



HMUA MINUTES

ANNUAL  
MEETING OF

FEBRUARY 14, 2012

ADMINISTRATION BUILDING  
424 Hurley Drive  
Hackettstown, NJ



ANNUAL MEETING FEBRUARY 14, 2012

JACOB GARABED ADMINISTRATION BUILDING

The meeting was called to order by Chairperson Kelly at 8:01 P.M.

Counselor John Zaiter acknowledged receipt of the Resolution adopted by the Town of Hackettstown reappointing Edward Kelly to the Authority for a term expiring February 1, 2017. Mr. Kelly completed and executed the Oath of Office.

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

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

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.

Chairperson Kelly led a salute of the United States Flag.

Chairperson Kelly indicated that approval of the January 10<sup>th</sup> Regular Meeting to be the next agenda item. A motion to approve the minutes was made by Jerry DiMaio, being seconded by Brown with Kelly, Jerry DiMaio, Brown and Harper voting yea and John DiMaio abstaining.

Chairperson Kelly indicated that approval of the January 10<sup>th</sup> Executive Session to be the next agenda item. A motion to approve the minutes was made by Brown, being seconded by Harper with Kelly, Jerry DiMaio, Brown and Harper voting yea and John DiMaio abstaining.

Chairperson Kelly indicated that the election of officers for the ensuing year would be the next order of business and appointed Counselor Zaiter as Acting Chairperson to conduct the election.

Upon hearing the request for nominations for the office of Chairperson for the Board year 2012/2013, Brown nominated Kelly. Jerry DiMaio seconded the nomination. No further nominations were received. John DiMaio moved that nominations be closed. Brown seconded the motion, with Jerry DiMaio, Brown, John DiMaio, and Harper voting yea and Kelly abstaining. There being only one nomination, Kelly was elected as Chairperson.

The newly elected Chairperson Kelly then declared nominations for the office of Vice Chairperson to be in order. Brown nominated Harper. Jerry DiMaio seconded the nomination. No further nominations were received. Brown moved that nominations be closed. Jerry DiMaio seconded the motion, with Jerry DiMaio, Brown, John DiMaio and Kelly voting yea and Harper abstaining. There being only one nomination, Harper was elected as Vice Chairperson.



Chairperson Kelly stated the next agenda item was discussion and possible action to appoint the Risk Management Consultant.

After a brief discussion, the following Resolution # 12-2845 was proposed by Jerry DiMaio who moved its adoption:

WHEREAS, the Hackettstown Municipal Utilities Authority has previously joined the New Jersey Utility Authorities Joint Insurance Fund, following a detailed analysis; and

WHEREAS, the bylaws of said Funds require that each Authority appoint a Risk Management Consultant to perform various professional services as detailed in the bylaws; and

WHEREAS, the Authority has negotiated a reduced fee in the amount of \$4,000 which represents reasonable compensation for the services required; and,

NOW THEREFORE, be it resolved the Hackettstown Municipal Utilities Authority does hereby appoint Otterstedt Insurance Agency as its Risk Management Consultant in accordance with the Fund's bylaws; therefore,

BE IT FURTHER RESOLVED, that the Governing Body hereby authorizes and directs the execution of the Risk Management Consultant's Agreement annexed hereto and to cause a notice of this decision to be published according to NJSA 40A:11-5 (1) (a) (i).

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

Chairperson Kelly then indicated that appointments of Authority professionals be the next several agenda items.

After a brief discussion, the following Resolution #12-2846 was proposed by Brown who moved its adoption.

WHEREAS, the Town of Hackettstown Municipal Utilities Authority has a need to retain professional services of an Auditor as a non-fair and open contract pursuant to the provision of N.J.S.A. 19:44A-20.5; and,

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

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

- 1- That the appointment of VM Associates, Inc. as the Authority's Auditor and retaining them to perform audits for Fiscal Year 2012 in accordance with their January 31, 2012 proposal is herewith authorized without public bidding.
- 2- The term of said appointment shall be to February 12, 2013, or until their successor has been appointed and qualified.



- 3- That 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.

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

The next agenda item was the discussion and possible action to appoint the Authority's Counselor.

The following Resolution #12-2847 was proposed by Brown who moved its adoption:

WHEREAS, the Town of Hackettstown Municipal Utilities Authority has a need to retain professional services of a Counselor as a non-fair and open contract pursuant to the provisions of N.J.S.A. 19:44A-20.5; and,

WHEREAS, pursuant to N.J.S.A. 40:A-11-5, professional services for the Authority may be retained without public bidding; 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 Broschious, Fischer & Zaiter as the Authority's Counselors and retaining them to render legal service to the Authority in accordance with their proposal dated January 5, 2012 is herewith authorized without public bidding.
- 2- The term of said appointment shall be to February 12, 2013, or until their successor has been appointed and qualified.
- 3- That 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.

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

The next item was the discussion and possible action to appoint the Authority's Consulting Engineer as noted by Chairperson Kelly.

Chairperson Kelly indicated that there has been some discussion regarding the appointment of the Authority Consulting Engineer. He asked if anyone had any specific comments regarding this matter.

Engineer Klemm exited the meeting.

Following limited discussion, Chairperson Kelly stated he would entertain a motion to convene into Executive Session.

Resolution #12-2848 was proposed by Brown who moved its adoption.

BE IT RESOLVED, on this 14th day of February 2012, by the Hackettstown Municipal Utilities Authority and pursuant to N.J.S.A. 10:4-1 et. Seq., the



Authority shall discuss issues concerning Contract Negotiation, Potential Litigation and Litigation issues 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 Brown and seconded by Jerry DiMaio. Ayes: Kelly, Harper, Brown, John DiMaio and Jerry DiMaio.

THEREFORE, BE IT RESOLVED, on this 14<sup>th</sup> day of February 2012, by the Hackettstown Municipal Utilities Authority that the matters, as noted above, will be discussed in Executive Session, said session commencing at 8:12 PM.

John DiMaio moved to end Executive Session and re-enter Regular Session, said motion being seconded by Harper and all indicating approval at 9:29 PM. No formal action was taken during Executive Session.

At this point, it was suggested that the appointment of the Consulting Engineer be deferred to a future meeting. There was consensus agreement to defer this matter.

Chairperson Kelly stated the next agenda item was discussion and possible action to appoint the Secretary and Treasurer.

The following Resolution #12-2849 was proposed by Brown who moved its adoption:

WHEREAS, N.J.S.A. 40:14b-18 provides that the positions of Secretary and Treasurer of a Municipal Utilities Authority are appointed positions; and,

WHEREAS, the members of the Authority are desirous of reappointing Bruce D. Smith to fill the positions of Secretary and Treasurer; therefore,

BE IT RESOLVED, that Bruce D. Smith is hereby appointed Secretary and Treasurer of the Town of Hackettstown Municipal Utilities Authority; and,

BE IT FURTHER RESOLVED, that the term of said appointment shall be to February 12, 2013 or until his successor has been appointed and qualified.

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

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

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



The following Resolution #12-2850 was proposed by John DiMaio who moved its adoption:

Resolution #12-2850A

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

Dated: January 13, 2012	OEA-967	SL-04	\$75,432.21
Dated: January 27, 2012	OEA-968	SL-05	<u>114,891.90</u>
		Total	\$190,324.11

Resolution #12-2850B

BE IT RESOLVED, that the following Construction Aid Fund Requisition #CAF-351 be formally approved:

REQUISITION #CAF-351

Fisher Electrical Cont.	Relocate Motor Control Cubicle	\$	1,150.00
Hatch Mott MacDonald	Engineering Services		2,592.50
NB Controls, Inc.	Installation & Programming		5,100.00
QC Laboratories	Laboratory Analysis		<u>197.00</u>
	Total	\$	9,039.50

Resolution #12-2850C

BE IT RESOLVED, that the following Renewal and Replacement Fund Requisition #RR-170 be formally approved:

REQUISITION #RR-170

George S. Coyne Chemcial	Treatment Chemicals	\$	2,688.25
Liberty Construction	Process Aeration Blower-39S		8,023.26
Mayberry Sales & Service	Stihl Cutoff Saw		1,039.96
TGM Services	WPCP Digester		<u>1,308.21</u>
	Total	\$	13,059.68

Resolution #12-2850D

BE IT RESOLVED, that the following Escrow Sub-account Requisition #ESR-221 be formally approved:

REQUISITION #ESR-221

Paragon Village, LLC	OFFICEPARA - Refund	\$	365.00
PNC Bank	PNC - Refund		6,017.97
QC Laboratories	KINGSTON		13.00
Vornado Realty Trust	HTOWNMALL - Refund		<u>3,967.63</u>
	Total	\$	10,363.60

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



Chairperson Kelly stated the next agenda item was discussion of the proposed "Annual Meeting Schedule" for the next year.

After a brief discussion, the following Resolution #12-2851 was proposed by Harper who moved its adoption:

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

The following schedule for the regular meetings of the Authority for the period commencing March 13, 2012 and concluding February 12, 2013 is hereby adopted:

- March 13, 2012
- April 10, 2012
- May 08, 2012
- June 12, 2012
- July 10, 2012
- August 14, 2012
- September 11, 2012
- October 09, 2012
- November 13, 2012
- December 11, 2012
- January 08, 2013
- February 12, 2013

1. All regular meetings will be held at the Jacob Garabed Administration Building at 424 Hurley Drive at 8:00 PM.
2. A copy of the meeting schedule shall be prominently posted in the HMUA Administration Building lobby and also be published in the Star-Gazette.

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

The next agenda item as noted by Chairperson Kelly was the discussion and possible action to designate the official newspapers for the Authority.

The following Resolution #12-2852 was proposed by Harper who moved its adoption: WHEREAS, the Authority desires to designate official newspapers in which to publish all official public notices.

NOW, THEREFORE, BE IT RESOLVED, the Town of Hackettstown Municipal Utilities Authority that the Star-Gazette, Express Times and Daily Record are the official newspapers of the Authority.



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

Chairperson Kelly stated the next agenda item was discussion and possible action to readopt the Cash Management Plan.

The following Resolution #12-2853 was proposed by John DiMaio who moved its adoption:

WHEREAS, it is in the best interests of the Hackettstown Municipal Utilities Authority to earn additional revenue through the investment and prudent management of its cash receipts; and,

WHEREAS, N.J.S.A. 40A:5-14 requires each local government unit to readopt the Cash Management Plan; therefore,

BE IT RESOLVED, the Board Members of the Town of Hackettstown Municipal Utilities Authority hereby readopts the Cash Management Plan as presented.

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

Chairperson Kelly stated the next agenda item was discussion and possible action to designate depositories for Authority Revenue Funds.

After a brief discussion, the following Resolution #12-2854 was proposed by Brown who moved its adoption:

WHEREAS, the Authority desires to designate a financial institution as the depository for Authority revenues; and,

WHEREAS, said revenues are to be transferred from the depository to the Trustee, currently U.S. Bank for deposit into the Revenue Fund and subsequent distribution and investment in other Funds as designated by HMUA's Bond Resolution.

NOW, THEREFORE, BE IT RESOLVED, that the Town of Hackettstown Municipal Utilities Authority does herein formally authorize and direct the Authority revenues be deposited into an interest bearing account in the First Hope Bank, said bank being designated as the official depository of Authority revenues and further authorizes the Chairperson or Executive Director to direct the Trustee to make investments in securities as previously approved by the Authority or to authorize transfers to other Authority accounts.

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

Chairperson Kelly stated the next agenda item was discussion and possible action to designate depositories of the Authority's Construction Aid Fund.

The following Resolution #12-2855 was proposed by Brown who moved its adoptions:





WHEREAS, there exists a continuing need for the Town of Hackettstown Municipal Utilities Authority to reinvest funds which have been deposited in financial institutions; and,

WHEREAS, the Authority desires to designate a financial institution as the depository for the Construction Aid Fund and to designate additional financial institutions for investment of funds so the Authority can obtain the most favorable investment rates.

NOW, THEREFORE, BE IT RESOLVED, by the Town of Hackettstown Municipal Utilities Authority that:

1. The Authority does herein formally designate the First Hope Bank as the official depository for the Construction Aid Fund.
2. The Authority also formally designates, Ameriprise Financial, Bank of America, Chase Bank, Edward Jones, First Hope Bank, Hudson City Savings Bank, Fulton Bank, State of New Jersey Cash Management Fund, PNC Bank, Raymond James Financial Services, TD Bank, U.S. Bank, Valley National Bank, and Wells Fargo Bank as financial institutions which the Chairperson or Executive Director are authorized to make deposits and transfer funds for investment in the Securities as previously approved by the Authority.

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

Chairperson Kelly stated the next agenda item was discussion to authorize the Purchasing Agent and Assistant Purchasing Agent to implement the requirements of the HMUA purchasing manual.

The following Resolution #12-2856 was proposed by Jerry DiMaio who moved its adoption:

WHEREAS, it is necessary to authorize the Purchasing Agent and Assistant Purchasing Agent to implement the requirements of the HMUA Purchasing Manual:

WHEREAS, the Authority is desirous of designating Deborah A. Palma as Purchasing Agent and Bruce D. Smith as Assistant Purchasing Agent;

BE IT RESOLVED, by the Town of Hackettstown Municipal Utilities Authority that Deborah A. Palma is designated as HMUA's Purchasing Agent and Bruce D. Smith is designated as HMUA's Assistant Purchasing Agent.

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

Chairperson Kelly noted the next agenda item was discussion and possible action to designate the Public Agency Compliance Officer.



After a brief discussion, the following Resolution #12-2857 was proposed by Harper who moved its adoption:

WHEREAS, in accordance with N.J.A.C. 17:27-3.5, each public agency shall designate an individual to serve as its Public Agency Compliance Officer.

WHEREAS, the members of the Authority are desirous of designating Bruce D. Smith to serve as its Public Agency Compliance Officer; therefore,

BE IT RESOLVED, by the Town of Hackettstown Municipal Utilities Authority that Bruce D. Smith is designated as HMUA's Public Agency Compliance Officer, and,

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

Chairperson Kelly stated the next agenda item was discussion and possible action regarding proposed NJ Public Water Supply Fluoridation Act.

Executive Director Smith stated that the Assembly and Senate bills have been voted out of committee. The full Assembly and Senate could be voting on the bills in the near future. Smith stated that John Perry has done extensive research into this matter. A lengthy discussion ensued with all Board Members participating. It was suggested that the Executive Director and Deputy Director compose a letter opposing mandatory fluoridation along with reasons, including economic, for opposing the proposed legislation. The letter would be forwarded to all members of the Legislative Districts 23, 24 and 25, the bill Sponsors and Co-Sponsors, Assembly and Senate Leadership, the Lt. Governor and Governor.

Chairperson Kelly stated the next agenda item was discussion and possible action to grant Authorization for Operation of Facilities for the Hackettstown Honda Project.

The following Resolution #12-2858 was proposed by Brown who moved its adoption.

WHEREAS, Section 111A of HMUA's Rules and Regulations requires a certification to the HMUA Board that the construction has been satisfactorily completed and is in accordance with the plans and specifications as approved by the Authority; and

WHEREAS, Hackettstown Municipal Utilities Authority personnel observed the installation of the water main and the hydrostatic pressure test, and that this construction was completed in accordance with the plans and specifications; and,

WHEREAS, Hatch Mott MacDonald performed a field survey check on the construction of the sanitary sewers and has determined that (MH #S1) was found to be satisfactory, except for the following minor comments:

- Invert for the 4-inch PVC pipe requires grout.
- Manhole barrel joints should be grouted.



BE IT RESOLVED, that the Town of Hackettstown Municipal Utilities Authority hereby issues an "Authorization for Operations of the Facilities" for the applicable water and sewer for the Hackettstown Honda Project.

Chairperson Kelly stated the next agenda item was discussion and possible action to grant Authorization for Operation of Facilities for the Jane Paftinos Project.

The following Resolution #12-2859 was proposed by Jerry DiMaio who moved its adoption.

WHEREAS, Section 111A of HMUA's Rules and Regulations requires a certification to the HMUA Board that the construction has been satisfactorily completed and is in accordance with the plans and specifications as approved by the Authority; and,

WHEREAS, Hackettstown Municipal Utilities Authority personnel observed the installation of the water main and the hydrostatic pressure test, and that this construction was completed in accordance with the plans and specifications; and

WHEREAS, Hatch Mott MacDonald performed a final inspection on Buildings A and C only and submitted a Certification letter dated February 14, 2012 recommending that the Authority authorize the operation of the water and sewer contingent upon the Applicant satisfactorily addressing the punch list items for the existing sanitary sewer manhole and concurrence by the HMUA that the installed manhole covers for the new manholes are satisfactory; therefore,

BE IT RESOLVED, that the Town of Hackettstown Municipal Utilities Authority hereby issues an "Authorization for Operation of the Facilities" for Buildings A and C only.

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

Chairperson Kelly requested Deputy Director Perry to proceed with his report.

Perry began by stating that since the October snowstorm he has been working with FEMA to obtain funds for damages at the Water Filtration Plant, Mt. Olive Pump Station and Independence Pump Station.

Perry continued by stating that the NJDEP has corrected firm capacity for the Authority.

Perry confirmed that the sewer line in Mansfield Village, which had a grounding rod going through it, has been repaired by the DOT.

Perry concluded by stating the Water Allocation Permit for the Claremont Well has been submitted and they hope to hear something shortly.

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

Smith provided additional information on the Water Allocation Permit indicating that a Contingency Plan was developed and submitted to DEP. The Plan details



how the HMUA would respond to problems that may occur with Private Wells in the close proximity to HMUA wells.

Smith also said he and John Perry met with Brian Cowden and Darin Shaffer on January 17<sup>th</sup> to view the reservoir dams. They were looking into other possibilities with regard to preserving the properties. There has been no response since the meeting.

Smith continued by stating the old Bergen Tool building has had numerous frozen fire lines during the past few weeks. He confirmed that the Authority would be charging them for the estimated water lost.

Smith also stated that the Authority has received the new Ford Transit Connect vehicle and he requested permission to Auction off the 2003 Chevy S-10 Pick-up.

The following Resolution # 12-2860 was proposed by Brown who moved its adoption.

WHEREAS, the Hackettstown Municipal Utilities Authority is the owner of certain surplus property which is no longer needed for public use; and,

WHEREAS, the Board Members are desirous of selling said surplus property in an "as is" condition without express or implied warranties,

NOW THEREFORE, be it resolved by the Hackettstown Municipal Utilities Authority, as follows:

1. The sale of the surplus property shall be conducted through GovDeals pursuant to State Contract A-70967/T2581 in accordance with the terms and conditions of the State Contract. The terms and conditions of the agreement entered into with GovDeals are available online at [govdeals.com](http://govdeals.com) and also available from the HMUA.
2. The sale will be conducted online and the address of the auction site is [www.govdeals.com](http://www.govdeals.com).
3. The sale is being conducted pursuant to Local Finance Notice 2008-9.
4. Listed below is the surplus property to be sold.
  - 2003 Chevy S-10 Pick-up VIN # 1GCCS19X238275842.
5. The surplus property as identified shall be sold in an "as is" condition without express or implied warranties with the successful bidder required to execute a Hold Harmless and Indemnification Agreement concerning use of said surplus property.
6. The HMUA reserves the right to accept or reject any bid submitted.

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

Smith also stated that the Authority now has 420 customers signed up for email billing and reported that there were 35 online payments in January.



Smith concluded by stating that they are still having issues with the WPCP construction project. At this time Smith requested the Board to authorize him and Counselor Zaiter, if necessary, to assess Liquidated Damages and contact the Bonding companies, if necessary. The Board agreed.

Chairperson Kelly noted the completion of the Executive Director's report and requested Counselor Zaiter to proceed with his report.

Counselor Zaiter stated he had nothing further to add.

Chairperson Kelly requested the Project Engineer to proceed with the Engineer's Report. Projects Engineer Klemm discussed the report, which was submitted to the Board prior to the meeting (attached).

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

Board Member Brown stated that he the opportunity to attend the Risk Management Seminar and found it to be very informative.

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

Time – 10:40 P.M.

A handwritten signature in black ink, appearing to read 'B.D. Smith', is written over a horizontal line.

Bruce D. Smith  
Executive Director & Secretary