



HMUA MINUTES

REGULAR
MEETING OF

SEPTEMBER 9, 2014

ADMINISTRATION BUILDING
424 Hurley Drive
Hackettstown, NJ



REGULAR MEETING SEPTEMBER 9, 2014

JACOB GARABED ADMINISTRATION BUILDING

The meeting was called to order by Chairperson Kelly at 8:01 P.M. Chairperson Kelly announced that adequate notice of this meeting has been given to the area press and the Town of Hackettstown, and shall be convened and conducted in accord with the requirements of the Open Public Meetings Act.

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

Also attending: Counselor Zaiter, Projects Engineer Klemm, Executive Director Smith and Recording Secretary Palma.

Chairperson Kelly led a salute of the United States Flag.

Chairperson Kelly indicated that approval of the July 8th Regular Meeting to be the next agenda item. A motion to approve the minutes was made by Jerry DiMaio, being seconded by Harper with Jerry DiMaio, Harper voting yea, and Kelly abstaining.

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

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

Chairperson Kelly opened the meeting to public participation and noted that there were no members of the public present.

Executive Director Smith reported that there were two new sink holes. The HMUA was notified of a sinkhole in the front yard of a home on College View Drive near the Grand Avenue intersection. The area was investigated for water leaks and none were found. He stated that he received a phone call from the homeowner. The homeowner was informed that they were responsible for any repairs. He was later informed that the Town of Hackettstown performed the repair. Another sinkhole was reported in the sidewalk area of Sharp Street near Miller Street. We also investigated the area for water leaks and found none. The Town also worked on the repair of this sinkhole.

Smith also stated that he had discussions with Counselor Zaiter regarding the sewer blockage at 24 Arthur Terr. He stated that he also spoke with a reporter from the Warren Reporter. The article was on NJ.com. He confirmed that the



Authority has cut a check to the homeowner and it has been deducted from Reivax's payment.

Chairperson Kelly stated the next agenda item was discussion and possible action regarding any project change orders.

Executive Director Smith stated there were no Change Orders.

Chairperson Kelly stated that Resolutions pertaining to financial transactions to be the next order of business.

The following Resolution #14-3018 was proposed by Harper who moved its adoption:

Resolution #14-3018A

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

| | | | |
|------------------------|----------|-------|------------------|
| Dated: August 08, 2014 | OEA-1034 | SL-18 | \$126,355.61 |
| Dated: August 22, 2014 | OEA-1033 | SL-19 | <u>77,829.56</u> |
| | | Total | \$204,185.17 |

Resolution #14-3018B

BE IT RESOLVED, that the following Construction Aid Fund Requisition #CAF-382 be formally approved:

REQUISITION #CAF-382

| | | |
|-----------------------|-----------------------------|-----------------|
| Nat'l Power Equipment | Boiler Rental | \$ 4,500.00 |
| Dell Marketing L.P. | Computer Equipment | 1,247.80 |
| DeMaio Electrical Co. | Contract 41W (#8) | 20,078.24 |
| Envirosight | Quick View Main Line Camera | 15,150.00 |
| Hatch Mott MacDonald | Engineering Services | 2,848.05 |
| KEY-TECH | Concrete Testing Services | 1,052.00 |
| Samuel Stothoff Co. | Stilling Tube (16 Hazen) | <u>1,010.50</u> |
| | Total | \$ 45,886.59 |

Resolution #14-3018C

BE IT RESOLVED, that the following Renewal and Replacement Fund Requisition #RR-201 be formally approved:



REQUISITION #RR-201

| | | |
|-----------------------------|---------------------------|------------------|
| Jantzen, Bonnie | Reimbursement (24 Arthur) | \$ 3,975.00 |
| Allan Industries, Inc. | Emergency Service | 1,656.76 |
| Campbell Foundry Co. | Manhole Risers | 1,902.00 |
| Capitol Supply Construction | Distribution Supplies | 5,447.92 |
| Howard Burd & Sons | 180/183/185 College View | 12,004.00 |
| M&M Fuel | Fuel for Standby Boiler | 811.53 |
| Montague Tool & Supply Co. | Wacker Rammer | 2,199.00 |
| Reivax Contracting Corp. | Contract No. 43W (#8) | 19,788.39 |
| TGM | Labor/Materials: Boiler | 10,585.68 |
| Treasurer, State of NJ | Site Remediation LSRP Fee | 565.00 |
| Water Works Supply Co. | Water Meters | <u>11,560.00</u> |
| | Total | \$ 70,495.28 |

Resolution #14-3018D

BE IT RESOLVED, that the following Escrow Sub-Requisition #ESR-245 be formally approved:

REQUISITION #ESR-245

| | | |
|----------------------|---------------------|---------------|
| Hatch Mott MacDonald | JADE | \$ 1,105.00 |
| Hatch Mott MacDonald | NJDOT RT. 46 Bridge | 1,602.50 |
| Hatch Mott MacDonald | TACO BELL | <u>704.00</u> |
| | Total | \$ 3,411.50 |

The Resolution was seconded by Jerry DiMaio and upon roll call vote carried: Ayes: Kelly, Jerry DiMaio and Harper.

Chairperson Kelly stated the next agenda item was discussion and possible action regarding the sale of the reservoir property.

Executive Director Smith stated that he requested a proposal from Fiedler Realty for the upcoming auction of the reservoir property. Smith confirmed that he spoke with Henry and he did not have time over the last few weeks to put it together. It is anticipated that the proposal will be received during the next month.

John DiMaio entered the meeting.

Chairperson Kelly stated the next agenda item was discussion and possible action to approve the Water Utility Annual and Capital Budgets for the fiscal year 2015.

A lengthy discussion followed on the Water Utility Annual and Capital Budgets for fiscal year 2014/2015 with all Board Members participating.



At this point Recording Secretary Palma exited the meeting.

Chairperson Kelly stated he would entertain a motion to convene into Executive Session.

Resolution #14-3019 was proposed by John DiMaio who moved its adoption.

BE IT RESOLVED, on this 9th day of September 2014, by the Hackettstown Municipal Utilities Authority and pursuant to N.J.S.A. 10:4-1 et. Seq., the Authority shall discuss Personnel matters in Executive Session.

It is not possible, at this time, for the Authority to determine when and under what circumstances the above referenced items, which are to be discussed in Executive Session, can be publicly disclosed.

A motion to convene into Executive Session was made by John DiMaio and seconded by Harper. Ayes: Kelly, Jerry DiMaio, John DiMaio and Harper.

THEREFORE, BE IT RESOLVED, on this 9th day of September 2014, by the Hackettstown Municipal Utilities Authority that the matters, as noted above, will be discussed in Executive Session, said session commencing at 8:32 PM.

Jerry DiMaio moved to end Executive Session and re-enter Regular Session, said motion being seconded by John DiMaio and all indicating approval at 8:55 PM. No formal action was taken during Executive Session.

Recording Secretary Palma entered the meeting.

A motion was made by Jerry DiMaio to increase the maximum salary range for all employees by 1.5%. This was seconded by Harper and upon roll call vote carried: Ayes: Kelly, Jerry DiMaio, John DiMaio and Harper voting yea.

Chairperson Kelly stated the next agenda item was discussion and possible action to approve the Water Utility Annual and Capital Budgets for Fiscal year 2015.

Resolution #14-3020 was proposed by Harper who moved its adoption:

WHEREAS, the Annual Budget and Capital Budget for the Town of Hackettstown Municipal Utilities Authority for the Fiscal Year beginning December 1, 2014 and ending November 30, 2015 has been presented before the Governing Body of the Town of Hackettstown Municipal Utilities Authority at its open public meeting of September 09, 2014; and,

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$1,960,000, Total Appropriations including any Accumulated Deficit if any, of \$1,958,506, and Total Unrestricted Net Assets utilized of \$0; and,

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$2,400,000 and Total Unrestricted Net Assets planned to be utilized as funding thereof, \$0; and,

WHEREAS, the schedule of rates, fees, and other charges in effect will produce sufficient revenues, together with all other anticipated revenues to satisfy all



obligations to the holders of bonds of the Authority, to meet operating expenses, capital outlays, debt service requirements, and to provide for such reserves, all as may be required by law, regulation or terms of contracts and agreements; and,

WHEREAS, the Capital Budget / Program, pursuant to N.J.A.C. 5:31-2, does not confer any authorization to raise or expend funds; rather it is a document to be used as part of the said Authority's planning and management objectives. Specific authorization to expend funds for the purposes described in this section of the budget must be granted elsewhere, by bond resolution, by a project financing agreement, by resolution appropriating funds from the Renewal and Replacement Reserve or other means as provided by law.

NOW, THEREFORE, BE IT RESOLVED, by the Governing Body of the Town of Hackettstown Municipal Utilities Authority at an open public meeting held on September 09, 2014 that the Annual Budget, including Supplemental Schedules, and the Capital Budget / Program of the Town of Hackettstown Municipal Utilities Authority for the Fiscal Year beginning December 1, 2014 and ending November 30, 2015 is hereby approved; and,

BE IT FURTHER RESOLVED, that the anticipated revenues as reflected in the Annual Budget are of sufficient amount to meet all proposed expenditures / expenses and all covenants, terms and provisions as stipulated in the said Authority's outstanding debt obligations, capital lease arrangements, service contracts and other pledged agreements; and,

BE IT FURTHER RESOLVED, that the Governing Body of the Town of Hackettstown Municipal Utilities Authority will consider the Annual Budget and Capital Budget / Program for adoption on October 14, 2014.

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

Chairperson Kelly stated the next agenda item was discussion and possible action to approve the Sewer Utility Annual and Capital Budgets for Fiscal year 2015.

Upon completion of discussion concerning Sewer Utility Annual and Capital Budgets for fiscal year 2014/2015, Resolution #14-3021 was proposed by Jerry DiMaio who moved its adoption:

WHEREAS, Annual Budget and Capital Budget for the Town of Hackettstown Municipal Utilities Authority for the Fiscal Year beginning December 1, 2014 and ending November 30, 2015 has been presented before the Governing Body of the Town of Hackettstown Municipal Utilities Authority at its open public meeting of September 9, 2014; and,

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$2,432,000, Total Appropriations including any Accumulated Deficit if any, of \$2,137,901, and Total Unrestricted Net Assets utilized of \$0; and,



WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$1,010,000 and Total Unrestricted Net Assets planned to be utilized as funding thereof, \$0; and,

WHEREAS, the schedule of rates, fees, and other charges in effect will produce sufficient revenues, together with all other anticipated revenues to satisfy all obligations to the holders of bonds of the Authority, to meet operating expenses, capital outlays, debt service requirements, and to provide for such reserves, all as may be required by law, regulation or terms of contracts and agreements; and,

WHEREAS, the Capital Budget / Program, pursuant to N.J.A.C. 5:31-2, does not confer any authorization to raise or expend funds; rather it is a document to be used as part of the said Authority's planning and management objectives. Specific authorization to expend funds for the purposes described in this section of the budget must be granted elsewhere, by bond resolution, by a project financing agreement, by resolution appropriating funds from the Renewal and Replacement Reserve or other means as provided by law.

NOW, THEREFORE, BE IT RESOLVED, by the Governing Body of the Town of Hackettstown Municipal Utilities Authority at an open public meeting held on September 9, 2014 that the Annual Budget, including Supplemental Schedules, and the Capital Budget / Program of the Town of Hackettstown Municipal Utilities Authority for the fiscal year beginning December 1, 2014 and ending November 30, 2015 is hereby approved; and,

BE IT FURTHER RESOLVED, that the anticipated revenues as reflected in the Annual Budget are of sufficient amount to meet all proposed expenditures / expenses and all covenants, terms and provisions as stipulated in the said Authority's outstanding debt obligations, capital lease arrangements, service contracts and other pledged agreements; and,

BE IT FURTHER RESOLVED, that the Governing Body of the Town of Hackettstown Municipal Utilities Authority will consider the Annual Budget and Capital Budget / Program for adoption on October 14, 2014.

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

Chairperson Kelly stated the next agenda item was the report of the Office/Purchasing Supervisor.

Debbie Palma began by giving a brief overview of the collections and the number of credit card payments received for August and the number of email bills forwarded. She also spoke about the Munibilling which they are continuing to work on. She confirmed that she and Bruce continue to work on a test site of the billing system and hope to have the new system up and running soon.

Debbie concluded by stating that during the reading of meters for the July billing, an error was found on 921 Grand Ave. After having the Water Utility research this



location, it was determined that the Electronic Radio Transmitter (ERT) number was the same number as 923 Grand Ave. Both of these Ert's were installed a few days apart. So, since 2004 the reading device was picking up the reading from 923 Grand Ave. It was determined that 921 Grand Ave. had a leak on their water softener, which resulted in a large amount of water going through the water softener over a number of years. The reading was 2,476,040 gallons at a cost of \$12,709.92. Mr. Duarte is requesting relief from this bill. Debbie explained that she has reached out to Itron to check if there is a program or report she can run that will check for duplicate ERT numbers so this does not happen again.

After a brief discussion, a motion was made by John DiMaio to remove the charges on Mr. Duarte's account for the water usage and also to remove the interest charges. This was seconded by Jerry DiMaio and upon roll call vote carried: Ayes: Kelly, Jerry DiMaio, John DiMaio and Harper voting yea.

Chairperson Kelly requested Executive Director Smith to proceed with his report.

Executive Director Smith began by stating that the electricity reverse auction with EMEX, which was scheduled for today, did not take place and will be held next month prior to the meeting.

Smith also stated that the NJWEA Tech Transfer Seminar will take place next week. Smith is a moderator and speaker at the Asset Management Session.

Smith continued by stating that 24 Arthur Terrace has received full payment for the cleanup of the sewerage blockage. A check was cut and forwarded to the homeowner. He confirmed that \$3,975.00, plus the additional cost of the cleanup by Allan Industries, has been deducted from Reivax's payment.

Smith also stated that the water main project milling and paving in the College View area has been completed. A few curb boxes still need to be repaired.

Smith concluded by stating that there have been discussions with Reivax regarding the marking out of the sewer lines for the remainder of the project. He stated that Reivax acknowledged that the Authority is not responsible for these mark-outs. The Authority will be delivering letters to the residents once the water main installation is completed in front of their residence. The letter will notify the resident that HMUA staff will camera their individual sewer line to ensure there is no damage to the line. Smith confirmed that the camera work is going very well.

Chairperson Kelly requested Counselor Zaiter to proceed with his report. Counselor Zaiter stated he had nothing further to add.

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

Engineer Klemm began by explaining the request for additional engineering charges for the Water Main project, Contract #43W. He detailed the additional charges associated with the project. A lengthy discussion ensued with all Board Members participating. The Board indicated to Engineer Klemm that they did not



feel that the additional charges were warranted and that many of the problems were in part due to the performance of the Hatch Mott inspector. However, they agreed that the costs associated with the design and inspection of the water main on additional streets within College View was warranted.

Therefore, the following Resolution #14-3022 was proposed by Harper who moved its adoption.

WHEREAS, due to the issues within the College View area, it was determined to be beneficial to replace additional water main under Contract 43W; and,

WHEREAS, the appointment of Hatch Mott MacDonald to provide additional engineering services for the design and construction phases of the Water Main Project is authorized without public bidding; and,

WHEREAS, the Executive Director of the Authority is hereby authorized and directed to publish this Resolution in the Star Gazette pursuant to N.J.S.A. 40:11-2; therefore,

BE IT RESOLVED, the Hackettstown Municipal Utilities Authority hereby authorizes payment of \$56,700.00 for additional engineering services associated with Contract #43W.

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

Executive Director Smith stated that once the remediation work began in College View it was determined that additional concrete work needed to be performed on the apron and sidewalks in front of 180/183/185 College View for the safety of the residents.

After a brief discussion, the following Resolution #14-3023 was proposed by Jerry DiMaio.

WHEREAS, an emergency situation meeting the criteria set forth in N.J.S.A. 40A:11-6 related to remediation of numerous sinkholes on College View Drive; and

WHEREAS, an emergency purchase was made to Howard Burd & Sons of Hackettstown, New Jersey for additional concrete work associated with the sinkhole remediation in the amount of \$12,004.00;

NOW, THEREFORE, BE IT RESOLVED, that the Hackettstown Municipal Utilities Authority hereby authorizes the payment of \$12,004.00 to Howard Burd & Sons for the emergency described herein in accordance with N.J.S.A. 40A:11-6.

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

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



Time – 10:45 P.M.

Bruce D. Smith
Executive Director & Secretary