing wage and that their threshold is \$2,000. He said that they are waiting for the estimate and that they will follow up and get back to Christian.

Mr. Ruppel said that he reached out for the estimate, but has not gotten it. Ms. Serbes asked if it was from their plumber or someone else. Mr. Ruppel said that it is from the original installer and that the rates are going to be hard to anticipate.

Ms. Serbes asked if they can call Christian and leave a call back number.

No other comments from Ms. Serbes.

d. Committeeman Dominick Cuzzo addressed the board.

Committeeman Cuzzo was cautioned by Chairman Kubiak to not make any statements that will get him in trouble. Committeeman Cuzzo said that he is going to talk about some constituent services, to which Chairman Kubiak replied that he did not want anything misconstrued.

Committeeman Cuzzo said that he has been contacted by his constituents and that he is trying his best to bring those concerns to the MUA.

He said that one of the problems is that when the calls are made, because the pickup date is usually Friday, and there is nobody in the MUA office and that it is impossible for them to get a 24-hour makeup from his pickup that on that Friday. He said that he was out there with his son's truck and picked up Mr. Denko's trash, and that he does not know how they can miss his waste pickup, but the 24-hour timing has to be changed to something besides calling him calling the MUA.

Chairman Kubiell suggested that on a set time on Fridays that someone will check the answering machine.

Mr. Ruppel clarified that the 24-contract provision is a 24-hour notice that they are providing a service and that the resident will call the Authority and they will contact Waste Management to tell them to pick up the garbage within 24 hours of the call and that is when the contract provision begins to allow further action.

Mr. Earle said that Veolia has reviewed the contract because they have a long history with them.

Mr. Earle said that they have a committee meeting with Waste Management regularly. He said that they would like to catalog the issues and figure out what the possible chargeback is going to be to get Waste Management's attention. He said that ideally, the residents will contact the Waste Management hotline number and that there is an automated system, where an email notifies the contract holder. He said that as soon as Veolia verifies that their system does not communicate back to the contract holder, they will let the residents know that if a trash pickup is missed.

Mr. Earle said that for now, it is imperative that the residents contact the MUA immediately. He said that they do realize that nobody is in the office on Fridays, but he still encourages people to call anyway.

Chairman Kubiell asked how do they expedite the 24-hour notices. Mr. Earle emphasized that if the Waste Management drives by and does not pick up the trash to contact the MUA immediately. He clarified that the fact that Waste Management isn't necessarily obligated to show up within 24 hours, that there is still a penalty within 24 hours.

Chairman Kubiell said that there is still the issue of the garbage not being picked up. Mr. Earle said that there has been a lot of discussion between Veolia and Waste Management and that there has been some traction and that he hopes to see this issue resolved.

Committeeman Cuozzo thanked Mr. Earle for being present to answer questions. He then asked if there is a portal where he could alert the Route Manager and maybe the driver. He also asked if there was a way that if Google got the wrong road that there would be a special way to pick it up.

Committeeman Cuozzo said that he contacted Google to get them to change the name of the street, but has not gotten any results.

Committeeman Cuozzo said that he has spoken to Christian and Barbara Serbes about their issue. He said that there is an issue with the property being opened

like that due to the rain and that it is a danger. Chairman Kubiell said that the Board was made aware of this about 6 weeks ago. He said that after it was brought to the Board that they are trying to resolve the disagreement. He does not know if it involves cost sharing, but he will not know until he gets the number and right now, he does not know what to entertain.

Committeeman Cuozzo said that he spoke to the plumber, Tony and that his price is less than P&A. Chairman Kubiell said that the MUA cannot allow him to fix it.

Mr. Ruppel said that the MUA is in a position for paying it, but it is a matter of discovery. He said that they have a position that differs from Tony's and the believe that Tony damaged it based upon what their experts have told them. He also said that it is a liability and they do think that it should be filled in.

Committeeman Cuozzo asked the board to be as expeditious as possible and offered his and Deputy Mayor Marinari's assistance to expedite it.

Committeeman Cuozzo mentioned the sewer rate. He said that his understanding is that the rate is based on having a total price and total volume and that they are dividing that by the number of either real or projected hookups and that is how they are coming up with the rate. He said that there could be a different way to divide that to where they divide by the number of people by the number of gallons and the rate.

Chairman Kubiell said that if there's a million dollars of cost in the MUA, that it is their job to cover the million dollars to pay. He said that Mr. Ruppel has been working hard to see if they can provide something that would work out in their favor at the moment.

Committeeman Cuozzo said that the Committee appreciates the work that they do, especially when getting concrete numbers.

He asked when the sewer rates were going to be reevaluated and when does the 12-month period start. Mr. Ruppel said that they have a financial deficit and that they are not in a position to lower rates anytime in the foreseeable future.

Committeeman Cuozzo said that he didn't see it as lowering rates as much as appropriating the expense to the proper address. Mr. Ruppel said that they have discussed it and that this is the way that the rate is structured and that it is no different than what is done in all of New Jersey and all over the country. Committeeman Cuozzo said that he would like to encourage a fair way to do it, whether by fixtures or by bedrooms, etc.

Ms. Lawrence clarified and said that what they have been saying a few months ago is that they need to have 12 months of being "substantially complete" and that they don't have a definition for what is "substantially complete" because they are not at 100% connected, but the clock cannot start until the Board believes that the project has been substantially complete.

Mr. Ruppel said that the focus now is how to grow the Utility and how do they do quickly, cost effectively and how do they do it in line with what the community wants to see in terms of who (inaudible), and that it is a big undertaking.

Chairman Kubiak said that they finally got a semi complete list of the people who have not applied for permits or hooked up to the system.

Committeeman Cuozzo said that he feels that the way that the questions are answered or asked pits people that have city water and sewer provided to them and the residents of Lennar. He said that the PMUA has its shortfalls and that the township has to pay for those shortfalls and that everyone's taxes are going up. He said that pitting everyone against each other is not why its not important to talk that way, because we are all in this boat together. He said that anybody who says that they have water or don't have water all have taxes and that's how we are connected.

Committeeman Cuozzo said that they are doing this for everybody in all these discussions is not for anyone group or any one community and these discussions are for the whole town.

Chairman Kubiak said that now that they have the numbers, that they will be reaching out.

Committeeman Cuozzo thanked the Board for answering his questions.

No other comments from Committeeman Cuozzo.

- e. Elaine Szydlo of 13 Lakeview Dr. addressed the Board.

Ms. Szydlo said that she does not want the Board to forget her house. She said that she still has drainage issues and asked what grant money was given to the township and could it solve her problem.

Mr. Ruppel said that he and Ms. Szydlo had a private conversation prior to the meeting last month and subsequent to that, he spoke with the people in town and his understanding is that Lakeview Dr. is getting the improvements. He does not know if it is in front of her house, so he directed her to speak with the Township Clerk, Jennifer Witham.

Ms. Szydlo said that every time that it rains, her front lawn is eroding. Mr. Grosso said that he drove past her home and that he saw a lot of water running from her neighbor behind her. She said that comes down the other street across the front of her house and front of her house.

Ms. Szydlo said that she would understand if it is sump pump water, but when she moved in 6 years ago, after a rainfall she would get the sump pump water, but it dried up, but now her lawn is a mushy mess. She said that he has half of her grass in front of her fence.

She said that she will get in touch with Jennifer.

No other comments from Ms. Szydlo.

- f. Jim Serbes of 6 Provinceline Rd. addressed the board.

Mr. Serbes addressed the board on behalf of his son, Christian Serbes. Mr. Serbes wanted the Board to clarify who is at fault for the broken system. He wanted to know if it was the plumber or the people who installed the system.

Chairman Kubiell said that when he spoke to Christian that he told him that all of the professionals were present to inspect the site. He said that Mr. Grosso and Mr. Ruppel was there as well. He said that it is their understanding that the plumber broke the pipe.

Mr. Serbes asked how did they come to that conclusion. Mr. Grosso said that they met the professionals on the field and that they provided their notes from when they installed it. He said that they conducted a Pressure Test to make sure that everything held the pressure like it was supposed to be held.

Mr. Serbes asked if the plumber said last month that he could not make the pressure, to which Mr. Ruppel said that is what the plumber said. Mr. Serbes said that the Board is taking the word of the professionals over the plumber, to which Mr. Grosso said that the engineer who witnessed the installation of it, and the inspector were on site and they all have field notes to verify what happened.

Mr. Serbes asked if they said that it was the plumber, to which Mr. Grosso said that he cannot say who's responsible, and that he knows that to the "T" where it was supposed to be made, it was installed properly.

Counsel cautioned the Board in taking an official position on what the Board believes and that she did not want the board to take an official position without the professionals there for the record.

Mr. Grosso said that there is nothing more that they want to see this problem get resolved. He said that he has expressed his concerns because it is a hazard the way that it is now.

No other comments from Mr. Serbes.

g. Delores Jenkins of Goldstream Rd. addressed the board.

Ms. Jenkins addressed her first question to Mr. Earle and asked if there is more than 1 Waste Management in New Jersey. She also asked if there are 2 separate contracts, 1 for Lennar and 1 for the rest of Plumsted. Chairman Kubiell responded that Lennar's contract is between Waste Management and the HOA. He also said that they all have the same provider.

Ms. Jenkins said that she has 2 suggestions for the Plumsted contract. She said that there needs to be pressure for missed pickups. She asked if the public website could include an Emergency Missed Pick Up Log so that they can see the magnitude of missed pick-ups.

Ms. Jenkins went on to speak about Waste Management and the HOA. She said that she is in the development and asked what notice does the Authority get from the HOA as to the number of missed pick-ups within the Lennar complex. Chairman Kubiell said that the Plumsted MUA is not responsible for the HOA for Waste Management. He also said that every complaint from her in Lennar would have to come from the HOA to Waste Management.

It was clarified that Mr. Earle is not from Waste Management and that they (Waste Management) were divested from Veolia 10 years ago.

Ms. Jenkins asked how the HOA records and sends notices to Waste Management that they have a contract together. She was advised to speak to her HOA.

Ms. Jenkins then addressed the matter of the professionals that are not in attendance. Chairman Kubiak said that they ask that question every time that he is there.

No other comments from Ms. Jenkins.

h. Don Griffo of 18 Emerald addressed the board.

He said that he loves Ms. Jenkins suggestion to create a web forum on the website and suggested that there be a way for the residents to upload pictures to show that their garbage was not picked up.

Mr. Griffo asked what is the responsibility of the MUA as it relates to the maintenance, the servicing and replacement of the underground infrastructure of the system and the sewer lines in the street throughout the township.

Mr. Ruppel answered that the MUA needs to have a program that will be provided for the renewal, replacement or repair of the infrastructure over the course of its lifecycle, so in conclusion, the MUA owns all of it.

Mr. Griffo asked if that included the Lennar community, to which Mr. Ruppel said that after speaking with his predecessors, that he was told that those assets are given over to the Authority. He also said that it was not a certain answer, but that was what he was told.

Mr. Ruppel said that if there is a blockage, to call the Authority immediately. He also said that it is incumbent to find out what the Authority's ownership and liability is.

Mr. Griffo said that he believes that he heard a statement that the connection fees were "drying up" based on the number of units coming on board or connecting to the system. He said that there are 200 more homes in the Lennar community that are on the plans, representing \$9,500 per home in permit connection fees.

Mr. Ruppel said that he was an opponent to not having people pay connection fees. He said that their failure to collection fees resulted in the short falls (inaudible). He then said that that the connection rate of existing user stock and in the downtown area is about 90% and that there are no more houses connecting right now. He said that with respect to Lennar, the Authority does not receive a \$1,500 connection fee, but only 1/3 of that.

Mr. Griffo said that on the Financial Statement that's reported on the Township's website, the estimate for per home connections is \$19,500. He said that it is his understanding that 1/2 of that goes to the county and the other half stays in

Plumsted. He then said that with 200 more homes that go into the community, it is about \$1.9 million.

Mr. Griffo said that \$9,500 on 452 homes equate to \$4.5 million. He offered to give copies to everyone on the board.

Mr. Ruppel said that he believes that the Local Governing Body is going to work with the Authority to deal with any shortfalls and that are present and that they are going to do it as a community as they move forward.

No other comments from Mr. Griffo.

- i. Delores Jenkins from Gulfstream Rd. readdressed the board.

Ms. Jenkins said that the Tax Office charges and classifies each home differently. (This is in support of Mr. Lombardo's comment regarding the building classifications with regards to water usage). She asked why can't the Authority incorporate the categories that the Tax Assessor has and incorporate it in Mr. Lombardo's suggestion for the sewer rates.

Mr. Ruppel said that it doesn't take away from the fact that every connection to the sewer has the (inaudible). He said that they have been advised by Counsel that they are required to treat every user with uniformity.

No other comments from Ms. Jenkins.

- j. Mr. Lombardo readdressed the board.

Mr. Lombardo said that some of the statements that Mr. Ruppel made are unacceptable because he feels that his approach is to say that there is no other way and that he has 10 different solutions that the Authority is refusing to look at.

Mr. Lombardo asked the Board to look at it from his perspective. He said that he has 7 different reasons to prove that they hardly use any of the sewage that goes into it.

He said that he thinks that there is a legal interpretation about the rates being set. Mr. Lombardo said that they should pay them fairly and not just a flat rate charge.

Counsel said that she has had this conversation with him before and that is exactly what the statute says. She said that every rate has to be paid the same by customer. Mr. Lombardo retorted that a residential customer should not pay the same as a commercial customer. He then said that they are interpreting it differently.

Mr. Lombardo said that he has worked in the PUC and has done hundreds of rate cases. Mr. Ruppel asked Mr. Lombardo when the PUC ever ruled on publicly owned sewer utilities. Mr. Lombardo said that they work with privately owned utilities and that they are regulated. He suggested that these utilities need to be regulated. He then accused the Board of not wanting to take the opportunity to change it.

Mr. Lombardo said that there is no justification for how the rate was formulated. He said that the Authority should have taken the current number of customers and do a Pro Forma on what is anticipated, and then as the customers come in, they would raise the rates, because they will have a justification to do so because the expenses will be higher and that their maintenance expenses should be at their lowest point because they have the least number of customers as the system grows. He said that the cost will raise and get higher because they have additional customers and they are going to have more sewage going into the treatment plant.

Mr. Lombardo said that they have a smaller amount because they do not have a full customer base, but it will get larger as time goes on and that will justify the rate increase.

Chairman Kubiell said that by state law, they have to pay for operating costs. Mr. Lombardo suggested that somebody else run the system or that they sell the system and asked how would he know that the costs are legit. He said that they have been asking for substantiation of them and that they have not received them and that they are putting the burden on the residents.

Chairman Kubiell said that they are trying to keep the rates stable so that the residents do not have to pay an additional penny.

Mr. Ruppel said that the Board has tackled this issue multiple times and that they were given legal counsel based upon the statutes that override the way we need to do business.

No other comments from Mr. Lombardo.

k. Bill Fox of 2 Archertown Rd. addressed the board.

Mr. Fox said he is a member of the Township Land Use Board and that his concern is that as he views the Municipal Utilities Authority and the sewer line in the expansion of the sewer line that is going to have the biggest influence in the future of Plumsted Township.

He said that his understanding is that Plumsted Township is 95% build out under the current rule and regulations with their open space and preserved farmland.

He said that he has recently become aware that there has been a couple of discussions of various applications coming in with increased lot density. Mr. Fox said that his lot size reduction is based on hooking up to the sewer line. He said that he is not sure if they are in the sewer service area or if they are making an application in anticipation of the service area.

Mr. Fox said that he does not know if there's any priority in the types of people that could hook up to the sewer line. He said that he would rather see the Authority prioritize commercial and industrial renewals, retirement communities and environmentally sensitive areas and to steer away from applications for single family residential homes on quarter acre lots. He said that if that were to happen without any rules and regulations or priorities, that the town population could go from 10,000 to 50,000 people in a matter of 10 years.

Mr. Fox said that he thinks that the township needs to come together as a whole, such as the MUA, the LUB and the Township Committee to review the Master plan and set strong guidance as to what the future of the town is going to be.

Mr. Fox asked that they would propose a resolution to approach the Township Committee and the Land Use Board to reexamine the Master Plan or to define what they want the future of the township to look like.

Mr. Ruppel said that if someone wants to build a structure, that the Authority's role is to say that they either have the capacity to treat it and convey it or that we have capacity only to treat it and conveying is going to have to be dealt with some other form and that their activity is consistent with the Wastewater Management Plan.

Mr. Ruppel said that the Wastewater Management Plan is handled by Ocean County with the cooperation and commitment of the community, but in that, sets up sewer service areas and future growth areas.

Mr. Ruppel said that when an applicant comes before them, the Authority would either answer "Yes" or "No", we do that capacity as you're going into one of these circles or squares. He said that the Authority has limited discretion on who gets that capacity.

Mr. Ruppel said that it is the Land Use Board, Mayor and Counsel that set up the procedural things that they have to go through. He then said that the PMUA should be on the application checklist.

Mr. Ruppel said that the Land Use Board needs to know that the Authority has the ability to provide the service that they have.

Mr. Grosso said that that he believes that the plant was designed to take on 3 different phases and to take on the town's crumbling infrastructure and people who have bad septic's and that the capacity that the plan was designed to help out the community. He said that it's the MUA's goal and hope they get to Phase II and get all the capacity needs from the people that are currently in the town.

Mr. Fox reiterated his concern for the source of that capacity. He is concerned about the rampant growth of single-family homes. He said that from a tax standpoint, if someone pays \$20,000 per year and puts 2 kids in school, it will cost the rest of the township money in taxes to support those kids, and EMTs, Fire and Police.

Chairman Kubiak said that they will be talking to the Township Committee about the shortfall.

Mr. Ruppel made a motion to close the Public Comment portion of the meeting and was 2nd by Mr. Grosso.

The Board voted unanimously to close public comment.

17. OLD/NEW BUSINESS:

- a. Chairman Kubiel said that all applications to the Land Use Board must include the PMUA on their checklist and that it should be part of the review process.

He asked that Mr. McGuckin be contacted to compose a resolution or ordinance to include that in the application process for Land Use and Construction.

End of New/Old Business.

18. ADJOURNMENT:

- a. Mr. Grosso made a motion to adjourn the meeting and was 2nd by Ms. Kimmick.

The Board voted unanimously to adjourn the meeting.

Minutes were prepared by the Plumsted Municipal Utilities Authority Secretary,

Cynthia MacReynolds