

Good Afternoon Mr. Charles,

Thank you for contacting the PMUA again to address your questions and concerns regarding PMUA services and rates. We do apologize if you have not received sufficient information to address your inquiries to date. After careful review of the questions you brought forth, we have compiled Executive and Counsel feedback into the answers below, dividing them by subject. We hope this provides the clarity you and any subsequent audience seek.

1. Shared Services

The MUA Law requires the Authority to establish and set rates and charges sufficient to pay for the costs and expenses of the Solid Waste System. The solid Waste System includes the provision of collection and disposal of waste from the parks and other public areas that benefit the residents and aids to improves the quality of life within the City. Shared Services includes:

- Public waste receptacles
- Rusmore Avenue Park
- Mathison Park
- Library Park
- Rock Avenue Park
- Sloan Blvd. Park
- Hannah Atkins Park
- Siedler Field
- Milton Campbell Field
- South Avenue Circle
- Daily downtown street sweeping
- Street sweeping and clean-up after City and community events
- Illegal dumping clean-ups
- Health Dept. directed abatements
- Cooperative neighborhood litter abatements
- City vegetative waste disposal

The regulation of the PMUA, in essence, comes from the public input and in general from the obligation under law, for the PMUA to only adopt rates which they have shown through the presentation of evidence, to be necessary, just and reasonable as required under the MUA Law. The budgets that are adopted by the PMUA must be in accordance with the requirements of the Local Authorities Fiscal Control Law and must be submitted to the Local Finance Board, Department of Community Affairs. How the budget is structured must be in accordance with the Local Authorities Fiscal Control Law. Any rate or charge established by the PMUA is subject to a public hearing. At the public hearing the PMUA must present evidence that the rate or charge being proposed is necessary and reasonable. Thus, the standard for the rate under the MUA Law is "necessary and reasonable". A resident has the right at the public hearing, to cross-examine any witness presented by the PMUA that appears regarding the rate. The PMUA presentation and the cross-examination, become part of the record. Based on the evidence presented, the PMUA has an obligation to determine whether the change in the rate or charge is reasonable and necessary. If that determination is made, the requirements of the MUA Law have been satisfied.

Detailed presentations have been made by the PMUA's consulting engineers, which is a factor strongly considered by the PMUA Board as part of its deliberation of the rate change. The MUA Law does not explicitly identify the term "shared services". It talks in general terms of rates and charges. The MUA Law leaves it to the discretion of the public body to determine the nature of the charges and rates in accordance with the guidance provided in the MUA Law. It is the position of the PMUA that we have followed the requirements of the MUA Law in establishing the shared services charges. These charges are not part of the City's taxes because the solid waste system is not covered by the tax base and the services are not provided by the City. The charges and rates imposed by the PMUA are separate from the tax base.

2. Adequacy of the Notice of the Rate changes

The MUA Law provision which governs the notice requirement does not provide explicit direction as to what information must be in the notice. It refers to notice of adjustments. The purpose of the Notice is really to put a ratepayer on notice that some action is going to take place. The notice presumably triggers an interest in the ratepayer to seek more information by contacting the PMUA for more information. That is especially why the notice has to be made at least 20 days prior to the hearing. This period of time gives a ratepayer more than ample time to contact the PMUA to discuss the changes and obtain more detailed information.

While the MUA Law is not explicit regarding the nature of the notices, we understand your concerns on this issue and will in the future be more detailed in the notices. In the future, we will also have the notices of the public hearing made available on our website, www.pmua.info.

3. Retroactivity of the rate

The effective date of the rates are not prohibited under the MUA Law. Although the rate hearing took place after the first of January, customers are not retroactively billed as the approved rates are based on a quarterly basis. Additionally, in lieu of the rate hearing, first quarter bills were not sent out pending all necessary procedure and formalities including the public rate hearing, any cross-examinations, review and final approval of the proposed rate increase took place.

The PMUA understands much of the frustration surrounding the recent rate increase. We also respect all citizens' rights to examine the most cost effective options for their patronage of any consumer service. We do however hope that customers understand the facts and take into consideration the entire scope of services received from the PMUA versus the function of a private hauler. Moving forward, we continue to focus intently on optimizing our infrastructure and operations, to manifest not only our mission to safeguard public and environmental health and provide quality comprehensive services, but to maintain these priorities with fiscal solvency and responsibility.

We thank you for your time and attention. Should you have any further inquiries, please don't hesitate to contact us.

Regards,

PMUA Public Information