



HMUA MINUTES

REGULAR  
MEETING OF

October 8, 2019

ADMINISTRATION BUILDING  
424 Hurley Drive  
Hackettstown, NJ



REGULAR MEETING October 8, 2019

JACOB GARABED ADMINISTRATION BUILDING

The meeting was called to order by Chairperson Kuster at 7:01 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: Robert McNich, Engineer David Klemm, Counselor John Zaiter, Executive Director Corcoran, Deputy Director Biank, and Recording Secretary Palma.

Chairperson Kuster led a salute of the United States Flag.

John DiMaio entered the meeting.

Chairperson Kuster indicated approval of the September 10<sup>th</sup> Regular Meeting minutes as the next agenda item. A motion to approve the minutes was made by Harper, being seconded by Kunz with Kuster, Harper and Kunz voting yea and John DiMaio abstaining.

At this point it was suggested to have Robert McNich discuss the budgets and the possibility of a rate increase for the water and sewer connection fees.

Rob began by stating he has completed the rate study based on the audit for the 2017/2018 Fiscal Year and found that the water rate should increase from \$5,530 to \$5,773 and that sewer should decrease from \$5,505 to \$5,500. He confirmed that these rates are based on costs associated with total investment in the system for each utility divided by the number of equivalent dwelling units. Rob reminded the Board that a public hearing would be required should they decide to move forward with the calculated rate change.

Rob also discussed the 2020 budget with regards to the 5 year capital project plan. He confirmed that the Authority is in good shape for the coming year regarding capital projects, but will need significant incoming funds for future years, or project financing will likely be required.

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

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

Chairperson Kuster stated the next agenda item was to entertain Resolutions approving the Operations Expense Account Requisitions #OEA-1167 and #OEA-1168 in the total amount aggregate amount of \$224,362.71.

The following Resolution #19-3421 was proposed by John DiMaio who moved its adoption:

Resolution #19-3421

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

Dated: September 13, 2019 OEA-1167 SL-21 \$118,858.99



Dated: September 27, 2019 OEA-1168 SL-22 105,503.72  
 Total \$224,362.71

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

Chairperson Kuster stated the next agenda item was to entertain a Resolution approving Renewal & Replacement Fund Requisition #RR-262 in the aggregate amount of \$12,968.50. The following Resolution #19-3422 was proposed by Kunz who moved its adoption.

Resolution #19-3422

BE IT RESOLVED, that the following Renewal and Replacement Fund Requisition #RR-262 be formally approved:

REQUISITION #RR-262

|                             |                             |                 |
|-----------------------------|-----------------------------|-----------------|
| Brenntag Lubricants         | Shell Omala S4 GXV          | \$ 2,483.57     |
| Capitol Supply Construction | Stud Nut/16" Stem/Hinge Pin | 997.88          |
| Quality Controls, Inc.      | Ultra Violet Tank Bulbs     | 6,909.00        |
| Water Works Supply          | 5 1/4" Low Lead Hydrant     | <u>2,578.05</u> |
|                             | Total                       | \$ 12,968.50    |

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

Chairperson Kuster stated the next agenda item was to entertain a Resolution approving Escrow Subaccount Requisition #ESR-293 in the amount of \$3,957.74. The following Resolution #19-3423 was proposed by Harper who moved its adoption.

Resolution #19-3423

BE IT RESOLVED, that the following Escrow Subaccount Requisition #ESR-293 be formally approved:

REQUISITION #ESR-293

|                |               |               |
|----------------|---------------|---------------|
| Mott MacDonald | CVS           | \$ 3,503.24   |
| Mott MacDonald | HEATH VILLAGE | <u>454.50</u> |
|                | Total         | \$ 3,957.74   |

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

Chairperson Kuster stated the next agenda item was discussion and possible action to approve and adopt a Resolution for the late introduction of the Authority Budgets for FY 2019-2020.

After a brief discussion, the following Resolution #19-3424 was proposed by John DiMaio who moved its adoption.

Resolution #19-3424

WHEREAS, the Local Authorities Law requires every Authority to transmit three certified



copies of the Budget to the Director of Local Government Services at least 60 days prior to the end of the current fiscal year; and

WHEREAS, the Town of Hackettstown Municipal Utilities Authority Budget for the fiscal year ended November 30, 2020 was due on October 1, 2019;

NOW, THEREFORE BE IT RESOLVED, by the Commissioners of the Town of Hackettstown Municipal Utilities Authority that the reason for the late introduction of the Authority Budget for the fiscal year ended November 30, 2020 is that the Authority's estimated capital project costs were not known at the time the Budget was to be legally introduced.

This Resolution was seconded by Kunz and upon roll call vote carried:

Ayes: Kuster, John DiMaio, Harper and Kunz

Jerry DiMaio entered the meeting.

Chairperson Kuster stated the next agenda item was discussion and possible action to approve the FY 2019-2020 Budgets. Kathy provided a brief overview of the proposed operating and capital budgets. She pointed out major increases in chemical costs and sludge hauling costs that have had a significant impact on overall costs. She also stated that some workers at the Operator Trainee and Operator 1 levels have reached the maximum of their respective salary ranges, in addition to one worker in the Senior Operator position. She recommends holding the Trainee and Level 1 salary ranges as is to incentivize operator training and licenses; however, she proposed an increase the Senior Operator salary range to \$80,000 to allow for merit increases for deserving workers in that position.

The following Resolution #19-3425 was proposed by Harper who moved its adoption.

Resolution #19-3425

WHEREAS, the Annual Budget and Capital Budget for the Town of Hackettstown Municipal Utilities Authority for the fiscal year beginning December 1, 2019 and ending November 30, 2020 has been presented before the governing body of the Town of Hackettstown Municipal Utilities Authority at its open public meeting of October 8, 2019; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues of \$4,931,000, Total Appropriations, including any Accumulated Deficit if any, of \$4,931,000 and Total Unrestricted Net Position utilized of \$0; and

WHEREAS, the Capital Budget as introduced reflects Total Capital Appropriations of \$2,402,000 and Total Unrestricted Net Position planned to be utilized as funding thereof, of \$0; total Renewal and Replacement Reserve funds planned to be utilized of \$1,375,000, Total other sources (Construction Aid Fund) planned to be utilized of \$1,027,000; 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 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 8, 2019 that the Annual Budget, including all related schedules, and the Capital Budget/Program of the Town of Hackettstown Municipal Utilities Authority for the fiscal year beginning December 1, 2019 and ending November 30, 2020 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 12, 2019.

The Resolution was seconded by Kunz and upon roll call vote carried:

Ayes: Kuster, Jerry DiMaio, John DiMaio, Harper and Kunz voting yea.

Chairperson Kuster stated the next agenda item was discussion and possible action to move forward with a rate hearing in regards to the connection fees calculation.

A motion was made by Kunz to move forward with the Public Notice of the water and sewer connection fees rate hearing. This motion was seconded by Harper and upon roll call vote carried:

Ayes: Kuster, Jerry DiMaio, John DiMaio, Harper and Kunz voting yea.

Chairperson Kuster stated the next agenda item was discussion and possible action to ratify budget line item transfers. After a brief discussion, the following Resolution #19-3426 was proposed by John DiMaio who moved its adoption.

Resolution #19-3426

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 – Electric (63301) is decreased by \$5,000. Water – Chemicals (63101) is increased by \$5,000. Sewer – Electric and Gas (73302) is decreased by \$25,000 and Treatment – Maint & Supplies (70602) is decreased by \$5,000 and Chemicals (73102) is increased by \$30,000.

This Resolution was seconded by Jerry DiMaio and upon roll call vote carried:



Ayes: Kuster, Jerry DiMaio, John DiMaio, Harper and Kunz voting yea.

Chairperson Kuster requested the reports from the Executive Director and Deputy Director.

Executive Director Corcoran stated she received two proposals for Mott MacDonald: one in the amount of \$6,500 to do the annual inspection which is required by bond issuance, and a second in the amount of \$15,700 for preparation of contract documents and bid services for the soil disposal. Public bidding for the soil disposal cannot be avoided due to Local Public Contracts Law.

Executive Director Corcoran began by giving an update on developer projects as follows:

- Heath Village West is continuing construction and the Authority continues the water and sewer system inspections.
- Quick Check has met all the requirements of the Authority and is good to go.
- Woodmont is awaiting County approval.
- Residences at Bilby Road submitted new application for tentative approval along with plans and Planning Board approval,

Kathy stated that a new Application for Tentative Approval dated 10/01/19 was received for the Residences at Bilby Road project, with updated drawings (Rev. 09/24/19) and Town of Hackettstown Planning Board approval dated 09/24/19. This application replaces the Applications for Tentative and Final Approval dated 03/08/19 and 03/11/19, respectively. The project is currently planned to be a phased project, as was verbally confirmed by Mr. Peter Paftinos of Moudro Corporation on 10/08/19. The prior final approval application dated 03/11/19 included the entire 275 residential unit project, which indicated the project would be completed as a single overall project.

Kathy explained that the March 2019 applications were never deemed complete as planning board approval was required for administrative completeness of both the tentative and final approval applications. Additionally, payment of connection fees, and submittal of construction cost estimates and all permit applications were required for processing the final approval application. None of these required documents were provided for the March 2019 applications.

Kathy stated that it is typical to proceed with such a large residential project in phases. This would require Tentative Approval by the Board followed by Application for Final Approval for the various phases and Moudro Corp has indicated it intends to proceed in this manner. The 03/08/19 Application for Tentative Approval for the Residences at Bilby Road has been superseded by the recent 10/01/19 application. Based on the Rules and Regulations of the Authority, Kathy suggested that the Board deem the 03/11/19 Application for Final Approval as administratively incomplete and deem the recent 10/01/19 Residences at Bilby Road Application for Tentative Approval as complete.

A motion was made by Kunz to reject the application for Final Approval dated 03/11/19 for Residences at Bilby Road as being incomplete. This motion was seconded by John DiMaio and upon roll call vote carried:

Ayes: Kuster, Jerry DiMaio, John DiMaio, Harper and Kunz

A motion was made by John DiMaio to accept the Application for Tentative Approval received on October 1, 2019 for the Residences at Bilby Road as administratively complete. This motion



was seconded by Harper and upon roll call vote carried:

Ayes: Kuster, Jerry DiMaio, John DiMaio, Harper and Kunz voting yea.

Kathy also stated that a meeting was held September 19<sup>th</sup> with regarding to the Arsenic Treatability study at the NJDEP, attended by representatives from NJDEP, USEPA and PhD's from throughout NJ. The results documented that not much more can be done to remove arsenic from our wastewater beyond what the HMUA is already doing with Alum addition for phosphorus removal. NJDEP plans to change its rules to allow for variances and they also plan to prepare a variance manual over the next couple years. She also confirmed that the Authority has its "stay" in place on the NJPDES arsenic limit, and we also have an adjudicatory hearing request in place.

Kathy continued by stating that they are still receiving high dissolved oxygen readings. They are currently operating the blowers at the lowest possible settings, which should save on energy cost. Neuros continues to work on the blower settings to determine what is causing the alarms and shut downs; however, these have been less frequent.

Kathy also stated the pilot PAA chemical injection and testing has been completed. Mott MacDonald is working on evaluating the results from the full scale PAA trials and preparing a report to summarize the trials, provide recommendations and estimated operating costs.

Kathy also stated the sewer utility has been repairing manholes on Herbert Lane, removing struvite buildup in the digester lines, and draining clarifier tanks for maintenance and inspection.

Kathy also stated that the Capital Budget for the WPCP is significant, which was largely due to the proposed conversion to natural gas. She deferred to Frank for details on the project.

Frank stated that he is continuing efforts for the conversion from fuel oil to natural gas at the WPCP. Frank shared projected lifecycle costs, showing a significant savings when utilizing natural gas for heating versus fuel oil. He also suggested that the HMUA move forward with acquiring easements. The Board was in agreement and suggested that the easement acquisition process begin. Kathy pointed out that the timing is good to do the conversion to natural gas due to the age of underground storage tanks and the Admin. Bldg. generator (48 years).

On the Water Utility side, Kathy stated that the County rejected the price of \$135,000 for the 1.0 tank land. The Authority accepted the price of \$68,500 and the County is now moving head with a draft sales agreement.

Kathy also stated the water usage for September was lower than last year by 60,000 gallons. She confirmed that the valve exercising program is going well with over 500 valves tested, and there have been no major issues.

Kathy concluded she forwarded a letter to M&M Mars site director requesting their assistance with water accountability. Since then, there has been a lot of activity between M&M and our office, we have seen draft plans of a meter pit at the property line and they have indicated they intend to construct it in the near future.

Chairperson Kuster requested Counselor Zaiter to proceed with his report. Counselor Zaiter suggested the Board convene into Executive Session.

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



Resolution #19-3427 was proposed by John DiMaio who moved its adoption. The motion to convene into Executive Session was seconded by Kunz. Ayes: Kuster, Jerry DiMaio, John DiMaio, Harper and Kunz.

Resolution #19-3427

BE IT RESOLVED, on this 8th day of October, 2019 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.

THEREFORE, BE IT RESOLVED, on this 8th day of October, 2019 by the Hackettstown Municipal Utilities Authority that the matters, as noted above, will be discussed in Executive Session, said session commencing at 8:25 PM.

John DiMaio moved to end Executive Session and re-enter Regular Session, said motion being seconded by Kunz and all indicating approval at 8:41 PM. No formal action was taken during Executive Session.

Chairperson Kuster asked 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 Jerry DiMaio, seconded by Harper and followed by a unanimous voice vote.

Time – 8:40 P.M.

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