

PLUMSTED MUNICIPAL UTILITIES AUTHORITY
AGENDA
November 16, 2021
6:30 pm

FLAG SALUTE

ROLL CALL

READING OF OPEN PUBLIC MEETINGS ACT

REVIEW OF 2021 AUDIT

TREASURER REPORT

BILL LIST

TOWNSHIP REQUISITIONS FOR PAYMENT

APPROVAL OF MINUTES

T & M ASSOCIATES PROJECT UPDATE

EXECUTIVE DIRECTOR REPORT

CORRESPONDENCE: Notice to Connect

COMMITTEE REPORTS:

RESOLUTIONS: RESOLUTION 2021-42: Advertise for Professional Services
RESOLUTION 2021-43: Granting Authority to pay certain bills prior to Bd Mtg
RESOLUTION 2021-44: Certifying Authority Board has reviewed Audit
2020/2021

PUBLIC COMMENT

OLD/NEW BUSINESS: WWTP FENCE, WWTP Schedule

EXECUTIVE SESSION

ADJOURN

The next meeting is scheduled for December 21, 2021 at 6:30 pm

Walter Bronson

Edward Weirsky

Nancy Lawrence

James Hagelstein

Jim Sondag



October 25, 2021

To the Board of Commissioners of the
Plumsted Township Municipal Utilities Authority

We have audited the financial statements of the business-type activities of the Plumsted Township Municipal Utilities Authority ("Authority") for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 18, 2021 to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2021.

We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 25, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

During the course of our audit for the year ended June 30, 2021, the following matter came to our attention and are presented for your review and consideration:

Other Comments:

Year-end close process and accrual basis of accounting: Plumsted Township Municipal Utilities Authority's general ledger is currently maintained on the cash basis of accounting and the year-end audited financial statements are prepared using the accrual basis of accounting. The accrual basis is the method of accounting where revenues are recognized when earned and expenses are recognized when incurred. Recording transactions on an accrual basis is in accordance with U.S. generally accepted accounting principles, and it provides more meaningful financial information to management. During our audit, we noted the Authority did not perform a formal close of the year-end records in accordance with U.S. generally accepted accounting principles and this resulted in the auditor having to expand the time spent in certain accounting areas. We noted several adjustments were needed to bring current year ending account balances to actual during the audit process.

Recommendation:

Year-end close process and accrual basis of accounting: We understand that the procedure to maintain your books on an accrual basis throughout the year can be a time-consuming task. Thus, we would suggest that you consider a procedure in which books are kept on a cash basis, and accrual adjustments are made only at year-end. Interim financial statements could then be maintained on the cash basis to simplify the monthly closing procedures. This practice would enable the Authority to enjoy the best features of both methods: properly adjusted accrual financial statements for year-end accounting, and more easily produced interim financial statements for monthly reporting. All financial transactions must be recorded accurately in the Organization's general ledger prior to the commencement of the year-end audit.

Other Matters

We applied certain limited procedures to the management's discussion and analysis and Pension related schedules as listed in the table of contents, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

The schedule of revenues and costs compared to budget, is presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

Restriction on Use

This information is intended solely for the use of Board of Commissioners and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Holman Frenia Allison, P.C.

Holman Frenia Allison, P.C.

**PLUMSTED TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
COUNTY OF OCEAN**

As required by N.J.S.A. 40A:5A-15, the following is a synopsis of the audit of the financial statements and supplementary data for the years ended June 30, 2021 and 2020

**Statements of Net Position
June 30, 2021 and 2020**

ASSETS	<u>2021</u>	<u>2020</u>
Current assets:		
Unrestricted assets:		
Cash and cash equivalents	\$ 101,259	\$ 60,338
Accounts receivable	75,368	68,701
Miscellaneous receivable	14,086	33,243
Total current unrestricted assets	<u>190,713</u>	<u>162,282</u>
Restricted assets:		
Escrow deposits - cash and cash equivalents	-	5,408
Total current restricted assets	<u>-</u>	<u>5,408</u>
Total current assets	<u>190,713</u>	<u>167,690</u>
Property, plant and equipment, net	<u>243,987</u>	<u>243,987</u>
Total assets	<u>434,700</u>	<u>411,677</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	<u>13,333</u>	<u>43,931</u>
Total deferred outflow of resources	<u>13,333</u>	<u>43,931</u>
Total assets and deferred outflow of resources	<u>\$ 448,033</u>	<u>\$ 455,608</u>
LIABILITIES		
Current liabilities paid from unrestricted assets:		
Accounts payable	\$ 71,228	\$ 74,622
Compensated absences	-	552
Accrued payroll	300	707
Total current liabilities paid from unrestricted assets	<u>71,528</u>	<u>75,881</u>
Current liabilities paid from restricted assets:		
Reserve for escrow and inspection deposits	-	5,408
Total current liabilities paid from restricted assets	<u>-</u>	<u>5,408</u>
Non-current unrestricted liabilities:		
Net pension liability	<u>147,757</u>	<u>166,272</u>
Total non-current unrestricted liabilities	<u>147,757</u>	<u>166,272</u>
Total liabilities	<u>219,285</u>	<u>247,561</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	<u>68,676</u>	<u>125,324</u>
Total deferred inflow of resources	<u>68,676</u>	<u>125,324</u>
NET POSITION		
Net investment in capital assets	243,987	243,987
Unrestricted net position	<u>(83,915)</u>	<u>(161,264)</u>
Total net position	<u>160,072</u>	<u>82,723</u>
Total liabilities, deferred inflow of resources and net position	<u>\$ 448,033</u>	<u>\$ 455,608</u>

PLUMSTED TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
Statements of Revenues, Expenses and Changes in Net Position
For the years ended June 30, 2021 and 2020

	2021	2020
Operating revenues:		
Solid waste service fees	\$ 451,459	\$ 387,524
Waste water service fees	7,665	-
Total operating revenues	459,124	387,524
Operating expenses:		
Administration	108,145	4,952
Cost of providing services	387,481	351,798
Total operating expenses	495,626	356,750
Net change in operations	(36,502)	30,774
Non-operating revenues:		
Local subsidies and donations	100,600	64,608
Investment income	54	229
Miscellaneous income	13,197	3,723
Total non-operating revenues	113,851	68,560
Change in net position	77,349	99,334
Net position, July 1,	82,723	(16,611)
Net position, June 30,	\$ 160,072	\$ 82,723

There were no recommendations for the years ended June 30, 2021 and 2020

The above synopsis was prepared from the report of the audit of the Plumsted Township Municipal Utilities Authority as of June 30, 2021 and 2020

This report of audit, submitted by Holman Frenia Allison P.C., Certified Public Accountants, is on file at the office of the Plumsted Township Municipal Utilities Authority, 121 Evergreen Rd, New Egypt, New Jersey 08533 and may be inspected by any interested person.

Treasurers Report

November 16, 2021

Mr. Shea reported that the General Checking Account with Investors had an opening balance as of October 1, 2021 of \$228,224.84, deposits of \$56,230.67, checks/debits equaling \$94,638.16, ending October 31, 2021 with a balance of \$189,817.35. We have payments on the Bill List of \$75,345.82, leaving a balance of \$114,471.53 which is sufficient to pay the bills.

Bill List for November 16, 2021

Invoices will no longer be provided in the Monthly meeting packages. They will be available at the Board meeting for review and questions.

PMUA Account # xxxxxxxx1194

<u>PO#</u>	<u>Vendor</u>	<u>Amount</u>
21-122	Waste Management	\$36,406.05
21-123	Central Jersey Health Insurance	\$2,496.00
21-124	Dasti, Murphy McGuckin	\$725.25
21-125	PSE&G	\$19.19
21-126	UPS	\$7.87
21-127	Veolia Water NA	\$34,056.31
21-128	JCP&L	\$80.52
21-129	Holman Frenia Allison	\$1,000.00
21-130	Office Basics	\$122.66
21-131	Verizon	\$107.72
21-132	Bills Printing	\$285.00
21-133	State of New Jersey	\$3.00
21-134	Convexserv	\$36.25
	TOTAL	\$ 75,345.82

Township Requisitions for Payment November 2021

1. TOMAR payment requisition #22 in the amount of \$280,098.70
2. P&A payment requisition #25(FINAL) in the amount of \$289,706.59
3. T&M Associates, Engineering Services on Sewer System in the amount of \$17,473.36
4. Dasti, Murphy McGuckin, Legal Services for WWTP construction in the amount of \$176.00

Executive Director Report

November 2021

1. Verizon installed second pole at the entrance to the treatment plant required by JCP&L on 11/9. We expect JCP&L to be complete 11/19 with Tomar scheduling vendor equipment startups beginning 11/29.
2. We received an informal ok from the DEP through an intermediary to install a 4" fence around the treatment plant but the DEP construction and permitting group were not advised and as such are not yet approving a 4' fence. More to come at the meeting.
3. Letters were issued to all Phase 1 residents that Sewer Service was available as of Nov. 1, 2021 with 1 year to connect. We also placed a legal notice in the APP regarding the same. As of 11/10 we had 24 permits issued and the first final inspection/customer connection scheduled for 11/10.
4. Veolia submitted their monthly Operations Report for October. See attached.
5. T&M monthly construction update had not been received at the time of the meeting package distribution. I will forward by email when I receive it. Steve Schrieber will be unavailable for the 11/16 meeting.
6. The 2020/2021 Audit will be provided and reviewed at the 11/16 Board meeting and a Resolution will need to be approved certifying the Board reviewed the Audit. Copies of the Audit, Synopsis and Audit Questionnaire are included herein.
7. There are 77 CO's issued in Lennar as of October 31. 14 additional closings are scheduled by the end of the year.
8. We will need to issue RFP for Professional Services for 2022. A Resolution to that effect is on the agenda.
9. As discussed last month, we will need a resolution authorizing certain payments (utility bills) prior to the meeting to avoid late fees. It is on the agenda.

Plumsted MUA Monthly Report – October 2021

FROM

Tim Shea, VP Operations

TO

Chairman, Plumsted MUA

Activities for the Month

Continue to provide Interim Executive Director services.
Continue weekly exercise of the comminuter at Evergreen Rd. Pump Station.
Continued pump and haul activities at Lennar.
Installed 90' of fence at Marketplace

Pump and Haul Activities

Veolia pumped a total of 176,000 gallons out of the Lennar manholes in September and disposed of at Bordentown Sewer Authority. General activity requires pumping 3 days/wk and approximately 15000 gallons each time.

Upcoming Activities

Contract temporary generator power for Blowers at the Holding Tank if needed.
Continue pump and haul from Lennar manholes.
Activate pumping from Lennar to the Evergreen PS. Estimated 11/22.
Coordinate equipment start up with Tomar/NSU starting 11/29, enter Ph 2 Contract 12/1/21.
Install 3 Thundercloud Plums at Marketplace (Spring)

Outstanding Issues

None



YOUR GOALS. OUR MISSION.

PLMU-00021

November 9, 2021

Mr. Timothy Shea
Acting Executive Director
Plumsted Municipal Utilities Authority
121 Evergreen Road
New Egypt, New Jersey 08533

**Re: Engineer's Status Report – October 2021
Downtown New Egypt Sanitary Sewer Collection and Disposal System**

Dear Mr. Shea:

The following is our report on the project status and the work performed in October 2021.

Downtown New Egypt Sanitary Sewer Collection and Disposal System

Collection System and Pump Station – P&A Construction, Inc.

October 18, 2021 – T&M sends P&A close out documents to the PMUA recommending their approval and payment of final pay certificate #25 (release of retainage) subject to approval by the PMUA Attorney.

October 19, 2021 – T&M and NSU attend the monthly meeting of the PMUA.

October 28, 2021 – T&M receives a copy of a letter to the PMUA prepared by PMUA Attorney Gregory McGuckin approving the P&A close out documents.

Holding Tank

The Holding Tank has not yet been put into service. There is still no utility power connection to the Holding Tank. If operation is needed prior to utility power connection, PMUA will use temporary generator at the Holding Tank.

The power connection to the wastewater plant is a critical path activity, and thus it is recommended to forgo the temporary service to Holding Tank. Tomar will connect the Holding Tank Blower to the main control panel and provide power for temporary operations of the Holding Tank, if needed prior to completion of WWTP. Tomar will coordinate with operator to meet Holding Tank aeration requirements.

Total Project completed to date – Bid Cost - \$13,827,416.10 (100%+); twenty-three (24) partial payments totaling \$14,484,329.42 (includes retainage). Gravity sewer main 38,703 LF (39,319 LF bid); 8,007 LF 8" FM (8,050 LF bid); 174 Manholes installed (172 bid).

WWTP – Tomar Construction Services

Work Overview:

October 5, 2021 – JCP&L & Verizon meeting on site. Thomas Controls & NSU in attendance. Thomas Controls requested power feed direct to WWTP when installed by JCP&L; forgo temp power to Holding Tank.

October 6, 2021 – Retaining wall work continues following poor weather setback.

October 8, 2021 – Tomar's site contractor removed tires from woods as instructed.

October 11, 2021 – Progress on retaining wall. Built to full length; multiple courses; storm pipe outlets.

Le: Mr. Timothy Shea, PE, Acting Executive Director
Plumsted Municipal Utilities Authority

Re: Engineer's Status Report – October 2021
Downtown New Egypt Sanitary Sewer Collection and Disposal System

October 13, 2021 – Monthly meeting on site attended by PMUA, NJDEP, Tomar & NSU.

October 18, 2021 – Tomar installs heat tracing on exterior pipes per PCO #020.

October 22, 2021 – Control wire loop testing is substantially complete and Thomas Controls energizes the control panel touchscreen with 120V power.

October 25, 2021 – Tomar's site subcontractor delivers and installs K-5 drainage sand in retention basin.

October 28, 2021 – Treatment plant floor is cleaned and prepared for coating system application.

As required by our contract with the PMUA, T&M Associates has reviewed shop drawings submitted by Tomar Construction and performing construction observation of the site improvements as installed by Tomar Construction.

Construction Schedule –

The critical path for project completion is the utility power connection by JCP&L. Pole & line work commenced on November 2. Utility power installation expected to be complete by 11/19. Township inspection to follow JCP&L completion. Mechanical startup is scheduled to commence on November 29.

At 10/19 PMUA meeting, the board declined PCO #023 temporary electrical service and instructed that contractor shall not use the emergency backup generator to power the facility during startup.

Also, at 10/19 PMUA meeting, the board and NSU projected a realistic schedule for substantial completion of the WWTP project which coincides with adequate number of sewer connections to operate the facility. Substantial completion, and start of wastewater flow to the WWTP, is projected to occur the first week of January 2022. Current progress on utility power by JCP&L is on track to maintain this schedule projection.

Change Orders –

On 10/7, Tomar sent PCO #024 Inlet #7 Modification for \$5,438.40.

On 10/13, Tomar sent PCO #025 Air Flow Switch on SHT Blower for \$7,656.36.

On 10/13, Tomar sent PCO #026 Lighting Panel Modifications for \$4,044.70.

On 10/25, Tomar sent PCO #027 Tire Disposal (2) for \$1,745.26.

On 10/25, Tomar sent PCO #028 Utility Relocation Costs for \$18,822.12.

Fencing: Tomar has provided prices for fencing options: 6' tall & 4' tall perimeter fence with locking entrance gate of matching height. The 6' fence is chain link on all sides. The 4' fence has wooden fence along the front section and chain link on the other three sides. The entrance is 24' double gate that is made of chain link. The price for either option is approximately \$116,000.

Tomar has installed the foundation tubes for fenceposts along the retaining wall but has not proceeded with fencing subcontractor. Pending decision from NJDEP & PMUA.

Total Project completed to date – Cost - \$10,262,375.68 (93.8%), excluding retainage and stored materials, as of Tomar Pay Application #021, dated October 4, 2021.

Le: Mr. Timothy Shea, PE, Acting Executive Director
Plumsted Municipal Utilities Authority

Re: Engineer's Status Report - October 2021
Downtown New Egypt Sanitary Sewer Collection and Disposal System

\$10,542,474.38 (96.4%), excluding retainage and stored materials, as of Tomar Pay Application #022,
dated November 3, 2021.

GENERAL ENGINEERING

Nothing to report for October 2021.

If you have any questions or require additional information, please contact me.

Very truly yours,
T&M ASSOCIATES



STEPHEN J. SCHREIBER, PE
VICE PRESIDENT/DEPARTMENT MANAGER

SS:JS(NSU)

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