



HMUA MINUTES

REGULAR
MEETING OF

September 13, 2017

ADMINISTRATION BUILDING
424 Hurley Drive
Hackettstown, NJ



REGULAR MEETING September 13, 2017

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, Harper and Kunz.

Also attending: Vincent Montanino, 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 8th 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.

Chairperson Kuster indicated approval of minutes of the August 8th 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.

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 Corcoran stated that there was a change order for Contract No. 46W to reduce the Contract amount by \$20,000 to \$897,500 to account for the unused Bid Allowance for unforeseen conditions, and also to extend the Contract completion date to August 25, 2017.

The following Resolution #17-3234 was proposed by Kunz who moved its adoption.

WHEREAS, the Hackettstown Municipal Utilities Authority has reviewed Change Order #1 which is a credit Change Order for the unused Bid Allowance for unforeseen conditions and extension of the contract duration; therefore,

BE IT RESOLVED, the Hackettstown Municipal Utilities Authority authorizes Change Order #1 in the amount of a credit for \$20,000 for the unused Bid Allowance for unforeseen conditions for Contract 46W; and

BE IT FURTHER RESOLVED, the Hackettstown Municipal Utilities Authority authorizes the extension of the contract duration to August 25, 2017.

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

Chairperson Kuster stated the next agenda item was discussion and possible action to make final payment to Anka Painting Company, Inc. for Contract No. 46W – Rehabilitation of 2.4 MG Water Storage Tank.



Executive Director Corcoran stated that all work at the 2.4 storage tank has been completed. She recommended authorization of the final payment in the amount of \$35,931.96 subject to receipt of all required documentation.

The following Resolution #17-3235 was proposed by Harper who moved its adoption.

WHEREAS, the Hackettstown Municipal Utilities Authority confirms that all work has been completed on Contract No. 46W - Rehabilitation of 2.4 MG Water Storage Tank Project; therefore,

BE IT RESOLVED, the Hackettstown Municipal Utilities Authority hereby authorizes the final payment to Anka Painting Co., Inc. in the amount of \$35,931.96 which represents the final payment for the completion of the project.

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

Chairperson Kuster stated the next agenda item was to entertain Resolutions approving the Operations Expense Account requisitions #OEA-1112 and #OEA-1113 in the total amount aggregate amount of \$195,605.26.

The following Resolution #17-3236 was proposed by Kunz who moved its adoption:

Resolution #17-3236

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

Dated:	August 04, 2017	OEA-1112	SL-18	\$107,168.18
Dated:	August 18, 2017	OEA-1113	SL-19	<u>88,437.08</u>
			Total	\$195,605.26

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

Chairperson Kuster stated the next agenda item was to entertain a Resolution approving Renewal & Replacement Fund Requisition #RR-237 in the aggregate amount of \$104,947.23

The following Resolution #17-3237 was proposed by Harper who moved its adoption.

Resolution #17-3237

BE IT RESOLVED, that the following Renewal and Replacement Fund Requisition #RR-237 be formally approved:

REQUISITION #RR-237

Anka Painting Co.	2.4MG Tank – 46W (Final)	\$ 35,931.96
Campbell Foundry	Manhole Frames/Covers	1,375.00
Capitol Supply	Mueller Hydrant	2,379.23
Harper Control Solutions	Sealwater Float Valves	2,400.00
Mott MacDonald	Engineering Services	47,628.04
Precision Electric Motor	Motor Repair (Meadow Lane)	3,785.00
Pyrz Water Supply Co., Inc.	Chlorinators	3,843.00



William Stothoff Co., Inc.	Install Well 7 Pump Cable	7,605.00
	Total	\$ 104,947.23

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

Chairperson Kuster stated the next agenda item was to entertain a Resolution approving Escrow Subaccount Requisition #ESR-270 in the amount of \$725.42.

The following Resolution #17-3238 was proposed by Kunz who moved its adoption.

Resolution #17-3238

BE IT RESOLVED, that the following Escrow Subaccount Requisition #ESR-270 be formally approved:

REQUISITION #ESR-270

Kaplan Companies	KLAND53-Refund	\$ 487.92
Mott MacDonald	LIONGATE	237.50
	Total	\$ 725.42

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

Chairperson Kuster stated the next agenda item was discussion and possible action to adopt a Resolution for renewal of membership in the NJ Utility Authorities Joint Insurance Fund.

The following Resolution #17-3239 was proposed by Kunz who moved its adoption:

WHEREAS, the Hackettstown Municipal Utilities Authority is a member of the New Jersey Utility Authorities Joint Insurance Fund; and,

WHEREAS, said renewed membership terminates as of December 31, 2017 unless earlier renewed by agreement between the Authority and the Fund; and,

WHEREAS, the Authority desires to renew said membership;

NOW, THEREFORE, be it resolved as follows:

1. The Hackettstown Municipal Utilities Authority agrees to renew its membership in the New Jersey Utility Authorities Joint Insurance Fund and to be subject to the Bylaws, Rules and Regulations, coverages, and operating procedures thereof as presently existing or as modified from time to time by lawful act of the Fund.
2. The Governing Body shall be and hereby are authorized to execute the agreement to renew membership annexed hereto and made a part hereof and to deliver same to the New Jersey Utility Authorities Joint Insurance Fund evidencing the Authority's intention to renew its membership.

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

Chairperson Kuster stated the next agenda item was discussion and possible action to approve Water and Sewer Utility Budgets for 2017/2018.



Kathy stated that she invited Vincent Montanino to attend the meeting to discuss the status of Authority funds and need for potential increase in rates and/or project financing. Mr. Montanino approached the Board and gave an overview of the current status of budgets versus revenue and existing unrestricted funds. He explained that, due to decreases in development and economic growth, the Authority would need to develop appropriate rates to gain additional revenue to cover operating expenses and fund future capital projects. He confirmed that, at Kathy's request, his firm is currently preparing a proposal for a rate evaluation for the Authority. He suggested that the Authority may wish to consider a low interest loan through the New Jersey Environmental Infrastructure Trust to spread the cost of capital projects over time and potentially reduce the necessary rate increase. There was some discussion regarding financing versus payment using Authority funds. The Board stated that at this time they would prefer to refrain from applying for any loans.

Kathy provided a brief overview of the budgets, pointing out any significant anticipated increases or decreases and the associated justification. The Consumer Price Index increase for the year ending July 2017 was 1.64%. She stated that some of the higher level employees are approaching or have reached the maximum of their respective salary ranges, and she would like to have flexibility to allow for merit increases where warranted. She recommended that the salary range for Chief Operator be increased from \$78,250.22 to \$83,000 and the salary range for Water/Sewer Superintendent and be increased from \$92,409.20 to \$98,000.

A motion was made by Kunz to increase the salary ranges for Chief Operator and Water/Sewer Superintendent as per the Executive Director's suggestion. This motion was seconded by Harper and upon roll call vote carried: Ayes: Kuster, Harper and Kunz voting yea.

Chairperson Kuster indicated that he would now entertain a Resolution to approve the Annual Operating and Capital Budgets for the fiscal year ending November 30, 2018.

The following Resolution #17-3240 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, 2017 and ending November 30, 2018 has been presented before the governing body of the Town of Hackettstown Municipal Utilities Authority at its open public meeting of September 13, 2017; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$4,814,000, Total Appropriations, including any Accumulated Deficit if any, of \$4,814,000 and Total Unrestricted Net Position utilized of \$0; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$2,460,000 and Total Unrestricted Net Position planned to be utilized as funding thereof, of \$1,000,000; 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 13, 2017 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, 2017 and ending November 30, 2018 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 November 14, 2017.

The Resolution was seconded by Kunz and upon roll call vote carried: Ayes: Kuster, Harper and Kunz 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 good for the Authority. Debbie also confirmed the number of letters and collections that were done over the last three months.

Debbie continued by stating the office staff continues to work on meter replacements and have removed two more routes from the G-5 handhelds. She also stated that she hopes to have most of the routes removed from the G-5 handhelds by the end of next year.

Debbie concluded by stating, as suggested by Kathy, she is investigating possible robo-call systems as an additional reminder to customers that are in jeopardy of having their water turned off for non-payment. She will be discussing this with Kathy to see which way the Authority would like to proceed.

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

Executive Director Corcoran began by stating APG Neuros is willing to provide an upgraded corrosion resistant VFD component at the cost of the lesser protective component and install it for free. Unit should be ordered and is expected in October. She also confirmed that mild weather has kept the oxygen demand low and allowed us to operate with only one turbo blower.

Kathy continued by stating that Mott MacDonald completed a draft study regarding a replacement aeration diffuser system. This is currently being reviewed by Pete and her.

Kathy also stated NJDEP has formed a workgroup for Arsenic Water Quality Standards



Variance, including various leaders in the water science community, in addition to NJDEP and USEPA professionals. She stated that NJDEP has requested permission to complete a bench scale treatability study for arsenic removal at our wastewater treatment plant and at the MCUA treatment plant. NJDEP has contracted with Stevens Institute of Technology to complete the study. Kathy and Jurek from Mott MacDonald will be meeting with NJDEP and Stevens professionals to review the specific study protocol on September 18th. There will also be a full workgroup meeting on September 28th.

Kathy continued by stating she met with Corey Tierney, Director of County Dept. of Land Preservation and Martin Rapp of NJ Natural Lands Trust. She stated this meeting was to discuss allowing a county trail to continue across our property near our 1.0 Water Tank. The county is also interested in some additional property no longer used by the Authority which could potentially be exchanged for rights to land to be acquired by the County that could be allocated for a new water tank. Discussions are in the preliminary stages. Kathy also stated she discussed some of the issues the Authority is having with the County road opening moratorium fees, which Corey confirmed he would discuss with County Freeholders on our behalf.

Kathy also stated that Well #7 major components have been replaced and it is operational again. She also confirmed that the 2.4 tank is back in operation and a new 9-foot fence is currently being installed around its perimeter as per NJDEP requirements. In addition, new protective housing has been installed on the wellhead at Well #8, as required by NJDEP.

Kathy concluded by stating the water utility completed the required lead and copper sampling of 60 sample sites. Our 90th percentile lead results were within the NJDEP limit of 0.015 mg/l.

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 continues to work with Mr. Heymann's attorney and feels there will be a resolution within the next week or so.

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 Harper, seconded by Kunz and followed by a unanimous voice vote.

Time – 8:40 P.M.

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