



HMUA MINUTES

REGULAR
MEETING OF

July 10, 2018

ADMINISTRATION BUILDING
424 Hurley Drive
Hackettstown, NJ



REGULAR MEETING July 10, 2018

JACOB GARABED ADMINISTRATION BUILDING

The meeting was called to order by Chairperson Kuster at 7:00 P.M. Chairperson Kuster announced that adequate notice of this meeting has been given to the area press and the Town of Hackettstown, and the meeting shall be convened and conducted in accord with the requirements of the Open Public Meetings Act.

Roll call indicated the following members in attendance: Kuster, Jerry DiMaio, Harper and Kunz.

Also attending: Paul Cuva, Robert McNinch, Counselor John Zaiter, Projects Engineer Klemm, Executive Director Corcoran and Recording Secretary Palma.

Chairperson Kuster led a salute of the United States Flag.

Chairperson Kuster indicated approval of minutes of the June 12th Regular Meeting to be the next agenda item. A motion to approve the minutes was made by Kunz, being seconded by Harper with Kuster, Harper and Kunz voting yea and Jerry DiMaio abstaining.

Chairperson Kuster indicated approval of the minutes of the June 12th Executive Session to be the next agenda item. A motion to approve the minutes was made by Harper being seconded by Kunz with Kuster, Harper and Kunz voting yea and Jerry DiMaio abstaining.

John DiMaio entered the meeting.

Chairperson Kuster opened the meeting to public participation and noted there were members of the public were present.

Paul Cuva began by stating the audit has been completed and there are some Recommendations and Comments. He stated that ledger accounts were not being reconciled to the general ledger and this resulted in material journal entries being made to the financial statements. He stated that he understands the Authority has operated in this manner for many years; however, the accounting system and internal controls are not in full compliance with N.J. Administrative Code. Paul confirmed that the Executive Director has been working with Robert McNinch to set up the accounting and ledger to comply with requirements.

Paul also stated that the Capital Budget for water needs to be watched closely. Kathy confirmed that the HMUA has been proactive, but recent regulations require additional capital spending that cannot be avoided. He suggested that the Authority update their 5 year Capital Plan to determine how much they will need to complete projects. He confirmed that once this is done they can determine how to proceed with the rate increase and possibly other means of financing projects, such as NJ Environmental Infrastructure Financing Program. Paul also stated that the Authority has done a good job with the reserve for future health benefits. Kathy suggested that a finance subcommittee be formed to discuss these matters once capital needs are better established through the asset management planning and budget processes.

Paul and Robert thanked the Board for their time and exited the meeting.

Chairperson Kuster stated the next agenda item was discussion and possible action regarding any



project change orders. Executive Director Corcoran stated there was one project change order for Contract #47W in the amount of \$32,778.14, which is for the three additional roadway repairs on High Street, sure stop gaskets, and soil testing for the project. The following Resolution #18-3310 was proposed by John DiMaio, who moved its adoption.

Resolution #18-3310

WHEREAS, the Hackettstown Municipal Utilities Authority has reviewed the proposal for Change Order #1 in the amount of \$32,778.14; therefore

BE IT RESOLVED, the Hackettstown Municipal Utilities Authority authorizes Change Order #1 in the amount of \$32,778.14 for the repairs on High Street, sure stop gaskets and soil testing for the Water Main Replacement Project Phase VIII (Contract #47W).

This Resolution was seconded by Kunz and upon roll call vote carried: Ayes: Kuster, Jerry DiMaio, John DiMaio, Harper and Kunz voting yea.

Chairperson Kuster stated the next agenda item was to entertain Resolutions approving the Operations Expense Account Requisitions #OEA-1134 and #OEA-1135 in the total aggregate amount of \$245,170.50.

The following Resolution #18-3311 was proposed by Harper, who moved its adoption:

Resolution #18-3311

BE IT RESOLVED, that the following Operations Expense Requisitions be formally approved:

Dated:	June 08, 2018	OEA- 1134	SL-14	\$119,965.25
Dated:	June 22, 2018	OEA- 1135	SL-15	<u>125,205.25</u>
			Total	\$245,170.50

This Resolution was seconded by John DiMaio and upon roll call vote carried: Ayes: Kuster, Jerry DiMaio, John DiMaio, Harper and Kunz voting yea.

Chairperson Kuster stated the next agenda item was to entertain a Resolution approving Construction Aid Fund Requisition #CAF-414 in the amount of \$256,781.33. The following Resolution #18-3312 was proposed by Kunz, who moved its adoption:

Resolution #18-3312

BE IT RESOLVED, that the following Construction Aid Fund Requisition #CAF-414 be formally approved:

REQUISITION #CAF-414

Pillari Bros.	Contract 47W Application #2	\$	244,781.33
Warren County Treasurer	Escrow Account		<u>12,000.00</u>
		Total	\$ 256,781.33

This Resolution was seconded by Jerry DiMaio and upon roll call vote carried: Ayes: Kuster, Jerry DiMaio, John DiMaio, Harper and Kunz voting yea.

Chairperson Kuster stated the next agenda item was to entertain a Resolution approving Renewal



& Replacement Fund Requisition #RR-247 in the aggregate amount of \$5,790.00. The following Resolution #18-3313 was proposed by Harper, who moved its adoption.

Resolution #18-3313

BE IT RESOLVED, that the following Renewal and Replacement Fund Requisition #RR-247 be formally approved:

REQUISITION #RR-247

Hunterdon/Warren Overhead Doors	Garage Door for WPCP ATB	\$	1,950.00
Mott MacDonald	Engineering Services		<u>3,840.00</u>
	Total	\$	5,790.00

The Resolution was seconded by Kunz and upon roll call vote carried: Ayes: Kuster, Jerry DiMaio, John DiMaio, Harper and Kunz voting yea.

Chairperson Kuster stated the next agenda item was to entertain a Resolution approving Escrow Subaccount Requisition #ESR-279 in the amount of \$1,578.50. The following Resolution #18-3314 was proposed by Kunz, who moved its adoption:

Resolution #18-3314

BE IT RESOLVED, that the following Escrow Subaccount Requisition #ESR-279 be formally approved:

REQUISITION #ESR-279

Broscious, Fischer & Zaiter	KLAND51LLC	\$	292.50
Mott MacDonald	KLAND51LLC		<u>1,286.00</u>
	Total	\$	1,578.50

The Resolution was seconded by Harper and upon roll call vote carried: Ayes: Kuster, Jerry DiMaio, John DiMaio, Harper and Kunz voting yea.

Chairperson Kuster stated the next agenda item was to entertain a Resolution approving General Fund Requisition #GF-1 in the amount of \$130,627.98. The following Resolution #18-3315 was proposed by John DiMaio, who moved its adoption:

Resolution #18-3315

BE IT RESOLVED, that the following General Fund Requisition #GF-1 be formally approved:

REQUISITION #GF-1

Pillari Bros.	Contract 47W Application #2	\$	117,322.05
Suburban Consulting	Engineering Services		<u>13,305.93</u>
	Total	\$	130,627.98

This Resolution was seconded by Kunz and upon roll call vote carried: Ayes: Kuster, Jerry DiMaio, John DiMaio, Harper and Kunz voting yea.

Chairperson Kuster stated the next agenda item was discussion and possible action to certify review of the annual audit report for fiscal year ended November 30, 2017. The following Resolution #18-3316 was proposed by John DiMaio who moved its adoption.



Resolution #18-3316

WHEREAS, N.J.S.A. 40A:5A-15 requires the governing body of each local authority to cause an annual audit of its accounts to be made; and,

WHEREAS, the annual audit report for the fiscal year ended November 30, 2017 has been completed and filed with the Director of the Division of Local Government Services pursuant to N.J.S.A. 40A:5A-15, and

WHEREAS, N.J.S.A. 40A:5A-17 requires the governing body of each Authority to, within 45 days of receipt of the annual audit, certify by resolution to the Local Finance Board that each member thereof has personally reviewed the annual audit report, and specifically the sections of the audit report entitled “General Comments” and “Recommendations”, and has evidenced same by group affidavit in the form prescribed by the Local Finance Board, and

WHEREAS, the members of the governing body have received the annual audit and have personally reviewed the annual audit, and have specifically reviewed the sections of the annual audit report entitled “General Comments” and “Recommendations” in accordance with N.J.S.A. 40A:5A-17,

NOW, THEREFORE BE IT RESOLVED, the governing body of the Town of Hackettstown Municipal Utilities Authority hereby certifies to the Local Finance Board of the State of New Jersey that each governing body member has personally reviewed the annual audit report for the fiscal year ended November 30, 2017 and, specifically, has reviewed the sections of the audit report entitled “General Comments” and “Recommendations”, and has evidenced same by group affidavit in the form prescribed by the Local Finance Board.

BE IT FURTHER RESOLVED, the Executive Director of the Authority is hereby directed to promptly submit to the Local Finance Board the aforesaid group affidavit, accompanied by a certified true copy of this Resolution.

This Resolution was seconded by Jerry DiMaio and upon roll call vote carried: Ayes: Kuster, Jerry DiMaio, John DiMaio, Harper and Kunz voting yea.

Chairperson Kuster stated the next agenda item was discussion and possible action to award Contract # 48S for Nitrification System Upgrades.

Kathy stated that four bids were received at bid opening with the lowest being from Iron Hills Construction in the amount of \$396,000, which was nearly \$100,000 lower than the second lowest bidder. She also stated that a bid was received the next day which was more than double the low bid price. Also there was a protest filed by the second low bidder regarding the low bidder electrician’s license in the bid package, which was expired. After speaking with John Zaiter and obtaining a valid license, which was in force at the time of the bid opening, it was not considered a fatal flaw. The engineer recommended award based on apparent capabilities, project experience and references. Kathy stated that she also recommends award. The following Resolution #18-3317 was proposed by Kunz, who moved its adoption.

Resolution #18-3317

WHEREAS, subsequent to the proper advertisement, four sealed proposals for Contract #48S Nitrification System Upgrades were received and read aloud at a public bid opening on June



20, 2018 at 11:00 AM at the HMUA Jacob Garabed Administration Building; and

WHEREAS, it has been determined that the lowest responsible bid was received from Iron Hill Construction of Wayne, New Jersey in the amount of \$396,000; therefore

BE IT RESOLVED, Contract #48S Nitrification System Upgrades project be awarded to Iron Hill Construction of Wayne, New Jersey, and the Executive Director is hereby authorized to execute the necessary Contract documents.

This Resolution was seconded by Harper and upon roll call vote carried: Ayes: Kuster, Jerry DiMaio, John DiMaio, Harper and Kunz voting yea.

Chairperson Kuster stated the next agenda item was discussion and possible action to authorize Mott MacDonald to provide professional engineering services for the development of an Asset Management Plan. Kathy explained that the Water Quality Accountability Act requires this to be completed by April 2019, and it will be a comprehensive effort. This work will also assist with capital project planning on the water side. After a brief discussion, the following Resolution #18-3318 was proposed by John DiMaio, who moved its adoption.

Resolution #18-3318

WHEREAS, pursuant to N.J.S.A. 40:A-11-5, professional services for the Authority may be retained without public bidding; and

WHEREAS, the Hackettstown Municipal Utilities Authority has the need for engineering services for the development of an Asset Management Plan; therefore

BE IT RESOLVED, by the Board Members of the Town of Hackettstown Municipal Utilities Authority as follows:

1. That the appointment of the firm Mott MacDonald to render engineering services to the Authority, in accordance with a June 26, 2018 proposal is herewith authorized without public bidding.
2. The term of said appointment shall be until such time as the project is completed.
3. The said payment to Mott MacDonald shall not exceed \$28,800.
4. That the Executive Director of the Authority is hereby authorized and directed to publish the Resolution in the Star-Gazette within ten days of its adoption and pursuant to N.J.S.A. 40:11-2.

This Resolution was seconded by Kunz and upon roll call vote carried: Ayes: Kuster, Jerry DiMaio, John DiMaio, Harper and Kunz voting yea.

Chairperson Kuster requested the Water Utility Superintendent to proceed with his report.

Bud began by stating leak detection is going very well. So far this year they have had five main breaks, and two service leaks.

Bud also stated that the water main project is going well. He confirmed that the contractor and inspector are doing a great job. He stated that Richard Drive is now completed. The Hurley Drive water main has been installed and they are now working on installing service connections. They are also installing the water main on Pine Street and they started Franklin Street today. He also stated that contractor came upon eight mismarked gas lines and actually hit seven of them.



Bud continued by stating that he is still researching valve exercising equipment and has been working to compare equipment from several suppliers apples to apples, but it has been difficult. He stated that they had to work the valve on Louis and Carol for the project and now it is leaking. He confirmed that they will be fixing it within the next few days, but it is an example of what can be expected with the valve exercising program.

Bud also stated that spring hydrant flushing went very well. Two hydrants need to be replaced due to the fact that they can no longer get parts for them. He stated they plan to use two hydrants being removed as part of the project as replacements.

Bud also stated that the Authority has passed their second round of standard Lead & Copper monitoring. He stated that they have forwarded a letter to the DEP requesting reductions in their monitoring.

Bud concluded by stating they had the one year inspection on the 2.4 MG storage tank today. He confirmed that the tank was very clean and had very little sediment inside. He explained that they used a 40' tank robot to go to the bottom and once there they could see the tank roof crystal clear.

At this point, Chairperson Kuster requested Executive Director Corcoran to proceed with her report.

Executive Director Corcoran began by stating that the accountants pretty well covered the results of the audit and that the staff will be working with the Auditors to ensure that the steps necessary to comply with requirements are completed.

Kathy also stated the Woodfield Project (3A) and WaWa have begun construction. She confirmed that Heath Village has obtained approvals and intends to begin construction of the healthcare center soon.

Kathy continued by stating APG found a problem with one of the cards in the VFD and this was recently replaced. Since then it appears that they have resolved the problem. Kathy also stated the Arsenic Treatability Study began in May and additional sampling was completed in June with another sampling event planned for late July. Kathy also stated the Nitrification system project has been awarded and will begin soon, with the goal for it to be completed by late spring.

On the water side, Kathy stated that water usage has stayed in line with last year's numbers and the only month that was higher was May due to hydrant flushing. Kathy also stated the water main project is moving forward and they now have two crews working. HMUA staff has been doing the inspections of the new service line installations to save on inspection costs.

Kathy stated they continue to work with the County on obtaining the permits necessary for Willow Grove Street and should have them soon. She also confirmed that they are still waiting on the High Street permit, but things are looking promising. She also stated that the County requested a \$16,000 escrow based on 240 hours at \$70.00 per hour for inspections. Kathy stated that she offered to start with \$12,000, which seems to be acceptable. Kathy also stated that the restoration area on Old Allamuchy Road has been paved to the County's satisfaction. Also she confirmed that the Freeholders have approved the road detours.

Kathy continued by stating the removal of the contaminated soil from Maple and Franklin Streets will be costly. They had the contractor do test pits and proctor compaction test of the soil to



determine suitability to reuse. Kathy confirmed the Township Engineer approved reuse with certain requirements for rock removal, compaction and moisture. They attempted to reuse some of the soil today but it was too rocky. The soil that is not reused is currently being stored at the WFP for later disposal under a separate contract. She said they will continue to monitor for opportunities to reuse the soil.

Kathy also stated that following the meeting with the Highlands Council, Mott MacDonald has completed the survey work to evaluate the actual location for the new 1.0 tank, and also the suitability of the roads and bridge for construction vehicles. Kathy stated that she has spoken with the County and things are moving slowly, but the goal is to have the property and Highlands Exemption in place so we will be in a good position when we are ready to construct a new tank.

Kathy also stated that MM can now begin work on the Asset Management Plan. She stated that this will require updates on a regular basis and there are other additional requirements of the WQAA that will pull our resources. She also stated that there is some talk of new legislation or regulations for the wastewater side with regard to asset management. She continued by stating she has not had much time to work on finding information from similar agencies for deputy positions but will continue to work on it.

Kathy concluded by stating that Diane Pilipenko has handed in her notice of retirement after 15 years of service at the HMUA. She stated Diane has been a great employee and she will personally miss her positive attitude, attention to detail and expertise in Excel. She stated she will be preparing a job description and advertising for this position in the near future.

Jerry DiMaio exited the meeting.

Upon the completion of the Executive Director's report, Chairperson Kuster requested Projects Engineer Klemm to proceed with his report. (See Attached)

Chairperson Kuster requested Counselor Zaiter to proceed with his report. Counselor Zaiter stated he had nothing further to discuss.

Chairperson Kuster requested whether anyone had business of a general nature to discuss.

There being no additional comments or discussion, Chairperson Kuster declared a motion to adjourn would be in order and was so moved by John DiMaio, seconded by Kunz and followed by a unanimous voice vote.

Time – 8:45PM

Kathleen Corcoran, PE, PP, PMP
Executive Director & Secretary