



HMUA MINUTES

REGULAR
MEETING OF

JULY 10, 2012

ADMINISTRATION BUILDING
424 Hurley Drive
Hackettstown, NJ



REGULAR MEETING OF JULY 10., 2012
JACOB GARABED ADMINISTRATION BUILDING

The meeting was called to order by Chairperson Kelly at 8:02 P.M.

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

Also attending: Ray Rice of Jade Hackettstown Associates, Engineer David Klemm, Counselor Zaiter, 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 June 12th 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 voting yea and Jerry DiMaio abstaining.

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

Chairperson Kelly opened the meeting to public participation and noted there were members of the public present.

Board Member John DiMaio entered the meeting

Ray Rice of Jade Hackettstown Associates introduced himself and requested to discuss a matter with the Board. Mr. Rice stated that he was the principal owner of the old Bergen Tool property and he would like the Board to consider granting relief with regard to the charges imposed pursuant to the leaking pipes on the property. Mr. Rice explained that he is working with the Town with regard to demolition of the buildings and hopes to have everything resolved within the next two months. It was explained to Mr. Rice that summer is typically a high water use period and this year is especially high. The HMUA also has a responsibility to reduce water leakage as much as possible. The Board took no action to grant relief. Mr. Rice thanked the Board for their time and indicated that he would continue to work to correct the problem.

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

It was noted that there were no project Change Orders.

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



The following Resolution #12-2876 was proposed by Harper who moved its adoption:

Resolution #12-2876A

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

Dated: June 01, 2012	OEA-977	SL-14	\$118,481.93
Dated: June 15, 2012	OEA-978	SL-15	102,001.29
Dated: June 29, 2012	OEA-979	SL-16	<u>125,179.63</u>
		Total	\$345,662.85

Resolution #12-2876B

BE IT RESOLVED, that the following Construction Aid Fund Requisition #CAF-356 be formally approved:

REQUISITION #CAF-356

Hatch Mott MacDonald	Engineering Services	\$ <u>2,254.00</u>
	Total	\$ 2,254.00

Resolution #12-2876C

BE IT RESOLVED, that the following Renewal and Replacement Fund Requisition #RR-175 be formally approved:

REQUISITION #RR-175

Hatch Mott MacDonald	Professional Services	\$ 16,200.00
Montague Tool & Supply	Diaphragm Pump	1,579.95
Tilcon New York	Backfill Material	<u>5,217.29</u>
	Total	\$ 22,997.24

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

Chairperson Kelly stated the next agenda item was discussion and possible action to authorize the purchase of Energy Generation Services for public use.

A brief discussion ensued with all Board Members participating and the following Resolution #12-2877 was proposed by Harper who moved its adoption.

WHEREAS, the Hackettstown Municipal Utilities Authority has determined to move forward with the EMEX Reverse Auction in order procure electricity for the Hackettstown Municipal Utilities Authority; and

WHEREAS, the Local Unit Technology Pilot Program and Study Act (P.L. 2001, c. 30) (the "Act") authorizes the purchase of energy generation service for public use through the use of an online auction service; and

WHEREAS, the Hackettstown Municipal Utilities Authority has decided to utilize the online auction services of EMEX, LLC, an approved vendor pursuant to the Act, waiver number EMEX LLC-1, located at www.energymarketexchange.com in order to procure electricity; and



WHEREAS, a Reverse Auction was conducted for the fourteen remaining electric accounts not currently under contract for the eleven month period beginning August 2012 through June 2013 ; and

WHEREAS, the lowest price was received from NextEra Energy with a fixed price of \$.0825 / kWh; therefore,

BE IT RESOLVED, the Contract to provide electricity to the Hackettstown Municipal Utilities Authority be awarded to NextEra Energy and the Executive Director is hereby authorized to execute the necessary contract documents.

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

The following Resolution #12-2878 was proposed by Brown who moved its adoption:

WHEREAS, the Hackettstown Municipal Utilities Authority has determined to move forward with the EMEX Reverse Auction in order procure electricity for the Hackettstown Municipal Utilities Authority; and

WHEREAS, the Local Unit Technology Pilot Program and Study Act (P.L. 2001, c. 30) (the "Act") authorizes the purchase of energy generation service for public use through the use of an online auction service; and

WHEREAS, the Hackettstown Municipal Utilities Authority has decided to utilize the online auction services of EMEX, LLC, an approved vendor pursuant to the Act, waiver number EMEX LLC-1, located at www.energymarketexchange.com in order to procure electricity; and

WHEREAS, a Reverse Auction was conducted for all electric accounts for the twenty-four month period beginning July 2013 ending July 2015 ; and

WHEREAS, the lowest price was received from South Jersey Energy Company with a fixed price of \$.07930 / kWh; therefore,

BE IT RESOLVED, the Contract to provide electricity to the Hackettstown Municipal Utilities Authority be awarded to South Jersey Energy Company and the Executive Director is hereby authorized to execute the necessary contract documents.

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 regarding appointment of a firm to perform Laboratory Services.

Deputy Director Perry discussed the laboratory E. Coli and Coliform results for the Claremont well. This matter was discussed in detail including laboratory protocol relating to the separation of water and wastewater samples. He also reported that all water samples analyzed during the last week or two have come back negative for E. Coli and Coliform. He confirmed that there has been no prior history of positive



E. Coli or Coliform results for the well. He further stated that the Authority has now taken steps to keep the Water and Wastewater samples separated. He also stated that the Well will be tested once a week. He also confirmed that he has forwarded information to Hatch Mott MacDonald for completion of an application to obtain DEP approval for 4 Log treatment of the Claremont Well that would allow the well to be restarted.

Executive Director Smith also stated that after a review of the March minutes it was noted that the Resolution for Laboratory Service was incorrectly written. He state that in the Resolution it states that "It was properly advertised". It should have stated "Proposals were requested".

A motion to correct the minutes to reflect the correction was made by John DiMaio and seconded by Harper and upon roll call vote carried: Ayes: Kelly, Harper, Brown, John DiMaio and Jerry DiMaio voting yea.

Executive Director Smith also stated he would like to defer the appointment of a firm to perform the Laboratory Services. All were in agreement.

Chairperson Kelly stated the next agenda item was discussion and possible action to authorize a firm to provide Engineering Services for construction of Well # 9.

After a brief discussion, the following Resolution #12-2879 was proposed by Brown who moved its adoption:

WHEREAS, Hatch Mott MacDonald previously worked on the design of the Well No. 9 Well House Construction Project with the Hackettstown Municipal Utilities Authority; and

WHEREAS, a proposal was requested and received from Hatch Mott MacDonald for the Well No. 9 Well House Construction; and

WHEREAS, the Hackettstown Municipal Utilities Authority has a need to acquire professional Services as a Non-Fair and Open Contract pursuant to the provisions of N.J.S.A. 19:44A-20-4; 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 to provide Professional Engineering Services for the design, bid and construction phases of the HMUA's Well No. 9 Well House Construction Project in accordance with their July 6, 2012 proposal is herewith authorized without public bidding.
2. The said payment to Hatch Mott MacDonald shall not exceed \$67,800.
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.

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

Perry began by stating the Authority has received the new Water Allocation Permit, and Well #2 and the surface water sources have been removed. He confirmed that the new permit contains the increase to Well 8 and new Well 9, each with pumping rates of 800 gallons per minute. He also stated that the Authority will now decommission Well #2 and the two reservoirs.

Perry continued by stating that 420 feet of new water main has been installed on First Street and hooked into the main on E. Valleyview. He confirmed that the project went very well.

Perry continued by stating the VFD on Well #5 failed on July 4th. He informed the Board that this VFD was over 20 years old, and that excessive heat is produced during operation. A new VFD has been installed which will run much cooler and more efficiently.

Perry concluded by stating the Authority should be receiving the FEMA check shortly from the State.

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

Smith stated that he had spoken with the PVSC regarding the contract and forwarded them to prior letter from Counselor Zaiter and as of today he has not received a return call.

Smith also state the All Seasons court date has been scheduled for September 25th.

Smith also stated that since the Water Allocation Permit has now been approved the surface water supply is no longer an approved water supply. The Authority Board now has the option of selling the reservoir properties. The Mine Hill Reservoir property could be sold prior to or after completion of the Dam Breaching of the Lower Mine Hill Reservoir Dam. He suggested that the Board authorize Counselor Zaiter to at least move forward to obtain any approvals that may be necessary from the Watershed Property Review Board. The Board was in agreement.

Smith also stated that the Authority has received the Phase II payment for the Energy Reduction Plan in the amount of \$203,722. An additional payment of up to \$135,800 may be received upon completion of the one-year performance evaluation period. He also stated that he would put a statement on the HMUA's website.

Executive Director Smith suggested at this point allowing Engineer Klemm to discuss his report so as to not detain him. (Attached)

It was then suggested the Board convene into Executive Session.



Engineer Klemm exited the meeting.

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

Resolution #12-2880 was proposed by Harper who moved its adoption.

BE IT RESOLVED, on this 10th day of July 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 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 Harper and seconded by John DiMaio. Ayes: Kelly, Harper, Brown, John DiMaio and Jerry DiMaio.

THEREFORE, BE IT RESOLVED, on this 10th day of July 2012, by the Hackettstown Municipal Utilities Authority that the matters, as noted above, will be discussed in Executive Session, said session commencing at 10:14 PM.

John DiMaio moved to end Executive Session and re-enter Regular Session, said motion being seconded by Brown and all indicating approval at 10:48 PM. No formal action was taken during Executive Session.

Chairperson Kelly 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.

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 – 10:50 P.M.



Bruce D. Smith
Executive Director & Secretary