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Sewer fee increase this year smaller than first predicted

Howell officials review updated MRRSA information
BY PATRICIA A. MILLER Staff Writer

Customers of Howell's municipal sewer utility will end up paying an extra \$26 a year in sewer fees, according to revised figures provided by township officials.

Howell Chief Financial Officer Jeffrey Filiatreault had originally proposed a \$67 hike in sewer rates annually to account for the Manasquan River Regional Sewerage Authority's (MRRSA) recent 6 percent bulk rate increase.

But Filiatreault said at the Feb. 2 Howell Township Council meeting that the MRRSA had since provided the township with additional flow usage numbers that changed the calculations in Howell's favor.

"These flow figures were not available to me until just a couple of days ago," Filiatreault said.

The revised proposed increase is \$6.50 per quarter, \$26 per year, he said.

"We'll have the new rate in effect for March, so we can get it on for billing," Filiatreault said.

The Howell sewer utility has 5,416 residential users and 322 commercial users. Residents will pay \$178.50 per quarter with the rate increase, or \$714 a year. Commercial users will pay \$188.50 a quarter, or \$754 a year.

Jesse Tantillo, one of Howell's two representatives on the MRRSA, gave a presentation that focused on the need for the authority's first rate increase in more than a decade.

"Connection fees are down drastically," Tantillo said. "Interest rates on investments are down drastically. We basically went from [earning] \$450,000 a year in interest on investments to [earning] \$40,000 to \$50,000 a year. We went from about \$1 million in connection fees to \$100,000 in connection fees. That has just dried up over the past two years."

If the MRRSA had not asked for the rate increase for 2010, that would have meant a 12 to 14 percent increase in 2011, Tantillo said.

Mayor Robert Walsh asked Filiatreault if the new proposed increase would be sufficient for the coming year. It was noted that the Howell sewer utility operated at a deficit last year.

"This will bring the sewer utility back into a positive area and without being extravagant," Filiatreault responded.

He said it will be a long time before substantial new construction takes place in Howell, which would increase the number of connection fees to the sewer utility.

Filiatreault also advised against building a larger surplus in the utility this year.

"I want to keep our head just about even," he said. "We'll rebuild our surplus in the good times."

Councilman William Gotto criticized the MRRSA at the Jan. 19 council meeting for not informing the governing body of the proposed increase.

But Gotto said at the Feb. 2 council meeting that he had “no issues” with the MRRSA now that he had more information about the reduced flow numbers.

“I kind of didn’t have a lot of information” in January, he said. “My comments in the paper came across a little stronger than what was actually said.”

The council voted 5-0 at the Feb. 2 meeting to introduce an ordinance that sets the new sewer rates. A public hearing will be held on the ordinance at the Feb. 16 council meeting.

The MRRSA is an independent authority that serves five towns — Howell, Freehold Township, Freehold Borough, Farmingdale and Wall Township.

Howell has a sewage collection system with 13 pumping stations. The waste first goes through Howell lines, then travels through MRRSA lines and eventually hooks into the Ocean County Utilities Authority for treatment.

In other business, Township Manager Helene Schlegel said the township made \$16,433 in Howell’s recent first online auction of used equipment.

“This was a tremendous improvement over the old way,” she said. “We did not have to use township employees for live house auctions.”

In the past, the township has made between \$4,000 and \$5,000 on auctions, she said.

“It was a huge improvement, and we will continue to do that,” Schlegel said.