



PEMBERTON TOWNSHIP MUNICIPAL UTILITIES AUTHORITY
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June 10, 2019

Point on Point:

**PTMUA Board responds to Pemberton Township Business Administrator's Letter
Regarding the PTMUA Informational Postcard Mailing**

(http://www.pemberton-twp.com/resources/cariboost_files/Response_20to_20MUA_20Mailer_20-_20DG.pdf)

Seventh: Why did the PTMUA just spend in excess of \$2,000 of public funds to mail a postcard to township residents misrepresenting the facts about the township's application?"

Allow us to answer that last point first. The PTMUA serves more than 6,000 customers in Pemberton Township and Pemberton Borough. Why would we not feel an obligation to share information with those users, and others who may be impacted, if the authority was facing possible dissolution? It is not the township's application that is in question, but rather what the township may do after dissolution has taken place.

The township's ordinance clearly states, **"... all agreements, contract, or employees deemed to be unnecessary or superfluous, can be reevaluated, and, if necessary, voided by the township."**

This is not political. This is practical. We are an agency that has operated for fifty years successfully. We are proud of our legacy and believe the people we have served should have a role in this decision. Dissolution should not be mandated by the mayor and approved by the five-member township council without public input. Taxpayers and users have a stake in this matter. A better question might be why the township has not attempted to inform residents, sewer users and taxpayers of its plan to dissolve this 50-year old service agency?

Still better questions may be:

Why the township has spent tens of thousands of dollars to try and abolish the PTMUA?
Why the township contends that it can do a better job of running the authority despite the 87 violations cited by the DEP/EPA in its water department?

First: "The mailing asserts that the township does not employ persons with experience and the appropriate licensures to operate a sewage facility."

Does it? How many of the township's Public Works Personnel hold sewer plant licensure? But then, how many of those same employees were professionally trained in demolition before they were tasked with tearing-down the old Acme?

Second: *“The mailing states the township will transfer \$4,344,100 in reserve funds (held and unused by the PTMUA for many years) to government accounts other than for sewage treatment and conveyance.”*

The application may state that funds will be set-aside for sewer improvements, but how did \$1.1 million in water department proceeds get transferred under this administration? Surely those funds might have been retained in the water department to avert the 87 DEP/EPA violations between 2010 and 2018.

Third: *“The mailing alleges that authority assets could be sold to private entities if township’s plan fails.”*

Examining all possibilities, in the same way the township’s engineer conducted an analysis of the PTMUA without inspecting any of its facilities and projected an “immediate savings of \$240,000 per year,” it is most certainly possible that the township may bite-off more than it can handle with respect to this massive operation, or fail to set appropriate proceeds aside for eventualities. It may have to, at some point, consider selling PTMUA assets.

Here’s what the township’s own dissolution ordinance says about that: ***“The dissolution ordinance authorizes Mayor David Patriarca, or his designee, to take any other necessary legal action to dissolve the PTMUA and transfer its operations and assets to the township and redistribute and/or reassign its assets, agreements, and/or leases to the township.”***

That’s a lot of power for one person. If it’s the 259-acre pristine farm on Fort Dix Road that is “reassigned,” sludge operations would halt, costing sewer users hundreds of thousands of dollars a year for sludge disposal elsewhere. And what might the former Jones Farm property become in the mayor’s long-awaited redevelopment plan?

Fourth: *“The PTMUA extolls the virtue of 50 years of experience but fails to tell township residents that 39 years ago they were unable to meet their management and financial obligations to the residents of the township ...”*

The history of the PTMUA is well-documented. It was originally established to serve an eventual 8,000 users, but would have been able to sustain operations financially at that time if it had 5,200 hook-ups. Township mobile home parks filed suit because they did not want to join the system, as did Sunbury Village, which was still discharging untreated sewage from its plant into Budd’s Run in 1987.

Those challenges took years to settle. Pemberton Borough’s addition to the PTMUA system did not occur until 1993 under DEP order. Without the customer base, the new authority did not have the income or a high enough bond rating to borrow funds for improvement. The town fathers at the time recognized those facts and assisted by willingly underwriting the operation. The PTMUA has continued to pay those funds back to the township every year since as rent, with the last payment coming due in 2020.

Fifth: *“The PTMUA claims it has no debt.”*

That “claim” is absolutely true.

Sixth: *“The important question as to the PTMUA reserves of \$4,344,100 is not that the PTMUA finally says it intends fund improvements. The critical question is, why has the PTMUA been charging residents just to keep their funds in the bank instead of making annual investments in the system infrastructure?”*

The annual operating costs of the PTMUA are over \$2 million. We have set aside funds for capital improvements over the next five years. The replacement of just one necessary pump system at our treatment plant could cost over \$1 million.

Does the Township of Pemberton not set aside tax dollars for emergency use and upcoming capital improvements? That would seem to be a critical question to ask, particularly when a municipality has amassed some \$23 million in debt.

The Pemberton Township Municipal Utilities Authority has a long and consistent history of annual audit reports without a single recommendation. Our Board is willing to provide evidence of the veracity of each of our responses.