

**FY23 CLOSED MINUTES TO RELEASE TO OPEN**

**July 21, 2022**

PERSONNEL

Ms. Carolan reported that two employees resigned in the last week. [REDACTED]

265 MOUNT LAUREL ROAD

Mr. Lamilla reported that this property went to settlement and the outstanding balance from the sewer ejector repairs was satisfied.

DELCO LITIGATION (aka Haddon Pointe)

Mr. Lamilla stated that he filed a motion to dismiss the suit due to the suit being legally insufficient. Mr. Lamilla said that Delco will have two weeks to respond.

NEW JERSEY AMERICAN WATER-BASE RATE INCREASE

Ms. Carolan reported that NJAW proposed a settlement of a 7% increase instead of the original 15%. Ms. Carolan stated that our rate counsel [REDACTED]. Ms. Carolan asked the board for an acknowledgement they agree with us not responding, in which they did. Ms. Carolan indicated the 7% increase is expected to go into effect September 2022.

Ms. Carolan said that she anticipates us needing a rate increase this year due to the increased costs of purchasing water from both NJAW and Willingboro MUA

**August 18, 2022**

DELCO LITIGATION (aka Haddon Pointe)

Mr. Lamilla reported that following our motion to dismiss and reply on August 25th, we should know outcome by mid-September.

Mr. Lamilla said that Delco can appeal if we win and if we lose, we can consider mediation.

## **September 15, 2022**

### DELCO LITIGATION (aka Haddon Pointe)

Ms. Smith reported that the Judge's findings were received on September 9th and that counts 1, 2, 4, and 5 were dismissed. The complaint that the Judge is allowing further investigation and mediation is regarding costs related to the required pump station expansion at the Authority's Mason's Creek pump station. The court ordered a mediation session that must occur within 30 days or by October 10, 2022.

Ms. Carolan added the MUA is preparing additional information for the mediation.

Ms. Carolan presented to the board, DELCO's recent request for special consideration to connect up to 120 market rate townhouse units to the MUA's existing Mason's Creek pumping station before the expansion is complete.

Ms. Carolan reported that the pumping station can handle that capacity. The MUA is uncertain how many more can connect after that. There is excess capacity at that pump station but there is no way it can handle another 600 units without an expansion, as staff is concerned that the developer is positioning itself to not have to do the expansion.

The Board, Solicitor and staff agreed that the MUA will ask the developer to provide a schedule for construction of PS expansion and schedule of unit construction with monthly updates, and that DELCO needs to begin process of getting NJDEP approval to connect to the existing pump stations. The MUA requests that this information be supplied by October 10, 2022, in order that sufficient time be available to review, evaluate and make recommendations to the Board prior to the October 2022 board meeting.

### 411 ACORN ROAD

Ms. Smith reported that a letter was received by the MUA addressed to Cheryl Coco-Capri saying they are Sovereign Citizens and not required to pay for utilities. Ms. Smith stated that the MUA should warn them one more time and if the customer does not pay or set up a payment arrangement, their water should be shut off.

### EMPLOYEE STATE HEALTH BENEFITS

Ms. Carolan stated that the MUA is part of the State Health Benefits Plan that the Commission approved a 26% increase for this year. Ms. Carolan stated that in order to help retain employees, and because there is money the budget, she proposes that the MUA absorb the costs in 2023. The Board concurred.

## **October 20, 2022**

### DELCO LITIGATION (aka Haddon Pointe)

Ms. Smith reported that during mediation it was presented that the MUA commit to [REDACTED] towards the pump station expansion via credit of connection fees and that Delco/Ryan be allowed to connect 120 townhouses only to the existing pump station prior to expansion.

Ms. Carolan stated that the MUA operational staff is comfortable with 120 townhouses connecting prior to the expansion and agrees that a credit to the developer could settle the litigation.

Ms. Carolan said that the developer is stating that the pump station expansion is scheduled to be complete and operational by February 2024, which will be prior to any of the remaining construction needing to connect/obtain COs.

Mr. Trice added that the information provided by Delco's contractor, Municipal Maintenance, regarding the pump station expansion is in line with the MUA approval.

The Board indicated their concern is that the Delco won't hold up their side of the agreement once we allow the first connection and that they're concerned Delco will come back to us again with another change or lawsuit.

Mr. Trice added that on the as-builts that were provided for the townhouse section, there are 6 manholes where the slope is in the wrong direction. Delco's contractor proposed instead of fixing them, that we enter an extended maintenance bond. Rather than 2 years, we have 4 years and if there is a problem, then we resolve it. Mr. Trice does not recommend this option, and added that we still have not received the as-builts for either the affordable or market rate apartment sections even though we approved the building permits for them.

The Board stated that the corrections to the gravity sewer need to be made now. There won't be an extended maintenance bond period.

The Board agreed to give Mr. Morris the ability to negotiate up to \$300,00.00 during the second mediation on October 21, 2022 and will indicate that it is agreed that the 120 townhomes are allowed to connect.

### **November 17, 2022**

DELCO LITIGATION (aka Haddon Pointe)

Ms. Smith reported a settlement in the amount of \$187,500.00 in credited connection fees, along with the connection of the 120 market-rate townhome units before the expansion to Mason's Creek Pump Station.

Ms. Smith added that George Morris reported the settlement to the mediator.

Ms. Carolan stated that there is one piece that is not fully resolved, the connection of 120 of the townhomes as the DEP permit requires the PS expansion to be complete prior to connection.

Mr. Trice added that DEP confirmed that due to the manner in which the TWA application was submitted and the permit issued, the construction and connection of the Haddon Point development is contingent on the upgrade of the pump station. Since the permit was already issued the permit reviewer at DEP was not sure how to handle a request to connect units prior to the pump station being upgraded and requested that a brief email describing what is being requested be submitted for review.

Ms. Carolan also reported that now DELCO is requesting not to pay any connection fees for the clubhouse in a letter from their engineer.

Ms. Carolan indicated the Alaimo's office responded requesting additional information on the use of the clubhouse and pool and that we are waiting for that information to be submitted by DELCO.

Ms. Murphy asked if we would ask the use of a property for any other developer, hotel, or country club, because the intended use of the property doesn't have any impact on us.

Ms. Carolan explained that is how the fees are calculated.

Mr. Francescone added that we do need the information to correctly and fairly calculate the connection fees, which he is ok with.

Mr. Trice indicated that no repairs have been done yet on the improperly installed manholes, but that Whittendale is trying to figure out how to correct.

### **December 15, 2022**

DELCO LITIGATION (aka Haddon Pointe)

Ms. Smith reported that the next settlement conference will take place December 27<sup>th</sup>.

Mr. Trice questioned if the email had been sent to the reviewer at the DEP regarding the initial application not allowing any units to connect prior to the pump station upgrade.

Ms. Smith was unaware if the email had been sent or not.

Mr. Trice explained that Rick Hoff, Delco's attorney, drafted an email addressing this change. Delco was asking the ability to connect 120 market rate townhomes but now they realized the affordable housing units are going up much faster than the townhouses. They are not asking for any additional overall flow above the original request, just to reallocate it.

Ms. Carolan added that Delco's attorney agreed to all of the changes we proposed, but then changed the wording from 120 market rate townhouse to 36,000 gallons per day in the letter to the DEP, which is ok with us. Delco's engineer, TWT, provided additional information to Alaimo in support of their request to not pay connection fees for the clubhouse.

#### CHAPTER 78 LAW UPDATES

Mr. Sears reported that the Chapter 78 Law went into effect in 2010 and was challenged with PERC related to negotiable items in a contract. Its purpose was to cap retirement payments, so people weren't retiring with "boat" checks. This summer the State Comptroller performed a review and found that the municipalities surveyed were not in compliance with the law; the MUA was not reviewed by the Comptroller's Office.

Mr. Sears added that during our FY22 audit exit conference, the auditors advised us to get an opinion from our labor attorney as [REDACTED]

Mr. Sears noted that our Labor Counsel, Carmen Saginario's, opinion is that [REDACTED]

Mr. Sears believes this will [REDACTED]

Ms. Carolan said [REDACTED]

#### NON-UNION WAGE ADJUSTMENTS

Mr. Sears asked the board to consider passing a motion to approve non-union increases for 2023.

Mr. Sears stated that the Authority put approximately \$106,000 in the budget to handle increases for non-union employees.

Mr. Sears said that to offset the loss of the sick time sell back, the Authority would like to do what we do with the union by providing non-exempt, non-union employees \$500 retention bonuses.

### **January 19, 2023**

#### DELCO LITIGATION (aka Haddon Pointe)

Ms. Smith reported connecting to the existing pump station is contingent on DEP approval. Any future users will be responsible for cost sharing with Delco. Delco will be permitted to connect up to 36,000 gallons per day to the unexpanded station contingent on DEP approval. Delco will not request of the MUA or the DEP to connect any more units prior to completion of the pump station over the 36,000 gpd.

Ms. Smith added that Delco's counsel understands that there will be connection fees.

Mr. Francescone remembered that Delco was to provide us additional information so that we could recalculate fees. Mr. Carolan said that Rick Hoff is aware of this.

Ms. Carolan said that all building permit applications submitted to us by Delco have been approved except for the clubhouse which is being held until connection fee issue is resolved.

Mr. Trice added that the issue with the slopes in the manholes, still hasn't been addressed.

Mr. Long replied that they submitted reviewed as-builts last week.

#### 411 ACORN ROAD

Ms. Smith reminded the board that this customer addressed the Authority to advise that they are Sovereign Citizens and should not be paying utilities.

Ms. Carolan stated to the board that this customer has not paid their bill since 2018 and ignored the MUA's request to install a new meter or start a payment plan. Although the board instructed the MUA to shut the water off to this customer, because of new State procedures, the water cannot be shut off between November to March.

Ms. Carolan suggested that a notice go to the customer indicating if payment isn't received or a payment plan arranged with at least one payment made by March, and a new meter installed by April 1st, their water will be shut off without additional notice.

Mr. Morris indicated that his firm will prepare the letter.

The Board agreed that a notice should go before the March board meeting saying that it either has to be paid in full or a payment plan made with the first payment made and their meter changed out, prior to April 1st. If they do not follow this requirement, their water will be shut off.

#### TOWNSHIP POLITICAL CONTRIBUTION ORDINANCE

Ms. Smith reported that she was to investigate to see if the Township's policy applied to the Authority. Ms. Smith continued to say that [REDACTED]

Ms. Smith said that [REDACTED]

Ms. Carolan said that all vendors were sent the form and must return it within 10 days in advance of Feb. board meeting.

#### 123 CREEK ROAD., MOUNT LAUREL MANOR APARTMENTS

Ms. Smith mentioned that several inquiries have been received by the Authority from residents who want to connect to the new sewer main, and the developer is worried about maintenance bonds and being responsible if anything occurs with those connections.

Mr. Morris has been working with the developer and his attorney to get an agreement together saying if there are connections, the developer would not be responsible.

Mr. Morris included that there are still outstanding questions of the connection costs.

Mr. Trice added there was a quote of connection cost of \$4500 for a single-family house.

Mr. Trice stated that the Authority doesn't have to get in to passing judgment on the cost if the two parties are agreeable. It only applies when the cost reimbursement is rejected.

#### REVOLVING FUND – COMMERCIAL PROPERTIES

Ms. Smith reported that her Bond department needs to look at Authority's bond documents to determine if lending can be offered to commercial properties.

#### VERIZON LEASE OF WATER TOWER SPACE

Ms. Smith said that Verizon's lease on the Authority's tower space, has expired. Ms. Smith indicated that Verizon wants to renew the lease and the question arose that if the Authority and Verizon could just enter back into the lease, which they can't; a new lease must be executed.

Ms. Smith reported that his will have to go out to bid, be awarded and a new agreement executed.

#### NJAWC PROPOSED RATE SURCHARGE FOR LEAD SERVICE LINE REPLACEMENT PROJECT

Ms. Carolan noted that yesterday we received a letter from NJAWC about a rate hearing on Feb. 2nd about a new type of rate they are proposing for a lead service line replacement clause. Ms. Carolan said that although the rate is currently nominal, in years to come, it could wind up costing the MUA a lot of money.

Ms. Carolan contacted our water rate counsel who learned NJAWC applied for this in January 2022, but the Authority was never notified.

Ms. Carolan recommends fighting this charge as it shouldn't apply to a bulk water purchaser as we all also have to comply with NJDEP's requirements regarding lead service lines and our rate payers should not be paying to replace service lines of customers of NJAWC. Ms. Carolan added that she plans on attending the rate hearing on February 2nd.

The Board agreed to retain counsel and fight the rate increase.

[REDACTED]



### STALKER IN HOLIDAY VILLAGE AREA

Mr. Scott reported that several employees have encountered someone in the area of Holiday Village who follows them or walks closely to their parked MUA vehicles. Mr. Scott said that upon reporting this to the MLPD, he learned that the police are aware, as other people have also complained about the same type of behavior. The MLPD reported that the man lives in Rancocas Woods with his mother, but all the complaints have been in the Holiday Village area. The MLPD will complete an incident report. Mr. Scott has advised our employees that it appears this person, per the police, seems harmless but if anyone feels uncomfortable, to leave the area and advise their supervisor.

### February 16, 2023

#### DELCO LITIGATION (aka Haddon Pointe)

Mr. Morris reported that in November 2022, Delco requested not to pay connection fees for the proposed clubhouse but that the additional information that we've requested, has not yet been received. Mr. Trice added that the DEP approved allowing Delco to send up to 36,000 gallons to the existing pump station.

#### 411 ACORN ROAD

Mr. Morris reported that the notice regarding payment and meter change out was sent from his office to this customer and there has not been a response to date.

#### 123 CREEK ROAD- MOUNT LAUREL MANOR APARTMENTS

Mr. Morris said that a couple of properties want to connect but due to the owner of 123 Creek being out of the country, progress stopped. Mr. Morris added that he received an email from the owner's attorney today, the owner is back, so things will start moving again.

#### LINE EXTENSION LOANS – COMMERCIAL PROPERTIES

Mr. Morris reported that this has been resolved and the MUA's bond book is with Ms. Smith, and they will return it.

#### PFAS

Ms. Carolan stated that the NJDEP is looking to regulate discharge of PFAS from wastewater plants. Ms. Carolan said that because we are a regulated discharger, if we start sampling the effluent, we'd have to report it to the DEP. Ms. Carolan continued that in January an Executive Order was issued by DEP that if we comply with the sampling protocol, the data won't be used against us. Ms. Carolan said that she recommends we start sampling according to the proposed protocol, which is 2 samples a year on influent and effluent and on biosolids. The Board agreed.

#### THEFT OF MATERIAL

Ms. Carolan reported that approximately \$12,000 to \$13,000 worth of brass couplings are missing from the water distribution warehouse. Ms. Carolan explained that these items were stored for well rehabilitation projects and may have been missing a long time but were noticed because they were

needed for the current well 3 rehabilitation project. Ms. Carolan said that a report was filed with the police and surveillance video reviewed, but nothing was found. Ms. Carolan advised that revised security measures are being set up to help prevent this type of theft in the future.

### **March 16, 2023**

#### **DELCO LITIGATION (aka Haddon Pointe)**

Mr. Morris reported that the information on the clubhouse that we have been waiting on was recently submitted and contained 40 pages of information. Mr. Morris added that it is not on the agenda because it has not been reviewed yet, but they are now stating that a nominal connection fee is warranted.

Ms. Carolan said there should be more information and options at the next board meeting, after staff and professionals have the opportunity to review.

Ms. Carolan added that on Monday we found out that 12 newly constructed units illegally connected to our water using jumpers in lieu of water meters, and that consequently the sanitary system was also in use, all without our knowledge. Ms. Carolan noted that we did not install meters because they have not corrected the sanitary issues that we have been discussing since last September. Ms. Carolan indicated that the fine per our rules and regulations is \$1,000 per day, per occurrence. Ms. Carolan added that the Township approved the plumbing 5-weeks ago and the Township official saw the jumpers but did not report it to us. Ms. Carolan brought this to the attention of the township manager.

Ms. Carolan added that on Monday we were notified of a problem with the sanitary line. Ms. Carolan stated that upon arrival we found that the sanitary main had been plugged and was holding sewage, but that the plug blew out causing damage to some recent repairs.

Mr. Kehoe questioned if a jumper is illegal and if so, why wouldn't we charge them.

Ms. Carolan explained that it is illegal, and that holding sewage without DEP approval is also not permitted. Ms. Carolan said our assumption is that they used the jumpers to get the plumbing inspections, and they had been advised by the Authority that meters could not be installed until the sanitary system was repaired, as sewage was not permitted to enter the mains.

Mr. Trice noted that the project manager from Ryan Homes admitted that he was aware of all 12 jumpers.

Ms. Carolan indicated that she doesn't believe that DEP is aware of the situation so we are unlikely to be fined.

Ms. Carolan added the confined space rescue for the construction worker 2 weeks ago, was in the sanitary sewer which was not supposed to be in use. Ms. Carolan noted that we are unaware if OSHA is involved, and although we do not own the system, nor did we know about the work, we would be named if fines are levied or if a lawsuit is brought by the worker.

Mr. Morris recommends that the Authority impose high fines, which will likely get negotiated and we can add a hold harmless agreement at that time.

#### **411 ACORN ROAD**

Mr. Morris reported that this customer still has not made contact with the MUA regarding the notice issued to him regarding disconnection on April 1st if payment is not received. Mr. Morris said that a Resolution regarding Authority action was distributed to members today and that he recommends that Board approve it when returning to open session.

Ms. Carolan added that we will need to coordinate the shutoff with the police to ensure it goes smoothly.

#### **123 CREEK ROAD- MOUNT LAUREL MANOR APARTMENTS**

Mr. Morris indicated that the redeveloper, Okan Memis, continues to refuse to allow potential new customers to connect to the new sanitary main.

Mr. Trice noted that the resident who has been waiting, has lost their buyer.



Ms. Carolan added that several business owners have approached the MUA about connecting and meetings have started; some businesses will also need additional sewer main extensions.

Mr. Trice added that our regulations require sign off that cost sharing has been satisfied prior to new customers connecting.

There was discussion regarding whether the Authority could permit connections without the cost sharing payment, as the Authority also contributed to the cost to install the mains, by waiver of connection fees.

Mr. Francescone asked what Ms. Carolan's recommendation is.

Ms. Carolan recommends that we allow new folks to tap but isn't sure how to deal with the cost sharing, because we are bound by 1980's court order to comply with the requirement.

Mr. Morris added that the Authority could collect the estimated cost sharing, but hold it in escrow until the required documentation from the redeveloper regarding all costs are obtained and allocations made.

The Board agreed with these recommendations.

#### **MOUNT LAUREL ANIMAL HOSPITAL**

Ms. Carolan advised the Board that we received an application for another addition to the facility. Ms. Carolan explained that the much smaller old building (prior to any additions) was approved with an ejector station/line that is attached to our high-pressure force main and has experienced many breaks, many times requiring complete shutdown of our Library force main including trucking for Centerton Square (Wegman's, Target, Costco, etc) and the Midlantic Office Park.

Ms. Carolan added because of these factors and more additional proposed flow, during application review, we required the line to be disconnected from the force main and reconnected to nearby gravity in Pheasant Mere. In turn, this new route required a sewer main extension application to DEP for Treatment Works Approval. Ms. Carolan added that during DEP's review process, DEP noted that the building additions were outside the State approved sewer service area, and that rather than DEP rejecting the application, they asked us to withdraw it, which was done.

Ms. Carolan added that no action is needed by the Board at this time, and that we will work with the animal hospital to obtain the sewer service area amendment from DEP.

#### **April 20, 2023**

#### **DELCO LITIGATION (aka Haddon Pointe)**

Mr. Morris reported that not much has changed since the last meeting. The status of the investigation regarding illegal connections is still ongoing but will have an update by the next meeting. Mr. Morris said the other issue is the fees for the clubhouse. He spoke with Delco's attorney Rick Hoff and floated the idea of having them pay and then some mechanism to come up with a fair number after establishing regular usage.

Mr. Trice added that Delco's escrow account is in arrears. Mr. Trice said they gave us a check but it's still not enough to cover the deficit.

Ms. Carolan noted that there are residential site improvement standards that came up in another meeting.

Ms. Carolan said the if there is no inspection escrow, the job would be stopped.

Mr. Morris asked about a stop work order.

#### **411 ACORN ROAD**

Ms. Carolan reported the customer's water was turned off and remains off. Ms. Carolan said a woman called to see what requirements are to turn on.

Mr. Sears added that the woman asked if they could pay half one week and half the other. Mr. Sears said it had to be in full and the meter would need to be changed out. Mr. Sears said they haven't called back since.

Ms. Carolan added that when the employees were on site seeding the area for the curb stop repair, Mr. Richardson handed them a paper saying they were breaking the law.

#### 123 CREEK ROAD- MOUNT LAUREL MANOR APARTMENTS

Mr. Morris asked Ms. Murphy about the meeting that took place with the developer, Okan Memis.

Ms. Murphy indicated that the developer's problem is with the 1.5-year bond and connections.

Ms. Carolan added he does not want anyone to connect to the line while the maintenance bond is in place. Ms. Carolan said that she drove out there following the meeting but there are issues out there with settlement around the manholes and the road is broken up, but Ms. Carolan would prefer to wait on the paving to allow it to settle properly.

Mr. Francescone added that this is the time of the bond, so it is a good time to find this stuff.

During the meeting with the developer, Ms. Carolan stated that the Board said that we could move to establish an escrow account for the cost sharing monies.

Ms. Carolan said that the developer indicated that he will provide the actual costs and cost back up to his attorney who will give it to Mr. Morris.

Mr. Trice added that he and Ms. Carolan have a meeting tomorrow with the business owners and asked what are we to tell them?

Ms. Murphy repeated that the developer's problem is that if there is a problem with the homeowner's connection, then it's his problem. Ms. Carolan explained that a determination would be made regarding who's problem it was by the MUA.

Ms. Murphy stated that she did tell him that if something happens with a homeowner, he can have his engineer out there, not just the MUA. Mr. Morris said that we can put it in a master agreement.

Mr. Trice asked who owns the main at this point. Mr. Morris said MUA and Ms. Carolan said that we are the licensed operator of the main.

Mr. Francescone asked if he would get paid every time someone connects and Ms. Murphy responded that yes, but he's concerned if something happens, he'd have to pay for it.

Mr. Francescone responded that the whole world operates with that chance of risk.

#### **May 18, 2023**

##### DELCO LITIGATION (aka Haddon Pointe)

Mr. Morris reported that the clubhouse connection fee matter had been going back and forth.

Mr. Francescone added that they lied to us. Mr. Morris agreed.

Mr. Morris stated he spoke on the phone with their attorney, but that he didn't follow up with a letter yet.

Mr. Morris stated that we are not going to adjust the number because Delco's own records show that the flow which we used to calculate the fee, was already much lower than the actual use at Delco's similar existing facility in Pennsauken.

Mr. Francescone questioned if they are still asking for a discount. Mr. Morris confirmed that they are, but he explained to them that they shouldn't continue asking.

##### 411 ACORN ROAD

Mr. Morris stated that they still don't have any water then asked for confirmation that they in fact are still off, which Ms. Carolan confirmed.

Mr. Francescone stated that he educated himself on Sovereign Citizens, and learned that at times, they can be dangerous and should be taken seriously.

Mr. Sears added this homeowner also has an issue with technology and that is why we believe he cut the wires and doesn't want us to replace the meter.

Mr. Sears added that when we go out to check if the water is still off, we will coordinate with the police.

## RULES AND REGULATIONS

Mr. Morris stated that he is beginning to review the rules and regulations for an update.

### **June 15, 2023**

#### DELCO LITIGATION (aka Haddon Pointe)

Mr. Morris reported that Delco is still arguing about the clubhouse fees. Mr. Morris advised them that we will accept the \$42k but they are still requesting us to do a look back. Mr. Morris spoke with Ms. Carolan and responded that we agree to have a look back, which might indicate a fee of closer to \$100k. Mr. Kehoe said absolutely do a look back. Mr. Morris stated that it is a foolish position for them to take. Mr. Francescone stated that he also agrees on the look back.

Mr. Trice added that we made that agreement that they could connect up to 36k flow to the existing Mason's Creek PS before the expansion is finished: they are at 13k and we will continue to monitor.

#### 411 ACORN ROAD

Mr. Morris stated that another rambling multi-page letter was received from this customer. Mr. Morris said we are monitoring every couple of weeks to see if the water is still off. Mr. Morris stated that we would like to have someone that he knows try to talk to him.