

**LEHMUA
Regular Meeting**

March 10, 2026

The regular meeting of the Little Egg Harbor Municipal Utilities Authority was held on March 10, 2026 at 12:00 PM at the Authority headquarters, 823 Radio Road, Little Egg Harbor, New Jersey.

MEMBERS PRESENT: Kenneth Miller, Chairman; Peter Cicco, Vice chair; Marie Skelly, Secretary (via tele-conference); Kenneth Maxwell, Treasurer (via tele-conference); Arlene Keenan; Frank Colandrea; Christopher Filiciello

OTHERS IN ATTENDANCE: Earl F. Sutton, Jr., Executive Director; Michael S. DiFrancia, Superintendent; Nicole M. Princiotti, Executive Secretary/QPA; Trace Dittenhofer, Authority Engineer; Debra Rumpf, Esq., Authority Attorney

THOSE ABSENT: None

PUBLIC IN ATTENDANCE: None

Nicole M. Princiotti read the following statement:

In accordance with the Open Public Meetings Law, this meeting has been duly advertised in the Atlantic City Press and the Asbury Park Press, posted on the Authority bulletin board and posted and filed in the office of the Little Egg Harbor Township Clerk. Resolutions are posted on the Authority's bulletin board.

Before beginning the meeting, Mr. Frank Colandrea was sworn in by Mrs. Rumpf.

All the members welcomed Mr. Colandrea to the Board.

PRIOR MINUTES

A motion was made by Mr. Cicco, seconded by Mrs. Keenan to approve the February 10, 2026 minutes of the Authority's regular meeting. Roll call vote, Arlene Keenan – yes, Kenneth Maxwell – yes, Marie Skelly – yes, Mr. Cicco – yes, Kenneth Miller – yes.

TREASURER'S REPORT

A motion was made by Mr. Cicco, seconded by Mrs. Keenan to approve the Treasurer's Report as submitted. Roll call vote, Arlene Keenan – yes, Kenneth Maxwell – yes, Marie Skelly – yes, Mr. Cicco – yes, Kenneth Miller – yes.

BILLS RESOLUTION

A motion was made by Mr. Cicco, seconded by Mrs. Skelly to approve the operational account bills resolution. Roll call vote, Arlene Keenan – yes, Kenneth Maxwell – yes, Marie Skelly – yes, Mr. Cicco – yes, Kenneth Miller – yes.

EXECUTIVE DIRECTOR'S REPORT

1 – Mr. Sutton welcomed our newly appointed Commissioner, Frank Colandrea. He is looking forward to working with him as an active member of our Board.

2 – Mr. Sutton began by stating that he had a meeting with the Budget Committee and discussed the proposed budget in elaborate detail.

Mr. Sutton passed out information with regard to our capital projects through 2029. You will be able to see that through 2029 we will have a total of \$46,850,000 in capital projects. It's really critical we continue forward. The longer you delay, the more costly the projects become with emergency repairs as well as overall costs of material and labor.

Mr. Sutton stated that with this information there is a confidential memo, and he mentions "confidential" in that although this is a public meeting, this information isn't necessarily shared in public.

Mr. Sutton advised the Board that he discussed with the Committee that the Authority is four to five years behind schedule of where we should be. When he came on as Director, they set a very aggressive capital improvement plan from the beginning as it was necessary to begin replacement of our infrastructure which is over 60 years old and beyond its useful life.

Mr. Sutton stated that we are behind and this is primarily due to regulatory issues. There has been a change in the DEP. He doesn't even blame COVID and feels we were getting more work done then. In order to catch up, we have doubled up on most of these projects. By moving forward with this work, future costs will be stabilized.

Mr. Sutton stated that we pay an excess of \$2 million dollars a year to the OCUA. That is just for the collection of our sanitary sewer. In addition to that we pay for every gallon of ground water that infiltrates the system. In the old system where there is transite pipe, the weaknesses, dips and issues with the joints, excess water is able to enter the system which we end up paying for. We have already seen a reduction in our total gallonage on a yearly basis with the capital improvement projects we have already completed.

Mr. Sutton advised the Board that to date we have done over 40% of the infrastructure which has been replaced in the older sections.

Mr. Sutton stated that he and the Committee also discussed our funding which is sourced through the IBank and is the lowest interest rate out there, not to mention there is potential for principal forgiveness which we qualified for and received before.

Mr. Sutton stated that the need for a potential rate increase was also discussed somewhere between \$2.00 and \$4.00 per month combined for water and sewer. There will also be an increase in the Authority's connection fees.

Mr. Sutton thanked Mr. Logan, Mr. DiFrancia, Mrs. Princiotti and Deputy Superintendent John Mulvihill for their invaluable assistance and input regarding the proposed budget.

Mr. Sutton stated that he is making a recommendation to have an increase of \$3.00 per month/\$36.00 per year for the 2026-2027 budget year. It will bring our total billing to \$800.00 per year for both water and sewer.

Mr. Sutton stated that as mentioned before delays in the regulatory approvals has caused us to fall behind and we have to get caught up. The good news is we have not had to use any of our net position. Our net position is any of your savings and reserve to balance the budget. It's not a good practice to use those monies and we haven't had to do that in quite a few years. He explained that there really is no benefit in doing that because once you apply that money to balancing the budget, you still have to make it up somewhere.

Mr. Sutton expressed that since being with the Authority he has never been on the fence with having a rate increase. He is proud of it and it's necessary in order to do what needs to be done for the system. The public is seeing what we are doing, the towers that have been rehabilitated, water and sewer mains and services are being replaced and road improvements replaced and repaired.

Mr. Sutton advised the Board that he is hopeful the capital improvement projects will start back up in July of 2026 and for the next five years we have a slate of those.

Mr. Sutton stated that the other expense, and we have talked about it before, is the MTUs which is the reading unit on each house in order for the Authority to retain remote meter readings. We have the ability to get those reading every day, every hour if we want. It helps us monitor our customer's water usage and mitigate excess usage because of leaks. Our customers love this because we are able to notify them and potentially save them not only money, but possible damage to their properties.

Mr. Sutton stated that in order to keep this service we have to upgrade our MTUs and it's going to cost over a million dollars. Fortunately, we have the money to do it. We are going to add additional labor to install them. We looked at having an outside company perform the work, but it would cost us in excess of 3 million dollars. We have no choice but to move forward with this because eventually the batteries on the MTUs stop working and then you won't get the necessary readings. Once we are done with this, we will have to start looking at meters. Meters are only good for 20 years, and a lot were replaced after Super Storm Sandy. The Authority was fortunate because we were able to receive reimbursement from FEMA for those replacements. But this will be a big cost to the Authority as well.

Mr. Sutton stated that he also attached a list of neighboring water and sewer utilities along with their current rates, and noted that you can see we are one of the lowest in our area.

Mr. Dittenhofer stated that Remington and Vernick represents five of the systems that are listed on the sheet provided by Mr. Sutton. It is important to recognize that the Authority owns and maintains all this infrastructure. A lot of these other systems are in very difficult cash situations because they have been so rate increase diverse for so long and now, they are at the point where they can't maintain their infrastructure at the level the Authority does. Where the Little Egg Harbor MUA is in front of all these infrastructure problems, a lot of these systems are on the other side of the scale and are behind with the infrastructure problems. They are not able to increase their rates at a rate where they can maintain their infrastructure at this point.

Mr. Dittenhofer congratulated the Authority's staff and Finance Committee on drawing a strong budget that allows the Authority to stay ahead of all the infrastructure problems the way that they have.

Mr. Sutton thanked Trace and stated that the only other entity that has a lower rate like us, is Lakewood, and that's because of all the growth and the amount of connection fees they are able to bring in to support that growth. We are essentially built out so we aren't able to realize that revenue in our budget.

Mr. Sutton stated that at one point there was no rate increase at this Authority for 17 years and this is a serious mistake. The main reason they didn't have to have rate increases was because of the amount of development throughout the town. The developers were coming in generating connection fees, and were also paying for the infrastructure. The Authority wasn't.

Mr. Sutton stated that as Mr. Dittenhofer mentioned earlier, not raising those rates, you can find yourself in a position of playing catch up and we currently are because there should have been rate increases regularly. It's better preparation to have gradual increases over the years and then you're not being forced to have one big increase of \$200-300 in a year. It makes no sense to do that way.

Mr. Sutton stated that there are resolutions on the agenda with regard to the rate increase and his and the Budget Committee's recommendations.

3 – Mr. Sutton stated that as a point of information, the proposed budget increase will require the Authority to have a rate hearing. Advertisement and publication will be prior to our next meeting in April. At the April meeting the final adoption of the budget will take place with resolutions being presented.

4 – The Authority received a request from Mystic Islands Volunteer Fire Company, Station 72 for consideration of removing the dedicated fire suppression fee. This is only for the new building that was built next to our shop. They did not anticipate having to pay an additional cost to install a fire suppression system, but were required due to the size of the building. It is recommended that the Authority waive the dedicated fire suppression fee only, but not grant any forgiveness on the regular water and sewer utility bills. A motion is required and a roll call vote.

A motion was made by Mr. Cicco, seconded by Mrs. Keenan recommending the Authority waive the dedicated fire suppression fee for the Mystic Islands Volunteer Fire Company, Station 72. All in favor.

5 – Mr. Sutton stated that we are underway with preparing the Authority's annual newsletter and CCR Report. This will be mailed to all customers some time in April.

6 – Mr. Sutton advised the Board that preliminary forms have been completed and submitted regarding the conversion of our health insurance plan.

Mr. Sutton thanked Mrs. Princiotti for facilitating this. There has been a magnitude of paperwork to be handled on her part. We are fortunate that we have a really good contact with the company and they have helped alleviate her fears with having a smooth transition.

Mrs. Princiotti stated that Mr. Sutton did all of the legwork in getting this process researched and started.

Mr. Sutton reminded the Board that we are going to save a substantial amount of money by switching, and the employees as well as retirees are going to have equal, or in some cases better coverage. The employees are all aware as is the Union. Coverage will begin May 1, 2026.

Mr. Sutton stated that there are no customer committee matters to discuss, nor a need for executive session. He'd be happy to answer any questions at this time.

There being no questions, a motion was made by Mr. Cicco, seconded by Mrs. Keenan to approve the Executive Director's Report as submitted. All in favor.

SUPERINTENDENT'S REPORT

Mr. DiFrancia began by congratulating Mr. Colandrea and welcomed him to the Board.

1 – Mr. DiFrancia stated that as everyone is aware, the winter of 2026 has been exceptionally harsh. The Authority personnel have dealt with massive amounts of emergencies, mostly “freeze-ups” with the last month’s brutally cold temperatures. This is all while continuing to operate and deliver quality water and sanitary sewer capabilities to our rate payers. At times we were working in below zero temperatures and he expressed that he is very proud of his team and all their efforts. He pointed out that we had numerous phone calls to the office from our customers commending the plant personnel for their dedication and work during such adverse conditions.

2 – Mr. DiFrancia advised the Board that we had another emergency sewer collapse on South Longboat. The Authority’s personnel were able to mobilize and complete the repairs in house. We replaced nearly 20 feet of failed pipe. Again, a significant savings to our rate payers by being able to complete this work in house. This area is slated for full rehabilitation on our Phase 3 project which has been delayed time and time again by state agency reviews. We are hoping for final approvals and to begin the project late summer, early fall this year.

3 – Mr. DiFrancia stated that on a better note, he is happy to report that we have received Federal Approval for THM and HAA5 water samples tested. The results have been submitted and posted on the NJDEP website. This completes the required sampling of THM and HAA5 for the present quarter. Also, annual inorganics and nitrate samples have been completed and all samples are in compliance with all State and Federal Regulations. Results have been acknowledged by the NJDEP and posted on their website as well.

4 – Mr. DiFrancia stated Resolution #2026-14 is on the agenda concerning tentative water application for Mathistown Commons/Dream Homes & Development. This property is located next to the WaWa on Mathistown Road. At this time it is the recommendation of the Authority and Engineer that tentative water approval be denied. Approval of the resolution denying tentative water approval is recommended.

5 – Mr. DiFrancia stated that Resolution #2026-15 is on the agenda concerning the tentative sewer application for Mathistown Commons/Dream Homes & Development. This property is located next to the WaWa on Mathistown Road. At this time it is the recommendation of the Authority and Engineer that tentative sewer approval be denied. Approval of the resolution denying sewer approval is recommended.

6 – Mr. DiFrancia stated that Resolution #2026-16 is on the agenda granting preliminary sewer approval for Dream Homes Development along with our Engineer’s letter. This project is a different one than previously mentioned. The property location is at the corner of Mathistown Road and Route 9. Approval is recommended.

7 – Mr. DiFrancia stated that his work order management report is attached and reviewed it with the Board.

Mr. DiFrancia stated that was all for his report unless there were any questions. There being none a motion was made by Mr. Cicco, seconded by Mrs. Keenan to approve the Superintendent’s Report as submitted. All in favor.

ENGINEER'S REPORT

Mr. Dittenhofer thanked the Board for having him and congratulated Mr. Colandrea on his appointment to the Authority's Board. There are a few things he would like to review from his report.

Mr. Dittenhofer began by stating that he had some exciting news to share. Remington and Vernick Engineers is going to be partnering with and has been acquired by a national size firm known as Adorra Engineering. They are a 2,000 person engineering firm that does primarily water and sewer projects across the country at different scales. We decided to work with them because they are similar to Remington and Vernick Engineers, just four times larger. They have the same corporate structure and about the same project size as we do. As far as client facing it will be the same, our contracts will remain in effect. He will still have the pleasure of serving the Little Egg Harbor MUA and there won't be any material changes that would impact the Authority. The intent is to continue operating as we are, Adorra just didn't have any presence in the Northeast. We are their largest acquisition to date with about 33% of their revenue and 20% of their employees, so we are looking forward to working with them.

Mr. Dittenhofer thanked the Board for allowing him to share this and referred back to his report that has been submitted. With regard to Phase III of the Mystic Islands Water and Sewer Main Replacement Project, we have received our environmental decision document. We are waiting on our engineering decision document which has been completed in review but there is a hold up with the office of SED.

Mr. Dittenhofer explained that there are two separate applications because there are two different funding mechanisms for water and sewer. Over a year ago we were already approved by the SED and they only issued one letter, but that letter referred to both applications. They said we need to have approval for the other application, which essentially, we have, but it requires two separate letters, one for water and one for sewer, not combined. Once we receive this, we will have authorization to advertise.

Mr. Dittenhofer reported on the development applications. The first one, is the rejection of tentative water and sewer approval for Dream Homes/ Mathistown Commons. There are too many outstanding items that need to be addressed at this time. This is important because after tentative approval they will be applying directly to the State for their permits.

Mr. Dittenhofer stated that with regard to Dream Homes preliminary sewer application, this is the same developer but different locations. This location is at the corner of Mathistown and Route 9. We are recommending preliminary sewer approval at this time.

Mr. Dittenhofer stated that was all for his report unless there were any questions. There being none, a motion was made by Mr. Cicco, seconded by Mrs. Keenan to approve the Engineer's Report as submitted. All in favor.

ATTORNEY'S REPORT

Mrs. Rumpf began by congratulating Mr. Colandrea on this appointment to the Authority's Board.

Mrs. Rumpf stated that her report has been submitted and would be happy to answer any questions. There being none, a motion was made by Mr. Cicco, seconded by Mrs. Keenan to approve Attorney's Report as submitted. All in favor.

Mr. Miller stated that we can take the resolutions at this time.

A motion was made by Mr. Cicco, seconded by Mrs. Keenan. Cicco to approve Resolution #2026-12 introducing the Authority's water budget for fiscal year July 1, 2026 through June 30, 2027. Roll call vote, Arlene Keenan – yes, Kenneth Maxwell – yes, Marie Skelly – yes, Peter Cicco – yes, Kenneth Miller – yes.

A motion was made by Mr. Cicco, seconded by Mrs. Keenan. Cicco to approve Resolution #2026-13 introducing the Authority's sewer budget for fiscal year July 1, 2026 through June 30, 2027. Roll call vote, Arlene Keenan – yes, Kenneth Maxwell – yes, Marie Skelly – yes, Mr. Cicco – yes, Kenneth Miller – yes.

A motion was made by Mr. Cicco, seconded by Mrs. Keenan to approve Resolution #2026-14 denying tentative water application for Dream Homes & Development, Block 325.20 Lot 11. Roll call vote, Arlene Keenan – yes, Kenneth Maxwell – yes, Marie Skelly – yes, Mr. Cicco – yes, Kenneth Miller – yes.

A motion was made by Mr. Cicco, seconded by Mrs. Keenan to approve Resolution #2026-15 denying tentative sewer application for Dream Homes & Development, Block 325.20 Lot 11. Roll call vote, Arlene Keenan – yes, Kenneth Maxwell – yes, Marie Skelly – yes, Mr. Cicco – yes, Kenneth Miller – yes.

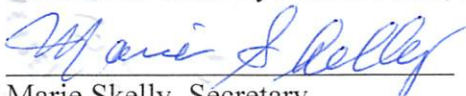
A motion was made by Mr. Cicco, seconded by Mrs. Keenan to approve Resolution #2026-16 approving preliminary sewer approval for Dream Homes & Development, Block 325 Lots 4.01, 4.02 and 4.03. Roll call vote, Arlene Keenan – yes, Kenneth Maxwell – yes, Marie Skelly – yes, Mr. Cicco – yes, Kenneth Miller – yes.

A motion was made by Mr. Cicco, seconded by Mrs. Keenan to accept and file all general correspondence. All in favor.

A motion was made by Mrs. Keenan, seconded by Mr. Cicco to open this portion of the meeting to the public. All in favor.

There being no public in attendance, a motion was made by Mr. Cicco, seconded by Mrs. Keenan to close this portion of the meeting to the public. All in favor.

Mr. Miller asked if there was anything else to come before the Board. There being nothing, a motion was made by Mrs. Keenan, seconded by Mr. Cicco to adjourn the meeting. All in favor.


Marie Skelly, Secretary