



HMUA MINUTES

REGULAR
MEETING OF

OCTOBER 12, 2011

ADMINISTRATION BUILDING
424 Hurley Drive
Hackettstown, NJ



REGULAR MEETING OF OCTOBER 12, 2011
JACOB GARABED ADMINISTRATION BUILDING

The meeting was called to order by Chairperson Kelly at 8:00 P.M.

Roll call indicated the following members in attendance: Kelly, Gerry DiMaio, Brown 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 September 13th Regular Meeting to be the next agenda item. A motion to approve the minutes was made by Harper, being seconded by Brown with Brown and Harper voting yea and Jerry DiMaio and Kelly abstaining.

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 #11-2822 was proposed by Brown who moved its adoption:

Resolution #11-2822A

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

Dated: September 9, 2011 OEA-958	SL-21	\$122,391.16
Dated: September 23, 2011 OEA-959	SL-22	<u>72,419.63</u>
	Total	\$194,810.79

Resolution #11-2822B

BE IT RESOLVED, that the following Construction Aid Fund Requisition #CAF-347 be formally approved:

REQUISITION #CAF-347

Hatch Mott MacDonald	Engineering Services	\$ 3,540.00
QC Laboratories	Laboratory Analysis	<u>930.00</u>
	Total	\$ 4,470.00

Resolution #11-2822C

BE IT RESOLVED, that the following Renewal and Replacement Fund Requisition #RR-166 be formally approved:



REQUISITION #RR-166

Badger Meter, Inc.	5/8" Meters	\$ 19,725.00
CDW	Computer Software	4,543.00
Gulbrandsen Co. Inc.	Treatment Chemicals	6,076.92
JDV Equipment Corp.	WPCP Improvement-36S (#3)	46,913.26
Liberty Construction	Process Aeration Blower-39S	19,751.90
Spectraserv, Inc.	WPCP Improvements-37S	<u>49,396.90</u>
	Total	\$ 146,406.98

Resolution #11-2822D

BE IT RESOLVED, that the following Escrow Sub-account Requisition #ESR-217 be formally approved:

REQUISITION #ESR-217

Fisher Electrical Contractors	HOGS	\$ 210.00
Hatch Mott MacDonald	HACKHONDA	340.00
Hydra-Numatic Sales Co.	HOGS	<u>416.32</u>
	Total	\$ 966.32

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

Chairperson Kelly stated the next agenda item was discussion and possible action to award the Contract for Liquid Biosolids Transportation.

After a brief discussion, the following Resolution #11-2823 was proposed by Brown who moved its adoption.

WHEREAS, subsequent to the proper advertisement, five (5) sealed bids for Liquid Biosolids Transportation were received and read aloud at a public bid opening on October 6, 2011 at 2:30 PM at the HMUA Jacob Garabed Administrative Building; and,

WHEREAS, it has been determined that the low bid was received from Spectraserv of Kearny, New Jersey; therefore,

BE IT RESOLVED, Contract #LBT-11 for Liquid Biosolids Transportation be awarded to Spectraserv, Inc. of Kearny, New Jersey, and the Executive Director is hereby authorized to execute the necessary contract documents.

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

Board Member John DiMaio entered the meeting.



Chairperson Kelly stated the next agenda item was discussion and possible action to authorize execution of a Sewer Utility Easement and Vacation Agreement associated with the Wal-Mart project in the Township of Mansfield.

The following Resolution #11-2824 was proposed by Jerry DiMaio who moved its adoption.

WHEREAS, the HMUA has received a request to execute a Utility Easement located near Wal-Mart in Mansfield Township; and

WHEREAS, the Utility Easement is intended to replace a 1989 easement agreement; and

WHEREAS, the Utility Easement has been reviewed and approved by HMUA's Counselor and Engineer; therefore

BE IT RESOLVED, that the Hackettstown Municipal Utilities Authority herein approves the Utility Easement document and authorizes the Executive Director to execute the document on behalf of the Authority and to forward the document to the proper party so that the Utility Easement can be recorded by the County of Warren.

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

Chairperson Kelly stated the next agenda item was discussion and possible action to authorize renewal of membership in the New Jersey Utility Authorities Joint Insurance Fund through 2014.

The following Resolution #11-2825 was proposed by John DiMaio who moved its adoption.

WHEREAS, the New Jersey Utility Authorities Joint Insurance Fund (hereinafter called "the Fund" is duly chartered Municipal Insurance Fund as authorized by NJSA 40A:10-36 et seq., and;

WHEREAS, effective December 31, 2011, said membership will expire unless earlier renewed, and;

WHEREAS, the Governing Body of the Hackettstown Municipal Utilities Authority has resolved to renew said membership;

NOW, THEREFORE, it is agreed as follows:

1. Hackettstown Municipal Utilities Authority hereby renews its membership in the New Jersey Utility Authorities Joint Insurance Fund for a three (3) year period, beginning January 1, 2012 and ending 12:01 AM January 1, 2015.
2. The Hackettstown Municipal Utilities Authority hereby ratifies and reaffirms the Indemnity and Trust Agreement, Bylaws and other organizational and operational documents of the New Jersey Utility Authorities Joint Insurance Fund as from time to time amended and



altered by the Department of Insurance in accordance with the Applicable Statutes and administrative regulations as if each and every one of said documents were re-executed contemporaneously herewith.

3. The Hackettstown Municipal Utilities Authority agrees to be a participating member of the Fund for the period herein provided for and to comply with all of the rules and regulations and obligations associated with said membership.
4. In consideration of the continuing membership of the Hackettstown Municipal Utilities Authority in the New Jersey Utility Authorities Joint Insurance Fund, the New Jersey Utility Authorities Joint Insurance Fund agrees, subject to the continuing approval of the Commissioner of Banking & Insurance, to accept the renewal application of the Hackettstown Municipal Utilities Authority.
5. Executed the 12th day of October, 2011 as the lawful and binding act and deed of the Hackettstown Municipal Utilities Authority, which execution has been duly authorized by public vote of the governing body.

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

Chairperson Kelly stated the next agenda item was discussion and possible action to ratify Budget Line Item Transfers.

After a lengthy discussion, the following Resolution #11-2826 was proposed by Brown who moved its adoption.

BE IT RESOLVED, the Governing Body of the Town of Hackettstown Municipal Utilities Authority hereby ratifies the action of the Executive Director to transfer funds between the individual Expense Accounts as listed below:

Water Operations – Distribution Maintenance & Supplies – (64201) is increased by \$6,000.

Water Operations – Gasoline – (64301) is increased by \$2,000.

Water Administration – Professional Services – (67201) is increased by \$3,000.

Water Administration – Health Benefits – (67901) is increased by \$1,000.

Water Operations – Electric & Gas – (63301) is decreased by \$12,000.

Sewer Operations – Treatment – Maintenance & Supplies – (70602) is increased by \$8,000.

Sewer Operations – Laboratory – (73402) is increased by \$1,000.

Sewer Operations – Gasoline (74302) is increased by \$2,000.

Sewer Operations – Fuel Oil – (73602) – is increased by \$4,000.



Sewer Administration – Health Benefits – (77902) is increased by \$1,000.

Sewer Operations – Electric & Gas (73302) is decreased by \$16,000.

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

Chairperson Kelly stated the next agenda item was discussion and possible action to approve the Water Utility Annual and Capital Budgets for Fiscal Year 2012.

At this point, Recording Secretary Palma exited the meeting.

The Executive Director presented various aspects of the proposed Budgets and answered several questions. Discussion continued regarding the Water and Sewer Utility Budgets with all in attendance participating.

At this point, the Executive Director, Deputy Director, Counselor and Engineer left the meeting.

Recording Secretary Palma, the Deputy Director, Counselor, Engineer and Executive Director re-entered the meeting.

A limited discussion followed on the Water Utility Annual and Capital Budgets for fiscal year 2011/2012 and the following Resolution #11-2827 was proposed by Brown who moved its adoption:

WHEREAS, the Water Operations Annual Budget and Capital Budget for the Town of Hackettstown Municipal Utilities Authority for the Fiscal Year beginning December 1, 2011 and ending November 30, 2012 has been presented before the Governing Body of the Town of Hackettstown Municipal Utilities Authority at its open public meeting of October 12, 2011; and,

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$2,093,000, Total Appropriations including any Accumulated Deficit if any, of \$2,963,135, and Total Unrestricted Net Assets utilized of \$870,135; and,

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$2,300,000 and Total Unrestricted Net Assets planned to be utilized as funding thereof, \$0; 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 as 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 October 12, 2011 that the Annual Budget, including Supplemental Schedules, and the Capital Budget / Program of the Town of Hackettstown Municipal Utilities Authority for the Fiscal Year beginning December 1, 2011 and ending November 30, 2012 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 9, 2011.

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

Chairperson Kelly stated the next agenda item was discussion and possible action to approve the Sewer Utility Annual and Capital Budgets for Fiscal year 2012.

Upon completion of discussion concerning Sewer Utility Annual and Capital Budgets for fiscal year 2011/2012, Resolution #11-2828 was proposed by Jerry DiMaio who moved its adoption:

WHEREAS, the Sewer Operations Annual Budget and Capital Budget for the Town of Hackettstown Municipal Utilities Authority for the Fiscal Year beginning December 1, 2011 and ending November 30, 2012 has been presented before the Governing Body of the Town of Hackettstown Municipal Utilities Authority at its open public meeting of October 12, 2011; and,

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$2,514,000, Total Appropriations including any Accumulated Deficit if any, of \$2,552,901, and Total Unrestricted Net Assets utilized of \$38,901; and,

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$775,000 and Total Unrestricted Net Assets planned to be utilized as funding thereof, \$0; 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 as 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 October 12, 2011 that the Annual Budget, including Supplemental Schedules, and the Capital Budget / Program of the Town of Hackettstown Municipal Utilities Authority for the fiscal year beginning December 1, 2011 and ending November 30, 2012 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 9, 2011.

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

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

Deputy Director Perry began by stating the ribbon cutting ceremony for the Solar Project was done on October 6th and went very well. He confirmed that WRNJ did an interview with Bruce which aired on the radio. He also stated that the Solar Project has been on line since September 26th.

Perry continued by stating he is investigating the options available to the Authority for the purchasing of pressure transmitters. He explained that the pressure transmitters would enable the Authority to check the pressure surges when the pumps turn on at Mt. Olive, Independence and Well # 2. He also stated that currently when the pumps turn on they go on full force. He stated that one possible solution would be to install VFD's which will allow the pumps to power up gradually.

Perry also stated that during the construction project on Valentine Street two manholes were cracked and a valve box was damaged. He confirmed that the Authority would be reimbursed for the damages.



Perry continued by stating he has a meeting on September 27th with the Highland's Council regarding Washington Township's Wastewater Management Plan. Perry confirmed that he submitted GIS data as per their request.

Perry also stated that the Water Conservation Plan has been submitted to the DEP.

Perry continued by stating that the Lead and Copper sampling is currently underway and the Water Utility will be collecting 60 samples.

Perry concluded by stating he has reviewed construction plans for a Medical Building location at 160 Mountain Avenue which was the old Rita's location. He confirmed in his review the plans showed a 2-inch water service going into the building and at present there is a 1-inch service going into the building. He forwarded a letter to the developer and requested a resubmission of the plans.

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

Executive Director Smith began by stating there a total of 8 homes in the area have been found to have sump pumps hooked up to the sanitary sewer. Smith confirmed that letters have been forwarded to the homeowners requesting that they disconnect them from the sanitary sewer.

Smith also stated that a few months ago letters were received from the NJDEP directing the HMUA to take action regarding the Site Remediation for Diamond Hill properties. Smith explained that the Diamond Hill Takeover excuses the HMUA from any Site Remediation responsibility for the prior condition of the properties. Through the assistance of Assemblyman John DiMaio and staff, a letter was received confirming that the HMUA is not responsible.

Smith continued by stating he is still working with Clear Choice Energy regarding the Demand Response. He is working on obtaining more information regarding the running of the generators during bad air days.

Smith also stated he has responded to questions regarding the Shell Gas Station groundwater pollution.

Smith stated that he and John Perry conducted a tour of the Water Pollution Control Plant for Centenary College students on September 28th.

Smith also stated there was a meeting with Brian Cowden and Bob Canace to discuss the preservation of the Reservoir Properties.

Smith concluded by stating that the credit card system with Paymentus continues to move forward and should be up and running within the next few months.

Chairperson Kelly requested Counselor Zaiter to proceed with his report.

Counselor Zaiter stated that 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.

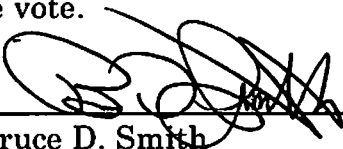
Executive Director Smith stated that he recently talked to an employee about responding to several fire calls outside of the HMUA Service Area. He also stated that he is aware that the employee discussed the subject with at least one Board Member. Smith confirmed that employees have always (20 to 25 years) had the ability to respond to fire calls within the HMUA Service Area and he does not remember any issues or problems with that policy. A lengthy discussion incurred with all Board Members participating. It was suggested that a system be put into place that require any employee responding to a fire call to immediately notify the Business Office. Upon returning to work, the responding employee will notify the Business Office. The Business Office will maintain a log of the names and times.

Smith also stated that discussions concerning employee sick time have been discussed over the last few months and he requested any feedback the Board Members might have. A lengthy discussion insured and it was recommended that the Executive Director and Counselor Zaiter work on proposed modification to the Employee Hand Book revising the days from 15 to 10 days per year.

Deputy Director Perry also reported that there was a call for a sewage blockage by the Golden Skillet and once the lines were camera it was determined that at some point in time a cut was made into the sewer line by what appears to be some kind of electrical box. Perry stated he is working to resolve this matter.

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 – 10:35 P.M.



Bruce D. Smith
Executive Director & Secretary