

EVESHAM MUNICIPAL UTILITIES AUTHORITY**Meeting Minutes from December 10, 2015**

Assistant Secretary Morton read the opening statement as follows:

Adequate public notice of this meeting, pursuant to the Open Public Meetings Act, has been given by the Assistant Executive Director of Business of the Evesham Municipal Utilities Authority in the following manner:

1. Posting written notice on the official bulletin board at the Evesham Municipal Utilities Authority, Evesham Township Building, 984 Tuckerton Road, Marlton, NJ on December 7, 2015.
2. E-mailing written notice to the Burlington County Times, Courier Post, and Central Record on December 7, 2015.
3. Posting written notice on the official Evesham MUA website on December 7, 2015.
4. Filing written notice with the Clerks of Evesham and Medford on December 7, 2015.

This statement shall be entered into the minutes of this meeting.

Roll Call

Present: Fiscaro, Morton, Waters (exited 8:40 pm), Wessner (arrived 7:50 pm)

Alternate: Lutner, Hassall

Absent: Tencza

Also Present: Executive Director Rollins, Deputy Executive Director Lender, Assistant Executive Director of Business Puszcz, Engineer Simpson, General Counsel Drollas, Auditor Applegate

Members of the Public:

Public Comment:

Robert Bankard, 25 Lavender Ct, Alan Sims, Village Greenes, Bob Gambino, Village Greenes, Kenneth Mills, 119 Meadow Lane, Rosemary Bernardi, of 10 Halifax Ct

Chairman Fiscaro called the meeting to order at 7:30 P.M.

PLEDGE OF ALLEGIANCE

APPROVAL OF MINUTES

November 4, 2015

On motion by Waters, seconded by Lutner, it was moved to approve the minutes of November 4, 2015

RECORDED VOTE: AYE: Lutner, Morton, Hassall, Waters, Fiscaro
 NAY: None
 ABSTAIN: None

MOTION CARRIED: 5-0-0

November 18, 2015

On motion by Waters, seconded by Lutner, it was moved to approve the minutes of November 18, 2015

RECORDED VOTE: AYE: Lutner, Morton, Hassall, Fiscaro
 NAY: None
 ABSTAIN: Waters

MOTION CARRIED: 4-0-1

November 25, 2015

On motion by Waters, seconded by Lutner, it was moved to approve the minutes of November 25, 2015.

RECORDED VOTE: AYE: Lutner, Morton, Hassall, Waters, Fiscaro
 NAY: None
 ABSTAIN: None

MOTION CARRIED: 5-0-0

PUBLIC COMMENT

Robert Bankard, 25 Lavender Ct, Village Greenes, questioned the increase in water and sewer rates. Mr. Bankard stated that the sewer is being tied into water usage via the sprinkler system. This is "double dipping" and he doesn't understand the basis of doing that. Chairman Fiscaro stated it would be difficult to separate irrigation usage unless there was a separate meter. Mr. Bankard stated his development as well as Legacy Oaks has a large community of senior citizens and suggested a (senior citizen) discount (in water/sewer bills). Mr. Fiscaro stated we will look into that for the next budget. Executive Director Rollins explained that high water bill inquiries do occur with the November and December billing because it covers the height of the irrigation season: either June through August or July through September. There are two things to consider: meter accuracy and rate fairness. Executive Director Rollins called attention to a board which depicts the rate structure for Evesham MUA compared to surrounding communities. Evesham MUA ranks 19th out of 27 water/sewer service utilities for water

and sewer rates combined. When establishing fair rates Evesham MUA considers rate equity, rate stability and generational stability. In addition, the rates must produce some surplus to fund the Authority's capital improvement program. This ensures that necessary capital improvements occur with each generation rather than all on one generation and in an emergency situation, which can become cost prohibitive, causing the rates to spike. By carefully planning and implementing gradual, manageable rate increases, the Authority can operate properly and pay for capital expenditures. The second issue is the accuracy of the meter. The Authority has always retained the policy of customer service and accurate bills. For a high water bill inquiry, a convenient appointment will be made for Evesham MUA employees to go to the home and check the meter, which includes identifying how the water is being used and how to conserve water, check for leaks, which includes attempting to identify the source of the leak; and survey the irrigation system, which includes calculations of how much water the irrigation system is using. In addition, our rainfall last year was above average and this year it is below average so irrigation systems usage increased. Mr. Bankard questioned that since the rainfall was high last year, did the EMUA suffer a low revenue and is that why the rates went up? Executive Director Rollins stated that because of the increased rainfall we used less electricity for pumping and chemical costs actually decreased. However, the Authority evaluates the rate structure every year ensure sure we are covering all anticipated expenditures including improvements.

Resident (did not introduce herself) stated there is an assumption that the high bills being referenced are due to irrigation systems; however, in her case she lives alone, showers at the gym and has only turned on her irrigation system four times in two years and her bill is higher than her neighbor who has a family and is home all the time. Executive Director Rollins stated that each situation is to be evaluated individually. In her case, we would need to go to her home to check for leaks and usage to prove conclusively whether the meter is accurate. Executive Director Rollins provided the resident his business card for further discussion and evaluation of her situation.

A resident (unidentified) from Legacy Oaks inquired about the current water rate per gallon in comparison to a year ago? Executive Director Rollins stated there was no increase in 2014. Assistant Executive Director Puszcz stated that depending on how much water is used there was a rate increase of 3-5% for both water and sewer combined over 2013.

Resident (unidentified) inquired how the irrigation water usage effects the sewer bill. Executive Director Rollins explained that the water bill is water consumed. For sewer there is a base charge plus a usage charge per 1,000 gallons for sewer 40,000 gallons. For consumption beyond 40,000 gallons, sewer is not charged as the assumption is that this water consumption goes beyond domestic use. Executive Director Rollins further explained the annual rate structure evaluation process including senior discounts, which is based on qualifying income.

Mr. Bankard questioned what incentive does the Evesham MUA offer for seniors not to go to a Township meeting and ask what type of discount they can get if seniors were to support the Township takeover of Evesham MUA? He stated perhaps the Township would be more sensitive to the needs of the seniors. Executive Director Rollins stated that at the beginning of his statement he made the best economical argument; however, they are asking the Township to treat (seniors) more special, beyond what they already have, which is an income threshold so low, few qualify for the senior discount. Mr. Bankard stated that a senior discount should not be tied to income, but rather to age.

A resident (unidentified) of Legacy Oaks stated her bill was \$689. Last year's same quarter was \$214. She's a single person who is not home a lot. Someone from Evesham MUA inspected her home, but no leaks were detected. She was told it was her sprinkler system. This resident stated she does not run her system more than 10 minutes every few days. She stated no one surveyed her sprinkler system. Executive Director Rollins stated that they evaluate her irrigation system for her and assess the settings and system. This resident also stated that when she lived in Cherry Hill, every senior got a discount regardless of income. Chairman Fiscaro reassured Ms. Foreman that the Evesham MUA will be looking into that. Resident also questioned why the rates increase with higher usage. Executive Director Rollins stated that it increases due to excessive use, when it goes over the threshold of domestic use to encourage water conservation. There's a greater demand on the system for higher water usage.

Alan Sims from Village Greenes questioned if the tiers are at the same gallon usage this year as last year. Assistant Executive Director of Business Puszcz confirmed that gallons per tier are the same.

A resident (unidentified) from Village Greenes stated that he's only been in his house for two months, but he called in a plumber to inspect his home and his toilets were leaking. He asked if the Evesham MUA will provide the service of checking for leaks. Executive Director Rollins confirmed that Evesham MUA personnel will check for leaks free of charge.

An unidentified resident questioned the legality of charging higher rates for higher consumption. Executive Director Rollins explained that tiered rates are used across the country, a very common rate methodology. He stated this methodology is required in New Jersey for water conservation efforts. Engineer Simpson explained that it is a Department of Environment Protection (DEP) requirement for Evesham MUA to submit a water conservation plan and part of that has to be a tiered rate structure. Engineer Simpson further explained that the tiers for greater consumption are high enough so that residents with large families, whose consumption is only domestic use, are not affected by it. He cited an example of commercial properties that have sprinkler systems running while it's raining, explaining this is the type of consumption we are trying to conserve. Also, the Evesham MUA is contracted to purchase the extra water they need from NJ American Water. This is at a higher rate than what we pump out of our wells. These higher rates are included in the tiered rate structure.

Resident (unidentified) questioned if the dye that identifies leaks comes in a tablet form. Executive Director Rollins answered yes. The resident asked how to check the toilets every six months. Executive Director Rollins advised that using food coloring will provide the same results and can be used for those spot checks.

An unidentified resident stated that when Evesham MUA came to check for leaks in her home, they did not check the toilets, only the meter. Executive Director Rollins stated that when testing for leaks they check the meter first. They ask that you do not run any water and they see if the meter is still running which denotes a leak; however, he could send personnel again to check her toilets. She asked if all present could get their homes checked. Executive Director Rollins stated yes, that Evesham MUA personnel would contact them from the list of people who signed in.

Bob Gambino from Village Greenes stated his bills have never been over \$200. Last year he used 19,000 gallons, this year it was 45,000 gallons and he was not home for 6 weeks of the billing quarter. He only left the sprinkler system on and thought it was a leak within the irrigation system, but now he wonders if it is the meter. Executive Director Rollins told him to also take into consideration that there was 3 inches less rainfall this year than last year, but he would send someone out to check the meter.

Mr. Mills, 119 Meadow Lane, inquired when the radio transmitters for the meters were installed and how the bill is configured. He questioned if some was a projected cost. Executive Director Rollins responded yes. Base charges are billed in advance and consumption charges are billed based on the prior quarter's use.

Residents questioned credits and paying in advance. Executive Director Rollins stated that interest charges are waived while a bill is in dispute until resolution.

Mr. Bankard inquired when Evesham MUA finds a billing error, how is it corrected. Executive Director Rollins explained Evesham MUA gives the credit based on a conclusive meter test by an independent company, by the percentage a meter may have over-registered, which is a rare occurrence.

A Resident (unidentified) inquired if there was an average water bill for consumption. Executive Director Rollins stated statistically it is 70 gallons per day per person. This may vary from home to home.

A Resident (unidentified) inquired how many gallons are used in a three minute shower. Executive Director Rollins stated that it would depend on the shower head. Deputy Executive Director Lender advised that Village Greenes is an older section, so having the home checked for leaks is a good idea. The resident stated she has a bathroom upstairs that is never used. Deputy Executive Director Lender suggested she shut the water off to that toilet, but cautioned her to monitor the toilet bowl and replenish the water in the bowl before it evaporates to prevent sewer gases from coming in through

the toilet. The water in the bowl keeps the sewer gases from entering the home through the toilet.

Mr. Mills, 119 Meadow Lane, questioned the \$30,000 being spent on lifts as noted on the agenda. Chairman Fiscaro explained that we have mechanics on staff who can perform repairs and maintenance on the vehicles rather than sending them out for repairs, which is more cost effective, both in terms of repair times and labor costs.

Rosemary Bernardi, 10 Halifax Ct. complimented and thanked Executive Director Rollins for his explanations to the public. Ms. Bernardi asked for an explanation on Resolution 2015-146. Assistant Executive Director Puszc responded that the Department of Community Affairs increased the bid threshold for local contract units that employ a licensed QPA and Evesham MUA is increasing its bid threshold accordingly. Ms. Bernardi also questioned the cost of the lifts, which she feels is an exorbitant amount to spend when the future of the Evesham MUA is uncertain. She also inquired if there may be an opportunity to use shared services with someone who may already have lifts in place. Chairman Fiscaro questioned Deputy Executive Director Lender about the school district. Deputy Executive Director Lender stated that they did not have the capability to work on Evesham MUA vehicles. Chairman Fiscaro suggested management contact the school district again. Ms. Bernardi then questioned the motion to approve a change order for T&M Associates for \$98,300 for an oversight at Elmwood and Woodstream (WWTP improvements). She inquired what the overall, total expense for this project was. Assistant Executive Director Puszc answered approximately three million dollars. Executive Director Rollins stated that he was already planning to request the board to table this motion because he is not convinced this will be a closure to this project without incurring further expenses.

The attending public applauded Executive Director Rollins for his patience and professionalism while fielding questions regarding high water bills.

FINANCIAL

Presentation of the FY 15 Audit – Presented by Auditor Applegate. Auditor Applegate began with an explanation of a new item on the financial statement called “Pension Liability” from the Governmental Accounting Standards Board, GASB 68, which allocates unfunded pension liabilities at the State to all local participating entities. The State’s unfunded pension liability is over \$37 million. The Authority’s share of that liability is \$7 million. That is a direct hit against the Authority’s “bottom line.” There is a concern on how it will affect future bond ratings. Auditor Applegate then presented the rest of the audit and is pleased to advise that there are no findings or recommendations in the FY 15 audit.

Resolution 2015-158: Acceptance of FY 15 Audit

On motion by Morton, seconded by Lutner, it was moved to adopt **Resolution #2015-158** accepting the the FY 15 Audit.

RECORDED VOTE: AYE: Lutner, Morton, Hassall, Wessner, Fiscaro
 NAY: None
 ABSTAIN: None

MOTION CARRIED: 5-0-0

Resolution 2015-141: Payment of Bills

There was a review and discussion of the bills. On motion by Morton, seconded by Lutner, it was moved to adopt **Resolution #2015-141** approving the payment of the November 2015 bills.

RECORDED VOTE: AYE: Lutner, Morton, Hassall, Wessner, Fiscaro (except where his name is mentioned)
 NAY: None
 ABSTAIN: None

MOTION CARRIED: 5-0-0

Resolution 2015-142: Refunds, Credits & Cancellations – On motion by Morton, seconded by Lutner, it was moved to adopt **Resolution #2015-142** approving the November 2015 refunds, credits & cancellations.

RECORDED VOTE: AYE: Lutner, Morton, Hassall, Wessner, Fiscaro
 NAY: None
 ABSTAIN: None

MOTION CARRIED: 5-0-0

Resolution 2015-146: Authorization to increase bid threshold to \$40,000 as permitted by the Local Public Contracts Laws – On motion by Morton, seconded by Lutner, it was moved to adopt **Resolution 2015-146** increasing the Authority's bid threshold to \$40,000.

RECORDED VOTE: AYE: Lutner, Morton, Hassall, Wessner, Fiscaro
 NAY: None
 ABSTAIN: None

MOTION CARRIED: 5-0-0

Resolution 2015-147: Award of Contract under State Contract in excess of \$17,500 to Mohawk Lifts in the amount of \$31,535.41 for purchase and installation of 20,000 lb heavy duty lifts at Elmwood Plant. **Tabled.**

Resolution 2015-148: Award of Contract under State Contract in excess of \$17,500 - On motion by Morton, seconded by Wessner, it was moved to adopt **Resolution 2015-148** authorizing award of contract to Beyer/Celebrity Ford in the amount of \$24,708 to purchase a 2016 Ford Explorer.

RECORDED VOTE: AYE: Lutner, Morton, Hassall, Wessner, Fiscaro
 NAY: None
 ABSTAIN: None

MOTION CARRIED: 5-0-0

Resolution 2015-149: Award of Contract in Excess of \$40,000 – On motion by Morton, seconded by Lutner, it was moved to adopt **Resolution 2015-149** awarding a contract to Water Works Supply Co., Inc. in the amount of \$82,871.21 for the Fire Hydrant Replacement Program. Deputy Executive Director Lender stated this is to replace 30 hydrants.

RECORDED VOTE: AYE: Lutner, Morton, Hassall, Wessner, Fiscaro
 NAY: None
 ABSTAIN: None

MOTION CARRIED: 5-0-0

Resolution 2015-150: Authorization to advertise for proposals for professional services 2016 –On motion by Morton, seconded by Lutner, it was moved to adopt **Resolution 2015-150** authorizing advertisement for proposals for professional services 2016.

RECORDED VOTE: AYE: Lutner, Morton, Hassall, Wessner, Fiscaro
 NAY: None
 ABSTAIN: None

MOTION CARRIED: 5-0-0

Resolution 2015-151: Award of Emergency Contract in excess of \$6,000 – On motion by Morton, seconded by Lutner, it was moved to adopt **Resolution 2015-151** awarding an Emergency contract in excess of \$6,000 to Henkels & McCoy in the

amount of \$15,000 for the repair of a water main break on Rt. 70 at Burns GMC on November 26, 2015. This is the third break. Deputy Executive Director Lender stated that the area is shallow, heavy traffic and cast iron pipe. The State will be begin repaving in March.

RECORDED VOTE: AYE: Lutner, Morton, Hassall, Wessner, Fiscaro
 NAY: None
 ABSTAIN: None

MOTION CARRIED: 5-0-0

Resolution 2015-153: Award of Contract in Excess of \$6,000 –On motion by Morton, seconded by Lutner, it was moved to adopt **Resolution 2015-153** awarding a contract in excess of \$6,000 under a Cooperative Purchasing Agreement for Paving to GWP Asphalt Services in the amount of \$6,498.50 to repair and repave the driveway at the Barton Run Lift Station.

RECORDED VOTE: AYE: Lutner, Morton, Hassall, Wessner, Fiscaro
 NAY: None
 ABSTAIN: None

MOTION CARRIED: 5-0-0

Resolution 2015-156: Award of Contract in excess of \$40,000 –On motion by Lutner, seconded by Wessner, it was moved to adopt **Resolution 2015-156** awarding a contract in excess of \$40,000 to Kampi Components Co., Inc. in the amount of \$54,500.60 to purchase 7 gearboxes for the Elmwood Plant. The gearboxes will be installed by Authority personnel.

RECORDED VOTE: AYE: Lutner, Morton, Hassall, Wessner, Fiscaro
 NAY: None
 ABSTAIN: None

MOTION CARRIED: 5-0-0

Resolution 2015-157: Award of Contract in excess of \$6,000 –On motion by Morton, seconded by Wessner, it was moved to adopt **Resolution 2015-157** awarding a contract in excess of \$6,000 to Crompco, LLC in the amount of \$7,780.00 for the Elmwood Plant Underground Storage Tank Repair.

RECORDED VOTE: AYE: Lutner, Morton, Hassall, Wessner, Fiscaro
 NAY: None

ABSTAIN: None

MOTION CARRIED: 5-0-0

Motion to approve to approve proposal from T&M Associate in the amount of \$98,300 for additional oversight for the Elmwood and Woodstream Wastewater Treatment Plant Upgrades – Tabled.

EXECUTIVE DIRECTOR'S REPORT

No violations.

There was a tank repair at Kings Grant Plant.

The Authority received many high water bill concerns communicated through social media, which generated a larger than usual amount of high water bill inquiries. Executive Director Rollins advised that the Authority has a protocol in place to satisfactorily address these inquiries.

A conversation ensued in reference to the many senior citizens that attended the meeting tonight and how to best address their concerns.

ENGINEER'S REPORT

Supplying of Chemicals:

Resolution 2015-155: Award of Contract for Chemical Supply – On motion by Lutner, seconded by Wessner, it was moved to adopt **Resolution 2015-155** awarding a contract for chemical supply per the Engineer's recommendation letter. The contract includes seven chemicals from four different suppliers. The total annual expense should decrease approximately 5% based on bid quantities.

RECORDED VOTE: AYE: Lutner, Morton, Hassall, Wessner, Fiscaro
 NAY: None
 ABSTAIN: None

MOTION CARRIED: 5-0-0

Update: South Side Water Storage Tank – On hold for new water allocation permit from DEP to see if there are any changes.

Update: Merchants Way Water Tank Painting – Repainting is almost finished. The contractor may file for the extra time taken on this job. The Authority should be able to replace the water in the tank next week.

Resolution 2015-152: Approval of Change Order #1 –On motion by Wessner, seconded by Morton, it was moved to adopt **Resolution 2015-152** approving Change Order #1 to Mumford-Bjorkman Associates, Inc. in the amount of \$16,500 for an additional 20 days for tank inspection services due to unforeseen conditions inside the Merchants Way Tank.

RECORDED VOTE: AYE: Lutner, Morton, Hassall, Wessner, Fiscaro
 NAY: None
 ABSTAIN: None

MOTION CARRIED: 5-0-0

Update: ASR Well 13/14 Treatment Program – Waiting for the water allocation permit.

Update: Elmwood/Woodstream SCADA – The contractor’s work is coming to a close. There could be additional work added.

Update: Elmwood/Woodstream Energy Improvements – No report.

Update: Locust Avenue Pumping Station – A site survey is needed because there is no as-built information.

Update: Waterview Court Water Main Replacement – The new water main has been installed. While the new main was being tested for bacterial quality, a break occurred in the old main. The process started today to connect homes to the new main. Once that is complete, the old main will be grout filled.

Chairman Fiscaro requested a main replacement assessment in Heritage Village Woodstream due to frequent breaks.

Update: Defense Drive Utility Replacement – Few things to revise. Will be out to bid by January.

Update: Elmwood Sludge Dewatering – Received the last two pilot tests. The machines are showing a good improvement and will save on disposal costs. A report will be forthcoming giving an economic analysis and recommendation for one of the machines.

Update: Well 6 Redevelopment – Redeveloped, but waiting for a repaired pump to come back, which should be installed next week.

Update: South Cropwell Road Sewer Main Lining – Finished in October. Still waiting for post construction video.

Update: Hamilton Road Manhole Casting Resetting – Notice will be given to Arawak to proceed in March upon approval of their contract by the board; however, manholes will be ramped up so that plows can safely pass in the winter.

Resolution 2015-154: Award of Contract in Excess of \$40,000 –On motion by Morton, seconded by Wessner, it was moved to adopt **Resolution 2015-154** awarding a contract in excess of \$40,000 to Arawak Paving Co., Inc. in the amount of \$121,400 for Hamilton Road Improvements.

RECORDED VOTE: AYE: Lutner, Morton, Hassall, Wessner, Fiscaro
NAY: None
ABSTAIN: None

MOTION CARRIED: 5-0-0

Update: Well 4 Emergency Generator – In design. It will be a few more months before this is finalized.

There was a motion to adjourn by Morton, seconded by Wessner. The meeting was adjourned at 9:40 P.M.

RECORDED VOTE: AYE: Lutner, Morton, Hassall, Wessner, Fiscaro
NAY: None
ABSTAIN: None

MOTION CARRIED: 5-0-0

The next regular meeting of the Evesham Municipal Utilities Authority is scheduled for January 6, 2016 at 7:30pm.

Joan A. Ludlam
Secretary

APPROVED BY THE BOARD: _____