



HMUA MINUTES

REGULAR
MEETING OF

June 12, 2018

ADMINISTRATION BUILDING
424 Hurley Drive
Hackettstown, NJ



REGULAR MEETING June 12, 2018

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: Pete Paftinos, Angelo Lobosco, Joseph Cortese, 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 May 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 opened the meeting to public participation and noted there were members of the public were present.

Pete Paftinos approached the Board and stated that he has spoken with Kathy regarding five houses that will be demolished to make way for the new Quick Check store. Pete explained that he would like to take the houses down as soon as possible to save money on property taxes, but wants to wait until the Quick Check project to disconnect the existing water and sewer service lines. He confirmed that, back in October, Kathy explained to him that the disconnections are required in order for HMUA to sign off on the demolition permits. Alternatively, he can provide a guarantee, but due to anticipated NJDOT and traffic control requirements, she stated that an engineer would be required to estimate the amount of the guarantee. As an alternative, she requested that \$40,000 be deposited into an escrow account to ensure that the work will be completed.

John DiMaio entered the meeting.

Pete stated that he knows the Authority has some concerns regarding the disconnections not being completed but he assured them that Quick Check is not going away and he knows that this work will be completed as part of the Quick Check project. He asked that the Board waive the escrow/performance guarantee requirement.

Kathy stated that based on the Rules and Regulations, escrow deposits or bonds are held to guarantee that the work will be completed. If the property owner does not complete the work, the Authority must use that escrow or bond to have the work completed. If the work is completed, the escrow funds will be returned to the property owner. Kathy further stated that the majority of water main breaks are on old service lines such as these, which is the reason that this requirement was included in the Rules and Regulations.

The Board acknowledged that the Paftinos family has done many good projects in town and they were not questioning Pete's integrity with regard to getting the work done. Attorney Zaiter stated that HMUA Rules and Regulations must be applied to everyone equally. At this point, it



was decided that the Board would discuss this matter later in Executive Session.

Attorney Zaiter stated that they would be in touch with Mr. Paftinos with the Board's decision. Pete thanked the Board and exited the meeting.

Chairperson Kuster then acknowledged Angelo Lobosco and Joseph Cortese.

Angelo and Joseph approached the Board and thanked them for their time. They stated that they were the owners of 707 Willow Grove Street and have been working to get sewer service to the property. They noted that the existing cesspool is failing and needs to be replaced. They confirmed that Executive Director Corcoran has given them help with locating the nearest sewer lines. They stated they have been in contact with the House of the Good Shepherd with regards to connecting into their force main in Willow Grove Street. They also indicated that there is a sewer line in Bilby Road and another which runs on the property to the back of their property and they may be able to connect to one of those lines.

Executive Director Corcoran stated that the Authority had no problem with them connecting to the sanitary sewer system as long as they received any easements needed from impacted property owners. She also stated that if they should connect into the House of Good Shepherd's force main, they would have to work out any engineering design requirements and expenses regarding the pumped systems with the House of the Good Shepherd. Kathy suggested that they speak with an Engineer who may help them move in the right direction.

Joseph and Angelo thanked the Board for their time and confirmed that they would be in touch with Kathy to discuss the direction they would be moving in.

Joseph and Angelo exited the meeting.

Chairperson Kuster stated the next agenda item was discussion and possible action regarding any project change orders. Executive Director Corcoran stated there were no project change orders.

Chairperson Kuster stated the next agenda item was to entertain Resolutions approving the Operations Expense Account requisitions #OEA-1132 and #OEA-1133 in the total aggregate amount of \$221,442.21.

The following Resolution #18-3304 was proposed by John DiMaio who moved its adoption:

Resolution #18-3304

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

Dated:	May 11, 2018	OEA- 1132	SL-12	\$107,240.54
Dated:	May 25, 2018	OEA- 1133	SL-13	<u>114,201.67</u>
			Total	\$221,442.21

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

Chairperson Kuster stated the next agenda item was to entertain a Resolution approving Construction Aid Fund Requisition #CAF-413 in the amount of \$127,828.16. The following Resolution #18-3305 was proposed by Harper who moved its adoption:



Resolution #18-3305

BE IT RESOLVED, that the following Construction Aid Fund Requisition #CAF-413 be formally approved:

REQUISITION #CAF-413

Pillari Bros.	Contract 47W Application #1	\$ 114,085.96
Suburban Consulting	Engineering Services	<u>13,742.20</u>
	Total	\$ 127,828.16

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

Chairperson Kuster stated the next agenda item was to entertain a Resolution approving Renewal & Replacement Fund Requisition #RR-246 in the aggregate amount of \$16,235.00. The following Resolution #18-3306 was proposed by John DiMaio who moved its adoption.

Resolution #18-3306

BE IT RESOLVED, that the following Renewal and Replacement Fund Requisition #RR-246 be formally approved:

REQUISITION #RR-246

Water Works Supply Company	5/8" Water Meters/ERTs	<u>\$ 16,235.00</u>
	Total	\$ 16,235.00

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

Chairperson Kuster stated the next agenda item was to entertain a Resolution approving Escrow Subaccount Requisition #ESR-278 in the amount of \$9,234.00. The following Resolution #18-3307 was proposed by Kunz, who moved its adoption:

Resolution #18-3307

BE IT RESOLVED, that the following Escrow Subaccount Requisition #ESR-278 be formally approved:

REQUISITION #ESR-278

Mott MacDonald	2016 MOUNTAIN	\$ 795.50
Mott MacDonald	HEATH VILLAGE	3,881.50
Mott MacDonald	LIONGATE	3,714.00
Mott MacDonald	WOODMONT INDEPENDENCE	<u>843.00</u>
	Total	\$ 9,234.00

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

Chairperson Kuster stated the next agenda item was discussion and possible action to purchase property in Independence Township for siting of a new water storage tank.

Kathy explained that she and Mott MacDonald representatives met with Highlands Council representatives with regards to the site where they would like to install the new 1.0 tank. She



confirmed that the project should qualify for the Highlands #11 Exemption and the existing tank would not have to be removed but some mitigation will likely be required, consisting of planting trees or invasive species management. Highlands representatives stated that this approval would be under the jurisdiction of the Executive Director and would not require a public hearing with the Highlands Council. Once Highlands Council approval is obtained, it will not expire. Mott MacDonald will be completing additional survey, environmental and engineering evaluations with regard to the project to confirm the proposed 1.0 acre parcel location and take the plans to a level where we can move ahead with Highlands Council approval and purchase of the property in collaboration with the County. She requested Board approval to work with the County to purchase the property. Any agreement with the County would account for the ability to sell it back to them for the purchase price if required approvals cannot be obtained.

The following Resolution #18-3308 was proposed by Kunz who moved its adoption.

Resolution #18-3308

WHEREAS, the Hackettstown Municipal Utilities Authority has plans to build a new 1.0 MG water storage tank to replace the existing 1.0 MG tank as a future capital project; and

WHEREAS, the Authority has met with the County and the Highlands Council regarding a proposed location for a new water tank in Independence Township, NJ; therefore

BE IT RESOLVED, the Hackettstown Municipal Utilities Authority hereby authorizes the Executive Director to work with the County and current property owner to purchase property for the 1.0 MG tank for a price not to exceed \$3,000.00.

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

Chairperson Kuster requested the Office Manager to proceed with her report.

Debbie began by giving an overview of the numbers for collections and credit card payments. She noted that since they began doing the Robo calls the number of collections seems to have dropped. She also confirmed that having the credit card online payment website helps with collections.

Debbie concluded by stating the office staff is working hard on setting up appointments to replace old meters and has reduced the number of ARB's by more than half. She confirmed that cycle 1 has 54 left, cycle 2 has 21 left, and cycle 3 has 404 left. She noted that the reason cycle 3 has more is because this section is part of Woodfield, which is a newer development and they are really trying to get the older sections done first.

Board Member Harper asked if there was a reason that customers could not make a payment of over \$300.00 online for credit card payments. Debbie explained that when this was set up she believed if you wanted to take payments over \$300.00, the surcharge to the customer would be higher. She confirmed that she would look into it and get back to the Board.

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

Executive Director Corcoran stated that they received a letter from the owner of 306 High Street which she forwarded to the Board. She stated the owner is requesting a refund for water and sewer charges back to 2015 as it was determined that the property was listed as commercial and



not residential. Kathy asked Debbie to give the Board an overview of what happened.

Debbie stated that at one time the property was being used for a business. She confirmed she asked the homeowner to get a letter from the town stating that it was a single family home, which is standard procedure when someone wants to change the classification of a property. The tax assessor's office confirmed it was listed as a single family home since the current owners purchase in 2015. A discussion ensued and the Board agreed that the customer was due a refund of all excess charges, which includes \$533.26 for sewer and \$60.11 for water. The Board also requested that Debbie investigate whether there is a way to put account type on the bills.

Executive Director Corcoran began by stating the Auditors have prepared a draft of the audit, which she reviewed and provided comments. She also met with Robert McNinch to review the comments. She stated the audit provides an overview of the bond covenants in addition to background information on the HMUA pension and benefits obligations. In Vinny's absence and being new to the HMUA, they did a lot of background investigation. She confirmed that they did note some concerns and will be working with the office staff to make some system adjustments, which will help to streamline things.

Kathy also stated that the audit confirms that we will have to watch our capital spending closely on the water side. The Auditor will be attending the July meeting to discuss the audit and to review the Capital Project Funding for the water utility. Kathy indicated that this may involve a rate increase or NJEIT funding. She also suggested that the Board may want to set up a finance subcommittee to discuss matters in more detail than would typically be discussed in public session.

Kathy continued by stating Woodfield is moving forward with construction on Section 3A. In addition, WaWa is moving forward with their construction; however they are waiting for the NJDOT permit issued to HMUA for the road opening in Mountain Ave.

Kathy also stated the Sewer Utility continues to work with APG to resolve the issues with the blowers. APG has indicated that the issue is with a card in the VFD, so we are waiting to receive the upgraded cards and hope this will finally resolve the problem with overcurrent faults.

Kathy continued by stating the Arsenic Treatability study began in May and the next sampling date is June 26-27.

Kathy also stated they held a pre-bid meeting on May 16th for the Nitrification System Upgrade project and the bid opening is scheduled for June 20th.

Kathy also stated Mott MacDonald is currently looking into the cost and feasibility of using peracetic acid as an alternative to UV disinfection, so for now, she has put the RFP for the UV disinfection system on hold.

Kathy continued by stating water usage has been similar to last year. May was higher due to flushing of the hydrants. She confirmed that the flushing went well, and staff found eight hydrants needing repair and two needing replacement.

Kathy also stated we have completed the Lead and Copper sampling for the first half of the year and passed. She stated since we passed two rounds on standard monitoring, she is going to request a reduction in monitoring from NJDEP.



Kathy stated the water main project is moving along very well and the contractor has been good to work with. She confirmed that Richard Drive is just about completed; they have installed most of the main on Cindy Terr. and are now working on Hurley Drive.

Kathy also explained that they are still having issues obtaining the County road opening permit for the project, which was filed back in January. She stated that this could ultimately cause a delay for the project. We received our first response from the County on April 16th and the Authority responded on April 26th following a meeting with the County Engineer. On June 8th, we received the County response regarding Pine Street, one of four areas with additional comments/requirements. This delayed review is now expected to result in change orders for the engineer, who has spent multiple hours revising drawings, preparing responses and trying to communicate with the County. Kathy stated that if we cannot obtain the required County approvals, one option is to keep the construction outside of the county road ROWs entirely.

Kathy also stated that soil contamination has been found on Maple and Franklin Streets in various degrees, but will be costly to dispose. More testing was completed to determine specific areas of contamination, and results are being reviewed. The Town Engineer has indicated that reuse of the soil is possibly if the soil is determined to be suitable. She stated that they are having the contractor do test pits and proctor testing for submittal to the Town Engineer for review. Regardless of the outcome of the tests, the Authority will need to dispose of some contaminated soil and looking at stockpiling at WFP for later disposal under a separate contract.

Kathy also stated Mott MacDonald is putting together pricing for the Asset Management Plan required under the Water Quality Accountability Act. This is required to be a comprehensive plan, which will need to be continuously updated.

Kathy concluded by stating she has spoken with AEA regarding the Deputy Director position and they have informed her that there are some resources available, although somewhat dated, to help her gather information on salary ranges. She confirmed that she will continue to work on gathering this information and reach out to similar agencies.

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 suggested that the Board convene into Executive Session.

Chairperson Kuster stated he would entertain a motion to convene into Executive Session. Resolution #18-3309 was proposed by Kunz, who moved its adoption.

Resolution #18-3309

BE IT RESOLVED, on this 12th day of June by the Hackettstown Municipal Utilities Authority and pursuant to N.J.S.A. 10:4-1 et. seq., the Authority shall discuss Potential Litigation in Executive Session.

It is not possible, at this time, for the Authority to determine when and under what circumstances the above referenced item, which is to be discussed in Executive Session, can be publicly disclosed.

The motion to convene into Executive Session was seconded by John DiMaio. Ayes: Kuster,



John DiMaio, Harper and Kunz.

THEREFORE, BE IT RESOLVED, on this 12th day of June, 2018 by the Hackettstown Municipal Utilities Authority that the matters, as noted above, will be discussed in Executive Session, said session commencing at 8:40 PM.

John DiMaio moved to end Executive Session and re-enter Regular Session, said motion being seconded by Kunz and all indicating approval at 8:55 PM. No formal action was taken during Executive Session.

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

Time – 8:55PM

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