

**Cape May Court House, NJ
TOWNSHIP OF MIDDLE
TOWNSHIP COMMITTEE
WORKSESSION AGENDA
May 20, 2013 4:00 P.M. (prevailing time)**

CALL TO ORDER:

Mayor's Announcement: I hereby declare that notice has been given to the Herald Times, the Atlantic City Press and posted on the bulletin board of the Middle Township Municipal Building, stating the time and place of the following meeting, as required in P.L. 1975, Chapter 231 of the State of New Jersey. (Sunshine Law).

Notice of this meeting was properly given in Resolution No. 18-13 entitled "Establishing Work Session Meeting Nights" which was adopted by Township Committee of the Township of Middle on January 3, 2013.

Members present are Mayor Lockwood, Committeemember Donohue and Committeemember DeLanzo.

Business Administrator Connie Mahon, Township Clerk Kimberly Krauss, Deputy Township Clerk Suzanne Stocker, Municipal Solicitor Marcus Karavan & Municipal Engineer Marc DeBlasio.

FLAG SALUTE**DEPARTMENTAL REPORTS AND PROJECT UPDATES:****Administration:**

Biggert Waters Update

Connie Mahon, Business Administrator

As of May 19, 2013, LoBiondo's amendment aimed at halting federal flood insurance rate hikes for five years has been blocked in the U.S. Senator Pat Toomey (R-Pa.). Amendments to a bill require "unanimous consent" before a vote can take place on an amendment therefore a single member can block a vote from occurring. Senator Toomey stated that he opposed the amendment because he feels that it will "diminish the subsidization that occurs now where homeowners in low-risk areas are made to subsidize in high-risk areas." Newspapers are reporting that Senator Landrieu will likely reintroduce the amendment as a bill, which does not require unanimous consent. We are hoping that LoBiondo and Menendez will be supporting this bill.

Finance:**Public Works & Engineering:****Legal:****Tax Collection/Tax Assessment:****Construction/Planning/Zoning:****Recreation:****Police:****Buildings and Grounds:****Sewer:**

Sewer Rate Structure and Billing Update

Connie Mahon, Business Administrator

Sewer service areas approved:

AREA	DATE OF COMPLETION/ INCLUSION IN CODE
Avalon Manor	1991
Burleigh	1998
Cape May Court House	1996
Del Haven	1988
Green Creek	2006
Mayville	1993
Rio Grande	1992
Stone Harbor Blvd/ Manor	1988
Whitesboro/Edgewood	2010

Sewer Billing was moved to the Tax Office around January 24, 2013 after the retirement of three key employees in the Sewer Department from July of 2011 to January 1, 2012. This was done in order to streamline the process of billing and utilize township employees already familiar with billing procedures in order to provide a more efficient process for ratepayers. After the Office of Tax Collection took over the billing aspects of the Sewer Department some procedural problems were identified. It was discovered that many potential ratepayers in sewer service areas were not in compliance with Township code and did not in-fact connect to the mandatory sewer system upon completion of projects in their area. After an on-site inspection by sewer department employees and verification that the property was within one of the sewer service areas listed above those property owners were billed in accordance with Township Code.

Unfortunately, during the course of interpreting the intent of the township code some billing errors occurred and have since been corrected. Some residents have indicated that inequities exist in our current billing rates and as a result different rate schedules were explored which are being presented at this time and should be carefully considered before moving forward. During the course of analyzing our rates it was discovered that "inactive users" are not currently billed for the debt service and operating expenses indicated on the attached pie chart. The obligations related to the infrastructure (debt service) and the continuing operating expenses are unrelated to the wastewater use. In the end, the Township residents and sewer ratepayers will be pleased to know that all sewer rate payers will be billed fairly and in accordance with the Middle Township Code. Rates will be carefully analyzed to ensure the solvency of the sewer utility and future debt service, operating expenses and projected MUA fees will be considered. Glen Ortman, Registered Municipal Auditor, Tracey Taverner, CFO, Sandy Beasley, Tax Collector, Joyce Weber and the entire sewer department all participated in this process and continue to work hard to make the sewer department more user-friendly. To date: \$4,219,579.35 has been billed for 2013 sewer compared to \$3,849,276.57 billed for 2012. The current amount billed is \$370,302.78 over last year so far.

Committeemember Donohue – Asked Connie to explain the hotel/motel situation.

Connie Mahon – When the township code was interpreted, we billed each unit, but that has been corrected and the users have been rebilled. There are some users that there are inequities because readers are not being read for those who have wells, and a few that have septic and are not being billed at all. This is an issue with the infrastructure which is in the big picture to be looked at. There are some additional factors such as locked meters, debris in the way of reading meters, and unsafe areas where meters cannot be read, which are all issues that will be addressed.

Mayor Lockwood – How did they get billed incorrectly?

Connie Mahon – They are now being billed per the township code, including any additional usage. They were previously being billed for the unit and minimum usage, never any additional usage.

Mayor Lockwood – How did you (Glen) come up with the rate for additional usage? Is there a calculation or formula to come up with this rate?

Glen Ortman, CPA – It is an arbitrary rate, there is no formula to come up with this rate.

Committeemember DeLanzo – Has there been any analysis for the cost of a meter reader for people to use to separate water/irrigation from sewer?

Connie Mahon – We are taking the readings from American Water and we are applying them. The meter readings pertain to users who have wells.

Committeemember Donohue – We are not doing this to punish people, but to make sure that the people who are using it are paying for it. There is a certain percentage of sewer users who are either not hooked in or are hooked in and not paying for it, so the other sewer users are left paying for them. We are trying to make this compliant and fair for everyone. Ultimately, we would like to see the sewer rate lowered if the collection rate increases.

Mayor Lockwood – It is evident that there are a lot of arbitrary and illogical ways that this matter was previously handled and our sewer department has done an excellent job at bringing some changes to our administrator to correct these issues in a joint effort.

Committeemember Donohue – Thank you to everyone who has worked thus far with this situation; Tracey Taverner, Glen Ortman, Sandy Beasley, Joyce Weber, George Seabrook, Steve Mills, Dawn Perdomo. These people have put a lot of time and work towards the sewer billing and resolutions to the issues a

Jim Smyth, Whispering Woods – Asked Connie about the \$640/unit figure.

Connie Mahon – We originally billed you per unit, but that was a mistake which we apologize for. We corrected that and rebilled everyone at \$640 for the first unit + usage.

Jim Smyth – Has several wells on the property, but there is a key available in the office to arrange for these meters to be read.

Connie Mahon – Thanked Mr. Smyth for that information. Hopes to have someone out there soon to have the meters read.

Warren Coupland –

1249 Properties LLC
1249 Route 9 South
Cape May Court House, NJ 08210
609-465-5029

Township of Middle
33 Mechanic Street
CMCH, NJ 08210

May 6, 2013

To whom it may concern;

I have just received the latest sewer bill, which shows an increase of over 455% versus our previous bills! The vast majority of the water used at this location is for irrigation.

This commercial business has a mens room and a ladies room only. There is no bathing, laundry, or dishwashing, etc.. Further, this business is only open 55 hours per week. We obviously cannot use more than the minimum charge as we have been billed for the previous seven years.

Also, the irrigation system as installed was required by the township as a part of the building permit process. Having spent \$35,000 on required landscaping and thousands of dollars more each year on landscape maintenance, it seems unduly burdensome to add \$3,000 in additional expenses. Please review.


Warren Coupland
CW/CER

Read letter into record which he sent to Township on May 6th regarding sewer increase. Bill went from \$160/quarter to \$889/quarter.

Sandy Beasley – You were previously only billed the minimum and not for any overages. Now there are overages being charged, which includes any irrigation.

Connie Mahon – Middle Township does not have a mechanism to back out charges for irrigation. It may be suggested that you get a meter which will separately meter your usage for irrigation.

Committeemember Donohue – Believes this is an extreme example and there needs to be a way to figure out how to work this out, but we cannot review each and every situation to determine how much water is used for sewer. Your business is an extreme example and when we amend this Ordinance, we will try to create a provision which is not an over burden to us but addresses extreme situations such as this.

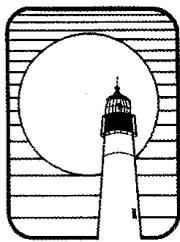
Connie Mahon – The issue is metering his irrigation, which is able to be done, but on the water side not the sewer side.

Committeemember Donohue – Burden of proof is on the customer.

Marc Karavan – You can't look at it as an increase if it was previously billed incorrectly.

Connie Mahon – Suggested getting a well on the property for the purpose of irrigation.

Noel Beale, Court House Church of Christ –



Court House Church of Christ

102 East Pacific Avenue
Cape May Court House, NJ 08210

Office:
609-465-2840

Minister:
Charles Belva
609-861-2725 (Home)
609-602-3647 (Cell)
crbelva@comcast.net

May 20, 2013

**Township of Middle Sewer Utility
33 Mechanic Street
Cape May Court House, NJ 08210**

Gentlemen:

We represent the Court House Church of Christ, located at 102 E. Pacific Avenue. Cape May Court House, NJ 08210-2317.

We are here today to protest the unexpected increase in the Sewer Utility bills for our building (account #5048, block #00300 02, lot #00001).

There was no advance notice that this sizable increase was going to take place nor was there any explanation about changes in the method for billing them.

The unexpectedly large increase seems unfair. In 2011 we paid \$130/quarter, in 2012, \$160.00/quarter (a 23% increase_ and now in 2013 we are being charged \$227.04/quarter (an additional 42% increase). The dollars paid per quarter is an increase of 74% since 2011 quarter.

The majority of the water we use is for irrigation during the months of June through September. This water is not going into the sewer system. Attached are two years of water usage. Had we realized that our sewer charges would so dramatically increase based on our water usage, we would have planned differently.

Our suggestion is that the Sewer Utility billing system be reviewed and not implemented until the calendar year of 2014. This would give those of us who are greatly impacted an opportunity to budget and plan for the cost of a separate meter for the water used for irrigation in the summer months.

Sincerely,

Noel K. Beale, President, Philip Winter, Treasurer

Committeemember Donohue – There has not been an increase in the sewer rate. We are now judging in accordance with the township code.

Sandy Beasley – We have notices that a lot of commercial business were only being billed for the minimum usage, and never billed for the excess usage.

Noel Beale – Wanted to protest the notice given for this change. No notice was given and does not think that is fair to business owners. Suggested that this change be implemented as of 2014 to allow for planning of this increase to the bills. Was were unable to plan for this billing change.

Committeemember Donohue – Agrees that there was poor public notification about this situation, but there is no excuse for that. However, now you are being billed correctly. You were previously being billed incorrectly and you are not being back billed for that. It seems as though this is coming back to an irrigation problem for most of these businesses. It may be an idea to reach out to American Water as a group, but in the meantime we have to look at each of these cases individually.

Connie Mahon – Offered suggestions: irrigation correction factor which could be provided by our engineer, but would require a lot of work and man-power; or reach out to Lower Township MUA, Wildwood Water to see how they are working and the cost for meters. However, meters would have to be approved by water utility, as they are not a park of the sewer program.

Dennis Roberts – Thanks to the township for bringing this matter up for discussion and taking on this issue. Believes that when the Ordinance is reviewed to be amended, there should be a provision to protect commercial properties such as restaurants which do not use a lot of sewer, but use a lot of water. Current sewer bill is in excess of water bill.

Maryann Becker – Question rates and what the costs go to. Believes Lower Township has lower costs.

Connie Mahon – Rates include costs for operating expenses, debt service, and MUA fees.

Glen Ortman – We projected a defect in 2011 for 2012 if the rates were not changed, since then there have been several sewer projects which caused additional users into the sewer system which has caused a decreased in debt service.

Mayor Lockwood – Increase from 2011 was because there had not been a rate increase in over 15 years, so we were forced to raise the rates and unfortunately, since it had not been done in so long, they were raised a bit higher than expected. The sewer service is a break-even system, so we have to be able to make back what we are spending.

Grants:

Personnel:

Zoning:

Township Clerk:

SPECIAL PRESENTATIONS OR DISCUSSIONS:

Flood Plain Management

Elizabeth Terenick, Township Planner

Elizabeth gave general overview of flood plain management issues to protect value of existing homes in the flood plain. Hazard Mitigation Act of 2000 requires a Flood Plain Management Plan, which Middle Township does have in place to become more flood ready. Biggert Waters Act was passed in 2012 which removes flood insurance subsidies for most users which is very significant for our area. FEMA issues advisory maps after Hurricane Sandy to help those who need to rebuild. The Delaware Bay Community is missing off of the Township maps from 1980, so these maps are needed to be updated to add these areas and correct the zones. Hazard Mitigation Grant applications have been submitted with the help of Jill Becker and Marc DeBlasio. Middle Township does not have a CRS rating, one of two townships in the County which do not have a rating.

Sewer Service Area Update

Elizabeth Terenick, Township Planner

Elizabeth has been working with Office of Planning Advocacy regarding this project and the possibility of changing the center line to include more properties in the sewer service area. About 118 properties not included in the sewer service area because of the location of the “center line”. Would like to extend the center of the sewer service area to include additional properties such as the Davies Sports Complex on Goshen Road. Elizabeth and Committee discussed areas which they want to “fight for” to be includes in the sewer service area.

Motion to Adjourn Meeting – 5:40pm

1st: Committeemember Donohue 2nd: Committeemember DeLanzo

Roll Call Vote: Committeemember DeLanzo, Committeemember Donohue, Mayor Lockwood

Kimberly D. Krauss, Township Clerk

Minutes prepared by Suzanne M. Stocker, Deputy Township Clerk