



HMUA MINUTES

REGULAR
MEETING OF

September 11, 2018

ADMINISTRATION BUILDING
424 Hurley Drive
Hackettstown, NJ



REGULAR MEETING September 11, 2018

JACOB GARABED ADMINISTRATION BUILDING

The meeting was called to order by Chairperson Kuster at 7:03 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, John DiMaio and Harper.

Also attending: 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 August 14th Regular Meeting to be the next agenda item. A motion to approve the minutes was made by Harper, being seconded by Jerry DiMaio with Kuster, Jerry DiMaio and Harper voting yea and John DiMaio abstaining.

Chairperson Kuster indicated approval of minutes of the August 14th Executive Session to be the next agenda item. A motion to approve the minutes was made by Jerry DiMaio being seconded by Harper with Kuster, Jerry DiMaio and Harper voting yea and John DiMaio abstaining.

Chairperson Kuster opened the meeting to public participation and noted no members of the public were present.

Chairperson Kuster stated the next agenda item was discussion and possible action regarding any project change orders. Executive Director stated that there were no Change Orders.

Chairperson Kuster stated the next agenda item was discussion and possible action to amend the Capital Budget for FY 2017-2018. Executive Director Corcoran stated at this time she would like to defer this item.

Chairperson Kuster stated the next agenda item was to entertain Resolutions approving the Operations Expense Account requisitions #OEA-1138, #OEA-1139 and #OEA-1140 in the total amount aggregate amount of \$281,141.60.

The following Resolution #18-3328 was proposed by Jerry DiMaio who moved its adoption:

Resolution #18-3328

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

Dated:	August 03, 2018	OEA-1138	SL-18	\$100,482.49
Dated:	August 17, 2018	OEA-1139	SL-19	77,056.24
Dated:	August 31, 2018	OEA-1140	SL-20	<u>103,602.87</u>
			Total	\$281,141.60

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



Chairperson Kuster stated the next agenda item was to entertain a Resolution approving Renewal & Replacement Fund Requisition #RR-249 in the aggregate amount of \$19,535.00

The following Resolution #18-3329 was proposed by John DiMaio who moved its adoption.

Resolution #18-3329

BE IT RESOLVED, that the following Renewal and Replacement Fund Requisition #RR-249 be formally approved:

REQUISITION #RR-249

Campbell Foundry Company	Manhole Frames/Covers	\$	1,100.00
Water Works Supply Co.	5/8" & 1" Meters/ERT's		<u>18,435.00</u>
	Total	\$	19,535.00

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

Chairperson Kuster stated the next agenda item was to entertain a Resolution approving Escrow Subaccount Requisition #ESR-281 in the amount of \$2,118.45.

The following Resolution #18-3330 was proposed by Harper who moved its adoption.

Resolution #18-3330

BE IT RESOLVED, that the following Escrow Subaccount Requisition #ESR-281 be formally approved:

REQUISITION #ESR-281

Fulton Financial Corp.	FULTON BANK (Refund)	\$	573.93
MedExpress Urgent Care	MEDEXPRESS (Refund)		301.02
Mott MacDonald	LIONGATE		<u>1,243.50</u>
	Total	\$	2,118.45

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

Chairperson Kuster stated the next agenda item was to entertain a Resolution approving General Fund Requisition #GF-3 in the amount of \$151,445.25.

The following Resolution #18-3331 was proposed by Jerry DiMaio who moved its adoption.

Resolution #18-3331

BE IT RESOLVED, that the following General Fund Requisition #GF-3 be formally approved:

REQUISITION #GF-3

Pillari Bros.	Contract 47W Application #4	\$	135,717.75
Suburban Consulting	Engineering Services		<u>15,727.50</u>
	Total	\$	151,445.25

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



Chairperson Kuster stated the next agenda item was discussion and possible action to ratify budget line item transfer. Executive Director Corcoran stated that this item could be deferred.

Chairperson Kuster stated the next agenda item was discussion and possible action to approve Water and Sewer Utility Budgets for 2018/2019.

Executive Director Corcoran provided a brief overview of the budgets, pointing out any significant anticipated increases or decreases and the associated justification. She also stated that the budget includes an additional \$105,554 in unrestricted net position utilized in order to balance the budget, designating \$365,000 to Renewal and Replacement to fund capital projects on the water side. She explained that the current rate structure, decreasing water usage demand, system maintenance requirements and new requirements of the Water Quality Accountability Act will continue to draw down reserve funds on the water side. She stated that, as previously authorized, the Auditor is evaluating appropriate rate increases based on current and future anticipated operating costs and capital projects, as provided in the 10 year Capital Projects Forecast. Major near term future capital projects on the water side will have to be funded through the NJEIT or other low interest means until sufficient reserves are built up. Rate increase study results should be available for discussion at the next meeting.

Kathy confirmed that the Consumer Price Index increase for the year ending July 2018 was 2.25%. She also discussed proposed salaries included in the budget as presented, and requested input from the Board regarding proposed salaries.

At this point it was suggested that the Board convene into Executive Session.

Executive Director Corcoran, John Zaiter David Klemm and Debbie Palma exited the meeting.

Chairperson Kuster stated he would entertain a motion to convene into Executive Session. Resolution #18-3332 was proposed by Harper who moved its adoption.

Resolution #18-3332

BE IT RESOLVED, on this 11th day of September 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 item, which is to be discussed in Executive Session, can be publicly disclosed.

The motion to convene into Executive Session was seconded by John DiMaio. Ayes: Kuster, Jerry DiMaio, John DiMaio, and Harper.

THEREFORE, BE IT RESOLVED, on this 11th day of September, 2018 by the Hackettstown Municipal Utilities Authority that the matters, as noted above, will be discussed in Executive Session, said session commencing at 7:50 PM.

Jerry DiMaio moved to end Executive Session and re-enter Regular Session, said motion being seconded by Harper and all indicating approval at 8:04 PM. No formal action was taken during Executive Session.

All those previously present returned to the meeting.



The following Resolution #18-3333 was proposed by Harper who moved its adoption:

Resolution #18-3333

WHEREAS, the Annual Budget and Capital Budget for the Town of Hackettstown Municipal Utilities Authority for the fiscal year beginning December 1, 2018 and ending November 30, 2019 has been presented before the governing body of the Town of Hackettstown Municipal Utilities Authority at its open public meeting of September 11, 2018; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$4,771,500, Total Appropriations, including any Accumulated Deficit if any, of \$4,877,054 and Total Unrestricted Net Position utilized of \$105,554; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$1,465,000 and Total Unrestricted Net Position planned to be utilized as funding thereof, of \$0; total Renewal and Replacement Reserve funds planned to be utilized of \$1,465,000; 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 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 11, 2018 that the Annual Budget, including all related schedules, and the Capital Budget/Program of the Town of Hackettstown Municipal Utilities Authority for the fiscal year beginning December 1, 2018 and ending November 30, 2019 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 9, 2018.

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

Chairperson Kuster stated the next agenda item was discussion and possible action to purchase valve turning equipment. Executive Director Corcoran stated that Bud Volkert was comparing



pricing and would have it for the next meeting.

Chairperson Kuster stated the next agenda item was discussion and possible action to purchase a new Winsmith Gear Reducer with overload torque sensor for Primary Clarifier #2.

The following Resolution #18-3334 was proposed by Jerry DiMaio who moved its adoption.

Resolution #18-3334

WHEREAS, the Authority has determined and certified in writing that the value of the acquisition will exceed \$17,500; and

WHEREAS, Envirodyne Systems Inc. of Camp Hill, PA has submitted a quotation indicating they will provide the services in the amount of \$19,179.60; and

WHEREAS, Envirodyne Systems Inc. has completed and submitted a Business Entity Disclosure Certification which certifies that Envirodyne Systems Inc. has not made any reportable contributions to a political or candidate committee in the Town of Hackettstown in the previous one year, and that the contract will prohibit Envirodyne Systems Inc. from making any reportable contributions in the coming year; therefore

BE IT RESOLVED, the Hackettstown Municipal Utilities Authority authorizes the purchase of the Winsmith Gear Reducer with overload torque sensor for Primary Clarifier #2 in the amount of \$19,179.60.

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

Chairperson Kuster requested the Office Manager to proceed with her report.

Debbie began by giving an overview on the credit card payments received over the last three months. She confirmed that overall the credit card payments are working out very well for the Authority. Debbie also confirmed the number of letters sent and collections for nonpayment that occurred over the last three months. She stated that the robocall system seems to be helping out with reducing delinquent accounts.

Debbie continued by stating the office staff continues to work on meter replacements and continues to reduce the number of ARBs left. She did confirm that staff is now focusing on those customers where we have had difficulty getting a meter replacement scheduled.

Debbie also stated that as per the Board's request, she has had the post card bills and the email bills updated to show what type of account it is.

Debbie concluded by stating she researched the cost of increasing the credit card limit from \$300 to \$600 and was told by Paymentus that they could only increase the limit for commercial accounts to \$600 and the cost to the customer would be \$6.95.

Chairperson Kuster requested Executive Director Corcoran to proceed with her report.

Executive Director Corcoran began by stating she is working with John Zaiter to complete requirements for JIF Employment Practices Liability program to maintain the deductible of \$20,000 per claim and 20% copay capped at \$50,000.

Kathy also stated the Audit with Corrective Action Plan and Resolution was submitted to DCA and accepted. She also confirmed that the office staff is continuing to work with the Auditor to



increase Quickbooks financial tracking.

Kathy also stated Atty. Russo has been in contact with Heath Village, whose attorney requested information. Atty. Russo responded with a letter, which was provided to Board Members. Hopefully he will have more information for us at the next meeting.

With regard to developer projects, Kathy continued by stating WaWa water line construction is completed and they have passed all the testing. Sewer line installations have been a little more difficult with contractors not following plans and constantly changing things in the field, requiring additional field inspections and testing. Sewer system is not approved as of yet.

She also confirmed that Dr. Sandhu completed his disconnection of the abandoned water service on Mountain Ave.

She stated that Heath Village Healthcare Center has started clearing but has not started any utility work as of yet.

Kathy also stated that they are moving forward with the underground storage tank upgrade requirements to meet the new regulations. The first step is to have an evaluation completed. The anticipated cost to come into compliance is approximately \$30,000.

Kathy continued by stating the arsenic study began in May and samples were taken in June and July. The characterization is complete and the next step is the treatability with jar testing. She stated this study seems to be running behind schedule.

Kathy also stated the Nitrification System Project is off to a slow start due to the shop drawing production and anticipated delay of manufacture of the diffuser system. They are hoping to have this project started in March or April.

Kathy also stated that Mott MacDonald has been evaluating peracetic acid (PAA) as an alternative to UV disinfection. This is a potential replacement for UV or possibly a temporary patch to get us through this period of existing/soon to be obsolete Trojan UV model. She confirmed the MM memo should be available soon with recommendations.

Regarding the Water Utility, Kathy stated that the NJDEP has prepared a form for Public Water Systems that was emailed to all entities affected by the WQAA, requiring yes/no answers regarding compliance and a sign off by the Executive Director by October 16th. She continued by stating they expect the pricing for the valve turning equipment for the next meeting. She explained that all 12 inch valves must be turned and operable by October 2019 and all others by October 2021. She estimates the Authority has 2,200 + valves.

Kathy continued by stating that the Authority has been approved to reduce its Lead and Copper monitoring to once a year by the NJDEP.

Kathy stated the Contractor for the 2.4 tank has completed the punch list items, which were very minor in nature.

Kathy also stated the water main project is winding down. Most of the main has been installed at this point. They still have interconnections and some services to do along with restoration. We are going to have them install an insertion valve on Moore Street by Sharp Street which will benefit the HMUA during the project and in the future. The Town is allowing this construction in the newly paved road, but full restoration will be required. She stated this will allow the



contractor to do the necessary tie in without shutting down businesses on Main Street and will replace a valve that will be required to be replaced under the WQAA. We still have final restoration to do on Willow Grove at Franklin and at High Street.

Kathy also explained that the hot mixed asphalt line item is going to exceed the estimated quantity in the contract significantly. The original contract cost was \$1,359,000; however with change orders, she expects the total construction cost to end up near \$1,460,000 to \$1,500,000. There will likely need to be a capital budget amendment to increase unrestricted net position spending for FY17/18. Plus we have stored project spoils to deal with, which we have budgeted for disposal over time starting next year.

Kathy continued by stating the Water Utility is doing some work on Main Street prior to the NJDOT Route 46 (McCormick Taylor) repaving project set for next spring. So far they will need to replace the old service to the Presbyterian Church. They may also have an issue with the service line for the Trading Post building. She confirmed that Bud is doing some research to see if anything else should be addressed.

Kathy also stated she forwarded a memo with a spreadsheet to the Board, outlining some of the current salaries and staff for similar water and sewer utilities. She is requesting the Boards support to begin advertising for the position of Deputy Director.

A motion was made by Harper to begin the process of filling the position of Deputy Director. This motion was seconded by Jerry DiMaio and upon roll call vote carried: Ayes: Kuster, Jerry DiMaio, John DiMaio and Harper.

Kathy concluded by stating Mott MacDonald completed its review and tour with the water staff for the Asset Management Plan.

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 add.

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 Jerry DiMaio, seconded by John DiMaio and followed by a unanimous voice vote.

Time – 8:55 P.M.

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