



HMUA MINUTES

REGULAR
MEETING OF

APRIL 10, 2012

ADMINISTRATION BUILDING
424 Hurley Drive
Hackettstown, NJ



REGULAR MEETING OF APRIL 10, 2012
JACOB GARABED ADMINISTRATION BUILDING

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

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

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 March 13th 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, Harper, Brown and Jerry DiMaio voting yea.

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

Chairperson Kelly stated the next agenda item was discussion and possible action to approve Contract #39S Change Order.

The following Resolution #12-2863 was proposed by Brown who moved its adoption.

WHEREAS, a Change Order (see attached) has been submitted by Liberty Construction & Developing Inc. for a decrease in the final cost due to the unused portion of the SCADA Allowance item in the total amount of \$320.00; therefore,

BE IT RESOLVED, that the governing body of the Town of Hackettstown Municipal Utilities Authority hereby approves the Change Order.

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

Board Member John DiMaio entered the meeting.

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

The following Resolution #12-2864 was proposed by Jerry DiMaio who moved its adoption:

Resolution #12-2864A

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

Dated:	March 09, 2012	OEA-971	SL-08	\$136,426.80
Dated:	March 23, 2012	OEA-972	SL-09	<u>184,840.34</u>



Total \$321,267.14

Resolution #12-2864B

BE IT RESOLVED, that the following Construction Aid Fund Requisition #CAF-353 be formally approved:

REQUISITION #CAF-353

Hatch Mott MacDonald	Engineering Services	\$ 4,670.00
	Total	\$ 4,670.00

Resolution #12-2864C

BE IT RESOLVED, that the following Renewal and Replacement Fund Requisition #RR-172 be formally approved:

REQUISITION #RR-172

Allan Industries	Restoration/Service/Remodel	\$ 3,815.87
Cooper Electric	Circuit Breaker	5,275.00
GA Industries LLC	Mt. Olive Pump	1,019.21
Jet-Vac Inc.	Rebuild Auto Rewind	1,904.11
Komline-Sanderson	Air Chamber	1,271.23
Liberty Construction	Process Aeraton Blower-39S	13,517.25
Mitchell Instrument	Alignment Starter Kit	1,023.45
Sirennet.Com	Lights – Truck #35	<u>833.53</u>
	Total	\$ 28,659.65

Resolution #12-2864D

BE IT RESOLVED, that the following Escrow Sub-account Requisition #ESR-223 be formally approved:

REQUISITION #ESR-223

Hatch Mott MacDonald	HACKHONDA	\$ 221.00
Hatch Mott MacDonald	JPAFTINOS	<u>255.00</u>
	Total	\$ 476.00

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 and possible action to appoint the Authority's Engineer.

Chairperson Kelly suggested that the Board may wish to discuss the appointment of the Authority's Engineer. Board Member Brown moved to appoint Paul Sterbenz as Authority Engineer. This motion failed to be seconded. A motion was then made by Jerry DiMaio suggesting the appointment of Hatch Mott MacDonald. The motion was seconded by Brown.

The following Resolution #12-2865 was proposed by Jerry DiMaio who moved its adoption.



WHEREAS, the Town of Hackettstown Municipal Utilities Authority has a need to retain professional services of an Engineer 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 Hatch Mott MacDonald as the Authority's Engineer and retaining them to perform engineering services for the Fiscal Year 2012 in accordance with their February 7, 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 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 certify review of the audit report for the fiscal year ended November 30, 2011.

The Audit Report provided a Recommendation "That procedures be established to ensure that all change orders are approved and recorded in the minutes of the Board". Discussion ensued regarding this matter and it was decided that a standard Agenda item be established to review this matter at each Board Meeting.

The following Resolution #12-2866 was proposed by John DiMaio who moved its adoption.

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, 2011 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, specifically the sections entitled "General Comments" and "Recommendations" and 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 entitled "General Comments" and "Recommendations" in accordance with N.J.S.A. 40A:5A-17; 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, 2011 and, specifically, has reviewed the section 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 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 adopt a Resolution consenting to the proposed Water Quality Management (WQM) Plan amendment titled: Washington Township (Morris) Wastewater Management Plan.

A motion was made by John DiMaio and seconded by Jerry DiMaio consenting to the proposed Water Quality Management Plan (WQM).

Questions concerning the proposed plan were raised by the Board regarding the Public Notice. It was pointed out that the Notice was incorrect regarding the current and projected flows. Issues concerning the firm capacity of the HMUA were also discussed. At this point, John and Jerry DiMaio rescinded their motion to approve the Water Quality Management Plan (WQM). The Board agreed to have the Executive Director, Counselor Zaiter and Hatch Mott MacDonald prepare a resolution outlining the concerns of the Authority.

Chairperson Kelly stated the next agenda item was discussion and possible action to authorize a reduction in the Performance Bonds for Woodfield @ Mt. Olive, sections 3A and 3B.

After reviewing information supplied by the Executive Director, the following Resolution #12-2867 was proposed by Jerry DiMaio who moved its adoption.

WHEREAS, Kaplan Companies has requested a reduction in the amounts of the project Performance Bonds (#0402280 & #0402281) for water and sewer construction associated with the Woodfield project; and,

WHEREAS, inspections have been conducted of the status of the facilities that have been constructed to determine the amount of the Bond reductions; therefore,

BE IT RESOLVED, that the Hackettstown Municipal Utilities Authority authorizes a \$356,412.30 reduction of Bond #0402280 from \$541,883.06 to \$185,470.76 and



authorizes an \$188,827.82 reduction of Bond #0402281 from \$298,437.09 to \$109,609.27.

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

At this point, Chairperson Kelly requested Deputy Director Perry to proceed with his report.

Perry began by stating he contacted the FEMA office regarding the reimbursement the Authority should be receiving from the storm in October and was told the check has been approved and the Authority should receive it within the next few weeks.

Perry also stated he conducted his first Licensed Operator Training class for the staff and had 8 personnel attend. Each operator received 4.0 contact hours.

Perry confirmed that the Ford Pick-up truck was recently sold on GovDeals for \$3,552 which was approximately 30% of the original price.

Perry continued by stating the Water Allocation Permit revisions were mailed back out. He also stated that it was requested that the two permits be combined into one. Well #2 and the surface water sources will be removed from the permits to accomplish this. This will result in a cost saving to the Authority of an estimated \$7,000.

Perry also stated Request for Proposals (RFP) went out for the new higher capacity pump for Well #8 so that once the permit is received it can be installed.

Perry concluded by giving a presentation to the Board detailing the decision making process and the cost estimates for the replacement of water mains in certain areas of Hackettstown and Diamond Hill. The data presented highlighted the reasons for the selection of specific areas for main replacement compared to a cost analysis for repairs. Some of the cast iron pipe sections considered for replacement are only half of the recognized lifespan, and repair projections for 100+ years equal only a small portion of the cost for replacement. The recommendations for the most beneficial and cost effective replacement locations were then presented to the Board for approval. Deciding factors for main replacement locations include increased transmission flow, increased fire flow, undersized piping and water quality considerations.

Upon completion of the Deputy Director's report, Chairperson Kelly requested the Executive Director to proceed with his report.

Executive Director Smith began by thanking Deputy Director Perry for his presentation. Smith stated that he would request the Board consider authorizing the development of an RFP for the engineering services associated with the Scope of Work recommended by Deputy Director Perry. The Board questioned if the Authority had been in contact with Mansfield DPW regarding paving. Smith confirmed that Deputy Director Perry had contacted Mansfield DPW. The Board also requested that the water main replacement work proposed to be performed by



HMUA personnel should be done one street at a time followed by review of the project.

A motion was made by Jerry DiMaio authorizing the Executive Director and Deputy Director to prepare the RFP for engineering services for the replacement of the water main in Diamond Hill. This motion was seconded by Harper and upon roll call vote carried: Ayes: Kelly, Harper, Brown, John DiMaio and Jerry DiMaio voting yea.

Smith continued by stating at the recommendation of the Auditor he would like the Board to authorize the check signers. Smith stated that the Authority has avoided the cost of new check stamps each year by utilizing prior stamps as long as the Board Member continues on the Board. The current signer stamp has Board Member Harry Brown and himself.

A motion was made by Jerry DiMaio authorizing Harry Brown and Executive Director Bruce D. Smith as the Authority's check signers. This motion was seconded by John DiMaio and upon roll call the vote carried: Ayes: Kelly, Harper, Brown, John DiMaio and Jerry DiMaio voting yea.

Smith continued by stating the Energy Reduction Plan Installation Report was submitted on April 3rd and he would keep the Board advised. The rebate payment for the energy saving improvements is expected to be more than \$200,000.

Smith stated that he forwarded an email to the Board from the owner of the Charlie Brown building. The email explained the owner's request for relief from some of the HMUA charges including estimated charges associated with water leaking from the Fire Line. Upon completion of the discussion of this matter, no action was taken.

Smith also stated that two employees were subpoenaed to the Hackettstown Court concerning the shut-off of a customer. The Hackettstown Police Department charged the customer who turned his water back on without the Authority's permission. It was reported that after a lengthy discussion with the Prosecutor the customer pled guilty and was fined by the court.

Smith also stated that the pre-trial filing is due April 27th for the All Seasons Court case. He also confirmed that the pre-trial conference is scheduled for May 4th. If there is a trial, it would start on May 14th.

Smith continued by stating he forwarded emails to the Board regarding invoices received from Maser Consulting regarding the Claremont Well. He stated that outstanding invoices total approximately \$3,340 and he is not convinced that the Authority should pay the entire amount. It was suggested by the Board that Executive Director Smith research these invoices to determine if the work performed is justified.

Smith concluded by stating they are still waiting to hear back from Dam Safety regarding the breaching of the dam. He reported that Bud Volkert on a routine inspection found what appeared to have been a camp fire. Smith explained that the



reservoir property is a liability and he stated that the Board may want to consider proceeding to sell the property.

Chairperson Kelly requested Counselor Zaiter to proceed with his report.

Counselor Zaiter stated that he has spoken with the attorney representing Harvestone Farms and suggested that a meeting be set up with all parties to discuss a resolution to this matter.

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.

Chairperson Kelly stated that he recently met a family from Ghana that was so thankful for the clean water we have. He stated that they were bringing back cases of bleach to Ghana so that they could help their people.

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

Time – 10:31 P.M.



Bruce D. Smith
Executive Director & Secretary